

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

Legislative Document

No. 1047

H. P. 845

House of Representatives, March 6, 1979

The Speaker laid before the House and on Motion of Mrs. Damren of Belgrade, referred to the Committee on Business Legislation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mrs. Damren of Belgrade.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-NINE

AN ACT to Include Independent Contractors within Deferred Compensation Plans.

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. 5 MRSA § 881, as enacted by PL 1973, c. 491, is amended by adding at the end a new paragraph to read:

The State or any county, city, town or other political subdivision may, by contract, agree with any independent contractor who provides services thereto on a regular basis, to defer, in whole or in part, any portion of that independent contractor's compensation from the State, county, city, town or political subdivision pursuant to deferred compensation plans made available to employees by this chapter, except that upon commencement of distribution of payments under the plan, the State, county, city, town or political subdivision shall not withhold for payment of taxes any portion of the independent contractor's compensation.

Sec. 2. 5 MRSA § 886, as enacted by PL 1973, c. 491, is amended by adding at the end a new paragraph to read:

For purposes of this chapter, "independent contractor" means any person not a classified or unclassified employee of the State, county, city, town or political

subdivision who provides services to or on their behalf pursuant to a contract where no employee-employer relationship exists between the person providing services under the contract and the person supervising performance of the contract.

STATEMENT OF FACT

The purpose of this bill is to permit independent contractors providing services to the State, county, city, town or political subdivision to participate in their deferred compensation plans.