## MAINE STATE LEGISLATURE

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	SECOND	REGULAR SI	ESSION	
ONE	HUNDRED AN	D ELEVENT	H LEGISLATU	RE
Legislative Doc	ument			No. 203
H.P. 1552		House of R	epresentatives,	February 3, 198
Reported by Compensation F Chapter 46.	Representative und Commission			
Reference to printing ordered	the Joint Stand under Joint Rul		e on Labor sug	gested and
			EDWIN	H. PERT, Clerl
	STA	TE OF MAIN	1E	
N	IN THE INETEEN HUN	YEAR OF OU DRED AND I		
	ACT Concern Unemploymen	_		he
Be it enacto	ed by the Po	eople of t	the State o	f Maine as
<b>Sec. 1.</b> 1983, c. 13 following en	, §2 and c.	305, §2,		ended by PL d and the
Each eligil on and afte: ployed in a	ny week sha	ual establ , 1983, wh ll be paid	lishing a b no is tot l with resp	enefit year ally unem- ect to that
the high qua than \$12.	t lower ful arter of hi The maxin	l dollar a s base pe mum weekl	amount, pai eriod, but ly benefit	d to him in not less amount for
<mark>claimants re</mark>	equesting in ober 1, 198			

of a calendar year to May 31st of the next calendar 1 year shall not exceed 52% of the annual average week-2 3 ly wage, rounded to the nearest lower full dollar 4 amount, paid in the calendar year preceding June 1st 5 of that calendar year, except that during calendar 6 years 1985 and 1986 the maximum weekly benefit amount 7 shall remain at the level in effect on December 8 1984.

9 Sec. 2. 26 MRSA c. 13, sub-c. VIII, as amended, 10 is repealed.

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## STATEMENT OF FACT

This bill contains 2 recommendations of the Unemployment Compenstion Fund Study Commission.

the Section 1 freezes maximum weekly benefit 1985 and 1986 at the amount during calendar years level in effect on December 31,1984. Currently, maximum is determined every June 1st as 52% of the annual average weekly wage during the previous calendar year. Due to inflation, this leads to an automatic increase in the maximum weekly benefit amount each year. This freeze is projected to save \$4,700,000 benefits paid out of the Unemployment Compensation Trust Fund over the 2-year period. The normal of calculation resumes in 1987.

Section 2 repeals the seasonality provisions of state unemployment compensation laws, among the most liberal in the Nation. A Department of Labor determination that an industry is seasonal means that the payment of benefits to workers unemployed from the industry is restricted. An individual whose base period wage credits are all from seasonal work is entitled to benefits only for unemployment during predetermined season when he normally would be performing that kind of labor and no benefits the season. This is inequitable because another individual performing exactly the same work but with no seasonal wages during his base period, i.e., he has done seasonal work in his recent past, is not treated under the more restrictive seasonality but under the regular unemployment law. Additional confusion results if the employee's base period wage credits are from both seasonal and nonseasonal work, for his weekly benefit amount is determined based on wages from both types of employment.

The only definitive study on seasonality laws, done by Merrill Murray in 1972, recommends repeal of all seasonality laws because of their inequities and increased administrative burdens. Because of these reasons and because other provisions are better at screening claimants and minimizing costs without these undesirable results, only 9 other states now have seasonality laws in effect.

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