

# MAINE STATE LEGISLATURE

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# 116th MAINE LEGISLATURE

## SECOND REGULAR SESSION-1994

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Legislative Document

No. 1744

S.P. 625

In Senate, January 19, 1994

**An Act to Ensure Continued Federal Support for Unemployed Workers  
during Periods of High Unemployment.**

(EMERGENCY)

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Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 26.  
Reference to the Committee on Labor suggested and ordered printed.

A handwritten signature in cursive script, reading "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator HANDY of Androscoggin.  
Cosponsored by Representative RUHLIN of Brewer and  
Senator: ESTY of Cumberland.

Emergency preamble. Whereas, Acts of the Legislature do not  
2 become effective until 90 days after adjournment unless enacted  
as emergencies; and

4  
Whereas, the Federal Emergency Unemployment Compensation  
6 program expired October 2, 1993; and

8  
Whereas, it is likely that over 1,500 unemployed workers of  
the State will exhaust their regular unemployment benefits in  
10 each of the next several months; and

12  
Whereas, the federal extension of emergency unemployment  
compensation currently under consideration by Congress is  
14 expected to expire in February; and

16  
Whereas, there is a federal option that permits the State's  
long-term unemployed workers to qualify for either 13 or 20 weeks  
18 of additional unemployment benefits during periods of high  
unemployment, 50% of which would be paid by the Federal  
20 Unemployment Trust Fund; and

22  
Whereas, without further legislative action the employer tax  
surcharge for unemployment will increase from 0.07% to 0.08% on  
24 January 1, 1994; and

26  
Whereas, in the judgment of the Legislature, these facts  
create an emergency within the meaning of the Constitution of  
28 Maine and require the following legislation as immediately  
necessary for the preservation of the public peace, health and  
30 safety; now, therefore,

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

34 **Sec. 1. 26 MRSA §1195, sub-§1, ¶H, as amended by PL 1981, c.**  
548, §5, is repealed and the following enacted in its place:

36  
38 H. State "off" indicator. There is a state "off" indicator  
for a week that begins:

40 (1) After September 25, 1982 and before January 1,  
42 1994 if the commissioner determines, in accordance with  
44 the regulations of the United States Secretary of  
46 Labor, that for the period consisting of that week and  
the immediately preceding 12 weeks the rate of insured  
unemployment, not seasonally adjusted, under this  
chapter was:

48 (a) Less than 5%; or

2                   (b) Less than 6% and less than 120% of the  
3                   average of those rates for the corresponding  
4                   13-week period in each of the preceding 2 calendar  
5                   years; and

6                   (2) After January 1, 1994 if for the period consisting  
7                   of that week and the immediately preceding 12 weeks,  
8                   none of the options in paragraph I, subparagraph (2)  
9                   result in an "on" indicator.

10                   **Sec. 2. 26 MRSA §1195, sub-§1, ¶II, as amended by PL 1981, c.**  
11                   **548, §6, is repealed and the following enacted in its place:**

12                   **I. State "on" indicator. There is a state "on" indicator**  
13                   **for a week that begins:**

14                   (1) After September 25, 1982 and before January 1,  
15                   1994 if the commissioner determines, in accordance with  
16                   the regulations of the United States Secretary of Labor  
17                   that for the period consisting of that week and the  
18                   immediately preceding 12 weeks the rate of insured  
19                   unemployment, not seasonally adjusted, under this  
20                   chapter:

21                   (a) Equaled or exceeded 6%; or

22                   (b) Equaled or exceeded 5% and equaled or  
23                   exceeded 120% of the average of those rates for  
24                   the corresponding 13-week period in each of the 2  
25                   preceding calendar years; and

26                   (2) After January 1, 1994 if:

27                   (a) The requirements of either division (a) or  
28                   division (b) of subparagraph (1) are satisfied; or

29                   (b) The average rate of total unemployment,  
30                   seasonally adjusted, as determined by the United  
31                   States Secretary of Labor for the period  
32                   consisting of the most recent 3 months for which  
33                   data for all states are published before the close  
34                   of that week:

35                   (i) Equaled or exceeded 6.5%; and

36                   (ii) Equaled or exceeded 110% of the average  
37                   rate for either or both of the corresponding  
38                   13-month periods in the 2 preceding calendar  
39                   years.

