

SENATE BILL 214

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(PRE-FILED)

By: **Senator Salling**

Requested: October 16, 2020

Introduced and read first time: January 13, 2021

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Unemployment Insurance – Computation of Earned Rate of Contribution –**
3 **Applicable Table of Rates**

4 FOR the purpose of requiring, beginning on a certain date, the computation of the earned
5 rate of contribution to be calculated using a certain table of unemployment insurance
6 rates; providing for the termination of this Act; and generally relating to the
7 computation of the earned rate of contribution for unemployment insurance.

8 BY repealing and reenacting, with amendments,
9 Article – Labor and Employment
10 Section 8–612
11 Annotated Code of Maryland
12 (2016 Replacement Volume and 2020 Supplement)

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

15 **Article – Labor and Employment**

16 8–612.

17 (a) (1) Subject to paragraph (2) of this subsection, on the basis of the earned
18 rating record of an employing unit that qualifies for an earned rate of contribution under §
19 8–610 of this subtitle, the Secretary shall compute to the 4th decimal place a benefit ratio
20 for the employing unit in accordance with subsection (b) or (c) of this section.

21 (2) The Secretary may not assign an earned rate of contribution that is less
22 than 0.3% or more than 13.5%.

23 (b) For an employing unit that qualifies under § 8–610(a)(2) of this subtitle, the

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Secretary shall compute a benefit ratio by:

2 (1) adding the regular, work sharing, and extended benefits that were
 3 chargeable to the earned rating record of the employing unit and paid during the 3 rating
 4 years immediately preceding the computation date; and

5 (2) dividing the figure determined under item (1) of this subsection by the
 6 total of the reported taxable wages for the same period.

7 (c) For an employing unit that qualifies under § 8-610(a)(3) of this subtitle, the
 8 Secretary shall compute a benefit ratio for the employing unit by:

9 (1) adding the regular, work sharing, and extended benefits that were
 10 chargeable to the earned rating record of the employing unit and paid during the period
 11 beginning with the 1st day of the calendar quarter in which the employing unit first became
 12 subject to this title and ending on the June 30 immediately preceding the computation date;
 13 and

14 (2) dividing the figure obtained under item (1) of this subsection by the
 15 total of the reported taxable wages for the same period.

16 (d) (1) Except as provided in [subsection] **SUBSECTIONS (f) AND (G)** of this
 17 section, for any calendar year beginning on or after January 1, 2006, when the
 18 Unemployment Insurance Fund balance on September 30 of the immediately preceding
 19 calendar year exceeds 5% of the total taxable wages in covered employment for the 4
 20 completed calendar quarters immediately preceding September 30, the Table of Rates in
 21 this paragraph of this subsection shall apply.

22 Table of Rates – Table A

23	Employing	Employing
24	Unit's Benefit	Unit's
25	Ratio	Rate
26	(1) .0000 —	0.30%
27	(2) .0001 — .0027	0.60%
28	(3) .0028 — .0054	0.90%
29	(4) .0055 — .0081	1.20%
30	(5) .0082 — .0108	1.50%
31	(6) .0109 — .0135	1.80%
32	(7) .0136 — .0162	2.10%
33	(8) .0163 — .0189	2.40%
34	(9) .0190 — .0216	2.70%
35	(10) .0217 — .0243	3.00%
36	(11) .0244 — .0270	3.30%
37	(12) .0271 — .0297	3.60%
38	(13) .0298 — .0324	3.90%

1	(22)	.0541 — .0567	6.90%
2	(23)	.0568 — .0594	7.20%
3	(24)	.0595 — .0621	7.50%
4	(25)	.0622 — .0648	7.80%
5	(26)	.0649 — .0675	8.10%
6	(27)	.0676 — .0702	8.40%
7	(28)	.0703 — .0729	8.70%
8	(29)	.0730 — and over	9.00%

9 (3) Except as provided in [subsection] **SUBSECTIONS (f) AND (G)** of this
 10 section, for any calendar year beginning on or after January 1, 2006, when the
 11 Unemployment Insurance Fund balance on September 30 of the immediately preceding
 12 calendar year exceeds 4%, but is not in excess of 4.5% of the total taxable wages in covered
 13 employment for the 4 completed calendar quarters immediately preceding September 30,
 14 the Table of Rates in this paragraph of this subsection shall apply.

