

SENATE BILL 811

K2

EMERGENCY BILL

11r0505

By: ~~Senator Hershey~~ Senators Hershey, Klausmeier, Kelley, Augustine, Beidle, Benson, Feldman, Hayes, Jennings, Kramer, and Ready

Introduced and read first time: February 9, 2021

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 12, 2021

CHAPTER _____

1 AN ACT concerning

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

4 FOR the purpose of requiring ~~that the earned rate of contribution be calculated using~~
5 ~~certain tables of unemployment insurance rates for certain calendar years except~~
6 ~~under certain circumstances~~ the Governor, based on the availability of certain
7 federal funds, to include in the annual budget bill for a certain fiscal year a certain
8 appropriation to the Unemployment Insurance Trust Fund; authorizing the
9 appropriation to be used for certain administrative costs, including the repayment of
10 certain federal funds; requiring that the earned rate of contributions for a certain
11 calendar year be calculated using a certain table of unemployment insurance rate;
12 making this Act an emergency measure; providing for the termination of this Act;
13 and generally relating to the computation of the earned rate of contribution of
14 unemployment insurance.

15 BY repealing and reenacting, with amendments,
16 Article – Labor and Employment
17 Section 8–612
18 Annotated Code of Maryland
19 (2016 Replacement Volume and 2020 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



Article – Labor and Employment

1 8–612.

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

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

8 (b) For an employing unit that qualifies under § 8–610(a)(2) of this subtitle, the
9 Secretary shall compute a benefit ratio by:

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

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

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

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

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

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

30 Table of Rates – Table A

31
32 Employing Employing
33 Unit's Benefit Unit's
34 Ratio Rate

1	(1)	.0000 —	0.30%
2	(2)	.0001 — .0027	0.60%
3	(3)	.0028 — .0054	0.90%
4	(4)	.0055 — .0081	1.20%
5	(5)	.0082 — .0108	1.50%
6	(6)	.0109 — .0135	1.80%
7	(7)	.0136 — .0162	2.10%
8	(8)	.0163 — .0189	2.40%
9	(9)	.0190 — .0216	2.70%
10	(10)	.0217 — .0243	3.00%
11	(11)	.0244 — .0270	3.30%
12	(12)	.0271 — .0297	3.60%
13	(13)	.0298 — .0324	3.90%
14	(14)	.0325 — .0351	4.20%
15	(15)	.0352 — .0378	4.50%
16	(16)	.0379 — .0405	4.80%
17	(17)	.0406 — .0432	5.10%
18	(18)	.0433 — .0459	5.40%
19	(19)	.0460 — .0486	5.70%
20	(20)	.0487 — .0513	6.00%
21	(21)	.0514 — .0540	6.30%
22	(22)	.0541 — .0567	6.60%
23	(23)	.0568 — .0594	6.90%
24	(24)	.0595 — .0621	7.20%
25	(25)	.0622 — and over	7.50%

26 (2) Except as provided in [subsection] **SUBSECTIONS (f) ~~AND (G), (G),~~**
 27 **AND (H)** of this section, for any calendar year beginning on or after January 1, 2006, when
 28 the Unemployment Insurance Fund balance on September 30 of the immediately preceding
 29 calendar year exceeds 4.5%, but is not in excess of 5% of the total taxable wages in covered
 30 employment for the 4 completed calendar quarters immediately preceding September 30,
 31 the Table of Rates in this paragraph of this subsection shall apply.

32 Table of Rates – Table B

33		Employing	Employing	
34		Unit's Benefit	Unit's	
35		Ratio	Rate	
36	(1)	.0000 —		0.60%
37	(2)	.0001 — .0027		0.90%
38	(3)	.0028 — .0054		1.20%
39	(4)	.0055 — .0081		1.50%
40	(5)	.0082 — .0108		1.80%
41	(6)	.0109 — .0135		2.10%
42	(7)	.0136 — .0162		2.40%
43	(8)	.0163 — .0189		2.70%

