

# MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

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ONE HUNDRED AND TENTH LEGISLATURE

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Legislative Document

No. 87

S. P. 61

In Senate, January 7, 1981

Submitted by the Department of Manpower Affairs pursuant to Joint Rule  
24.

Referred to the Committee on Labor. Sent down for concurrence and  
ordered printed.

MAY M. ROSS, Secretary of the Senate

Presented by Senator Dutremble of York.

Cosponsor: Senator Tuttle of Sanford.

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STATE OF MAINE

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IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-ONE

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**AN ACT Relating to the Period for Establishing Employer Contribution Rates  
under the Employment Security Law.**

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

Sec. 1. 26 MRSA § 1221, sub-§ 4, ¶ B, first ¶, as last repealed and replaced by  
PL 1973, c. 563, § 2, is amended to read:

Subject to paragraph A, each employer's contribution rate for the 12-month period  
commencing ~~July 1st~~ **January 1st** of each year shall be based upon his experience  
rating record and determined from his reserve ratio, which is the percent  
obtained by dividing the amount by which, if any, his contributions credited from  
the time he first or most recently became an employer, whichever date is later,  
and up to and including ~~December 31st~~ **June 30th** of the preceding year, including  
any part of his contributions due for that year payable on or before ~~January 31st~~  
**July 31st** of the ~~current~~ **preceding** year, exceed his benefits charged during the  
same period, by his average annual payroll for the 36-consecutive-month period  
ending ~~December 31st~~ **June 30th** of the preceding year. His contribution rate is the  
percent shown on the line of the following table on which in column A there is  
indicated his reserve ratio and under the schedule within which the reserve  
multiple falls as of ~~May 31st~~ **September 30th** of each year. The following table will

apply for each 12-month period commencing ~~July 1st~~ **January 1st** of each year as determined by paragraph C. **Notwithstanding any other provisions of this paragraph each employer's contribution rate assigned for rate period July 1, 1980 to June 30, 1981, shall be extended through the 6-month period July 1, 1981 to December 31, 1981.**

**Sec. 2. 26 MRSA § 1221, sub-§ 4, ¶ C, last sentence, as repealed and replaced by PL 1973, c. 563, § 2, is amended to read:**

The determination date shall be ~~May 31st~~ **September 30th** of each calendar year, and the schedule of contribution rates to apply for the 12-month period commencing ~~July 1st~~ **January 1st**, shall be as determined by this reserve multiple.

**Sec. 3. 26 MRSA § 1221, sub-§ 4, ¶ D, is amended to read:**

**D.** As used in this section, the words "contributions credited" and "benefits charged" means the contributions credited to and the benefits paid and chargeable against the "experience rating record" of an employer as provided in subsection 3, including all contributions due and paid on or before ~~January 31st of the year that immediately follows~~ **July 31st following** the computation date and all benefits paid and chargeable on or before the computation date.

**Sec. 4. 26 MRSA § 1221, sub-§ 4, ¶ E, sub-¶ (1), first sentence, as repealed and replaced by PL 1977, c. 694, § 478, is amended to read:**

Shall promptly notify each employer of his rate of contributions as determined for the 12-month period commencing ~~July 1st~~ **January 1st** of each year pursuant to this section.

**Sec. 5. 26 MRSA § 1221, sub-§ 4, ¶ E, sub-¶ (2), last sentence, is amended to read:**

Such redetermination, made after notice and opportunity for hearing, and the commission's findings of fact in connection therewith, may be introduced in any subsequent administrative or judicial proceedings involving the determination of the rate of contributions of any employer for the 12-month period commencing ~~July 1st~~ **January 1st** of any year and shall be entitled to the same finality as is provided in this section with respect to the findings of fact made by the commission in proceedings to redetermine the contribution rates of an employer.

**Sec. 6. 26 MRSA § 1221, sub-§ 4, ¶ F, first sentence, is amended to read:**

Notwithstanding any other inconsistent law, any employer, who has been notified of his rate of contribution as required by paragraph E, subparagraph (1), for any year commencing ~~July 1st~~ **January 1st**, may voluntarily make payment of additional contributions, and, upon such payment, shall promptly receive a recomputation and renotification of his contribution rate for such year, including in the calculation the additional contributions so made.

**Sec. 7. 26 MRSA § 1221, sub-§ 5, ¶ B, is repealed and the following enacted in its place:**

**B. From the date of acquisition to the end of the current rate period in which the acquisition took place the contribution rate of the successor employer shall remain as previously determined immediately prior to the acquisition and a newly computed rate shall be determined on the combined experience of the predecessor and successor as of the regular computation date for subsequent contribution rate periods.**

**Sec. 8. 26 MRSA § 1221, sub-§ 6, ¶ A, as amended by PL 1979, c. 651, § 45, is further amended to read:**

**A. Computation date.** “Computation date” shall be ~~December 31st~~ **June 30th** of each calendar year, and the reserve ratio of each employer entitled to this section shall be determined by the commissioner as of that date.

**Sec. 9. 26 MRSA § 1221, sub-§ 6, ¶¶ B, C and F, as repealed and replaced by PL 1973, c. 563, § 3, are amended to read:**

**B. Effective date.** “Effective date” shall be the date on which the new rates shall become effective and shall be ~~July 1st~~ **January 1st** of each calendar year.

**C. Fund reserve ratio.** “Fund reserve ratio” means the net balance available for benefit payments as of ~~May 31st~~ **September 30th** of each calendar year divided by the total wages for the preceding calendar year.

**F. Rate year.** “Rate year” shall be the 12-month period commencing ~~July 1st~~ **January 1st** of each year.

**Sec. 10. 26 MRSA § 1221, sub-§ 7, as amended by PL 1977, c. 675, § 26, is further amended to read:**

**7. Period of time to compute rates.** The commissioner shall have from ~~January 1st~~ **July 1st** to ~~June 30th~~ **December 31st** of each calendar year for the purpose of computing the rates of each employer entitled to the benefits of this section.

#### STATEMENT OF FACT

This bill provides that employer contribution rates for the state unemployment compensation program will be established for a calendar year basis rather than the current July to June period. With this change, the rate year for the state program will be the same as that of the federal unemployment tax certification credit period. This change eliminates paperwork for both employers and the Bureau of Employment Security of the Department of Manpower Affairs.