

MAINE STATE LEGISLATURE

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(New Draft of H.P. 99, L.D. 106)

FIRST REGULAR SESSION

ONE HUNDRED AND ELEVENTH LEGISLATURE

Legislative Document

No. 599

H.P. 511

House of Representatives, February 9, 1983

Reported by the Minority from the Committee on Labor and printed under Joint Rule No. 2.

EDWIN H. PERT, Clerk

STATE OF MAINE

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

AN ACT to Repeal the Severance Pay
Provision of Maine's Labor Laws.

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

Sec. 1. 26 MRSA §625-B, sub-§2, as enacted by PL 1979, c. 663, §157, is amended to read:

2. Severance pay. Any employer who relocates or terminates a covered establishment shall be liable to his employees for severance pay at the rate of one week's pay for each year of employment by the employee in that establishment. The severance pay to eligible employees shall be in addition to any final wage payment to the employee and shall be paid within one regular pay period after the employee's last full day of work, notwithstanding any other provisions of law. If a subsequent employer assumes ownership of

1 the covered establishment and operates it for at
2 least 6 consecutive months, no severance pay may be
3 owed to those employees who continue to be employed
4 at the establishment by the new employer during that
5 time period.

6 Sec. 2. 26 MRSA §625-B, sub-§3, ¶D, as enacted
7 by PL 1979, c. 663, §157, is repealed and the follow-
8 ing enacted in its place:

9 D. That employee has been employed by the
10 employer for less than 3 years or if an employee
11 was hired after the effective date of this para-
12 graph, as repealed and replaced, that employee
13 has been employed by the employer for less than 5
14 years.

15 Sec. 3. 26 MRSA §625-B, sub-§6-A, as enacted by
16 PL 1981, c. 337, is amended to read:

17 6-A. Notice to employees and municipality. Any
18 person proposing to relocate a covered establishment
19 outside the State shall notify employees, and the
20 municipal officers of the municipality where the
21 plant is located, in writing not less than 60 days
22 prior to the relocation. Any person violating this
23 provision commits a civil violation for which a for-
24 feiture of not more than ~~\$500~~ \$1,000 may be adjudged,
25 provided that no forfeiture may be adjudged if the
26 relocation is necessitated by a physical calamity, or
27 if the failure to give notice is due to unforeseen
28 circumstances.

29 STATEMENT OF FACT

30 The original bill, L.D. 106, proposed the repeal
31 of the entire severance pay law contained in Title
32 26, section 625-B.

33 This new draft leaves section 625-B in effect but
34 makes 3 changes. The current law does not require
35 payment of severance pay to any employee employed for
36 less than 3 years. The new draft changes that to 5
37 years for any employee hired after this new draft
38 takes effect. This change would affect those hired
39 in the future but not affect those now entitled to

1 severance pay because they have worked more than 3
2 years. This new draft also raises the penalty
3 charged for employers who relocate outside the State
4 without giving notice to employees and the municipal-
5 ity from \$500 to \$1,000. In addition, the new draft
6 adds a provision that when a subsequent employer
7 assumes ownership of a covered establishment and
8 operates it for at least 6 consecutive months, no
9 severance pay may be owed to those employees who con-
10 tinue to be employed by the new employer during that
11 time period.

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