

Chapter 47

(House Bill 908)

AN ACT concerning

**Unemployment Insurance – Employer Contributions and Reimbursement
Payments – ~~Payment Plans~~**

FOR the purpose of requiring the Secretary of Labor to offer to employing units for certain calendar years a variety of payment plan options that spread certain contribution due dates through the end of a certain month; requiring the Secretary to offer a variety of additional payment plan options that mutually serve certain interests and, for plans offered in a calendar year in which a certain table of rates is applicable, provide more flexibility than certain plans offered under a certain provision of this Act; authorizing certain employing units to elect to delay submitting certain contributions for certain calendar quarters under certain circumstances; authorizing the Secretary to authorize certain employing units to defer submitting certain contributions for certain calendar quarters under certain circumstances; prohibiting an employing unit that defers the submission of a contribution in accordance with this Act from being required by the Secretary to file for an extension or be assessed certain interest under certain circumstances; altering the nonprofit organizations and governmental entities that may elect to defer payments of reimbursement bills for a certain calendar year; repealing certain provisions of law providing for the deferral of certain contribution and employment reports; repealing a certain provision of law rendered obsolete by a certain provision of this Act; making this Act an emergency measure; providing for the termination of certain provisions of this Act; and generally relating to ~~payment plans for~~ unemployment insurance.

BY repealing and reenacting, with amendments,
 Article – Labor and Employment
 Section ~~8–607(d)~~ 8–607(a) and (d)
 Annotated Code of Maryland
 (2016 Replacement Volume and 2020 Supplement)

BY adding to
 Article – Labor and Employment
 Section 8–607.1 and 8–607.2
 Annotated Code of Maryland
 (2016 Replacement Volume and 2020 Supplement)

BY repealing and reenacting, without amendments,
Article – Labor and Employment
Section 8–620(a)(1) and (2)
Annotated Code of Maryland
(2016 Replacement Volume and 2020 Supplement)
(As enacted by Chapter 39 of the Acts of the General Assembly of 2021)

BY repealing and reenacting, with amendments,

Article – Labor and Employment

Section ~~8–626~~ 8–620(a)(3), 8–626, and 8–628

Annotated Code of Maryland

(2016 Replacement Volume and 2020 Supplement)

(As enacted by Chapter 39 of the Acts of the General Assembly of 2021)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That the Laws of Maryland read as follows:

Article – Labor and Employment

8–607.

(d) (1) [(i)] By regulation, the Secretary shall set:

[1.] (I) the date when contributions are due; and

[2.] (II) **SUBJECT TO § 8–607.1 OF THIS SUBTITLE**, the manner in which contributions are to be paid.

[(ii) The regulations shall require that, for any calendar year in which Table F is applicable under § 8–612(d)(6) of this title, the Secretary offer a variety of payment plan options that spread through the end of August the dates when contributions are due on taxable wages for covered employment of the first 6 months of the calendar year.]

(2) In accordance with regulations adopted by the Secretary, an employing unit shall:

(i) submit to the Secretary periodic reports for determination of the amount of contributions due; and

(ii) pay the contribution.

(3) For payment of contributions, a fractional part of a cent:

(i) that is less than one-half cent shall be disregarded; and

(ii) that is one-half cent or more shall be increased to 1 cent.

8–607.1.

THE SECRETARY SHALL:

(1) FOR ANY CALENDAR YEAR IN WHICH TABLE F IS APPLICABLE UNDER § 8-612(D)(6) OF THIS SUBTITLE, OFFER A VARIETY OF PAYMENT PLAN OPTIONS THAT SPREAD THROUGH THE END OF AUGUST THE DATES WHEN CONTRIBUTIONS ARE DUE ON TAXABLE WAGES FOR COVERED EMPLOYMENT OF THE FIRST 6 MONTHS OF THE CALENDAR YEAR; AND

(2) OFFER A VARIETY OF ADDITIONAL PAYMENT PLAN OPTIONS THAT:

(I) MUTUALLY SERVE THE INTEREST OF THE DIVISION AND INDIVIDUAL EMPLOYING UNITS; AND

(II) FOR PLANS OFFERED IN A CALENDAR YEAR IN WHICH TABLE F IS APPLICABLE UNDER § 8-612(D)(6) OF THIS SUBTITLE, PROVIDE MORE FLEXIBILITY FOR AN EMPLOYING UNIT ~~THEN~~ THAN THE PLANS OFFERED UNDER ITEM (1) OF THIS SECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Labor and Employment

8-607.

