

# MAINE STATE LEGISLATURE

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# 115th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1991

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Legislative Document

No. 547

S.P. 220

In Senate, February 12, 1991

Reference to the Committee on Labor suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator ESTY of Cumberland

Cosponsored by Representative McHENRY of Madawaska and Representative PINEAU of Jay.

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STATE OF MAINE

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

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**An Act to Require Prompt Payment of Wages Due Upon Discharge for  
All Employees.**

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

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4 26 MRSA §626, as amended by PL 1983, c. 652, §1, is further amended to read:

6 **§626. Cessation of employment**

8 Any ~~An~~ employee leaving his-~~or~~-her employment shall ~~shall~~ must be paid in full within a reasonable time after demand at the office of the employer where payrolls are kept and wages are paid,  ~~,~~ provided that any overcompensation may be withheld if authorized under section 635 and any loan or advance against future earnings or wages may be deducted if evidenced by a statement in writing signed by said the employee. Whenever the terms of employment include provisions for paid vacations, vacation pay on cessation of employment shall ~~have~~ has the same status as wages earned.

18 For purposes of this section, the term "employee" means any person who performs services for another in return for compensation, but does not include an independent contractor.

22 For purposes of this subchapter, a reasonable time shall ~~mean~~ means the earlier of either the next day on which employees would regularly be paid or a day not more than 2 weeks after the day on which the demand is made.

26 In any action for unpaid wages brought under this subchapter, the employer shall ~~may~~ not deduct as a setoff or counterclaim any ~~moneys~~ money allegedly due the employer as compensation for damages caused to the employer's property by the employee, or any ~~moneys~~ money allegedly owed to the employer by the employee, notwithstanding any procedural rules regarding counteractions,  ~~,~~ provided that any overcompensation may be withheld if authorized under section 635 and any loan or advance against future earnings or wages may be deducted if evidenced by a statement in writing signed by said the employee, and that nothing in this section shall ~~may~~ be construed to limit or restrict in any way any rights which that the employer ~~now~~ has to recover, by a separate legal action, any ~~moneys~~ money owed said the employer by said the employee.

42 An action for unpaid wages under this section may be brought by the affected employee or employees or by the Department of Labor on behalf of the employee or employees. An employer found in violation of this section shall ~~be~~ is liable for the amount of unpaid wages and, in addition, the judgment rendered in favor of the employee or employees shall must include a reasonable rate of interest, an additional amount equal to twice the amount of those wages as liquidated damages and costs of suit, including a reasonable attorney's fee.

## STATEMENT OF FACT

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4        This bill adopts the opinion expressed by a minority of the  
6        Law Court in Knoppers v. Rumford Community Hospital, 531 A.2d  
8        1276 (Me. 1987). Current law requires an employer to pay an  
10       employee's final wages within 2 weeks of termination of the  
12       employee's employment. In the Knoppers case, a majority of the  
14       court found that the law did not apply to all employees, but only  
16       applied to those employees who worked for certain employers  
18       listed in the Maine Revised Statutes, Title 26, section 621,  
20       subsection 1. The majority reached this result due to the  
      historical development of these laws. This interpretation of the  
      law denies to certain employees the legal guarantee of prompt  
      payment of wages due upon termination. The bill expands the  
      application of the law to include all employees, except for  
      independent contractors. The bill also makes minor drafting  
      corrections to the law and adds a cross-reference to the recently  
      enacted law concerning the recovery of overcompensation paid to  
      employees.