

# MAINE STATE LEGISLATURE

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# 117th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1995

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Legislative Document

No. 1207

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S.P. 439

In Senate, April 4, 1995

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**An Act to Correct Certain Errors and Inconsistencies in Employer's  
Contributions and Coverage in Unemployment Compensation.**

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Submitted by the Department of Labor pursuant to Joint Rule 24.  
Reference to the Committee on Labor suggested and ordered printed.

A handwritten signature in cursive script that reads "May M. Ross".

MAY M. ROSS  
Secretary of the Senate

Presented by Senator MILLS of Somerset.  
Cosponsored by Representative TUTTLE of Sanford and  
Representatives: JOY of Crystal, LEMAIRE of Lewiston.

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

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**Sec. 1. 26 MRSA §1221, sub-§4, ¶B**, as amended by PL 1993, c. 22, §7 and affected by §8, is further amended by amending the first paragraph to read:

B. Subject to paragraph A, each employer's contribution rate for the 12-month period commencing January 1st of each year is based upon the employer's experience rating record and determined from the employer's reserve ratio, which is the percent obtained by dividing the amount by which, if any, the employer's contributions credited from the time the employer first or most recently became an employer, whichever date is later, and up to and including June 30th of the preceding year, including any part of the employer's contributions due for that year ~~payable~~ paid on or before July 31st of ~~the preceding~~ that year, exceed the employer's benefits charged during the same period, by the employer's average annual payroll for the 36-consecutive-month period ending June 30th of the preceding year. The employer's contribution rate is the percent shown on the line of the following table on which in column A there is indicated the employer's reserve ratio and under the schedule within which the reserve multiple falls as of September 30th of each year. The following table applies for each 12-month period commencing January 1st of each year as determined by paragraph C. Notwithstanding any other provisions of this paragraph, each employer's contribution rate computed and effective as of July 1, 1981, is for the 6-month period ending December 31, 1981.

**Sec. 2. 26 MRSA §1221, sub-§10, ¶B**, as amended by PL 1979, c. 651, §44, is further amended to read:

B. Any employing unit ~~which~~ that has become an employer pursuant to section 1043, subsection 9, paragraph H or I ~~which~~ and has been paying contributions under this chapter may change to a reimbursable basis by filing with the bureau not later than 30 days prior to the beginning of any calendar year a written notice of election to become liable for payments in lieu of contributions. ~~Such~~ The election ~~shall~~ may not be terminable by ~~such~~ the employer for that and the next calendar year.

**STATEMENT OF FACT**

This bill is intended to eliminate confusion in the meaning of the current language in the Maine Revised Statutes, Title 26, section 1221, subsection 4, paragraph B. The change allows an

2 employer's experience rating record to be credited with  
3 contributions when paid and avoids the perception that the  
4 employer's experience rating record will be credited with  
5 contributions payable but not actually paid. This change  
6 maintains consistency with the language in Title 26, section  
7 1221, subsection 3. It also concurs with Title 26, section 1221,  
8 subsection 4, paragraph D.

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10 The bill also allows a state governmental entity the choice  
11 of electing to meet its obligations under the Maine Employment  
12 Security Law by changing from a taxable entity to a direct  
reimbursing entity.