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1	(9)	.0190 — .0216	3.00%
2	(10)	.0217 — .0243	3.30%
3	(11)	.0244 — .0270	3.60%
4	(12)	.0271 — .0297	3.90%
5	(13)	.0298 — .0324	4.20%
6	(14)	.0325 — .0351	4.50%
7	(15)	.0352 — .0378	4.80%
8	(16)	.0379 — .0405	5.10%
9	(17)	.0406 — .0432	5.40%
10	(18)	.0433 — .0459	5.70%
11	(19)	.0460 — .0486	6.00%
12	(20)	.0487 — .0513	6.30%
13	(21)	.0514 — .0540	6.60%
14	(22)	.0541 — .0567	6.90%
15	(23)	.0568 — .0594	7.20%
16	(24)	.0595 — .0621	7.50%
17	(25)	.0622 — .0648	7.80%
18	(26)	.0649 — .0675	8.10%
19	(27)	.0676 — .0702	8.40%
20	(28)	.0703 — .0729	8.70%
21	(29)	.0730 — and over	9.00%

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

28 Table of Rates – Table C

29	Employing	Employing	
30	Unit's Benefit	Unit's	
31	Ratio	Rate	
32	(1)	.0000 —	1.00%
33	(2)	.0001 — .0027	1.50%
34	(3)	.0028 — .0054	1.80%
35	(4)	.0055 — .0081	2.10%
36	(5)	.0082 — .0108	2.40%
37	(6)	.0109 — .0135	2.70%
38	(7)	.0136 — .0162	3.00%
39	(8)	.0163 — .0189	3.30%
40	(9)	.0190 — .0216	3.60%
41	(10)	.0217 — .0243	3.90%
42	(11)	.0244 — .0270	4.20%
43	(12)	.0271 — .0297	4.50%

1	(13)	.0298 — .0324	4.80%
2	(14)	.0325 — .0351	5.10%
3	(15)	.0352 — .0378	5.40%
4	(16)	.0379 — .0405	5.70%
5	(17)	.0406 — .0432	6.00%
6	(18)	.0433 — .0459	6.30%
7	(19)	.0460 — .0486	6.60%
8	(20)	.0487 — .0513	6.90%
9	(21)	.0514 — .0540	7.20%
10	(22)	.0541 — .0567	7.50%
11	(23)	.0568 — .0594	7.80%
12	(24)	.0595 — .0621	8.10%
13	(25)	.0622 — .0648	8.40%
14	(26)	.0649 — .0675	8.70%
15	(27)	.0676 — .0702	9.00%
16	(28)	.0703 — .0729	9.30%
17	(29)	.0730 — .0756	9.60%
18	(30)	.0757 — .0783	9.90%
19	(31)	.0784 — .0810	10.20%
20	(32)	.0811 — and over	10.50%

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

27 Table of Rates – Table D

28		Employing	Employing	
29		Unit's Benefit	Unit's	
30		Ratio	Rate	
31	(1)	.0000 —	1.40%
32	(2)	.0001 — .0027		2.10%
33	(3)	.0028 — .0054		2.40%
34	(4)	.0055 — .0081		2.70%
35	(5)	.0082 — .0108		3.00%
36	(6)	.0109 — .0135		3.30%
37	(7)	.0136 — .0162		3.60%
38	(8)	.0163 — .0189		3.90%
39	(9)	.0190 — .0216		4.20%
40	(10)	.0217 — .0243		4.50%
41	(11)	.0244 — .0270		4.80%
42	(12)	.0271 — .0297		5.10%
43	(13)	.0298 — .0324		5.40%

1	(14)	.0325 — .0351	5.70%
2	(15)	.0352 — .0378	6.00%
3	(16)	.0379 — .0405	6.30%
4	(17)	.0406 — .0432	6.60%
5	(18)	.0433 — .0459	6.90%
6	(19)	.0460 — .0486	7.20%
7	(20)	.0487 — .0513	7.50%
8	(21)	.0514 — .0540	7.80%
9	(22)	.0541 — .0567	8.10%
10	(23)	.0568 — .0594	8.40%
11	(24)	.0595 — .0621	8.70%
12	(25)	.0622 — .0648	9.00%
13	(26)	.0649 — .0675	9.30%
14	(27)	.0676 — .0702	9.60%
15	(28)	.0703 — .0729	9.90%
16	(29)	.0730 — .0756	10.20%
17	(30)	.0757 — .0783	10.50%
18	(31)	.0784 — .0810	10.80%
19	(32)	.0811 — .0837	11.10%
20	(33)	.0838 — .0864	11.40%
21	(34)	.0865 — .0891	11.70%
22	(35)	.0892 — and over	11.80%

