

Maryland Department of Labor

EMPLOYERS' QUICK REFERENCE GUIDE

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Division of Unemployment Insurance
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THE UNEMPLOYMENT INSURANCE PROGRAM

The purpose of the unemployment insurance (UI) program is to pay benefits to displaced employees who are seeking work and are unemployed through no fault of their own. The UI program is financed by the Federal Unemployment Tax Act (FUTA) and state UI employer contributions. Administrative funds are distributed to states based on each state's claims load. In Maryland, the UI program is administered by the Maryland Division of Unemployment Insurance (the Division). Employers pay insurance premiums (also called contributions or UI taxes) that are deposited into the Maryland Unemployment Insurance Trust Fund, which is used solely to pay benefits to the unemployed. UI helps maintain the skill levels of the labor force by allowing workers to take reasonable time to find a job in their customary occupations instead of being forced to accept work at a lower skill level to meet expenses. Benefits are not high enough, nor do they last long enough, to diminish the claimant's incentive to work.

IMPORTANT: It is illegal for an employer to require an employee to release, repay, pay into, or waive any UI benefit rights. An employer may be prosecuted for doing so.

EMPLOYER CALL CENTER AND UI DIRECTORY

The Employer Call Center (**available at 410-949-0033**, Monday to Friday, 8:00 a.m. to 4:30 p.m.) is a telephone system that allows employers to speak to agents or receive automated answers to questions. Employers can contact the Employer Call Center regarding: BEACON; employer accounts; experience rates; benefit charge correspondence; tax enforcement; litigation and bankruptcy; accounts receivable, refunds or payment processing; reimbursable employers; federal treasury offset program; license and tax clearance; and legal collections. To obtain an account balance, tax rate, etc. employers will need their **10-digit UI employer account number**. See below for additional contact methods:

<u>Claimant Resources</u> (File claims, talk to agent, claim inquiries)	Claims Agent - (667) 207-6520
Lower Appeals Division	(410) 767-2421 Fax - 410-225-9781 UILowerAppeals.Labor@maryland.gov
Board of Appeals Division	(410) 767-2781 dluiboardappeals-labor@maryland.gov
Reemployment and Trade Unit (Work Sharing)	(410) 767-2534 or (410) 767-2630 ui.worksharing@maryland.gov
Virtual Assistant (VA) Receive automated answers to inquiries or chat with an agent. The VA is available 24/7.	To use the VA, select the "Chat with us" button at the bottom of the Division homepage . For the chat feature, access the VA and type "speak with an agent."

However, the chat feature is available Monday to Friday, 8:00 a.m. to 4:00 p.m.	
Maryland Relay Allows individuals who require special accommodations (due to deafness, DeafBlindness, hearing loss, difficulty speaking, etc.) to communicate on a standard telephone.	711

MARYLAND AMERICAN JOB CENTERS

Maryland's American Job Centers (AJCs) are located throughout the state and provide resources for employers and job-seekers. For employers, AJCs offer experts in state resources, recruitment, and retention strategies. For detailed information about these resources, including locations and contact information, see the [Maryland AJC webpage](#).

MINIMIZE UNEMPLOYMENT INSURANCE COSTS

Employers can reduce their UI costs primarily by avoiding layoffs. To avoid layoffs, employers may consider:

<ul style="list-style-type: none"> • Reducing an employee's hours, rather than a complete layoff; • Exercising care when hiring employees, especially for temporary positions; 	<ul style="list-style-type: none"> • Ensuring a new hire is qualified to avoid a potential layoff situation; or, • Hiring a student or a person with a full-time job for a temporary position.
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Employers should document unsatisfactory work performance and the reasons for separation, should the employer need to contest a claim. Under Maryland UI law, an employer account is not charged with benefits if the employee:

- voluntarily quits employment without good cause attributable to you;
- quits for better employment; or,
- is discharged for gross or aggravated misconduct connected with the work.

QUICK HIGHLIGHTS FOR EMPLOYERS

1. **Register for a Maryland UI Account** - New employers must register for a Maryland UI account number either by completing the [Combined Registration Application \(CRA\)](#) or by registering online in BEACON. Please note that **employers who register in BEACON must also complete the CRA** to register for additional state tax accounts or licenses. For more, see the **New Employer Registration** section of this guide.
2. **Types of Employers** - For Maryland UI purposes, there are two main types of employers - **contributory and reimbursable**. A **contributory employer** pays quarterly UI taxes, which are based on the employer's benefit charges and the taxable wages the employer

reported to the Division. A **reimbursable employer** (government entities and certain non-profit organizations) may choose to reimburse the state for benefits charged against their account, instead of paying UI taxes. An employer who is not eligible to be a reimbursable employer will automatically be a contributory employer. See the **Reimbursable Employers (Not-for-Profit and Government Entities)** section of this guide for details.

3. **Quarterly Contribution Reports** - Employers must file UI contribution reports each calendar quarter. Contributory employers must pay the appropriate amount of taxes on time. See the **Reporting Taxable Wages** section of this guide for details.

NOTE: Reimbursable employers do not pay quarterly UI taxes, but must reimburse the state for benefit charges. To learn more, see the **Reimbursable Employers (Not-for-Profit and Government Entities)** section of this guide.

4. **Mass Layoff & Worker Adjustment and Retraining Notification (WARN)** - Employers experiencing a mass layoff (even temporary) affecting 25 or more workers are required to submit a list of the laid off workers to the Division at least 48 hours in advance. Employers covered by the [federal Worker Adjustment and Retraining Notification \(WARN\) Act](#) must provide notice 60 days in advance of covered plant closings and mass layoffs. For more, see the **Layoff, Mass Layoff, or Lack of Work** section of this guide.
5. **Request for Separation Information** - When a former employee files a claim for benefits, the Division will send a Request for Separation Information to the employee's base period employers as notice that the claim was filed and to request **the reason the employee separated from employment**. For more, see the **Request for Separation Information** section of this guide.
6. **Eligibility Issues** - When requested, an employer should provide the Division with information about eligibility issues resulting from claims filed by former employees. Eligibility issues may determine whether UI benefits are payable. If benefits are charged, the Division sends the employer a **Benefit Payments Charge Statement** (via BEACON and the employer's preferred communication method) at the end of the calendar quarter in which the benefits are paid. For questions, contact the Employer Call Center (410-949-0033).
7. **Required Employer Posters** - Employers must display two posters about UI benefits and health insurance coverage (see the **Posters Required by Law** section) in a highly visible area of the workplace. Posters are provided when the UI account is established. To obtain additional posters, call 410-949-0033 or download them from the [Division website](#).
8. **Frequently Asked Questions** - Employers can receive answers to common UI questions on the [Employer Frequently Asked Questions](#) webpage.

9. **Work Sharing Unemployment Insurance Program** - The Work Sharing program provides employers with an *alternative to layoffs* during a sharp, temporary decline in economic activity. For more, see the **Work Sharing Program** section of this guide.
10. **New Return-to-Work Date and Job Refusal Application for Employers** - Employers with a valid Maryland UI employer account number and FEIN can report job refusals and update return-to-work dates in [BEACON](#). To do so, select Benefit Services from the left menu of your BEACON portal. Then, select either Report Return to Work Date or Report Job Refusal (depending on the circumstance) and follow the prompts.

