

MAINE STATE LEGISLATURE

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L.D. 157

(Filing No. S- 159)

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STATE OF MAINE
SENATE
115TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT " A" to S.P. 84, L.D. 157, Bill, "An Act to Amend the Severance Pay Laws"

Amend the bill by striking out everything after the title and before the statement of fact and inserting in its place the following:

'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~~ is liable to his the employer's employees for severance pay at the rate of one week's pay for each year of employment by the employee in that establishment. An employer is not liable for severance pay to employees for periods of employment at the covered establishment if a prior employer is liable for severance pay for those periods of employment. The severance pay to eligible employees shall ~~be~~ is in addition to any final wage payment to the employee and shall must be paid within one regular pay period after the employee's last full day of work, notwithstanding any other provisions of law.

Sec. 2. 26 MRSA §625-B, sub-§3, ~~¶~~ D, as enacted by PL 1979, c. 663, §157, is amended to read:

D. That employee has been employed by the employer for less than 3 years. In determining the duration of an employee's employment under this paragraph, any period of employment at the covered establishment for a prior owner or operator of the establishment is deemed to be employment with the

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2 current owner or operator and is added to any period of
3 employment with the current owner or operator.

4 Sec. 3. Retroactivity. This Act is retroactive to March 27,
5 1991 and applies to any plant closing that occurs after that
6 date.'

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STATEMENT OF FACT

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11 This amendment removes the emergency preamble and emergency
12 clause from the bill and amends the retroactivity section to make
13 the bill retroactive to March 27, 1991. This is the date of the
14 Maine Law Court decision in Director, Bureau of Labor Standards
15 v. Diamond Brands, Inc., Decision No. 5753, Law Docket No.
16 KEN-90-366, (Me., 1991). This ensures that the severance pay law
17 will be construed to apply to successor owners of a covered
18 facility for any plant closing that occurs after March 27, 1991.

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21 This amendment also clarifies that a current owner or
22 operator is not liable for severance pay for the employees'
23 periods of prior employment for a prior employer at the covered
24 establishment if that prior employer is liable to the employees
25 for severance pay. The "double counting" of years of service
26 against successive employers is prohibited when calculating the
amount of severance pay liability.

Reported by the Majority for the Committee on Labor. Reproduced
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(4/15/91) (Filing No. S-159)