

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

Legislative Document

No. 763

H. P. 641

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 Baker of Portland.

STATE OF MAINE

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

AN ACT to Protect the Integrity of the Unemployment Compensation Fund.

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

26 MRSA § 1043, sub-§ 19, ¶ A, first sentence, as amended by PL 1977, c. 570, § 18, is further amended to read:

For the purpose of section 1221, the term "wages" shall not include that part of remuneration which after remuneration equal to \$3,000 through December 31, 1971, \$4,200 through December 31, 1977, ~~and on and after January 1, 1978 that part of remuneration equal to \$6,000 through December 31, 1981, and on or after January 1, 1982 that part of remuneration equal to \$12,000~~ has been paid in a calendar year to an individual by an employer or his predecessor with respect to employment during any calendar year, is paid to such individual by such employer during such calendar year, unless that part of the remuneration is subject to a tax under a federal law imposing a tax against which credit may be taken for contributions required to be paid into a state unemployment fund.

STATEMENT OF FACT

In recent years the Unemployment Compensation Fund has been seriously threatened by the failure to require employer contributions sufficient to insure its solvency. When the Social Security Act was originally passed in the 1930's it established the same wage base for both the social security and unemployment

compensation programs. Since that time the wage base for the social security program has increased repeatedly to its present amount of \$25,900.

This bill would increase the amount of wages upon which unemployment compensation taxes are paid thus insuring the adequacy of the fund during a time when the economy necessitates this protection.