BEACON FOR EMPLOYERS AND THIRD-PARTY AGENTS

BEACON is Maryland's online unemployment insurance (UI) system which integrates benefits, appeals, and contributions functionalities. To access BEACON, see the [Employer BEACON portal](#); or the [Third Party Agent BEACON portal](#). In BEACON, employers can:

<ol style="list-style-type: none"> 1. Submit wage reports and pay contributions; 2. Submit required reports; 3. Submit adjustments to previously filed wage reports; 4. Access tax rates and other UI information; 	<ol style="list-style-type: none"> 5. Update account information (address, contact information, and ownership); 6. File an appeal; 7. Submit supporting documents; 8. View correspondence; and, 9. Set up a third-party agent to perform UI tasks on their behalf.
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In BEACON, third-party agents can:

<ol style="list-style-type: none"> 1. Access a client's account based on power of attorney privileges; 2. Obtain rate information for clients; 	<ol style="list-style-type: none"> 3. File wage reports and pay UI taxes on behalf of clients; 4. File appeals on behalf of clients.
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- BEACON tutorial videos are available on the [Division website](#) and [YouTube](#).
- For more about BEACON, see the [BEACON Employer FAQs webpage](#).

NEW EMPLOYER REGISTRATION

New employers must submit a **Combined Registration Application (CRA)** no later than 20 days after the first day of business. The CRA is available on the [Comptroller of Maryland website](#) under the Forms tab. Please read the CRA instructions, as the information requested and the submission method depends on the type of license/account needed. If an employer is liable to pay quarterly UI taxes, the Division will establish an UI account for the employer and assign a 10-digit UI employer account number. Employers should reference the account number in all inquiries and correspondence to the Division. Employers can also register for a UI employer account number in [BEACON](#). For instructions, see the [Employer Registration video](#). However, employers who register in BEACON must

also complete the CRA to register for additional state tax accounts or licenses. For more about registering in BEACON, see the [BEACON Employer FAQs webpage](#).

EMPLOYER’S LIABILITY FOR UNEMPLOYMENT INSURANCE TAXES

The Division asks the following questions to determine an employer’s liability for UI taxes:

- 1. Does the employer meet the Maryland UI law definition of an employer?** An employer is defined as an individual or employing unit which employs one or more individuals for some portion of a day. The definition includes agricultural employers, domestic employers, and farm crew leaders.

Agricultural Employer - An agricultural employer is liable if: during any calendar quarter of the current or preceding year, the employer paid cash remuneration of \$20,000 or more to individuals performing agricultural labor; or employed at any time 10 or more individuals for a portion of a day in any 20 weeks in the current or preceding calendar year.

Domestic Employer - A domestic employer is liable if: during any calendar quarter of the current or preceding calendar year, there is a total payroll of \$1,000 or more to an individual(s) performing domestic service.

Farm Crew Leader - The farm crew leader is liable if: a crew leader holds a valid certificate of registration under the Farm Labor Contractor Registration Act of 1963; or the crew leader provides mechanized equipment which substantially all the individuals operate or maintain, provided the individuals are not employees of another employer.

If the employer meets the definition, the Division considers the circumstances listed in question 2 below. If the employer does not meet the definition, the employer is not liable to pay UI taxes.

- 2. Is the employer liable if the employee performs services in Maryland?** The Division will consider the circumstances listed below to determine liability.

Circumstance	Instructions for Reporting Earnings
No employees perform services in Maryland.	Employer is not liable for UI coverage in Maryland and is not required to report earnings to Maryland.
All/most services are performed in the state where the base of operations is located.	Report earnings to the state where employees’ base of operations is located.
Services are not performed in the state where employees’ base of operations is located, but some services are performed in the state where the direction or control is received.	Report earnings to the state where the direction or control is received.

Services are not performed in the state where the base of operations is located or where employees' direction or control is received.	Report earnings to the employee's state of residence only if some services are performed in the employee's state of residence.
Employment in multiple states and some service is performed in the state where the base of operations is located.	Earnings are reported to the state where the individual's base of operations is located.
Some services are performed in the state where direction or control is received and no services are performed in the state where the base of operations is located.	Earnings are reported to the state where the individual's direction or control is received.

NOTE: If the nature of the employment is not listed above and the employment is not covered in another state, the earnings are reported to Maryland (if the service is directed or controlled from Maryland). **The objective is for all services performed by an individual for a single employer to be covered under one state law.** Employers may cover an employee through a Reciprocal Coverage Agreement between states. For more information, contact the Employer Call Center at **410-949-0033**.

- 3. Do any employer liability exemptions apply?** An employer is not liable for UI taxes if an exemption applies to all workers. If no exemptions apply, the employer is liable to pay Maryland UI taxes. ***Employers should not attempt to determine liability.*** Instead, employers should file a CRA or register in BEACON (for details, see the **New Employer Registration** section of this guide) and the Division will determine liability.

A corporation that is not dissolved is presumed to have employees and wages and any payments to officers and owners for services must be reported to the Division. **Employers who no longer pay remuneration to employees, regardless of the reason, are required to notify the Division** (by entering a date on line 9 of the Quarterly Contribution Report, by fax at 410-767-2848, or e-mail to DLUICDEmployerStatusUnit-labor@maryland.gov). Employers can file a quarterly Contribution Report and pay UI taxes in BEACON (see the [BEACON Employer FAQs](#)).

NOTE: Contribution reports must be filed quarterly, even if an employer has no employees and no wages are paid in a quarter. In this case, an employer should report "zero" as the wage amount. The requirement to file contribution reports ends when the Division issues a letter verifying that the employer's UI account is closed. To close your account, email dluiemployerassistance-labor@maryland.gov, call 410-949-0033, or use **BEACON** (by selecting the **Account Maintenance** tab from the left menu. Then, select **Inactivate Employer Account** and follow the prompts).

COVERED EMPLOYMENT AND EXEMPTIONS

Covered employment is defined as any service performed for remuneration (payment) whether full-time or part-time, that is used as the basis for UI benefits. A claimant must have sufficient wages in a base period to qualify for benefits. This includes salaries paid to corporate officers who are employees of the corporation (including close and subchapter S corporations).

Base Period - The Division uses a standard base period (first four of the last five completed calendar quarters) or an alternate base period (four most recent calendar quarters) in determining a claimant's eligibility for benefits.

When an individual performs service for an employer in return for wages, the individual is likely covered for UI purposes. Therefore, the employer is required to report the wages to the Division, pay UI taxes on those wages or, if applicable, reimburse the Division for benefits charged, and have an UI employer account assigned by the Division. If a person is not engaged in covered employment, the person's wages are not reported to the Division and the employer does not pay UI taxes on those wages. If a former employee (who was engaged in covered employment, and whom an employer(s) paid wages to during the base period) files for UI, the employer(s) will be charged for UI benefits paid to the former employee. For more, see the **Benefit Charging** section of the guide.