15 Table of Rates – Table C

16		Employing		Employing
17		Unit’s Benefit		Unit’s
18		Ratio		Rate
19	(1)	.0000 —		1.00%
20	(2)	.0001 — .0027		1.50%
21	(3)	.0028 — .0054		1.80%
22	(4)	.0055 — .0081		2.10%
23	(5)	.0082 — .0108		2.40%
24	(6)	.0109 — .0135		2.70%
25	(7)	.0136 — .0162		3.00%
26	(8)	.0163 — .0189		3.30%
27	(9)	.0190 — .0216		3.60%
28	(10)	.0217 — .0243		3.90%
29	(11)	.0244 — .0270		4.20%
30	(12)	.0271 — .0297		4.50%
31	(13)	.0298 — .0324		4.80%
32	(14)	.0325 — .0351		5.10%
33	(15)	.0352 — .0378		5.40%
34	(16)	.0379 — .0405		5.70%
35	(17)	.0406 — .0432		6.00%
36	(18)	.0433 — .0459		6.30%
37	(19)	.0460 — .0486		6.60%
38	(20)	.0487 — .0513		6.90%
39	(21)	.0514 — .0540		7.20%
40	(22)	.0541 — .0567		7.50%
41	(23)	.0568 — .0594		7.80%
42	(24)	.0595 — .0621		8.10%
43	(25)	.0622 — .0648		8.40%

1	(26)	.0649 — .0675	8.70%
2	(27)	.0676 — .0702	9.00%
3	(28)	.0703 — .0729	9.30%
4	(29)	.0730 — .0756	9.60%
5	(30)	.0757 — .0783	9.90%
6	(31)	.0784 — .0810	10.20%
7	(32)	.0811 — and over	10.50%

8 (4) Except as provided in [subsection] **SUBSECTIONS (f) AND (G)** of this
 9 section, for any calendar year beginning on or after January 1, 2006, when the
 10 Unemployment Insurance Fund balance on September 30 of the immediately preceding
 11 calendar year exceeds 3.5%, but is not in excess of 4% of the total taxable wages in covered
 12 employment for the 4 completed calendar quarters immediately preceding September 30,
 13 the Table of Rates in this paragraph of this subsection shall apply.

14 Table of Rates – Table D

15	Employing		Employing
16	Unit's Benefit		Unit's
17	Ratio		Rate
18	(1)	.0000 —	1.40%
19	(2)	.0001 — .0027	2.10%
20	(3)	.0028 — .0054	2.40%
21	(4)	.0055 — .0081	2.70%
22	(5)	.0082 — .0108	3.00%
23	(6)	.0109 — .0135	3.30%
24	(7)	.0136 — .0162	3.60%
25	(8)	.0163 — .0189	3.90%
26	(9)	.0190 — .0216	4.20%
27	(10)	.0217 — .0243	4.50%
28	(11)	.0244 — .0270	4.80%
29	(12)	.0271 — .0297	5.10%
30	(13)	.0298 — .0324	5.40%
31	(14)	.0325 — .0351	5.70%
32	(15)	.0352 — .0378	6.00%
33	(16)	.0379 — .0405	6.30%
34	(17)	.0406 — .0432	6.60%
35	(18)	.0433 — .0459	6.90%
36	(19)	.0460 — .0486	7.20%
37	(20)	.0487 — .0513	7.50%
38	(21)	.0514 — .0540	7.80%
39	(22)	.0541 — .0567	8.10%
40	(23)	.0568 — .0594	8.40%
41	(24)	.0595 — .0621	8.70%
42	(25)	.0622 — .0648	9.00%
43	(26)	.0649 — .0675	9.30%

