

Mission Statement

MMA's Unemployment Compensation Program was created in 1978 at the request of MMA Members, municipalities, service districts and related nonprofit organizations to assist in meeting their obligations under the Employment Security Act in an efficient and cost effective manner.

MEMBERS ENJOY:

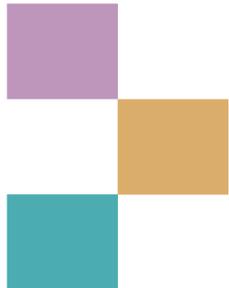
Financial stability of the Fund

Dividend and interest returns

Uniform wage reporting

Actuarially recommended rates

Advice on Fact Findings and Hearings



Participation

The following information is needed to generate a quotation for participation in the MMA UC Fund.

1. MMA Membership or Associate Membership
2. Three years of UC quarterly wage reports
3. Three years of UC claims

If you want more information about the MMA UC Fund, please call Denise Kolreg at 1-800-590-5583 or 207-624-0192, Fax: 207-624-0130, or email: dkolreg@memun.org.

This brochure describes in general terms the essential features of the MMA UC Group Fund. Actual terms, exclusions and coverages are subject to the terms of the Agreement with the Fund.



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Risk Management Services

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Maine Municipal Association
Risk Management Services

Unemployment Compensation Group Fund

60 Community Drive
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MMA Unemployment Compensation Group Fund

Benefits to Program Participants

The MMA UC Fund is composed of individual municipalities and other public and related non-profit entities that are individually self-insured but administered as a group. Within the Fund, each member has a separate account. Members make quarterly payments into their account, based on rates developed by MMA's consulting actuary. Claims are paid out of the member's own account.

The Maine Department of Labor classifies MMA's UC Fund members as Direct Reimbursement Employers. In other words, the Fund reimburses the Maine DOL on a member's behalf only when a member has unemployment claims from present or former employees.

In contrast, the Taxpaying Employer pays a percentage of his reported taxable wages each quarter. This money is paid into the State's Unemployment Compensation Trust Fund and used to pay claims statewide. When the State Unemployment Compensation Trust Fund is low, such employers have been subject to surtaxes levied to enable the Trust Fund to meet its claim obligations.

The primary benefits for program participants include:

Moderation of cash flow for a liability which tends to follow an irregular pattern

Simplification of reporting to Maine DOL

Return of dividends and excess balance

MODERATION OF CASH FLOW

Each December members of the UC Fund are notified of their contribution obligation for the next calendar year. The amount of the contribution is fixed for the year and additional payments are not required in the event a larger sum is paid out in claims.

SIMPLIFICATION

Communications and reporting to the Department of Labor are simplified. All mail for the UC Fund members from the Maine DOL is directed to MMA. In most cases the Fund Coordinator can resolve the issues raised. Members' UC wage reports also come to MMA for uniform reporting each quarter. The UC Fund Coordinator is available to answer unemployment compensation questions.

NEGATIVE BALANCE

Occasionally a member will have layoffs or resignations or even a part-time employee losing a primary job, that lead to larger claims payments than anticipated. When claims exceed the balance of the member's account, the UC Fund continues to pay the member's claims with no regard for the negative balance. Repayment of a negative balance is spread out over a period of years to avoid a financial hardship to the member.

DIVIDENDS, INTEREST AND EXCESS BALANCES

Dividends, interest, and excess balances are returned to members, based on the determination of MMA's conservative, consulting actuary that there is a sufficient balance in each member's account to pay claims for the next year.

TECHNICAL GUIDANCE

Technical Guidance is available from MMA staff in preparing for fact findings and appeal hearings, wage reports, Requests for Separation Information, wage audits and other unemployment issues that may arise.