NOTE: One of the most common employment exclusions is an independent contractor. An independent contractor should have the appropriate licenses, file business tax returns, and may have a federal identification number and UI employer account number. The Code of Maryland Regulations (COMAR), the Maryland Court of Appeals decision, DLLR v. Fox, and information on the [Division website](#) provide insight for making a determination. When independent contractor status is in question, employers must document that the criteria listed in the Independent Contractor section below are satisfied:

Independent Contractor	<ul style="list-style-type: none">• The individual who performs the work is free from control and direction over its performance (in fact and under the contract);• The individual customarily is engaged in an independent business/occupation of the same nature as that involved in the work; and,• The work is: (a) outside of the usual course of business for the person for whom the work is performed; or (b) performed outside any place of business of the person for whom the work is performed.
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Sole Proprietors	<p>The following persons employed by a sole proprietor are not engaged in covered employment:</p> <ul style="list-style-type: none"> ● The sole proprietor; ● A spouse of the sole proprietor; ● Children of the sole proprietor under the age of 21; and, ● Parents of the sole proprietor.
Partnerships	<p>A partner in a partnership is not engaged in covered employment. If a partnership consists exclusively of spouses, then their children under 21 years old employed by the partnership are not engaged in covered employment.</p>
Corporations	<p>All persons, including corporate officers and stockholders who perform service for the corporation, including subchapter S, are engaged in covered employment.</p> <p>When a corporate charter is forfeited or revoked and the entity continues to operate, the entity is treated as a sole proprietor or a partnership, as determined by the Division. Sole proprietors or partners are not engaged in covered employment. Any other employee of the entity is engaged in covered employment.</p>
Limited Liability Company	<p>Members of a limited liability company are not engaged in covered employment. However, if a limited liability company elected to be taxed as a corporation for federal tax purposes and reports wages paid to members on the annual federal unemployment tax return, members are engaged in covered employment.</p>

The Code of Maryland, Labor and Employment, Article 8 provides the following exemptions from covered employment when certain criteria are met:

<ul style="list-style-type: none"> ● Barbers and beauticians; ● Casual workers; ● Employees with certain government classifications; ● Church employees; ● Clergy; ● Direct sales; ● Election workers; ● Family members; ● Foreign workers; ● Home workers; 	<ul style="list-style-type: none"> ● Owner-operated tractor drivers; ● Certain E & F classifications; ● Railroad employment; ● Real estate sales; ● Recreational sports officials; ● Services of aliens (students, scholars, trainees, teachers, etc.) who enter the U.S. solely to pursue a full course of study at certain vocational and other non-academic institutions; ● Student nurses or interns; ● Taxicab drivers;
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<ul style="list-style-type: none"> ● Insurance sales; ● Maritime employment; ● Messenger services; ● Newspaper delivery; ● Other state UI programs; 	<ul style="list-style-type: none"> ● Work-Relief and Work-Training; and, ● Yacht salespersons who work for a licensed trader on solely a commission basis.
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Casual Labor is defined as work performed that is not in the course of the employer’s trade or business and which is occasional, incidental, or irregular. Employers should not confuse casual labor with temporary or part-time employment, which is taxable. However, if during a calendar quarter the wages for casual labor are \$50 or more, and the casual labor is performed by an individual who is regularly employed by the employer (on some portion of 24 days during the calendar quarter or the preceding calendar quarter), the service is covered employment and remuneration is taxable under the law.

PROFESSIONAL EMPLOYER ORGANIZATION

Maryland allows a professional employer organization (PEO), formerly known as an employee leasing company, to be an employing unit for the purposes of UI coverage. To qualify as an employing unit, a PEO must:

- Place the client company’s workers on its own payroll and assign them to the client company by written agreement;
- Pay the workers from its own account(s); and,
- Hire and terminate the workers after consultation with the client company.

A PEO can add its clients in [BEACON](#). A PEO must notify the Division within 30 days when it places or removes all or part of a client company’s workers on its payroll. Employers can complete a [Business Transfer Report](#) to inform the Division of the transfer of the workforce or payroll from one business entity to another. Upon the acquisition of all or part of a client company’s workers, a PEO will be initially classified as a successor employer for purposes of assigning a contribution rate, assessing tax liability, and transferring the taxable wage base of the workers who were placed on the PEO’s payroll. A PEO must file an annual report that details the company’s clients with the Division by Dec. 31.

Return the report via: **mail (Division of Unemployment Insurance, Contributions Unit – Account Maintenance, 1100 North Eutaw Street Baltimore, MD 21201); email (dluicdemployerstatusunit-labor@maryland.gov); or fax (410-462-7927).**

METHODS FOR FILING CONTRIBUTION REPORTS

Contribution reports (also called wage reports) may be filed by one of the methods shown:

Filing Method	Filing Method Information
Internet	Employers can file contribution reports in BEACON . For instructions, see the Employer Submit Wage Report tutorial video .
File Transfer Protocol (FTP) via BEACON	Employers with large payrolls (more than 5,000 employees) may use this method to transmit their quarterly wage and contributions files via secure FTP transmissions. Employers who plan to use FTP in BEACON to submit wage files must have proper credentials. Please e-mail ui.employeractivation@maryland.gov with "FTP Wages" as the subject line to request credentials.

Important: Contribution reports must be filed quarterly, even if an employer has no employees and no wages are paid in a quarter. In this case, an employer should report "zero" as the wage amount. The requirement to file contribution reports ends when the Division issues a letter to the employer verifying that the employer's UI account is closed. To close your account, contact the Employer Call Center (410-949-0033), email dluiemployerassistance-labor@maryland.gov or use BEACON (select **Account Maintenance** from the left menu, select **Inactivate Employer Account** and follow the prompts).

EMPLOYER AUDITS

Periodically, the Division will contact an employer directly to schedule an audit. The main purpose of the audit is to verify the accuracy of reports filed. An audit initially covers the activity in one calendar year. If an employer disagrees with the auditor's findings, the employer may appeal the determination.

REPORTING TAXABLE WAGES

Maryland employers must report the gross wages paid each quarter on the quarterly contribution report. Gross wages include all remuneration for personal services (commissions, bonuses, the cash value of all compensation in mediums other than cash). Gross wages must be reported when paid, not when earned. Employers must also calculate and report the amount of total taxable wages. For Maryland UI tax purposes, taxable wages are defined as the first \$8,500 earned by each employee in a calendar year. The difference between total gross wages and taxable wages is referred to as excess wages.

Employers can use the worksheet below to calculate excess wages.

1. Taxable Wage Base	\$ 8,500
2. Enter total wages paid to employee in prior quarter(s) of this same calendar year. If this is the first quarter of year or if the employee never received wages in prior quarter(s), enter -0- :	2. _____
3. Subtract line 2 from line 1, enter difference: If difference is zero or negative, stop here. All wages paid this quarter are excess wages and that amount must be entered on the contribution return, line 11. If difference is greater than zero, continue to line 4 of this worksheet:	3. _____
4. Enter wages paid to employee this quarter:	4. _____
5. Enter amount from line 3, above:	5. _____
6. Subtract line 5 from line 4, enter difference: If difference is zero or less, leave line 11 blank of the contribution report. If difference is greater than zero, enter difference on the contribution report, line 11. Ensure that differences for all employees are included on the contribution report, line 11.	6. _____

Employers are required to report their payroll and pay UI taxes within one month of the end of each calendar quarter. If the due date is a Saturday or Sunday, the reports are due on the next business day.

