MAINE STATE LEGISLATURE

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119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

No. 375

S.P. 139

In Senate, January 14, 1999

An Act to Amend the Obligations of Direct Reimbursement Employers.

Reference to the Committee on Labor suggested and ordered printed.

JOY J. O'BRIEN Secretary of the Senate

Presented by President LAWRENCE of York.
Cosponsored by Representative WHEELER of Eliot and
Representatives: BROOKS of Winterport, HATCH of Skowhegan, LEMONT of Kittery.

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

Sec. 1. 26 MRSA §1221, sub-§10, first ¶, as amended by PL 1997, c. 293, §6, is further amended to read:

Liability for contributions and election reimbursement. Benefits paid employees of nonprofit to organizations and governmental entities shall must be financed in accordance with this subsection. For the purpose subsection a nonprofit organization is an organization, or group of organizations, described in section 501(c)(3) of the U.S. Internal Revenue Code which that is exempt from income tax under section 501(a) of such code. A nonprofit organization shall pay contributions as provided in subsections 1 and 2, unless it elects in accordance with this subsection to pay to the bureau in unemployment compensation fund, lieu of contributions, an amount equal to the amount of regular benefits and of 1/2 of the extended benefits paid that are attributable to service in the employ of such employer. For the purposes of this subsection, a governmental entity is an employing unit as defined in section 1043, subsection 10 for which services in employment defined in section 1043, subsection 11, paragraph A-1, subparagraph (1), are performed. A governmental entity shall pay contributions as provided in subsections 1 and 2, unless it elects to pay to the bureau, in lieu of contributions, an amount equal to the amount of regular benefits and of 1/2 of extended benefits paid, except that for weeks of unemployment beginning after December 31, 1978, governmental entities shall pay an amount equal to all of the extended benefits paid in addition to all amounts of regular benefits paid to individuals that are attributable to service in the employ of such governmental Notwithstanding any law to the contrary, an employer who elects to make payments in lieu of contributions is not required to make payments to the bureau for any employee who was ineligible for benefits upon termination of employment with that employer, regardless of whether the employee became eligible for benefits upon termination of subsequent employment.

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SUMMARY

This bill provides that employers who make direct payments of unemployment benefits in lieu of contributions to the unemployment compensation fund are not required to make payments for employees who are ineligible for benefits when they terminate employment with that employer, even if they later become eligible for benefits upon termination of subsequent employment.

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