

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

Legislative Document

No. 732

H. P. 642

House of Representatives, February 9, 1981

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

EDWIN H. PERT, Clerk

Presented by Representative Beaulieu of Portland.

STATE OF MAINE

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

AN ACT to Establish Reasonable Limitation on the Recovery of Unemployment Compensation Benefits Overpaid in Nonfraud Cases.

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

26 MRSA § 1051, sub-§ 5, as last amended by PL 1977, c. 460, § 2, is further amended to read:

5. **Refusal to repay erroneous payments.** If, after due notice, any person refuses to repay amounts erroneously paid to him as unemployment benefits, the amounts due from such person shall be collectible in the manner provided in subsection 6 or in the discretion of the commission ~~the amount erroneously paid to such person that amount~~ may be deducted from any future benefits payable to him under this chapter **within one year of the receipt of the erroneously paid benefits; provided that under no circumstances may that amount be deducted from benefits payable to him in a period of employment subsequent to the one in which the erroneously paid benefits were received.** ~~Provided that there~~ There shall be no recovery of payments from any person who, in the judgment of at least 2 commissioners, is without fault on his part and where, in the judgment of the commission, such recovery would defeat the purpose of benefits otherwise authorized or would be against equity and good conscience.

STATEMENT OF FACT

The Department of Manpower Affairs has the option of recovering unemployment compensation benefits mistakenly paid to a person by reducing his future benefits until the overpayments are repaid. Because there is presently no limitation on the time within which this method of recovery may be used, claimants often find that benefits due them in subsequent periods of unemployment are withheld to satisfy overpayment incurred through no fault of their own 2 or 3 years before. The uncertainty created by the present statute is extremely disruptive to families, many of which must depend on unemployment benefits as their only source of support during periods of economic hardship.

This bill simply prohibits the department from collecting erroneously paid benefits by withholding a claimant's future benefits more than a year after the overpayment occurred. It also prohibits them from recouping from benefits due in future, unrelated periods of unemployment. It does not stop the department from pursuing other methods available to them under law for recovering erroneous payments.