Calendar Year Quarters End	Due Date to File Taxes
March 31	April 30
June 30	July 31
September 30	October 31
December 31	January 31

Reports must be filed on time to:

- Receive maximum credit for employer’s state payments against Federal Unemployment Tax (FUTA) payments;
- Receive credit for the payroll in “experience rating”;
- Avoid interest charges at a rate of 1.5% per month for late payments; and,
- Avoid a penalty assessment of \$35 for each late report or improper filing.

NOTE: Reimbursable employers do not pay quarterly UI taxes, but must reimburse the state for benefit charges. See the **Reimbursable Employers (Not-for-Profit and Government Entities)** section of this guide for details.

Failure to file the quarterly contribution report timely or in an approved format can result in interest charges and penalties. Accuracy when reporting the taxable wages is extremely important and affects a contributory employer's UI tax rate. **Late payments may affect an employer's obligation for FUTA. Employers who file UI tax forms and pay UI taxes on time are eligible for a FUTA tax offset.** Wage information and other confidential UI information may be requested and utilized for other governmental purposes including, but not limited to, verification of an individual's eligibility for other government programs.

TAXABLE WAGE INCLUSIONS AND EXCLUSIONS

Taxable wages include the total compensation paid, up to the taxable wage base limit of \$8,500 (before any deductions are made). **The following wages ARE taxable:**

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| 1. Meals and lodging provided by an employer to an employee, unless the meals and lodging are provided on the employer's premises for the employer's convenience; |
| 2. Tips which are reported pursuant to Section 6053 of the Internal Revenue Code; |
| 3. Payments to workers for: (a) dismissal; (b) vacations; (c) sick leave (if made within the first six months after the last calendar month in which the employee worked); and (d) payments to employees for travel or other expenses for which no accounting or reporting to the employer is required; (e) sick payments provided from a third-party insurer financed by employer paid premiums are taxable to the employer, not the insurance company (if made within the first six months after the last calendar month in which the employee worked); and, |
| 4. Payments by the employer of the employee's share of Social Security (except for payments made by domestic and agricultural employers). |

The following wages ARE NOT to be reported:

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| 1. Value of any special discount allowed to a worker on goods or services purchased from/supplied by the employer, where such purchase is optional for the worker; |
| 2. Payments toward retirement or a death benefit if the employee has no right to: receive cash instead or to assign their right therein; or to receive a cash payment in lieu of, on withdrawal from, or on termination of such insurance plan or upon termination of their employment; |
| 3. Facilities or privileges (such as entertainment, cafeterias, restaurants, medical services, or so-called "courtesy discounts" on purchases) furnished or offered by an employer merely as a convenience to the worker or as a means of promoting the health, goodwill, or efficiency of the employer's workers; |
| 4. Discounts on property or security purchases; |
| 5. Customary and reasonable directors' fees; |

6. Supper money given to a worker to compensate the worker for the additional cost of a meal made necessary by working overtime;
7. Payments by the employer to, or on behalf of, an employee for sickness or accident disability after the expiration of six calendar months;
8. Wages of a sole proprietor, their parents, their spouse, and children of the sole proprietor under 21 years of age;
9. Wages of partners. Wages of others who work for the partnership, including relatives of the partners, are reportable. The only exception to this coverage is children under the age of 21 who are employed by a partnership composed exclusively of spouses;
10. Wages earned by an individual who is enrolled in a full-time educational program that combines academic instruction with work experience, which is an integral part of the educational program;
11. Wages paid to the members of a limited liability company (LLC), unless the LLC elected to be taxed as a corporation for federal tax purposes and reports wages paid to members on the annual federal unemployment tax return; and,
12. Any payment to employees of cafeteria plan benefits and/or dependent care assistance benefits as defined in the Federal Unemployment Tax Act (FUTA), if the payments would not be treated as wages outside of the cafeteria plan.

Taxable Contributions under IRS Section 125 Cafeteria Plans and 401K plans:

Cash received by the employee, instead of purchasing a benefit under a cafeteria plan, is taxable;
The value of additional vacation days purchased under a cafeteria plan is taxable when used;
The value of “cashed out” vacation days purchased under a cafeteria plan is taxable;
Employee pre-tax contributions, salary reductions, or deductions to purchase: accident and health insurance; life insurance; or dependent care assistance; are not taxable under under IRS Section 125 plans; and,
Elective employee contributions and deferrals under IRS section 401k plans are taxable.

TAX RATES

A **contributory employer** pays quarterly UI taxes, which are based on the employer’s benefit charges and the taxable wages the employer reported to the Division. A **reimbursable employer** (government entities and certain non-profit organizations) may choose to reimburse the state for benefits charged against their account, instead of paying UI taxes. An employer who is not eligible to be a reimbursable employer will automatically be a contributory employer. There are **three different types of UI tax rates** for **contributory employers: experience (earned) rate; new account rate; or the standard rate.** The rate type

assigned depends on whether the employer reported taxable wages in each of the three fiscal years (fiscal year is July 1 to June 30) prior to the computation date. Tax rates are assigned to employers on a calendar year basis (Jan. 1 to Dec. 31). An employer's Experience Rate Notice is issued in January for the tax year (Jan. 1 to Dec. 31). The computation date is the July 1st preceding the calendar year in which the rate is assigned. For example, the computation date for the calendar year 2020 rate was July 1, 2019. Tax rates are assigned to contributory employers on a calendar year basis (Jan. 1 to Dec. 31). Experience Rate Notices are issued in January.

1. **New Account Rate** - New employer refers to an employing unit that does not qualify for an earned rate because the employer did not pay wages to employees during the two fiscal years prior to the computation date. The new employer rate may range from 1.0% to 2.6%. It is based on the higher of: 1.0%; the state's five-year benefit cost rate; or the rates assigned to employers with no UI experience. There is one exception; new employers in the construction industry that are headquartered in another state are assigned the average rate for the construction industry in Maryland.
2. **Experience (Earned) Rate** - An employer's experience rate is assigned on each calendar year (January to December) but is determined based on a fiscal year (computation date begins July 1 - June 30). It is determined by finding the ratio between the benefits charged to the employer's account and the taxable wages that the employer reported in the previous three fiscal years. If a business has been operational for only two fiscal years prior to the computation date, the employer's experience rate is determined using the ratio from those two operational years.

