



# **MAINE AFL-CIO**

**A Union of Unions Standing for Maine Workers**

21 Gabriel Drive, Augusta, Maine 04330



(207) 622-9675

Visit our website: [www.maineaflcio.org](http://www.maineaflcio.org)

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## **Testimony of Adam Goode, Maine AFL-CIO Legislative & Political Director, In Support of LD 12 “An Act to Amend the Laws Governing Severance Pay to Cover More Types of Employers and Include More Workers”**

Senator Tipping, Representative Roeder and members of the Joint Standing Committee on Labor & Housing, my name is Adam Goode. I am the Legislative & Political Director of the Maine AFL-CIO. We represent 40,000 working men and women in the state of Maine. We work to improve the lives and working conditions of our members and all working people.

Maine’s severance pay law allows workers who work for an employer who closes or engages in a mass layoff at a covered establishment to receive severance pay at the rate of one week’s pay for each year, and partial pay for any partial year, from the last full month of employment by the employee in that establishment.

This law currently provides some workers with a level of economic security should their workplace close due to relocation, termination or consolidation of the employer’s business. Expanding this law to working people struggle with the cost of heat, housing, child care, groceries and other expenses is the right thing to do and is consistent with the intent of the law given how workplaces have changed in recent years.

The current law covers workplaces that are defined as “industrial and commercial” facilities that employ more than 100 people. The changes in this bill would effectively extend the employee severance pay to new types of employers, including large non-profits, health care facilities, public employers and educational institutions.

While large layoffs and closings in these workplaces are rare, the increasing role that they play in our economy means more and more workers provide services in these jobs and could be vulnerable to a mass layoff. We learned during the pandemic that work is unpredictable. The security of severance pay provides a small, but helpful, level of predictability for workers at large employers and should be consistent across the many different workplaces in Maine. The same values that lead us to have a severance pay law that applies to industrial and commercial facilities should apply to the modern workplace.

We ask that you vote “ought to pass” on LD 12.