

# MAINE STATE LEGISLATURE

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# 120th MAINE LEGISLATURE

## SECOND REGULAR SESSION-2002

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Legislative Document

No. 2054

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H.P. 1551

House of Representatives, January 8, 2002

### **An Act Regarding the Payment of Severance Pay.**

(AFTER DEADLINE)

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Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 205.

Reference to the Committee on Labor suggested and ordered printed.

*Millicent M. MacFarland*

MILLICENT M. MacFARLAND, Clerk

Presented by Representative TUTTLE of Sanford.  
Cosponsored by Senator EDMONDS of Cumberland and  
Representatives: BUNKER of Kossuth Township, CLARK of Millinocket, COLWELL of  
Gardiner, MATTHEWS of Winslow, McDONOUGH of Portland, PINEAU of Jay, Speaker  
SAXL of Portland, TARAZEWICH of Waterboro.

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

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4       **Sec. 1. 26 MRSA §625-B, sub-§1, ¶G**, as enacted by PL 1979, c. 663, §157, is repealed.

6       **Sec. 2. 26 MRSA §625-B, sub-§2**, as enacted by PL 1979, c. 663, §157, is amended to read:

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10       **2. Severance pay.** Any employer who relocates a covered establishment or terminates the employment of an employee in a covered establishment shall ~~be~~ is liable to his ~~employees~~ an affected employee for severance pay at the rate of one week's pay for each year of employment by the employee in that establishment. The severance pay to an eligible employees ~~shall be employee is~~ in addition to any final wage payment to the employee and shall must be paid within one regular pay period after the employee's last full day of work, notwithstanding any other provisions of law.

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20       **Sec. 3. 26 MRSA §625-B, sub-§3**, as amended by PL 1999, c. 55, §1, is further amended to read:

22       **3. Mitigation of severance pay liability.** There is no liability under this section for severance pay to an eligible employee if:

24       A. Relocation of a covered establishment or termination of the employment of an employee in a covered establishment is necessitated by a physical calamity;

26       B. The employee is covered by an express contract providing for severance pay that is equal to or greater than the severance pay required by this section;

28       C. That employee accepts employment at the new location; or

30       D. That employee has been employed by the employer for less than 3 years; or

32       E. That employee is terminated by an employer for misconduct as defined in section 1043, subsection 23 or the employer is otherwise similarly justified in terminating an employee.

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36       **Sec. 4. 26 MRSA §625-B, sub-§6**, as enacted by PL 1979, c. 663, §157, is amended to read:

38       **6. Notice of director.** Any person proposing to relocate or terminate a covered establishment shall notify the director in writing not less than 60 days prior to the relocation.

2           **Sec. 5. Retroactivity.** This Act applies retroactively to  
4           January 1, 2000.

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### SUMMARY

8           This bill removes the requirement of a substantial cessation  
10          of operations in a covered establishment before severance pay is  
        due and applies this change retroactively to January 1, 2000.