

SENATE BILL 811

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EMERGENCY BILL

11r0505

By: **Senator Hershey**

Introduced and read first time: February 9, 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 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; making this Act an emergency measure; providing for
7 the termination of this Act; and generally relating to the computation of the earned
8 rate of contribution of unemployment insurance.

9 BY repealing and reenacting, with amendments,
10 Article – Labor and Employment
11 Section 8–612
12 Annotated Code of Maryland
13 (2016 Replacement Volume and 2020 Supplement)

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

16 **Article – Labor and Employment**

17 8–612.

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

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

24 (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	(14)	.0325 — .0351	4.20%
2	(15)	.0352 — .0378	4.50%
3	(16)	.0379 — .0405	4.80%
4	(17)	.0406 — .0432	5.10%
5	(18)	.0433 — .0459	5.40%
6	(19)	.0460 — .0486	5.70%
7	(20)	.0487 — .0513	6.00%
8	(21)	.0514 — .0540	6.30%
9	(22)	.0541 — .0567	6.60%
10	(23)	.0568 — .0594	6.90%
11	(24)	.0595 — .0621	7.20%
12	(25)	.0622 — and over	7.50%

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

19 Table of Rates – Table B

20	Employing		Employing
21	Unit's Benefit		Unit's
22	Ratio		Rate
23	(1)	.0000 —	0.60%
24	(2)	.0001 — .0027	0.90%
25	(3)	.0028 — .0054	1.20%
26	(4)	.0055 — .0081	1.50%
27	(5)	.0082 — .0108	1.80%
28	(6)	.0109 — .0135	2.10%
29	(7)	.0136 — .0162	2.40%
30	(8)	.0163 — .0189	2.70%
31	(9)	.0190 — .0216	3.00%
32	(10)	.0217 — .0243	3.30%
33	(11)	.0244 — .0270	3.60%
34	(12)	.0271 — .0297	3.90%
35	(13)	.0298 — .0324	4.20%
36	(14)	.0325 — .0351	4.50%
37	(15)	.0352 — .0378	4.80%
38	(16)	.0379 — .0405	5.10%
39	(17)	.0406 — .0432	5.40%
40	(18)	.0433 — .0459	5.70%
41	(19)	.0460 — .0486	6.00%
42	(20)	.0487 — .0513	6.30%
43	(21)	.0514 — .0540	6.60%

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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%

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

6 **(I) FOR THE CALENDAR YEAR 2021, TABLE C OF THE TABLE OF**
7 **RATES;**

8 **(II) FOR THE CALENDAR YEAR 2022, TABLE D OF THE TABLE OF**
9 **RATES; AND**

10 **(III) FOR THE CALENDAR YEAR 2023, TABLE E OF THE TABLE OF**
11 **RATES.**

12 **(2) PARAGRAPH (1) OF THIS SUBSECTION DOES NOT APPLY IF THE**
13 **UNEMPLOYMENT INSURANCE FUND BALANCE ON SEPTEMBER 30 OF THE**
14 **IMMEDIATELY PRECEDING CALENDAR YEAR WAS AT A LEVEL THAT WOULD RESULT**
15 **IN A TABLE OF RATES THAT HAD LOWER RATES BEING APPLIED UNDER SUBSECTION**
16 **(D) OF THIS SECTION.**

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency
18 measure, is necessary for the immediate preservation of the public health or safety, has
19 been passed by a yea and nay vote supported by three-fifths of all the members elected to
20 each of the two Houses of the General Assembly, and shall take effect from the date it is
21 enacted. It shall remain effective through December 31, 2023, and, at the end of December
22 31, 2023, this Act, with no further action required by the General Assembly, shall be
23 abrogated and of no further force and effect.