(a) Except as provided in Part III of this subtitle, AND SUBJECT TO § 8-607.2 OF THIS SUBTITLE, an employing unit shall pay to the Secretary contributions for the Unemployment Insurance Fund on taxable wages for covered employment that is performed for the employing unit.

8-607.2.

(A) (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, FOR CALENDAR YEAR 2021, AN EMPLOYING UNIT THAT EMPLOYS FEWER THAN 50 INDIVIDUALS MAY ELECT TO DEFER PAYING CONTRIBUTIONS FOR THE CALENDAR QUARTERS ENDING ON MARCH 31, JUNE 30, AND SEPTEMBER 30.

(2) AN EMPLOYING UNIT THAT ELECTS TO DEFER THE PAYMENT OF CONTRIBUTIONS AS AUTHORIZED UNDER PARAGRAPH (1) OF THIS SUBSECTION:

(I) SHALL SUBMIT THE CONTRIBUTIONS ON OR BEFORE THE DATE ON WHICH THE CONTRIBUTION FOR THE CALENDAR QUARTER ENDING DECEMBER 31, 2021, IS DUE;

(II) MAY NOT BE REQUIRED BY THE SECRETARY TO FILE FOR AN EXTENSION; AND

(III) MAY NOT BE ASSESSED INTEREST THAT ACCRUES UNDER § 8-628 OF THIS SUBTITLE FOR THE PERIOD FOR WHICH THE CONTRIBUTIONS ARE DEFERRED.

(B) (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, FOR CALENDAR YEAR 2022, THE SECRETARY MAY AUTHORIZE AN EMPLOYING UNIT THAT EMPLOYS FEWER THAN 50 INDIVIDUALS TO DEFER PAYING CONTRIBUTIONS DUE IN ACCORDANCE WITH THIS SECTION.

(2) IF THE SECRETARY AUTHORIZES AN EMPLOYING UNIT TO DEFER PAYING CONTRIBUTIONS IN ACCORDANCE WITH PARAGRAPH (1) OF THIS SUBSECTION:

(I) THE SECRETARY SHALL ESTABLISH THE DATE ON WHICH THE CONTRIBUTIONS ARE DUE;

(II) THE EMPLOYING UNIT MAY NOT BE REQUIRED TO FILE FOR AN EXTENSION; AND

(III) THE EMPLOYING UNIT MAY NOT BE ASSESSED INTEREST THAT ACCRUES UNDER § 8-628 OF THIS SUBTITLE FOR THE PERIOD FOR WHICH THE CONTRIBUTIONS ARE DEFERRED.

8-620.

(a) (1) Reimbursement payments shall be made in accordance with this section.

(2) Except as provided in paragraphs (3) and (4) of this subsection, unless there is an application for review and redetermination of a bill under § 8-621 of this subtitle, a nonprofit organization or governmental entity shall pay the bill under this section within 30 days after the Secretary mailed the bill to the last known address of the nonprofit organization or governmental entity or otherwise delivered the bill to it.

(3) (i) For calendar year 2021, a nonprofit organization or governmental entity that employs fewer than 50 individuals may elect to defer payment of the bills under this section for the calendar quarters ending on March 31, June 30, and September 30.

