

**MAINE DEPARTMENT OF LABOR**

Bureau of Unemployment Compensation – Employer Services Division  
47S State House Station, 45 Commerce Drive, Augusta, ME 04333-0047

LOC No: (LOC number)

SEIN: (UI number)

**MEMORANDUM OF AGREEMENT  
IRREVOCABLE LETTER OF CREDIT**

Made this \_\_\_\_ day of \_\_\_\_, 20\_\_\_\_, between the Treasurer, State of Maine, Custodian for the Maine Department of Labor, Bureau of Unemployment Compensation, 47S State House Station, Augusta, Maine, hereinafter called the Bureau, and employer name

of street address, town, zip , hereinafter called the employer.

WHEREAS under Section 1221, subsection 10, of the Employment Security Law (26 M.R.S.A. Chapter 13,) the employer may elect to become liable for payments in lieu of contributions, in accordance with the provisions of Section 1221, subsection 11, of said Law, for a period of one (1) year from the date of such election, and

WHEREAS the Principal has so elected, and

WHEREAS the employer, under the provisions of Section 1221, subsection 12, of the Employment Security Law such nonprofit organization may elect to file a Letter of Credit to guarantee payment of the amounts due in lieu of contributions, or may elect to deposit with the Bureau money or securities as approved by the commissioner as determined under said Section 1221, subsection 11, and

WHEREAS the amount so approved has been fixed written amount (\$\_\_\_\_). (5% of taxable wages)

NOW THEREFORE, the parties agree as follows:

1. Employer agrees to provide an Irrevocable Letter of Credit # \_\_\_\_ with the Bank Name of Bank's street address, town, state, zip in the amount of \$ \_\_\_\_ on terms that make the securities payable solely to the Bureau for use in collecting amounts due in lieu of contributions, in addition to any applicable interest and penalties incurred as a result of non-payment. Liability for benefits charges can extend up to thirty (30) months beyond the cessation of the business of the organization.
2. The Employer agrees to make no withdrawals or institute any changes to the security without the approval of the Bureau. The Employer further agrees to immediately deliver said security to the possession of the Bureau upon demand for unpaid obligations.
3. The Bureau agrees to make no withdrawals from said securities except such as are necessary to pay the reimbursement obligations of the Employer , including interest and penalties, in the event said Employer does not make reimbursement payment when due under the terms of the Employment Security Law.
4. In the event that the election to make reimbursement payments be terminated, according to Law, and all obligations arising out of said election are fully paid after the period of potential liability is passed, the Bureau agrees to return the securities and release all its rights in and obligation to any then remaining balance in such securities to the Employer.

The conditions of this obligation are such that the Principal shall pay the full amount of payments due, in accordance with its election to become liable for payments in lieu of contributions, together with any applicable interest and penalties provided for in subsections 3 and 4 of Section 1225 of said Employment Security Law, and

IT BEING UNDERSTOOD that some or all of the liability may not be determined until after the end of the period of election; then this obligation shall be void, otherwise to remain in full force and effect.

THIS LETTER OF CREDIT may be cancelled by the Obligee by giving written notice to the Principal and the Letter of Credit, stating the effective date of cancellation. This Letter of Credit may not be cancelled by the Principal or Letter of Credit without giving the Obligee sixty (60) days written notice via Certified Mail. Cancellation or termination of the Letter of Credit shall in no way affect the right of the Obligee to collect from the Principal or Letter of Credit for payment of liability incurred prior to cancellation or termination but determined after the effective date of cancellation or termination. This liability can extend up to thirty (30) months should the business of the organization cease. The Letter of Credit must remain in effect for that period and will be returned with any accrues after that period of potential liability has passed, providing no outstanding debt remains.

Signed, sealed and dated this (day) day of (month), 20(year).

Principal (corporate officer typed name signing below)

\_\_\_\_\_ (signature)

Witness as to Principal: \_\_\_\_\_ (signature)

For the Bureau: \_\_\_\_\_ (signature) Date \_\_\_\_\_