

Please Oppose LD 1725

“An Act To Strengthen the Unemployment Insurance Laws and Reduce Unemployment Fraud”

Unemployment Insurance (UI) benefits are a lifeline, helping workers and their families by putting money in their pockets while they search for a new job. At a time when jobs are scarce these benefits provide critical support to unemployed workers. Passage of LD 1725 would significantly weaken that lifeline in a number of ways.

- **LD 1725 disadvantages unemployed workers.** Several provisions of the bill seek to impose restrictions making it more difficult for unemployed workers to access UI benefits.
 - **LD 1725 penalizes workers who have vacation pay on the books when they are laid off.** Right now if you have earned vacation pay when you lose your job, your UI benefit is unaffected. This law would punish workers by delaying their unemployment insurance week for week for every week of vacation pay they had on the books. If a worker had 4 weeks of vacation pay for example, they would not get their first unemployment check for 5 weeks. (The first week is a waiting period for everyone.) Vacation pay is like any other wage, and it's unfair to punish workers just because they have unused vacation time when they are laid off.
 - **LD 1725 forces workers into lower paying jobs faster.** The bill reduces the time an unemployed worker has to find employment equivalent to their prior job from 12 weeks to only 6 weeks. This means that in week 7 workers would have to lessen their wage expectations and ignore any technical training or licensing they had earned. Forcing nurses into the retail sector and machinists into day labor will only exacerbate the skills mismatch in Maine's workforce.
 - **LD 1725 punishes women and low-wage workers who are more likely to face obstacles accessing child care and transportation.** One provision will eliminate childcare and transportation emergencies from the definition of “good cause” for missing a mandatory appointment for “reemployment eligibility assessment services.” This would mean that an unemployed mother or father with a child care emergency would no longer have “good cause” if she is unable to make her mandatory appointment as a result. Likewise, if her car broke down on the way to the appointment this emergency situation would no longer be deemed “good cause.” Without good cause these individuals would be disqualified from receiving unemployment benefits.
- **LD 1725 seeks to address a problem that does not exist.** The bill would impose an “indefinite” disqualification from receiving benefits upon a 3rd determination of fraud and would increase the class of crime for certain unemployment fraud. These changes are being proposed despite the fact that Maine's UI program has one of the lowest rates of fraud in the nation. Maine already has strong penalties for people who knowingly commit fraud.
 - Maine law already disqualifies people for 6 months to one year based on a finding of fraud.
 - Maine has the lowest rate of UI fraud in New England and the *fifth lowest rate in the nation*. Maine's UI fraud rate is 80% below the national average. LD 1725 would make Maine's penalties some of the most rigid and extreme in the entire country.

At a time when we are only slowly recovering from this deep recession and when there are still nearly 5 workers competing for every job opening nationally, the focus should be on job creation; NOT restricting access to the UI program and penalizing unemployed workers.

Please Oppose LD 1725 and stop the roll-back of workers' rights.

For more information, contact the Maine AFL-CIO at 207 622 9675 - www.maineaflcio.org
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