

MAINE STATE LEGISLATURE

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L.D. 2588

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
119TH LEGISLATURE
SECOND REGULAR SESSION

HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to S.P. 1019, L.D. 2588, Bill, "An Act to Establish a Method of Determining Employer Contributions to the Unemployment Compensation Trust Fund"

Amend the amendment by striking out all of sections 1 and 2 and inserting in their place the following:

'Sec. 1. 26 MRSA §1190 is enacted to read:

§1190. Study of benefit changes

1. Referral for review and evaluation. Whenever a legislative measure containing an unemployment compensation benefit change is proposed, the bureau shall complete a review and evaluation pursuant to subsection 2 in advance of the public hearing on the proposed measure. Once a review and evaluation has been completed, the joint standing committee of the Legislature having jurisdiction over the proposal shall review the findings of the bureau. A proposed benefit change may not be enacted into law unless review and evaluation pursuant to subsection 2 has been completed. For purposes of this section, a "benefit change" means any change in law that will cause a change in the number of people eligible as well as any increase or decrease in the dollar amount, maximum amount or duration of benefits payable.

2. Content of review. The review and evaluation must include, at a minimum and to the extent information is available, the following:

A. Total change in cost to the unemployment compensation trust fund;

HOUSE AMENDMENT

2 B. Future impact on the planned yield adjustment and the
experience rating records of employers; and

4 C. Any other information that the bureau considers
appropriate to assist the Legislature in deciding on the
6 proposed benefit change.

8 **Sec. 2. 26 MRSA §1221, sub-§4-A, ¶B,** as enacted by PL 1999, c.
464, §9, is amended by repealing and replacing subparagraph (3)
10 to read:

12 (3) The commissioner shall compute a reserve multiple
to determine the schedule and planned yield in effect
14 for a rate year. The reserve multiple is determined by
dividing the fund reserve ratio by the average benefit
16 cost rate. The determination date is October 31st of
each calendar year. The schedule and planned yield
18 that apply for the 12-month period commencing every
January 1st are shown on the line of the following
20 table that corresponds with the applicable reserve
multiple in column A, except that a planned yield of
22 1.1% must be in effect for the 12-month period
commencing January 1, 2000.

	<u>A</u>	<u>B</u>	<u>C</u>
	<u>Reserve</u>	<u>Schedule</u>	<u>Planned</u>
	<u>Multiple</u>		<u>Yield</u>
	<u>2.00 and Over</u>	<u>A</u>	<u>0.6%</u>
30	<u>1.75 = 1.99</u>	<u>B</u>	<u>0.7%</u>
	<u>1.50 = 1.74</u>	<u>C</u>	<u>0.8%</u>
32	<u>1.25 = 1.49</u>	<u>D</u>	<u>0.9%</u>
	<u>1.00 = 1.24</u>	<u>E</u>	<u>1.0%</u>
34	<u>.75 = .99</u>	<u>F</u>	<u>1.1%</u>
	<u>.50 = .74</u>	<u>G</u>	<u>1.2%</u>
36	<u>Under .50</u>	<u>H</u>	<u>1.3%</u>

38 **FISCAL NOTE**

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42 A change in the planned yield from 1.1% to 0.9% may result
44 in a decrease in unemployment compensation contributions to the
46 Unemployment Compensation Trust Fund beginning in calendar year
2000-01. The exact amount can not be determined at this time.
The Department of Labor has estimated this amount to be
approximately \$10.6 million for fiscal year 2000-01.

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HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "A" to S.P. 1019,
L.D. 2588

SUMMARY

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This amendment incorporates the substance of Senate Amendment "B" to Committee Amendment "A," except that it removes language requiring the review of the impact of a proposed benefit change on recipient groups. This amendment also removes language from the majority report that provided that the table for determining planned yield is effective only for calendar year 2001. It limits the Unemployment Compensation Trust Fund to 18 months of benefits and provides for greater reductions in the planned yield if the fund balance is above 18 months.

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