The benefit ratio converts to a rate listed in the Table of Rates in the UI law. After an employer has paid wages to employees in two fiscal years prior to the computation date, the employer is entitled to be assigned a tax rate reflecting its own experience with layoffs. If the employer's former employees receive benefits regularly which result in benefit charges, the employer will have a higher tax rate. Employers who incur little or no benefit charges will have lower tax rates. The Table of Rates may change from year to year, depending on the solvency of the UI trust fund. A mathematical formula, as provided in the UI law, is calculated annually to determine if the trust fund can adequately pay benefits to unemployed persons in the future. If the formula determines that the trust fund does not need additional employer contributions, a Table of Rates that reflects lower tax rates would be in effect. If the formula determines that the trust fund needs additional employer contributions, a Table of Rates reflecting higher tax rates will be in effect.

3. **Standard Rate** - If an employer is eligible for an earned rate, but has no taxable wages in a fiscal year because the employer failed to file quarterly tax and wage reports, the employer is assigned the standard rate. The standard rate is the highest rate from the Table of Rates that is in effect for the calendar year.

NOTE: UI tax rates were recalculated for 2024, due to a reinterpretation of Labor & Employment Article § 8-606(d). As in 2022 and 2023, the Division compared two methods

of computing the tax rate (one based on pre-pandemic experience and one based on immediate past years' experience) and assigned the lower of the two rates to each earned and standard rate employer. For more, see the [Recalculation of Calendar Year 2024 Tax Rates FAQs](#) and [PowerPoint presentation](#).

PAYMENT OF UNEMPLOYMENT INSURANCE TAXES

UI taxes may be paid by one of the following methods:

1. **BEACON** - Employers can pay online in [BEACON](#) by Automatic Clearing House (ACH) debit or ACH credit. To do so, access your BEACON portal and select the Payments option from your portal's left menu. Select Make Payments and follow the prompts.
2. **Check** - Make checks payable to the **Maryland Unemployment Insurance Fund**. A check returned due to insufficient funds is subject to a \$25 penalty. **Check** - Make checks payable to the **Maryland Unemployment Insurance Fund**. A check returned due to insufficient funds is subject to a \$25 penalty. As part of submitting a check payment, an employer may log in to BEACON, select the Payments option from the left menu, and then select Make Payments. Select the check payment option, and then select the "Print Voucher" button. Please submit the voucher with the check, and mail both to the Division (to the address listed below).

<p>Maryland Division of Unemployment Insurance P.O. Box 17291 Baltimore, MD 21297-0365</p>

3. **Electronic Funds Transfer (EFT)** - EFT is available to employers using an ACH credit transaction. Employers must have a signed agreement with the Division to use an ACH credit transaction. An employer is responsible for any cost charged by the employer's financial institution for an ACH credit transaction. For more, see the [Electronic Funds Transfer Information Guide](#).

Employers can request to pay unemployment insurance contributions through a payment plan. For details, see the [Maryland Unemployment Insurance Payment Plans webpage](#).

NOTE: The amount of an employer's payment must equal the amount on line 19 of the quarterly contribution report. Insufficient payments will result in added taxes and interest.

REIMBURSABLE EMPLOYERS (NOT-FOR-PROFIT AND GOVERNMENT ENTITIES)

Not-for-profit organizations (which are classified under Section 501(c)(3) and exempt from income tax under Section 501(a) of the Internal Revenue Code) and state and local government entities and subdivisions, may choose to reimburse the state for benefits charged against their accounts, in lieu of paying quarterly UI contributions. Not-for-profit

organizations must post a bond of a specific dollar amount. Newly-formed not-for-profit organizations may select a reimbursement method (within 30 days of coverage) either:

- on the [Combined Registration Application \(CRA\)](#), available on the [Comptroller of Maryland](#) website; or,
- when registering for a Maryland UI account in [BEACON](#).

After creating a Maryland UI account, an employer has 30 days to change the reporting type, if the employer feels they choose the wrong type initially. Maryland law permits employers to change their options after two years. This change must occur at least 30 days before Jan. 1 to become effective (if approved). Qualifying employers can request a change:

- online in BEACON; or,
- by submitting a written request to the Account Maintenance Unit via email to dluitaxemployerstatus-labor@maryland.gov or mail to 1100 North Eutaw Street, Room 415, Baltimore, MD, 21201.

Billing for benefits chargeable to reimbursable employers is made via the **Statement of Reimbursable Benefits Paid**. This quarterly statement is sent via an employer's preferred communication method and lists all claimants who collected benefits in the previous quarter. Organizations receiving this form have 30 days from the Date of Invoice to file a written protest. Interest is charged for late payments. Reimbursable employers can make payments in **BEACON by ACH credit or ACH debit** (by logging in to BEACON and selecting Payments from the portal's left menu. Then, select Make Payments and follow the prompts) or by **mailing a check** to:

<p style="text-align: center;">Maryland Division of Unemployment Insurance P.O. Box 84 Baltimore, MD 21203-0084</p>
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When making check payments, the employer should include the BEACON voucher with the check for the payment to be posted in BEACON. To obtain the voucher, an employer may log in to BEACON, select the Payments option from the left menu, and then select Make Payments. Select the check payment option, and then select "Print Voucher."

REORGANIZED EMPLOYERS

According to the Maryland Annotated Code, Labor, and Employment, Section 8-613, a **reorganized employer** is an employing unit that alters its legal status, such as changing from a sole proprietor to a corporation. The reorganized employer will pay the same contribution rate that the employing unit did prior to the reorganization through the end of the calendar year, Dec. 31. On Jan. 1 of the new calendar year after the reorganization, the contribution rate will be based on a combination of the reorganized employer's experience with payrolls and benefit charges, and the employing unit's experience with payrolls and benefit charges before the reorganization.

Taxable Wage Calculation - When calculating the taxable wages for a contribution report in the year of the reorganization, a reorganized employer makes the calculation for each employee based on wages paid to the employee before and after the reorganization.

Out-of-State Transfers - Employers transferring all or part of their business from another state to Maryland may be eligible to transfer their experience rate to Maryland. Contact the Employer Call Center at 410-949-0033 for more information.

NOTE: When calculating the taxable wages for the contribution reports in the year of the transfer from another state, an employer should make the calculation for each employee based on wages paid to the employee before and after the transfer.

WITHHOLDING/FALSIFYING TRANSFER OF EXPERIENCE RATING INFORMATION

The law provides for penalties if an employer knowingly withholds or provides false information regarding the transfer of experience rating. If an employer is penalized under the Maryland Annotated Code, Labor and Employment, Section 8-614, the employer is assigned the highest tax rate in the year of the violation and in each of the next three years. If the employer is already at the highest tax rate for any year, or if the amount of the increase is less than 2% for that year, a 2% penalty rate is assigned.

An employer who knowingly violates the law regarding successorship is guilty of a misdemeanor and, on conviction, is subject to imprisonment of up to one year, a fine up to \$10,000, or both. The law also provides for civil and criminal penalties against a person who is not the employer if the person violates, attempts to violate, or knowingly advises an employer in a manner that causes the employer to withhold or provide false information regarding the transfer of experience rating. This individual is subject to a civil penalty of up to \$5,000, may be found guilty of a misdemeanor and, on conviction, would be subject to up to one year of imprisonment, a fine of up to \$10,000, or both.

Transfer of Experience Rates - An employer will often acquire its business from a previous owner or reorganize a business. The effect of these transactions on the employer's contribution rate is summarized below.

