



**THE MARYLAND HOUSE OF DELEGATES**  
**ANNAPOLIS, MARYLAND 21401**

**HB 1139 - Unemployment Insurance – Weekly Benefit Amount – Income Disregard**

**SPONSOR TESTIMONY**

**Cross-file: SB 819**

**House Economic Matters Committee, February 23, 2021**

Chairman Davis, Vice Chair Dumais and Members of the Committee,

**House Bill 1139** is an emergency bill that will raise the amount of income that can be disregarded and not deducted from a claimant's unemployment benefits for the duration of the pandemic.

The current income disregard in Maryland is \$50 per week, which means the first \$50 in earnings will not be deducted from unemployment insurance benefits. Any amount over \$50 per week is deducted from a claimant's benefit payment on a dollar for dollar basis.

This bill would raise the amount that would be disregarded from \$50 to \$300. I think this is necessary to keep Maryland workers from finding themselves in debt that could be insurmountable.

Unemployment benefits are intended to be short-term, up to a maximum of 26 weeks, with the average duration of Maryland claimants running about 16 weeks. Under normal circumstances, benefits are intended to provide a stop-gap while incenting a claimant to look for employment that will provide a livable income.

During the pandemic, many claimants who need full-time jobs to meet their financial obligations have taken part-time jobs whenever possible. There are also many Marylanders who must work either two full-time jobs, or a full-time job and a part-time job to make ends meet for themselves and their families. The income disregard provision of the UI law, however, makes it so their net income remains at the maximum weekly benefit or only slightly higher, as earnings over \$50 deplete unemployment benefits.

While many businesses are still only partially open, these workers continue to get further behind while evictions are now once again allowed, electric utility cut-off moratorium has been lifted, and all of the creditors that they have staved off are calling.

Increasing the income disregard to \$300 per week until the end of the pandemic will provide the relief necessary while Marylanders await the promise of full-time employment and in some cases, second jobs.

Once things return to normal, the income disregard will return to its pre-pandemic level pending the outcome of a comprehensive study to work on identifying a dollar amount that is the right balance for the health of the Maryland Trust Fund, workers, and employers.

Right now, we need to give hope to Maryland workers who have been impacted by the loss of employment due to COVID-19. I believe passage of this bill will help them see the light at the end of a very dark tunnel.

**For this reason, I respectfully ask for a favorable report on HB 1139.**