

# MAINE STATE LEGISLATURE

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# 125th MAINE LEGISLATURE

## SECOND REGULAR SESSION-2012

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Legislative Document

No. 1832

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H.P. 1352

House of Representatives, February 23, 2012

**An Act To Increase the Amount of Time an Employer May Employ  
an Employee without Being Charged for Unemployment Benefits**

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Reported by Representative PRESCOTT of Topsham for the Joint Standing Committee on Labor, Commerce, Research and Economic Development pursuant to Resolve 2011, chapter 85, section 1.

A handwritten signature in cursive script that reads "Heather J.R. Priest".

HEATHER J.R. PRIEST  
Clerk

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

2 **Sec. 1. 26 MRSA §1221, sub-§3, ¶C**, as amended by PL 1965, c. 381, §19, is  
3 further amended to read:

4 C. For the purposes of paragraph A, the experience rating record of the most recent  
5 subject employer ~~shall~~ may not be charged with benefits paid to a claimant whose  
6 work record with such employer totaled ~~5~~ 6 consecutive weeks or less of total or  
7 partial employment, but in such case the most recent subject employer with whom  
8 claimant's work record exceeded ~~5~~ 6 consecutive weeks of total or partial  
9 employment ~~shall~~ must be charged, if such employer would have otherwise been  
10 chargeable had not subsequent employment intervened.

11 This paragraph is repealed March 14, 2014.

12 **Sec. 2. 26 MRSA §1221, sub-§3, ¶C-1** is enacted to read:

13 C-1. Beginning March 14, 2014, for the purposes of paragraph A, the experience  
14 rating record of the most recent subject employer may not be charged with benefits  
15 paid to a claimant whose work record with such employer totaled 5 consecutive  
16 weeks or less of total or partial employment, but in such case the most recent subject  
17 employer with whom the claimant's work record exceeded 5 consecutive weeks of  
18 total or partial employment must be charged, if such employer would have otherwise  
19 been chargeable had not subsequent employment intervened.

20 **Sec. 3. Report.** The Commissioner of Labor shall submit a report by December  
21 15, 2013 to the joint standing committee of the Legislature having jurisdiction over labor  
22 matters on the effect of the change made pursuant to this Act, specifically with regard to  
23 increasing the number of weeks to 6 for which an individual can work for an employer  
24 before the employer becomes potentially chargeable for unemployment benefits paid  
25 upon separation of that work. In addition to reporting the total impact of the change to  
26 the Unemployment Insurance Trust Fund, the report must include the impact on the  
27 number of employers affected and on prior employers who are charged for any ensuing  
28 benefits as a result of this change, as well as the impact on all employers if the costs are  
29 spread out among all employers. The commissioner shall include any employer  
30 comments received pertaining to this change.

31 The joint standing committee is authorized to introduce a bill related to the  
32 commissioner's report to the Second Regular Session of the 126th Legislature.

33 **Sec. 4. Effective date.** That section of this Act that enacts the Maine Revised  
34 Statutes, Title 26, section 1221, subsection 3, paragraph C-1 takes effect March 14, 2014.

35 **SUMMARY**

36 This bill is submitted by the Joint Standing Committee on Labor, Commerce,  
37 Research and Economic Development pursuant to Resolve 2011, chapter 85. The bill  
38 changes from 5 weeks to 6 weeks the amount of time an employer may employ an

1 employee without being charged for unemployment benefits; it also establishes a repeal  
2 date of March 14, 2014 for that change.

3 The bill enacts, beginning March 14, 2014, a reversion back to 5 weeks of the amount  
4 of time an employer may employ an employee without being charged for unemployment  
5 benefits.

6 The bill requires a report from the Commissioner of Labor to the joint standing  
7 committee of the Legislature having jurisdiction over labor matters, which is authorized  
8 to introduce a bill.



# 125th MAINE LEGISLATURE

LD 1832

LR 2753(01)

## An Act To Increase the Amount of Time an Employer May Employ an Employee without Being Charged for Unemployment Benefits

**Fiscal Note for Original Bill**

**Committee: Labor, Commerce, Research and Economic Development**

**Fiscal Note Required: Yes**

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### Preliminary Fiscal Impact Statement

Minor cost increase - General Fund

#### **Fiscal Detail and Notes**

Extending the amount of time an employer may employ an employee without being charged for unemployment benefits from 5 weeks to 6 weeks may impact the unemployment contribution rate for some non-separating employers due to additional benefits being charged to their account. This provision is repealed March 14, 2014 and will not have a fiscal impact on the state as a direct reimbursement employer.

Although the actual impact to non-separating employers can not be determined, the Center for Workforce Research and Information within the Department of Labor indicates that, had this provision been in place in 2010, 250 more claims and \$0.8 million more in benefits paid would have been charged to prior non-separating employers instead of being charged to the separating employer.

Additional costs to the Department of Labor to prepare the required report can be absorbed within existing budgeted resources.