

SENATE BILL 827

K2

2lr1496

By: **Senator Klausmeier**

Introduced and read first time: February 7, 2022

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 contributions for a certain calendar
5 year be calculated using a certain table of unemployment insurance rates under
6 certain circumstances; and generally relating to the computation of the earned rate
7 of contribution of 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 2021 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
24 Secretary shall compute a benefit ratio by:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

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

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

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

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

21 Table of Rates – Table A

22	Employing	Employing
23	Unit's Benefit	Unit's
24	Ratio	Rate
25	(1) .0000 —	0.30%
26	(2) .0001 — .0027	0.60%
27	(3) .0028 — .0054	0.90%
28	(4) .0055 — .0081	1.20%
29	(5) .0082 — .0108	1.50%
30	(6) .0109 — .0135	1.80%
31	(7) .0136 — .0162	2.10%
32	(8) .0163 — .0189	2.40%
33	(9) .0190 — .0216	2.70%
34	(10) .0217 — .0243	3.00%
35	(11) .0244 — .0270	3.30%
36	(12) .0271 — .0297	3.60%
37	(13) .0298 — .0324	3.90%
38	(14) .0325 — .0351	4.20%

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

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

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

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

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

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

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

33 (f) Except as provided in subsections (g) and (h) of this section, for any calendar
 34 year beginning on or after January 1, 2017, the Table of Rates in effect for the immediately
 35 preceding calendar year shall continue to apply if:

36 (1) the Unemployment Insurance Fund balance on September 30 of the
 37 immediately preceding calendar year was at a level that would result in a Table of Rates
 38 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) Based on the availability of qualified federal funds and notwithstanding
4 any other provision of law, for fiscal year 2022, the Governor shall include in the annual
5 budget bill an appropriation of funds towards replenishment of the unemployment
6 insurance trust fund in an amount sufficient to result in the earned rate of contributions
7 for calendar year 2022 being calculated using Table C of the Table of Rates, based on the
8 funding requirements of subsection (d)(3) of this section.

9 (2) The appropriation required under paragraph (1) of this subsection may
10 be used for administrative costs, including repayments, if any, of federal funds.

11 (h) Notwithstanding any other provision of law, the earned rate of contributions
12 for calendar year 2023 shall be calculated using:

13 (1) Table C of the Table of Rates specified in subsection (d) of this section;
14 **OR**

15 (2) **IF THE UNEMPLOYMENT INSURANCE FUND BALANCE ON**
16 **SEPTEMBER 30, 2022, ALLOWS FOR THE EARNED RATE OF CONTRIBUTIONS FOR**
17 **CALENDAR YEAR 2023 TO BE CALCULATED USING EITHER TABLE A OR TABLE B OF**
18 **THE TABLE OF RATES SPECIFIED IN SUBSECTION (D) OF THIS SECTION, TABLE B OF**
19 **THE TABLE OF RATES.**

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
21 1, 2022.