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HOUSE OF REPRESENTATIVES

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Testimony of Representative Amy Roeder presenting

LD 12, An Act to Amend the Laws Governing Severance Pay to Cover More Types of Employers and Include More Workers

Before the Joint Standing Committee on Labor and Housing

Good afternoon Senator Tipping and honorable members of the Joint Standing Committee on Labor and Housing. My name is Amy Roeder, and I represent House District 23 which includes a portion of Bangor. Today, I present to you LD 12, An Act to Amend the Laws Governing Severance Pay to Cover More Types of Employers and Include More Workers.

Currently, in Maine, we have a law in place that requires industrial and commercial facilities to give severance pay due to the closing, substantial shutdown or relocation of their establishment.

This bill expands that limitation to other workplace sectors. It also removes the exclusion from eligibility for severance pay of employees with less than three years of service to their employer.

The requirement that an employee work with their employer for three years before they are eligible for severance pay is far too long. Further, an employee should not be penalized and miss out on severance pay due to the closure or relocation of their employer, which is out of their control.

The payout of accrued vacation and extended benefits allows employees the support they need while searching for new work. From an employer's perspective, offering severance pay can help avoid future lawsuits from employees.

It's enough to lose your livelihood, but to lose your livelihood and not have the small support a severance package offers to bridge the gap until your next employment opportunity is unbearable for many.

Thank you for your time and consideration. I'm happy to answer any questions you may have.