SENATE BILL 214

1	(27)	.0676 — .0702	9.60%
2	(28)	.0703 — .0729	9.90%
3	(29)	.0730 — .0756	10.20%
4	(30)	.0757 — .0783	10.50%
5	(31)	.0784 — .0810	10.80%
6	(32)	.0811 — .0837	11.10%
7	(33)	.0838 — .0864	11.40%
8	(34)	.0865 — .0891	11.70%
9	(35)	.0892 — and over	11.80%

10 (5) Except as provided in [subsection] **SUBSECTIONS (f) AND (G)** of this
11 section, for any calendar year beginning on or after January 1, 2006, when the
12 Unemployment Insurance Fund balance on September 30 of the immediately preceding
13 calendar year exceeds 3%, but is not in excess of 3.5% of the total taxable wages in covered
14 employment for the 4 completed calendar quarters immediately preceding September 30,
15 the Table of Rates in this paragraph of this subsection shall apply.

16 Table of Rates – Table E

17	Employing		Employing
18	Unit's Benefit		Unit's
19	Ratio		Rate
20	(1)	.0000 —	1.80%
21	(2)	.0001 — .0027	2.60%
22	(3)	.0028 — .0054	2.90%
23	(4)	.0055 — .0081	3.20%
24	(5)	.0082 — .0108	3.50%
25	(6)	.0109 — .0135	3.80%
26	(7)	.0136 — .0162	4.10%
27	(8)	.0163 — .0189	4.40%
28	(9)	.0190 — .0216	4.70%
29	(10)	.0217 — .0243	5.00%
30	(11)	.0244 — .0270	5.30%
31	(12)	.0271 — .0297	5.60%
32	(13)	.0298 — .0324	5.90%
33	(14)	.0325 — .0351	6.20%
34	(15)	.0352 — .0378	6.50%
35	(16)	.0379 — .0405	6.80%
36	(17)	.0406 — .0432	7.10%
37	(18)	.0433 — .0459	7.40%
38	(19)	.0460 — .0486	7.70%
39	(20)	.0487 — .0513	8.00%
40	(21)	.0514 — .0540	8.30%
41	(22)	.0541 — .0567	8.60%
42	(23)	.0568 — .0594	8.90%
43	(24)	.0595 — .0621	9.20%

1	(25)	.0622 — .0648	9.50%
2	(26)	.0649 — .0675	9.80%
3	(27)	.0676 — .0702	10.10%
4	(28)	.0703 — .0729	10.40%
5	(29)	.0730 — .0756	10.70%
6	(30)	.0757 — .0783	11.00%
7	(31)	.0784 — .0810	11.30%
8	(32)	.0811 — .0837	11.60%
9	(33)	.0838 — .0864	11.90%
10	(34)	.0865 — .0891	12.20%
11	(35)	.0892 — .0918	12.50%
12	(36)	.0919 — .0945	12.80%
13	(37)	.0946 — and over	12.90%

14 (6) Except as provided in [subsection] **SUBSECTIONS (f) AND (g)** of this
15 section, for any calendar year beginning on or after January 1, 2006, when the
16 Unemployment Insurance Fund balance on September 30 of the immediately preceding
17 calendar year is not in excess of 3% of the total taxable wages in covered employment for
18 the 4 completed calendar quarters immediately preceding September 30, the Table of Rates
19 in this paragraph of this subsection shall apply.

