



126th MAINE LEGISLATURE

LD 1198

LR 1589(01)

An Act To Protect Earned Pay

Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Rep. Herbig of Belfast

Committee: Labor, Commerce, Research and Economic Development

Fiscal Note Required: Yes

Preliminary Fiscal Impact Statement

Current biennium cost increase - All Funds

Current biennium cost increase - Unemployment Compensation Trust Fund

Potential future biennium revenue increase - Unemployment Compensation Trust Fund

Fiscal Detail and Notes

Repealing the provisions that include holiday pay and vacation pay that exceed 4 weeks of an individual's wages as deductible income when calculating a claimant's unemployment compensation benefit amount will increase costs to the Unemployment Compensation Trust Fund beginning in fiscal year 2013-14 due to an increase in benefit payments. The Department of Labor estimates the increase in benefit costs to all employers to be \$221,446.

This expansion of benefits may potentially affect the contribution rate schedule in future biennia. The impact to all employers and the timing of the impact can not be determined at this time and will depend on the level of benefits paid, contributions received and the balance of the trust fund when the contribution schedule is calculated.

This bill will increase unemployment costs for the State as a direct reimbursement employer, which could affect all funds that carry payroll expense.