1. **New Employing Unit Acquired Business** - When a new business entity is formed and it acquires assets, employees, a business, an organization, or trade from another employer, the new business entity is classified as a successor employer. If there is any common ownership, management, or control between the successor employer and the former employer (predecessor), the predecessor's tax rate and experience rating is transferred to the successor. If there is no common ownership, management, or control with the predecessor employer, the experience rating is not transferred and the new business entity is assigned a new account rate.

2. **Common Ownership** - Common ownership, management, or control exists when a predecessor employer/successor employer serves in the following positions:

<ul style="list-style-type: none"> • Sole proprietor (includes spouse, children, and parents of sole proprietor); • Partner of a partnership; 	<ul style="list-style-type: none"> • Chief Executive Officer; • Member of a limited liability company; • Chief Financial Officer; 	<ul style="list-style-type: none"> • Any corporate officer; • Any shareholder owning, directly or indirectly, of more than 50% of a corporation's stock.
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3. **Taxable Wage Calculation** - When calculating the amount of taxable wages for the quarterly contribution report in the year of the acquisition, a successor employer (that assumed the experience rating of a predecessor) should make the calculation for each employee based on wages paid to the employee by the predecessor and successor. If a successor employer does not assume the experience rating of the predecessor because there is no common ownership, management, or control with the predecessor, the successor may not compute taxable wages based on wages paid by the predecessor.
4. **Existing Employing Unit Acquired Business** - When an existing business entity acquires assets, employees, a business, an organization, or trade from another employer, the existing business entity is classified as a successor employer. The successor continues to pay contributions at the previously-assigned rate from the date of transfer through the next Dec. 31. For the year following the acquisition, the successor's tax rate is a blended rate that includes the predecessor's experience.
5. **A New Employer or Existing Employer is not a Successor if:**
- the employer acquires less than 50% of the predecessor's employees;
 - the predecessor continues to pay wages to the remaining employees in the quarter following the acquisition of employees by the employer; and,
 - other than the transfer of workforce, the employer does not acquire any tangible or intangible assets from the predecessor employer.

NOTE: When calculating the taxable wages for the contribution report, employers, with the exception of successor employers, must compute taxable wages for each employee based on wages that the employer paid (not on wages paid by any previous employer).

SUTA DUMPING

<p><input type="checkbox"/> State Unemployment Tax Act (SUTA) SUTA dumping refers to unlawful actions taken by an employer to obtain a lower UI tax rate.</p>	<p><input type="checkbox"/> Instead of paying UI taxes at a rate based on its experience with layoffs and payrolls, an employer attempts to avoid a higher rate by dumping its experience.</p> <p><input type="checkbox"/> Often involves merger, acquisition, or restructuring schemes, such as shifting</p>
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	workforce/payroll from one business entity to another.
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Penalties range from a higher UI tax rate, monetary fines, and imprisonment. When workforce/payroll is shifted from one business entity to another, please complete the [Business Transfer Report](#) and provide any additional requested information to the Division.

FEDERAL UNEMPLOYMENT TAX RETURN (FEDERAL FORM 940)

Most employers are subject to both federal (authorized by the Federal Unemployment Tax Act) and state unemployment taxes. Employers subject to federal unemployment tax must file Form 940 and pay FUTA taxes annually, on or before January 31. Employers may pay federal taxes [online](#). The tax is based on the taxable payroll of the calendar year immediately preceding the filing date. For example, employers paid 2018 federal UI taxes in Jan. 2019. For more, see the [Federal Unemployment \(FUTA\) Tax Return webpage](#). If discrepancies arise, a discrepancy letter is sent to the employer from either a federal or state agency. The letter shows the reported amount, how that amount differs from the records, and actions an employer can take (if the employer disagrees with the findings). To reduce discrepancies, employers can ensure that employment and tax returns are completed properly, accurately, and on time. For questions about discrepancies, call 410-949-0033.

NOTE: The standard FUTA tax rate is 6% of the first \$7,000 of wages (paid to each employee) subject to FUTA. Computation of the federal UI tax due requires information about wages reported to the state and taxes paid. To ensure accuracy of data submitted, the federal government compares taxable payroll information submitted on the Form 940 with state records (referred to as the certification process). For more about Form 940, see the [Internal Revenue Service website](#).

REQUEST FOR SEPARATION INFORMATION

A **Request for Separation Information** is sent to an employer when a former employee files a claim for benefits. The Request for Separation Information notifies the employer that a claim was filed and requests that the employer provide the reason for separation from employment. The Division will use the information provided on the form to, in part, determine whether the individual is eligible for unemployment insurance benefits. Employers must complete and return the Request for Separation Information by the due date (eight calendar days after the form is generated) on the form to avoid a \$15 penalty. **Employers can respond to the Request for Separation Information either:**

- Online in [BEACON](#). A confirmation number will be provided once the transaction is completed;
- Through the [State Information Data Exchange System \(SIDES\)](#);
- By mail (to the address appearing on the Request for Separation Information).

If an employer fails to return the form by the due date, benefits will be paid if the claimant had indicated that the claimant was separated due to lack of work or temporary layoff. To prevent overpayments and improper employer charges, it is extremely important that the employer responds to the Request for Separation Information in a timely manner and responds to phone calls requesting more information. If the separation reason is not lack of work, a fact-finding interview will be scheduled before benefits are paid. Employers **must return the Request for Separation Information form** (online or by mail), even if the separation information was obtained by telephone.

NOTE: An employer who is using an UI cost control agency is responsible for providing that agency with complete and timely information regarding separation from employment. The Division will send separation notices directly to the representing agent and will NOT contact the employer for additional information.

Employers providing false information for the purpose of disqualifying a claimant may be subject to criminal and civil penalties. The following issues should be addressed when reporting separation information:

1. **No Record of Employment** - An employer should not disregard a claim because the employer can not identify the claimant as a former employee. The employer should check the claimant by Social Security number, since names often change due to marriage, divorce, or other legal reasons. If the employer can not identify the claimant, the employer should return the Request for Separation Information and indicate that the employer has no record of employment for this claimant.
2. **Claimant Still Employed** - Even if a claimant is working for an employer, the employer should check whether the claimant's hours of work were reduced. An employee may be entitled to partial benefits if their hours were cut through no fault of their own. Did the employee file a claim during a temporary layoff or shutdown? Did the claimant return to work? If so, the employer should include the date of layoff and the date the claimant returned to work or was recalled.
3. **Leave of Absence** - If the claimant is on an approved leave of absence, the employer must provide to the Division:

<ul style="list-style-type: none">● the effective date of the employee's leave;● the reason(s) for the leave;● the expected date of return; and,	<ul style="list-style-type: none">● whether the claimant notified their supervisor that the claimant is now able and willing to return to work. If yes, is work still available?
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In most cases, a claimant is ineligible for benefits if the claimant is on a leave of absence. The claimant is denied UI benefits because the claimant is not able or available to work, and is not actively seeking work. It is important for an employer to report whether the claimant is on a paid leave or unpaid leave. If paid, provide the weekly payment. If the claimant is on a paid leave, the payments are considered wages.

