

MAINE STATE LEGISLATURE

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R.O.S.

L.D. 1258

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DATE: 3-25-02

(Filing No. H-1011)

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
120TH LEGISLATURE
SECOND REGULAR SESSION

HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "C" to H.P. 944, L.D. 1258, Bill, "An Act to Make the Unemployment Insurance Program More Responsive to the Needs of Today's Workforce"

Amend the amendment by inserting after section 1 the following:

Sec. 2. 26 MRSA §1221, sub-§4-A, ¶B, as amended by PL 1999, c. 740, §2, is further amended by amending subparagraph (3) to read:

(3) The commissioner shall compute a reserve multiple to determine the schedule and planned yield in effect for a rate year. The reserve multiple is determined by dividing the fund reserve ratio by the average benefit cost rate. The determination date is October 31st of each calendar year. The schedule and planned yield that apply for the 12-month period commencing every January 1st are shown on the line of the following table that corresponds with the applicable reserve multiple in column A, except that a planned yield of 1.1% must be in effect for the 12-month period commencing January 1, 2000 and except that a planned yield of 0.6% must be in effect for the 12-month period commencing January 1, 2003.

	A	B	C
	Reserve Multiple	Schedule	Planned Yield
Over	1.83	A	0.6%
1.75 - 1.83		B	0.7%
1.68 - 1.74		C	0.8%
1.58 - 1.67		D	0.9%

HOUSE AMENDMENT

R. of S.

HOUSE AMENDMENT "A" to COMMITTEE AMENDMENT "C" to H.P. 944, L.D. 1258

	1.50	-	1.57	E	1.0%
2	.50	-	1.49	F	1.1%
	.25	-	.49	G	1.2%
4	Under		.25	H	1.3%

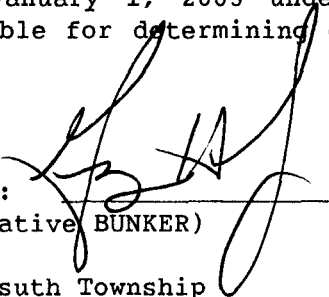
6 Further amend the amendment by relettering or renumbering
any nonconsecutive Part letter or section number to read
8 consecutively.

10 **FISCAL NOTE**

12 This amendment reduces the amount of funds collected from
employers through unemployment insurance taxes by changing the
14 contribution rate schedule from Schedule C to Schedule A for the
12-month period beginning January 1, 2003. The estimated
16 decrease in employer contributions to the Unemployment
Compensation Trust Fund is \$22,700,000. Without this change, the
18 Department of Labor already anticipates that certain economic
factors will require the contribution rate schedule to change
20 from Schedule C to Schedule B effective January 1, 2003,
resulting in a decrease in employer contributions of
22 \$11,000,000. If the change to B occurs as predicted, the net
change attributable to moving the rest of the way to A as
24 required by this amendment will be a reduction of \$11,700,000.

26 **SUMMARY**

28 This amendment provides that employers' unemployment
30 insurance taxes will be determined for the 12-month period
commencing January 1, 2003 under Table A, which is the lowest
32 table available for determining employers' unemployment insurance
taxes.

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36
38 SPONSORED BY: 
(Representative BUNKER)

40 TOWN: Kossuth Township

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