(ii) FOR CALENDAR YEAR 2021, IF THE FEDERAL GOVERNMENT IS NOT PROVIDING EMERGENCY UNEMPLOYMENT RELIEF FOR NONPROFIT ORGANIZATIONS AND GOVERNMENTAL ENTITIES FOR THE ENTIRETY OF THE CALENDAR QUARTER ENDING SEPTEMBER 30, A NONPROFIT ORGANIZATION OR

GOVERNMENTAL ENTITY THAT EMPLOYS 50 OR MORE INDIVIDUALS MAY ELECT TO DEFER PAYMENT OF THE BILLS UNDER THIS SECTION FOR THE CALENDAR QUARTER ENDING SEPTEMBER 30.

(III) A nonprofit organization or governmental entity that elects to defer the payment of a bill as authorized under subparagraph (i) OR (II) of this paragraph:

1. shall submit the payment on or before the date on which the payment for the calendar quarter ending December 31, 2021, is due;

2. may not be required by the Secretary to file for an extension;

3. notwithstanding § 8-622 of this subtitle, may not be considered delinquent in making the payment during the period for which the payment is deferred; and

4. may not be assessed interest that accrues under § 8-628 of this subtitle for the period for which the payment is deferred.

8-626.

(a) [(1) Subject to paragraphs (2) and (3) of this subsection, for] **FOR** each calendar quarter, each employing unit shall submit to the Secretary a contribution and employment report on or before the date that the Secretary sets.

[(2) (i) For calendar year 2021, an employing unit that employs fewer than 50 individuals may elect to defer submitting contribution and employment reports for the calendar quarters ending on March 31, June 30, and September 30.

(ii) An employing unit that elects to defer the submission of a contribution and employment report as authorized under subparagraph (i) of this paragraph:

1. shall submit the report on or before the date on which the report for the calendar quarter ending December 31, 2021, is due;

2. may not be required by the Secretary to file for an extension; and

3. may not be assessed interest that accrues under § 8-628 of this subtitle for the period for which the submission is deferred.

(3) (i) For calendar year 2022, the Secretary may authorize an employing unit that employs fewer than 50 individuals to defer submitting a contribution and employment report due in accordance with this section.

(ii) If the Secretary authorizes an employing unit to defer submitting a contribution and employment report in accordance with subparagraph (i) of this paragraph:

1. the Secretary shall establish the date on which the contribution and employment report is due;

2. the employing unit may not be required to file for an extension; and

3. the employing unit may not be assessed interest that accrues under § 8–628 of this subtitle for the period for which the submission is deferred.]

(b) An employing unit shall include in a contribution and employment report information that the Secretary requires.

(c) (1) An employing unit that fails to submit a contribution and employment report under this section is subject to a penalty of \$35 unless the Secretary waives the penalty for cause.

(2) An employing unit that submits a check or other negotiable instrument in payment of any penalty under this subsection which is returned for insufficient funds is subject to an additional penalty of \$25.

8–628.

(a) Except as provided in § 8–201.1 of this title and §§ 8–620 and [8–626] 8–607.2 of this subtitle, a contribution or reimbursement payment that is due and unpaid shall accrue interest at the rate of 1.5% per month or part of a month from the date on which it is due until the Secretary receives the contribution or payment in lieu of contributions and the interest.

(b) Notwithstanding subsection (a) of this section, except as provided in § 8–201.1 of this title, for any calendar year in which Table F is applicable under § 8–612(d)(6) of this subtitle, a contribution or reimbursement payment that is due and unpaid shall accrue interest at the rate of 0.5% per month or part of a month from the date on which it is due until the Secretary receives the contribution or payment in lieu of contributions and the interest.

SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall be construed to apply only prospectively to bills for contributions *and reimbursement* due on or after the effective date of this Act.

SECTION ~~2~~ 4. AND BE IT FURTHER ENACTED, That this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a yea and nay vote supported by three-fifths of all the members elected to

each of the two Houses of the General Assembly, and shall take effect from the date it is enacted. Section 2 of this Act shall remain effective through June 30, 2023, and, at the end of June 30, 2023, Section 2 of this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.

Enacted under Article II, § 17(b) of the Maryland Constitution, April 9, 2021.