MAINE STATE LEGISLATURE

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124th MAINE LEGISLATURE

FIRST REGULAR SESSION-2009

Legislative Document

No. 1454

S.P. 541

In Senate, April 9, 2009

An Act To Provide Additional Unemployment Benefits and Make Statutory Revisions in Accordance with the American Recovery and Reinvestment Act of 2009

(EMERGENCY)

Reference to the Committee on Labor suggested and ordered printed.

JOY J. O'BRIEN
Secretary of the Senate

Presented by President MITCHELL of Kennebec. (GOVERNOR'S BILL) Cosponsored by Speaker PINGREE of North Haven and Senators: BARTLETT of Cumberland, COURTNEY of York, MARRACHÉ of Kennebec, RAYE of Washington, Representatives: BERRY of Bowdoinham, CURTIS of Madison, PIOTTI of Unity, TARDY of Newport.

Emergency preamble. Whereas, acts and resolves of the Legislature do not 1 become effective until 90 days after adjournment unless enacted as emergencies; and 2 Whereas, there is a federal option that permits the State's long-term unemployed workers to qualify for either 13 or 20 weeks of additional unemployment benefits during periods of high unemployment; and Whereas, effective February 17, 2009, the American Recovery and Reinvestment 7 Act of 2009, Public Law 111-5 made changes to the laws governing extended benefits in 8 the unemployment compensation program, under which this option exists, such that in most cases, 100% of the benefits paid out under this program would be paid by the 9 10 federal government for weeks of unemployment beginning after February 17, 2009 and before January 1, 2010; and 11 12 Whereas, it is likely that as many as 9,900 unemployed workers of the State would benefit from extended benefits in the unemployment compensation program if the federal 13 14 option were temporarily adopted by the State; and 15 Whereas, in addition, a change must be made to the Maine Revised Statutes, Title 26, section 1193, subsection 1 in order for this State to meet the provisions of the 16 American Recovery and Reinvestment Act of 2009, Public Law 111-5, Section 2003 17 pertaining to special transfers for unemployment compensation modernization; and 18 Whereas, in the judgment of the Legislature, these facts create an emergency within ...19-20 the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, 21 22 therefore, 23 Be it enacted by the People of the State of Maine as follows: 24 Sec. 1. 26 MRSA §1193, sub-§1, ¶A, as amended by PL 2003, c. 28, §1, is 25 further amended to read: 26 For the week in which the claimant left regular employment voluntarily without 27 good cause attributable to that employment. The disqualification continues until the 28 claimant has earned 4 times the claimant's weekly benefit amount in employment by 29 an employer. A claimant may not be disqualified under this paragraph if: 30 (1) The leaving was caused by the illness or disability of the claimant or an 31 immediate family member and the claimant took all reasonable precautions to 32 protect the claimant's employment status by promptly notifying the employer of 33 the reasons for the absence and by promptly requesting reemployment when 34 again able to resume employment need for time off, a change or reduction in 35 hours or a shift change and being advised by the employer that the time off or 36 change or reduction in hours or shift change cannot or will not be accommodated; 37 (2) The leaving was necessary to accompany, follow or join the claimant's 38 spouse in a new place of residence and the claimant can clearly show within 14 39 days of arrival at the new place of residence an attachment to the new labor

benefit year is the least of the following amounts:

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.17

- 2. Twenty times the weekly benefit amount that was payable to the individual under Title 26, chapter 13 for a week of total unemployment in the applicable benefit year; and
- 3. Forty-six times the weekly benefit amount that was payable to the individual under Title 26, chapter 13 for a week of total unemployment in the applicable benefit year, reduced by the total amount of regular benefits that were paid, or deemed paid, to the individual under Title 26, chapter 13 with respect to the benefit year.

For purposes of this section, "high unemployment period" means any period during which an extended benefit period would be in effect if section 1 of this Act were applied with an average seasonally adjusted unemployment rate of 8% instead of 6.5%.

- Sec. 4. Definitions. In addition to the definition of "exhaustee" in the Maine Revised Statutes, Title 26, section 1195, subsection 1, paragraph A, in the context of the extended benefits in the unemployment compensation program provided by this Act, "exhaustee" means an individual who, with respect to any week of unemployment in that individual's eligibility period, has received, prior to such week, all of the federal emergency unemployment compensation 2008 benefits that were available to that individual.
- Sec. 5. Eligibility period. In the context of the extended benefits in the unemployment program provided by this Act, "eligibility period" of an individual means the period consisting of the weeks in the individual's benefit year or a period in which the individual is collecting benefits under the federal emergency unemployment compensation 2008 program that begins in an extended benefit period and, if the individual's benefit year or period of benefit collection under the federal emergency unemployment compensation 2008 program ends within such extended benefit period, any weeks thereafter that begin in such period.
- Sec. 6. Fund. The Commissioner of Administrative and Financial Services shall establish, within the Department of Administrative and Financial Services, the Emergency Unemployment Benefit Reimbursement Fund, referred to in this section as "the fund." The fund must be used to reimburse eligible employers for the cost of extended benefits paid on their behalf from the Unemployment Compensation Fund under the Maine Revised Statutes, Title 26, section 1141 as a result of the triggering of the "on" indicator provided in this Act.

To obtain reimbursement from the fund, an employer must demonstrate to the administrator of the fund that the employer has paid its bill to the Unemployment Compensation Fund for the benefits and that the benefits paid were attributable to this "on" indicator.

If amounts in the fund are not sufficient to cover the total cost of the extended benefits under this Act, the Commissioner of Administrative and Financial Services, on behalf of the Governor, shall submit a budget request to the Second Regular Session of
 the 124th Legislature.

For purposes of this section, a school administrative unit as defined in the Maine Revised Statutes, Title 20-A, section 1, subsection 26 is not an eligible employer.

Sec. 7. Retroactivity. Sections 2 to 5 of this Act apply retroactively to February 17, 2009.

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.

SUMMARY

This bill amends the Maine Revised Statutes, Title 26, section 1193, subsection 1, paragraph A, which governs unemployment benefit disqualification exceptions for voluntarily leaving one's job, in order to meet the unemployment insurance modernization provision requirements under the American Recovery and Reinvestment Act of 2009, Public Law 111-5, Section 2003, and ensure that the State qualifies for receiving the maximum incentive payment allowable to the State under the federal recovery legislation.

It also temporarily adds an alternative methodology for determining when extended unemployment benefits are paid. Using the seasonally adjusted total unemployment rate methodology for determining when extended unemployment benefits are payable increases the likelihood that these benefits will become available for unemployed workers during the current period of economic downturn. The addition of the alternative methodology remains in effect for weeks of unemployment that begin after February 17, 2009 until the week ending December 12, 2009 or until the week ending 3 weeks prior to the last week for which federal sharing is authorized by the American Recovery and Reinvestment Act of 2009, Public Law 111-5, Section 2005(a), whichever is later. During this period, a temporary change made under the American Recovery and Reinvestment Act of 2009, Public Law 111-5 provides that the cost of all extended benefits in the unemployment compensation program will be paid 100% in most cases by the Federal Government.