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

29 Table of Rates – Table E

30	Employing	Employing	
31	Unit's Benefit	Unit's	
32	Ratio	Rate	
33	(1)	.0000 —	1.80%
34	(2)	.0001 — .0027	2.60%
35	(3)	.0028 — .0054	2.90%
36	(4)	.0055 — .0081	3.20%
37	(5)	.0082 — .0108	3.50%
38	(6)	.0109 — .0135	3.80%
39	(7)	.0136 — .0162	4.10%
40	(8)	.0163 — .0189	4.40%
41	(9)	.0190 — .0216	4.70%
42	(10)	.0217 — .0243	5.00%
43	(11)	.0244 — .0270	5.30%

1	(12)	.0271 — .0297	5.60%
2	(13)	.0298 — .0324	5.90%
3	(14)	.0325 — .0351	6.20%
4	(15)	.0352 — .0378	6.50%
5	(16)	.0379 — .0405	6.80%
6	(17)	.0406 — .0432	7.10%
7	(18)	.0433 — .0459	7.40%
8	(19)	.0460 — .0486	7.70%
9	(20)	.0487 — .0513	8.00%
10	(21)	.0514 — .0540	8.30%
11	(22)	.0541 — .0567	8.60%
12	(23)	.0568 — .0594	8.90%
13	(24)	.0595 — .0621	9.20%
14	(25)	.0622 — .0648	9.50%
15	(26)	.0649 — .0675	9.80%
16	(27)	.0676 — .0702	10.10%
17	(28)	.0703 — .0729	10.40%
18	(29)	.0730 — .0756	10.70%
19	(30)	.0757 — .0783	11.00%
20	(31)	.0784 — .0810	11.30%
21	(32)	.0811 — .0837	11.60%
22	(33)	.0838 — .0864	11.90%
23	(34)	.0865 — .0891	12.20%
24	(35)	.0892 — .0918	12.50%
25	(36)	.0919 — .0945	12.80%
26	(37)	.0946 — and over	12.90%

27 (6) Except as provided in [subsection] **SUBSECTIONS (f) ~~AND (G), (G),~~**
 28 **AND (H)** of this section, for any calendar year beginning on or after January 1, 2006, when
 29 the Unemployment Insurance Fund balance on September 30 of the immediately preceding
 30 calendar year is not in excess of 3% of the total taxable wages in covered employment for
 31 the 4 completed calendar quarters immediately preceding September 30, the Table of Rates
 32 in this paragraph of this subsection shall apply.

33 Table of Rates – Table F

34	Employing	Employing	
35	Unit's Benefit	Unit's	
36	Ratio	Rate	
37	(1)	.0000 —	2.20%
38	(2)	.0001 — .0027	3.10%
39	(3)	.0028 — .0054	3.40%
40	(4)	.0055 — .0081	3.70%
41	(5)	.0082 — .0108	4.00%
42	(6)	.0109 — .0135	4.30%
43	(7)	.0136 — .0162	4.60%

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1	(8)	.0163 — .0189	4.90%
2	(9)	.0190 — .0216	5.20%
3	(10)	.0217 — .0243	5.50%
4	(11)	.0244 — .0270	5.80%
5	(12)	.0271 — .0297	6.10%
6	(13)	.0298 — .0324	6.40%
7	(14)	.0325 — .0351	6.70%
8	(15)	.0352 — .0378	7.00%
9	(16)	.0379 — .0405	7.30%
10	(17)	.0406 — .0432	7.60%
11	(18)	.0433 — .0459	7.90%
12	(19)	.0460 — .0486	8.20%
13	(20)	.0487 — .0513	8.50%
14	(21)	.0514 — .0540	8.80%
15	(22)	.0541 — .0567	9.10%
16	(23)	.0568 — .0594	9.40%
17	(24)	.0595 — .0621	9.70%
18	(25)	.0622 — .0648	10.00%
19	(26)	.0649 — .0675	10.30%
20	(27)	.0676 — .0702	10.60%
21	(28)	.0703 — .0729	10.90%
22	(29)	.0730 — .0756	11.20%
23	(30)	.0757 — .0783	11.50%
24	(31)	.0784 — .0810	11.80%
25	(32)	.0811 — .0837	12.10%
26	(33)	.0838 — .0864	12.40%
27	(34)	.0865 — .0891	12.70%
28	(35)	.0892 — .0918	13.00%
29	(36)	.0919 — .0945	13.30%
30	(37)	.0946 — and over	13.50%

