



130th MAINE LEGISLATURE

LD 610

LR 965(01)

An Act To Amend the Laws Governing Employer Recovery of Overcompensation Paid to an Employee

Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Rep. Doore of Augusta

Committee: Labor and Housing

Fiscal Note Required: Yes

Preliminary Fiscal Impact Statement

Potential current biennium cost increase - All funds

	FY 2021-22	FY 2022-23	Projections FY 2023-24	Projections FY 2024-25
Net Cost (Savings)				
General Fund	\$42,817	\$57,644	\$59,404	\$61,220
Appropriations/Allocations				
General Fund	\$42,817	\$57,644	\$59,404	\$61,220

Fiscal Detail and Notes

The Regulation and Enforcement program within the Department of Labor will require ongoing General Fund appropriations of \$42,817 in fiscal year 2021-22 and \$57,644 in fiscal year 2022-23 for one half-time Labor and Safety Inspector position and related All Other costs associated with enforcing the limitation on the recovery of overcompensation paid to an employee in error. This estimate assumes an effective date of October 1, 2021.

Reducing the maximum amount an employer may withhold from an employee's pay to recover overcompensation from 10% to 5% and prohibiting an employer from recovering more than the amount of overcompensation paid to an employee due to an error by the employer in the 3 years preceding the discovery of the overcompensation may mean recovery in some cases is never accomplished, increasing costs to all employers. It is not possible to estimate the amounts of future overcompensation that may never be recovered by state departments and agencies because of this bill.