



Janet T. Mills  
GOVERNOR

STATE OF MAINE  
DEPARTMENT OF LABOR  
54 STATE HOUSE STATION  
AUGUSTA, MAINE 04333-0054

Laura A. Fortman  
COMMISSIONER

Testimony of Laura Boyett, Bureau of Unemployment Compensation  
Maine Department of Labor

**Neither For Nor Against LD 839, “An Act to Address Unemployment Issues Facing School Employees”**

To the Joint Standing Committee on Labor and Housing  
Public Hearing, April 2, 2021

Good morning Senator Hickman, Representative Sylvester and members of the Joint Standing Committee on Labor and Housing. My name is Laura Boyett and I am the Director of the Bureau of Unemployment Compensation at the Maine Department of Labor. I am here today to speak on behalf of the Department as neither for nor against LD 839, “An Act to Address Unemployment Issues Facing School Employees,” as the bill is not needed. Both State and Federal law already supports what this bill means to accomplish.

From talking with the sponsor of LD 839, Representative Dodge, and John Kosinski of the Maine Education Association, it is clear that the intent of the bill is to prevent school employees who qualify for the federal Pandemic Unemployment Assistance (PUA) program during the break between school terms from having their benefits reduced by school wages earned during the school term but received during the summer months due to having opted into a pay averaging plan. In researching this with the U.S. Department of Labor, I learned that if the wages were earned during the school term and not for work performed during the school break, then the wages are not reportable as income for unemployment benefits received during the break. The wages are reported when earned, not when paid.

During the confusion of the pandemic and dealing with a new federal program designed to cover individuals and circumstances that are not permissible under the regular state unemployment insurance programs, school employees that met the eligibility requirements under the PUA program were required to report school wages received during the summer weeks. For those that received wages earned earlier in the school year but deferred until the summer, this resulted in a reduction in, or in some instances a denial for, a week or more of benefits due to excess earnings (wages received exceed the individual's weekly benefit amount). Given the federal clarification received, the department is researching school claims paid during the 2020 summer break to identify claims where school wages reported should not have impacted the weekly claims filed. Supplemental payments will be made to individuals for the weeks in which benefits were reduced by these wages, or not paid at all due to a finding of excess earnings. This will not be an issue for the upcoming summer break between school terms.

It should be noted that my testimony of neither for nor against LD 839 is based on our understanding of the intent of the bill and the fact that it is not needed to correct what occurred last summer or going forward. However, if the bill goes forward as currently written, there is a serious federal conformity issue with the language of the bill that would need to be addressed to avoid the loss of state FUTA tax credits affecting employers' federal unemployment tax rates, and Federal administrative funding for delivering unemployment program services.

Thank you for your time and attention. I would be happy to answer any questions you may have now or at a future work session.

The Maine Department of Labor is committed to serving Maine workers and businesses by helping employers recruit and train a talented workforce, providing workers with skills needed to compete in our economy, assisting individuals when jobs are lost, aiding people with disabilities reach career goals, ensuring safe and fair workplaces for people on the job and providing research and analysis of employment data to support job growth.