20 Table of Rates – Table F

21	Employing		Employing
22	Unit's Benefit		Unit's
23	Ratio		Rate
24	(1)	.0000 —	2.20%
25	(2)	.0001 — .0027	3.10%
26	(3)	.0028 — .0054	3.40%
27	(4)	.0055 — .0081	3.70%
28	(5)	.0082 — .0108	4.00%
29	(6)	.0109 — .0135	4.30%
30	(7)	.0136 — .0162	4.60%
31	(8)	.0163 — .0189	4.90%
32	(9)	.0190 — .0216	5.20%
33	(10)	.0217 — .0243	5.50%
34	(11)	.0244 — .0270	5.80%
35	(12)	.0271 — .0297	6.10%
36	(13)	.0298 — .0324	6.40%
37	(14)	.0325 — .0351	6.70%
38	(15)	.0352 — .0378	7.00%
39	(16)	.0379 — .0405	7.30%
40	(17)	.0406 — .0432	7.60%
41	(18)	.0433 — .0459	7.90%
42	(19)	.0460 — .0486	8.20%
43	(20)	.0487 — .0513	8.50%

1	(21)	.0514 — .0540	8.80%
2	(22)	.0541 — .0567	9.10%
3	(23)	.0568 — .0594	9.40%
4	(24)	.0595 — .0621	9.70%
5	(25)	.0622 — .0648	10.00%
6	(26)	.0649 — .0675	10.30%
7	(27)	.0676 — .0702	10.60%
8	(28)	.0703 — .0729	10.90%
9	(29)	.0730 — .0756	11.20%
10	(30)	.0757 — .0783	11.50%
11	(31)	.0784 — .0810	11.80%
12	(32)	.0811 — .0837	12.10%
13	(33)	.0838 — .0864	12.40%
14	(34)	.0865 — .0891	12.70%
15	(35)	.0892 — .0918	13.00%
16	(36)	.0919 — .0945	13.30%
17	(37)	.0946 — and over	13.50%

18 (e) For the purpose of making any computation under this section:

19 (1) money that has been credited to the account of the State in the
 20 Unemployment Trust Fund under § 903 of the Social Security Act and that has been
 21 appropriated for expenses of administration, whether or not withdrawn from the account,
 22 shall be excluded from the total amount available for benefits in the Unemployment
 23 Insurance Fund; and

24 (2) the total amount available for benefits in the Unemployment Insurance
 25 Fund includes:

26 (i) money receivable by the Unemployment Insurance Fund as
 27 federal reimbursement for shareable benefits under the Federal–State Extended
 28 Unemployment Compensation Act of 1970;

29 (ii) all advance payments made to the Unemployment Insurance
 30 Fund on behalf of eligible employing units who elect to make reimbursement payments;
 31 and

32 (iii) money receivable by the Unemployment Insurance Fund from an
 33 eligible employing unit who elects to make reimbursement payments.

34 (f) **[For] EXCEPT AS PROVIDED IN SUBSECTION (G) OF THIS SECTION, FOR**
 35 any calendar year beginning on or after January 1, 2017, the Table of Rates in effect for the
 36 immediately preceding calendar year shall continue to apply if:

37 (1) the Unemployment Insurance Fund balance on September 30 of the
 38 immediately preceding calendar year was at a level that would result in a Table of Rates
 39 that had lower rates being applied under subsection (d) of this section; and

1 (2) the federal funding goals requirement in 20 C.F.R. § 606.32 were not
2 met as of December 31 of the second immediately preceding calendar year.

3 **(G) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, BEGINNING JUNE**
4 **1, 2021, THE EARNED RATE OF CONTRIBUTION CALCULATED UNDER THIS SECTION**
5 **SHALL BE CALCULATED USING TABLE A OF THE TABLE OF RATES SPECIFIED IN**
6 **SUBSECTION (D) OF THIS SECTION.**

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
8 1, 2021. It shall remain in effect until the date that is 1 year from the date on which the
9 state of emergency declared by the Governor due to the COVID–19 pandemic ends under
10 Title 14 of the Public Safety Article and, at the end of that period, this Act, with no further
11 action required by the General Assembly, shall be abrogated and of no further force and
12 effect.