If the claimant is receiving UI benefits, the payments will be deducted from the claimant's weekly benefit amount. It is also important to report whether the leave is indefinite or definite and whether a return-to-work date has been established. If definite, provide the return-to-work date. If the claimant is on a definite leave and files for UI benefits during the week that includes the return-to-work date, a refusal of work issue will be created to determine why the claimant is not working.

4. **Retirement** - Some claimants may receive retirement payments while collecting UI benefits. If a claimant is receiving a periodic payment or lump sum payment allocated to weeks the claimant is filing for UI benefits, then the amount of the payment is deductible if it was contributed to, or paid for, by a base period employer. If only part of the retirement plan was paid for by the base period employer, 50% of the payment will be considered. If the payment is less than the claimant's weekly benefit amount, the claimant may receive partial benefits. If the payment is from a non-base period employer, it is not deductible. Maryland UI Law requires that employers provide written notice to employees displaced from work about the effect a lump sum payment has on the receipt of UI benefits. A lump sum paid as a result of a layoff or shutdown is not deductible. If the former employee places the entire lump retirement payment into a qualified retirement account within 30 days of receipt, it is not deductible. A lump sum paid at the time a claimant is fired, quits, or retires is deductible and is allocated to the weeks following separation at the claimant's last wage rate.
5. **Voluntary Resignations** - A claimant may be disqualified from receiving UI benefits if the claimant is unemployed because the claimant voluntarily quit employment without good cause.
 - If the reason for quitting is personal and not job-connected, the claimant will be disqualified from receiving UI benefits. In these cases, the employer's account should not be charged.
 - If a claimant voluntarily quits employment for reasons determined to be good cause directly attributable to the employment, no penalty is warranted and benefits are chargeable to the employer's account. For example, if an employee quits because the job conditions caused the employee to become ill and this is verified by a physician, no penalty applies. Of course, the claimant must be able to work, available for work, and actively seeking full-time work in order to receive benefits.

It is in the employer's interest to ensure that the Division is made aware of the actual reasons for the claimant's separation. In evaluating a voluntary quit, the Division will generally apply the "reasonable and prudent" test; that is, would a reasonable and prudent person have quit under the same circumstances?

6. **Voluntary Quit Because of Medical Reasons** - If a claimant is unable to work in their normal occupation, has become unemployed for medical reasons not attributable to the job and presents medical documentation (ill, injured, or pregnant), the claimant will

receive a weekly denial and the employer will not be charged for any subsequent payments.

7. **Voluntary Quit in Lieu of Discharge** - If an employer informs the claimant that they will be discharged and gives them the option to resign, or the claimant chooses to resign in the face of the imminent discharge, it is not considered a voluntary quit within the meaning of the law. It is not considered a voluntary quit because the employer is the moving party. A resignation in lieu of discharge is treated as a discharge and should be checked as such on the separation notice.
8. **Discharges** - An employer should select “discharge” on the Request for Separation Information form if the employee was separated for one of the following reasons:

<ul style="list-style-type: none">● Absenteeism/tardiness;● Rule violation;● Insubordination;● Conviction for criminal offense;	<ul style="list-style-type: none">● Suspension; and,● Not qualified for the job, but worked to the best of ability.
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NOTE: If the reason for separation is “not qualified for the job, but worked to the best of ability,” and no other issues are blocking payment, UI benefits are payable.

9. **Temporary Help Firms (Located in Maryland Only)** - A temporary help firm is defined as an entity that assigns its own employees to perform services for clients on a non-permanent basis. A claimant who works for a temporary help firm and is removed from an assignment will not be considered discharged unless the claimant is also removed from the temporary help firm’s rolls. A claimant, whose last employer was a temporary help firm, is not actively seeking work in the first week claimed if the claimant, at the end of the current assignment, does not request another assignment. Temporary help firms are responsible for notifying their employees of this requirement and to keep documentation. A temporary help firm should state on the Request for Separation Information when the claimant has completed an assignment. After this statement, the employer will be asked whether the claimant requested another assignment. The claimant will be allowed benefits if: the claimant shows that another assignment was requested; the claimant had good cause for failing to request another assignment (e.g., a natural occurrence such as flooding, hurricane, etc.); the temporary help firm consistently offered the claimant assignments that were not within their job classification; or the assignment did not meet the conditions under which the claimant was hired.

NOTICE OF BENEFIT ELIGIBILITY

The **Notification of Benefit Eligibility of a Former Employee** is sent to a base period employer (through the employer’s preferred communication method and available in BEACON) when a claimant receives their first benefit payment. For more information about a claimant’s base period, see the **Benefit Charging** section of this guide. **This notice is**

for informational purposes only. This is not an appealable document. Employers should review this notice to ensure they understand whether they are being charged for a former employee's UI benefits.

BENEFIT CHARGING

An employer's account is charged for UI benefits because the employer paid wages to an eligible claimant during the standard or alternate base period.

- The standard base period is the first four of the last five completed calendar quarters before an individual's claim effective date. An individual's claim effective date is the Sunday of the week in which the initial claim is filed. If the claimant does not qualify for benefits using the standard base period, an alternate base period may be used. The alternate base period is the most recently completed four calendar quarters of wages before the claim effective date.

The amount charged depends on the proportion of wages you paid to the claimant, in relation to the total wages paid by you and any other employers during the base period. This percentage, multiplied by the total amount of benefits ultimately received by the claimant, equals your benefit charges. You are notified of the exact amount of charges at the end of each calendar quarter (see the **Reviewing Benefit Charges to Your Account** section for more).

- If a claimant has only one employer in the base period, that employer's account is charged for 100% of any benefits paid and chargeable. If the claimant had two or more employers during the base period, all employer charges are prorated based proportionately on the wages the employer paid, to total wages paid.

Benefits charged to an employer account often increase the employer's tax rate and result in higher tax payments. The higher tax payments enable the UI Trust Fund to recover the benefits paid over a three-year period. Employers can prevent improper benefit charges to their accounts by providing accurate information to ensure a proper determination.

Claimant UI Benefit Time Period

Eligible claimants may collect up to 26 weeks of UI benefits during their benefit year. The benefit year is the 52-week period beginning with the claim's effective date (the Sunday before the individual applied for UI benefits). If any extension programs are in place (including, but not limited to, the federal Extended Benefits program), **claimants may be paid additional weeks**. If no extension programs are in place, claimants may receive more than 26 weeks of benefits only if they receive partial UI benefit payments for one or more weeks. This may occur if a claimant works part-time/a reduced work schedule.

NOTE: An alternate base period will generate the Employer Alternate Base Period Wage Affidavit. This form requests gross wage information from the most recently-completed calendar quarter. Please submit this form by the due date shown on the form. Failure to

provide this information in a timely manner may result in a \$15 fine. The **Alternate Base Period Wage Affidavit** may be submitted in [BEACON](#), by fax to 410-333-5142, or by mail to:

**Maryland Division of Unemployment Insurance
Wage Assistance Unit
P.O. Box 17559
Baltimore, MD 21297**

Weekly Benefit Amount

In Maryland, the weekly benefit amount (WBA) is a fixed payment ranging from a minimum of \$50 to a maximum of \$430. The gross wages paid to a claimant by all employers in the base period are used to determine a claimant's WBA.

