

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

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

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

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 Act of 2009, Public Law 111-5 made changes to the laws governing extended benefits in 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 federal government for weeks of unemployment beginning after February 17, 2009 and before January 1, 2010; and

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 option were temporarily adopted by the State; and

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 American Recovery and Reinvestment Act of 2009, Public Law 111-5, Section 2003 pertaining to special transfers for unemployment compensation modernization; and

Whereas, in the judgment of the Legislature, these facts create an emergency within 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, therefore,

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

Sec. 1. 26 MRSA §1193, sub-§1, ¶A, as amended by PL 2003, c. 28, §1, is further amended to read:

A. For the week in which the claimant left regular employment voluntarily without good cause attributable to that employment. The disqualification continues until the claimant has earned 4 times the claimant's weekly benefit amount in employment by an employer. A claimant may not be disqualified under this paragraph if:

(1) The leaving was caused by the illness or disability of the claimant or an immediate family member and the claimant took all reasonable precautions to protect the claimant's employment status by promptly notifying the employer of the reasons ~~for the absence and by promptly~~

requesting reemployment when again able to resume employment need for time off, a change or reduction in hours or a shift change and being advised by the employer that the time off or change or reduction in hours or shift change cannot or will not be accommodated;

(2) The leaving was necessary to accompany, follow or join the claimant's spouse in a new place of residence ~~and the claimant can clearly show within 14 days of arrival at the new place of residence an attachment to the new labor market~~, and the claimant is in all respects able, available and actively seeking suitable work;

(3) The leaving was in good faith in order to accept new employment on a permanent full-time basis and the new employment did not materialize for reasons attributable to the new employing unit;

(4) The leaving was necessary to protect the claimant or any member of the claimant's immediate family from domestic abuse or the leaving was due to domestic violence that caused the claimant reasonably to believe that the claimant's continued employment would jeopardize the safety of the claimant or any member of the claimant's immediate family and the claimant made all reasonable efforts to preserve the employment; or

(5) The claimant's employer announced in writing to employees that it planned to reduce the work force through a layoff or reduction in force and that employees may offer to be among those included in the layoff or reduction in force, at which time the claimant offered to be one of the employees included in the layoff or reduction in force and the claimant's employer accepted the claimant's offer, thereby ending the employment relationship.

Separation from employment based on the compelling family reasons in subparagraphs (1), (2) and (4) does not result in disqualification.

Sec. 2. Alternative trigger. In addition to the conditions provided in the Maine Revised Statutes, Title 26, section 1195, there is a state "on" indicator for a week in the period from 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, if:

1. The average rate of seasonally adjusted total unemployment in this State, as determined by the United States Secretary of Labor, for the period consisting of the most recent 3 months for which data for all states are published before the close of that week equals or exceeds 6.5%; and

2. The average rate of seasonally adjusted total unemployment in this State, as determined by the United States Secretary of Labor, for the 3-month period referred to in subsection 1 equals or exceeds 110% of the average rate for either or both of the corresponding 3-month periods ending in the 2 preceding calendar years.

Sec. 3. Total extended benefit amount. For the period from 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, and effective with respect to weeks beginning in a high unemployment period, the total extended benefit amount payable to any eligible individual with respect to the applicable benefit year is the least of the following amounts:

1. Eighty percent of the total amount of regular benefits that were payable to the individual under the Maine Revised Statutes, Title 26, chapter 13 in the applicable benefit year;

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.