40

2           **Sec. 3. 26 MRSA §1195, sub-§3, ¶B**, as amended by PL 1981, c.  
548, §8, is further amended to read:

4           B. He has satisfied the requirements of this chapter for  
6           the receipt of regular benefits that are applicable to  
          individuals claiming extended benefits, including not being  
8           subject to a disqualification for the receipt of benefits;  
          and

10           **Sec. 4. 26 MRSA §1195, sub-§3, ¶C**, as enacted by PL 1981, c.  
548, §9, is repealed.

12           **Sec. 5. 26 MRSA §1195, sub-§5**, as amended by PL 1981, c. 548,  
14           §10, is further amended to read:

16           **5. Total extended benefit amount.** The total extended  
18           benefit amount payable to any eligible individual with respect to  
          his applicable benefit year shall be the lesser of the following  
          amounts:

20           A. Fifty percent of the total amount of regular benefits  
22           which were payable to him under this chapter in his  
          applicable benefit year; or

24           B. Thirteen times his weekly benefit amount which was  
26           payable to him under this chapter for a week of total  
          unemployment in the applicable benefit year; or

28           C. Thirty-nine times his weekly benefit amount which was  
30           payable to him under this chapter for a week of total  
32           unemployment in the applicable benefit year, reduced by the  
          total amount of regular benefits which were paid, or deemed  
34           paid, to him under this chapter with respect to the benefit  
          year.

36           Notwithstanding any other provisions of this chapter, if the  
38           benefit year of any individual ends within an extended benefit  
          period, the remaining balance of extended benefits that the  
40           individual would, except for this subsection, be entitled to  
          receive in that extended benefit period, with respect to weeks of  
42           unemployment beginning after the end of the benefit year, shall  
          be reduced, but not below zero, by the product of the number of  
44           weeks for which the individual received any amounts as trade  
          readjustment allowances within that benefit year, multiplied by  
          the individual's weekly benefit amount for extended benefits.

46           For weeks that begin in a high unemployment period, 80% must be  
48           substituted for 50% in paragraph A; 20 times must be substituted  
50           for 13 times in paragraph B; and 46 times must be substituted for  
          39 times in paragraph C. For purposes of this paragraph, the

2 term "high unemployment period" means a period during which an  
3 extended benefit period would be in effect if subsection 1,  
4 paragraph I, subparagraph (2) were applied by substituting 8% for  
5 6.5%.

6 **Sec. 6. 26 MRSA §1221, sub-§2, ¶C,** as enacted by PL 1993, c.  
7 22, §6 and affected by §8, is amended to read:

8  
9 C. Each employer subject to this chapter, other than those  
10 liable for payments in lieu of contributions, shall pay, in  
11 addition to the contribution rate as prescribed in  
12 subsection 4, 7/10 of 1% of the wages paid by the employer  
13 with respect to employment during the calendar year years  
14 1993 and ~~8/10 of 1% of the wages paid by the employer with~~  
15 ~~respect to employment during the calendar year 1994.~~

16 **Emergency clause.** In view of the emergency cited in the  
17 preamble, this Act takes effect when approved.

18  
19  
20 **STATEMENT OF FACT**

21  
22 This bill takes advantage of an option provided in a July  
23 1992 amendment to the Federal - State Extended Unemployment  
24 Compensation Act of 1970 that permits the State to provide an  
25 additional 13 weeks or 20 weeks in periods of high unemployment  
26 to persons who have exhausted their regular unemployment  
27 benefits, at a cost borne 50% by the Federal Unemployment Trust  
28 Fund and 50% by the State's Unemployment Trust Fund. The bill  
29 also reduces the surcharge that was scheduled to increase on  
30 January 1, 1994 on employer's contributions by 1/10% of 1%.

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36 This document has not yet been reviewed to determine the  
37 need for cross-reference, stylistic and other technical  
38 amendments to conform existing law to current drafting standards.