

MAINE STATE LEGISLATURE

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EMERGENCY
FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

Legislative Document

No. 402

H. P. 354

House of Representatives, January 22, 1981

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

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

EDWIN H. PERT, Clerk

Presented by Representative Tuttle of Sanford.

Cosponsors: Representative Vose of Eastport, Representative LaPlante
of Sabattus and Representative E. Paradis of Old Town.

STATE OF MAINE

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

**AN ACT Relating to Unemployment Compensation Benefits for Persons
Receiving a Pension or Retirement Pay.**

Emergency preamble. Whereas, Acts of the Legislature do not become
effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the Employment Security Law must provide for deduction of pension
payments in the circumstances prescribed by the Federal Unemployment Tax
Act; and

Whereas, amendments made by the United States Unemployment Tax Act,
Public Law 96-364, modify the pension deduction provisions prescribed therein;
and

Whereas, some unemployed individuals would be eligible for compensation
under terms of the modified provision, but would otherwise be denied benefits;
and

Whereas, this modified federal provision could be effective at once; and

Whereas, in the judgment of the Legislature, these facts create an emergency

within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. 26 MRSA § 1193, sub-§ 5, ¶C, as amended by PL 1971, c. 305, is repealed.

Sec. 2. 26 MRSA § 1193, sub-§ 5, last ¶, as amended by PL 1965, c. 381, § 18, is further amended to read:

If such remuneration under ~~paragraphs A and C~~ paragraph A is less than the benefits which would otherwise be due under this chapter, he shall be entitled to receive for such week, if otherwise eligible, benefits reduced by the amount of such remuneration, provided that any fraction of a dollar included in the weekly remuneration received shall be disregarded; ~~except that, with respect to pension payments, no claimant will be disqualified from receiving benefits, nor will benefits be reduced, because of such payments if his benefits are based entirely on wages earned from employment other than that from which he retired;~~

Sec. 3. 26 MRSA § 1193, sub-§ 8, as enacted by PL 1979, c. 515, § 16-A, is repealed.

Sec. 4. 26 MRSA § 1193, sub-§ 9 is enacted to read:

9. Receiving pension. For any week with respect to which he is receiving a governmental or other pension, retirement or retired pay, annuity or any other similar periodic payment under a plan maintained or contributed to by a base period or chargeable employer; except that if the prorated weekly amount of the payment is less than the benefits which would otherwise be due under this chapter, he shall be entitled to receive for the week, if otherwise eligible, benefits reduced:

- A. By 1/2 the prorated weekly amount of the pension if at least 1/2, but less than 100% of the contributions to the plan were provided by the individual;
- B. By the entire prorated weekly amount of the pension if paragraph A or C does not apply; or
- C. By no part of the pension if the entire contributions to the plan were provided by the individual or by the individual and an employer, or any other person or organization, who is not a base period or chargeable employer.

No reduction may be made under this subsection by reason of the receipt of a pension if the services performed by the individual during the base period, or remuneration received for these services, for the employer did not affect the individual's eligibility for, or increase the amount of, such pension, retirement or retired pay, annuity or similar payment. The conditions specified by this paragraph shall not apply to pensions paid under the United States Social Security Act or the Railroad Retirement Act of 1974, or the corresponding provisions of

prior law. Payments made under such Acts shall be treated solely in the manner specified by paragraphs A, B and C.

Emergency clause. In view of the emergency cited in the preamble, this Act shall become effective when approved.

STATEMENT OF FACT

This bill provides for less stringent conditions, to the extent permitted by Congressional enactment PL 96-364, under which pensions must be deducted from unemployment benefits pursuant to the federal law requirement.

Under present language of this section, for conformity with prior federal requirements, the full prorated weekly amount of any governmental or other pension based on any previous work of the individual is deducted from weekly unemployment benefit payments.

This change will limit the deduction to only those pension payments derived under a plan contributed to or maintained by a base period or chargeable employer. Further, the deduction is to take into account the employee's share of contributions to the pension fund, under the provisions of this amendment as permitted but not required by federal statute.