

MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION
2

3 ONE HUNDRED AND ELEVENTH LEGISLATURE
4

5 Legislative Document

No. 490

6
7 H.P. 407

House of Representatives, February 1, 1983

8 Received by the Clerk of the House on February 1, 1983. Referred to the
9 Committee on Labor, and ordered printed pursuant to Joint Rule 14.

10 EDWIN H. PERT, Clerk

Presented by Representative Nadeau of Lewiston.

Cosponsor: Representative Michaud of E. Millinocket.

11
12 STATE OF MAINE
13

14 IN THE YEAR OF OUR LORD
15 NINETEEN HUNDRED AND EIGHTY-THREE
16

17 AN ACT to Protect the Integrity of the
18 Unemployment Insurance Trust Fund.
19

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

22 26 MRSA §1221, sub-§17 is enacted to read:

23 17. Report to Legislature. The commissioner
24 shall prepare a report recommending changes in law
25 that would create the revenue generating capacity
26 necessary to bring the trust fund reserve multiple to
27 1.5 by 1985. This study shall be presented to the
28 Second Regular Session of the 111th Legislature for
29 its approval.

1 STATEMENT OF FACT

2 The reserve multiple is the figure used to
3 express the health of the Unemployment Compensation
4 Trust Fund at a given point in time. The United
5 States Department of Labor believes that a state
6 should have a reserve multiple of at least 1.5 at the
7 onset of a recession. The National Commission on
8 Unemployment Compensation believes that that figure
9 should be somewhere between 1.5 and 3.0. Maine's
10 reserve multiple was .02 in 1980 and it is presently
11 estimated that it will be .00 for 1981.

12 Urging states to restore their funds to an ade-
13 quate level of solvency is a major objective of the
14 United States Department of Labor. Maine's trust
15 fund is dangerously low judged against standards
16 expressed above.

17 This bill would require the United States Depart-
18 ment of Labor to prepare a report detailing a plan to
19 reach a reserve multiple of 1.5 by 1985. This plan
20 shall be presented to the Second Regular Session of
21 the 111th Legislature for their approval.

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