

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 356

H.P. 278

House of Representatives, January 30, 2001

An Act to Adjust the Unemployment Compensation Fund Cap.

Reference to the Committee on Labor suggested and ordered printed.

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

Presented by Representative GLYNN of South Portland.

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

4 **Sec. 1. 26 MRSA §1221, sub-§4-A, ¶B,** as amended by PL 1999, c.
5 740, §2, is further amended by repealing and replacing
6 subparagraph (3) and inserting in its place the following:

7 (3) The commissioner shall compute a reserve multiple
8 to determine the schedule and planned yield in effect
9 for a rate year. The reserve multiple is determined by
10 dividing the fund reserve ratio by the average benefit
11 cost rate. The determination date is October 31st of
12 each calendar year. For rate years commencing on or
13 after January 1, 2002, the Department of Labor shall
14 determine the planned yield and schedule needed to
15 provide for a maximum of 14 months of benefits in the
16 fund, based on the reserve multiple. The department
17 shall publish notice of the planned yield and schedule
18 in a manner designed to notify employers of their
19 obligations under this chapter.

20 **Sec. 2. Department to submit legislation.** The Department of
21 Labor shall draft and submit legislation to change the method of
22 calculating the planned yield for unemployment compensation
23 contributions to a method designed to provide a maximum of 14
24 months of benefits in the Unemployment Compensation Fund. The
25 department shall submit such legislation to the First Regular
26 Session of the 120th Legislature no later than November 15, 2001.
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29 **SUMMARY**

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32 This bill changes the cap used to determine total employer
33 contributions to the Unemployment Compensation Fund. Currently,
34 the calculation used to determine the total contributions is
35 designed to cap the fund at 18 months of benefits. This bill
36 changes the cap to 14 months. It requires the Department of
37 Labor to submit legislation to set forth the appropriate table
38 for determining which schedule of contributions is used to
determine individual employer contributions.