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

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

37 (2) the total amount available for benefits in the Unemployment Insurance
 38 Fund includes:

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

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

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

6 (f) **[For] EXCEPT AS PROVIDED IN ~~SUBSECTION (G)~~ SUBSECTIONS (G) AND**
7 **(H) OF THIS SECTION, FOR** any calendar year beginning on or after January 1, 2017, the
8 Table of Rates in effect for the immediately preceding calendar year shall continue to apply
9 if:

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

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

15 **(G) (1) ~~EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION~~**
16 **~~AND NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE EARNED RATE OF~~**
17 **~~CONTRIBUTION CALCULATED UNDER THIS SECTION SHALL BE CALCULATED USING:~~**

18 **~~(I) FOR THE CALENDAR YEAR 2021, TABLE C OF THE TABLE OF~~**
19 **~~RATES;~~**

20 **~~(II) FOR THE CALENDAR YEAR 2022, TABLE D OF THE TABLE OF~~**
21 **~~RATES; AND~~**

22 **~~(III) FOR THE CALENDAR YEAR 2023, TABLE E OF THE TABLE OF~~**
23 **~~RATES.~~**

24 **~~(2) PARAGRAPH (1) OF THIS SUBSECTION DOES NOT APPLY IF THE~~**
25 **~~UNEMPLOYMENT INSURANCE FUND BALANCE ON SEPTEMBER 30 OF THE~~**
26 **~~IMMEDIATELY PRECEDING CALENDAR YEAR WAS AT A LEVEL THAT WOULD RESULT~~**
27 **~~IN A TABLE OF RATES THAT HAD LOWER RATES BEING APPLIED UNDER SUBSECTION~~**
28 **~~(D) OF THIS SECTION~~ BASED ON THE AVAILABILITY OF QUALIFIED FEDERAL FUNDS**
29 **AND NOTWITHSTANDING ANY OTHER PROVISION OF LAW, FOR FISCAL YEAR 2022,**
30 **THE GOVERNOR SHALL INCLUDE IN THE ANNUAL BUDGET BILL AN APPROPRIATION**
31 **OF FUNDS TOWARDS REPLENISHMENT OF THE UNEMPLOYMENT INSURANCE TRUST**
32 **FUND IN AN AMOUNT SUFFICIENT TO RESULT IN THE EARNED RATE OF**
33 **CONTRIBUTIONS FOR CALENDAR YEAR 2022 BEING CALCULATED USING TABLE C OF**
34 **THE TABLE OF RATES, BASED ON THE FUNDING REQUIREMENTS OF SUBSECTION**
35 **(D)(3) OF THIS SECTION.**

1 **(2) THE APPROPRIATION REQUIRED UNDER PARAGRAPH (1) OF THIS**
2 **SUBSECTION MAY BE USED FOR ADMINISTRATIVE COSTS, INCLUDING REPAYMENTS,**
3 **IF ANY, OF FEDERAL FUNDS.**

4 **(H) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE EARNED RATE**
5 **OF CONTRIBUTIONS FOR CALENDAR YEAR 2023 SHALL BE CALCULATED USING**
6 **TABLE C OF THE TABLE OF RATES SPECIFIED IN SUBSECTION (D) OF THIS SECTION.**

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency
8 measure, is necessary for the immediate preservation of the public health or safety, has
9 been passed by a ye and nay vote supported by three-fifths of all the members elected to
10 each of the two Houses of the General Assembly, and shall take effect from the date it is
11 enacted. It shall remain effective through December 31, 2023, and, at the end of December
12 31, 2023, this Act, with no further action required by the General Assembly, shall be
13 abrogated and of no further force and effect.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.