

MAINE STATE LEGISLATURE

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122nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2005

Legislative Document

No. 156

S.P. 62

In Senate, January 13, 2005

An Act To Adjust the Wage Base for the Unemployment Compensation System

Reference to the Committee on Labor suggested and ordered printed.

A handwritten signature in cursive script, reading 'Joy J. O'Brien'.

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator MILLS of Somerset.

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

2

4 **Sec. 1. 26 MRSA §1043, sub-§19, ¶A**, as amended by PL 1999, c.
464, §1, is further amended to read:

6 A. For purposes of section 1221, the term "wages" does not
8 include remuneration that exceeds the ~~first-\$7,000-through~~
~~December-31,-1999,-and-on-and-after-January-1,-2000,-the~~
10 ~~first-\$12,000~~ wage base that is paid in a calendar year to
12 an individual by an employer or the employer's predecessor
14 for employment during any calendar year, unless that
16 remuneration is subject to a tax under a federal law
18 imposing a tax against which credit may be taken for
contributions required to be paid into a state unemployment
fund. ~~The wages of an individual for employment with an~~
employer. Wages are subject to this exception whether earned
in this State or any other state when the employer-employee
relationship is between the same legal entities.

20 The wage base through December 31, 1999 is \$7,000. On and
22 after January 1, 2000, until later adjusted, the wage base
24 is \$12,000. On January 1, 2006, and on the first day of
26 every 5th year thereafter, the wage base then in effect must
28 be adjusted by multiplying the wage base times a fraction
30 formed as follows. The numerator is the State's average
32 weekly wage calculated as of one year before the date of
34 adjustment. The denominator is the State's average weekly
36 wage calculated as of 6 years before the date of
38 adjustment. The resulting figure, rounded to the nearest
\$500, is the new wage base for the ensuing 5-year period
until the next adjustment is due;

SUMMARY

36 This bill amends the definition of "wages" and also
38 establishes a new wage base for the unemployment compensation
system that will apply to wages beginning on January 1, 2006.