- A claimant's maximum amount of benefits is the claimant's WBA multiplied by the number of weeks a claimant may receive benefits in a one-year period (benefit year). A claimant may receive up to 26 weeks of regular UI benefits during a benefit year.
- If the claimant receives partial benefits, the benefits may last longer than 26 weeks. The maximum benefit payment may not exceed 26 times the WBA, plus 26 times the dependent's allowance.
- **Dependents' Allowance** - A claimant may receive an additional \$8 in weekly benefits for each dependent child (up to a maximum of five children). A dependent child is a son, daughter, stepson, stepdaughter, or legally adopted child (not grandchild or foster children) whom the claimant supports, who is under age 16 when the claim is filed. A claimant's weekly benefit amount, including dependents' allowance, can not exceed the maximum weekly benefit amount (\$430). Only one parent can claim dependents' allowance for an individual child. Dependents' allowances are charged to employers' accounts.

REVIEWING BENEFIT CHARGES TO YOUR ACCOUNT

Reviewing benefit charges is probably the most important step in the UI management process. Contributory employers are notified of any benefits charged during the previous calendar quarter through the Benefit Payments Charge Statement. These charges affect a contributory employer's experience rating. The **Benefit Payments Charge Statement** is not a bill. Contributory employers pay UI contributions (taxes) by the quarterly due date. **Reimbursable employers (not-for-profit employers and government entities)** are notified of benefits charged during the previous calendar quarter via the Statement of Reimbursable Benefits Paid correspondence. This statement **is** a bill.

- An employer's Benefit Payments Charge Statement or Statement of Reimbursable Benefits Paid is available in [BEACON](#) and sent via an employer's preferred communication method. To view in BEACON, select the Correspondence option from the left menu, then select the Search Button to view all correspondence.

Employers may **protest improper or incorrect benefit charges** (on either the Benefit Payments Charge Statement or the Statement of Reimbursable Benefits Paid) **within 30 days** of the notice/statement date. This is the employer's last chance to protest these charges. Instructions for requesting reviews of charges an employer believes are incorrect are listed at the bottom of the statement.

NON-CHARGES AND CREDITS

Maryland UI law provides for relief from benefit charging and credits for repayments in certain circumstances. However, non-charging does not affect entitlement or eligibility, and eligible claimants may still collect benefits. The non-charging provisions are not applicable for reimbursing employers, except for continuous part-time employment. Reasons for non-charging and credit provisions are included below:

- Voluntary quit without good cause;
- Voluntary quit for a better job;
- Quit to attend approved training;
- Discharge for reasons which constitute gross misconduct in connection with the work;
- Discharge for reasons which constitute aggravated misconduct in connection with the work;
- If the claimant is originally granted and paid benefits, but upon appeal is later disqualified, a credit will be given for benefits paid. Credits are only given to reimbursing employers when the claimant repays any benefits improperly paid. Subsequent benefits will only be charged if the claimant resolves the disqualification and the benefits are otherwise payable; and,
- If a claimant has both full-time and part-time employment, loses a full-time job, but continues to work a part-time job, partial benefits will not be charged to the part-time employer's account if the claimant remains employed. Employers who receive a Request for Separation Information for claimants who are employed part-time should note the claimant's continued part-time status.

HEARINGS AND APPEALS

If an employer disagrees with a determination, the employer may file an appeal (within 15 days of the mailing date of the determination). Ensure that the appeal is submitted (postmarked, if mailing) on or before the filing deadline, as stated on the determination. It is helpful if the employer includes a copy of the determination. Instructions for filing an appeal are included on the determination and on the [UI Appeals webpage](#). The most efficient way for an employer to file an appeal is to use [BEACON](#) (select the Correspondence tab from the BEACON portal's left menu, then select the search button. If you have an appealable determination, there will be a "File Appeal" hyperlink in the same row as the determination. Select the link and follow the prompts). Third-party agents may also file appeals on behalf of their clients.

Include the following on the appeal:	
<ul style="list-style-type: none"> <input type="checkbox"/> Claimant's name; <input type="checkbox"/> Social Security number; <input type="checkbox"/> Employer's business name; 	<ul style="list-style-type: none"> <input type="checkbox"/> Employer account number; and, <input type="checkbox"/> Reason for appeal.
<p>Submit the appeal by the filing deadline listed on the determination. If submitting through mail, ensure that appeal is postmarked by the filing deadline.</p> <ul style="list-style-type: none"> ★ It is helpful to attach a copy of the determination you are appealing with your appeal letter. ★ Timely appeal requests at this level will result in an appeal hearing. 	

When an employer receives notice of the appeal hearing, the employer should make copies of pertinent documentation, such as the notice of termination, letter of resignation, and written warnings, etc. Additionally, an employer should ensure that the claimant's supervisor and any witnesses are available to attend the hearing. This hearing may be an employer's only opportunity to present evidence and testimony. If an employer does not attend an appeal hearing, the determination may remain unchanged or a decision being made only on the claimant's testimony. Although hearsay testimony is admissible in administrative hearings, hearsay testimony may not be given the same weight as sworn, first-hand testimony. Postponements must be requested in writing at least three business days before the hearing and can be followed up with a phone call to the Lower Appeals Division at (410) 767-2421. However, requesting a postponement does not guarantee a postponement will be granted.

If an employer disagrees with a Lower Appeals decision, the employer may request an appeal to the Board of Appeals. The decision contains specific directions for requesting an appeal. Questions concerning Lower Appeals should be directed to (410) 767-2421 or by e-mail to uilowerappeals.labor@maryland.gov; questions concerning appeals of Lower Appeals decisions and cases before the Board of Appeals should be directed to dluiboardappeals-labor@maryland.gov or (410) 767-2781.

FACT-FINDING INTERVIEWS

If the reason for separation given by the employer on the Request for Separation Information notice is something other than layoff or lack of work, the employer may be contacted by telephone to provide additional information when the claimant's fact-finding interview is held. It is important for an employer to respond to any telephone message and/or request for information within 48 hours. If the employer does not respond within 48 hours, a determination will be made based on the information provided by the claimant.

Fact-finding interviews are held by telephone. These interviews are held to obtain a statement from the claimant about the facts surrounding their separation from employment and/or availability for work. The claimant gives a statement to the Division claims specialist, is informed of the information provided by the employer, and is allowed

to rebut the employer's comments if the claimant disagrees with them. If the claimant provides information in rebuttal that the employer has not addressed, the employer will be contacted again and provided the opportunity to rebut the claimant information. Frequently, additional information is needed when the separation is considered a discharge. The employer may be contacted to discuss some of the issues raised below during a telephone interview. The burden of proof in a discharge is on the employer.

1. **Culminating Event** - What event brought about the termination of an employee? This is the most important information the Division will use to make the non-monetary determination of eligibility. If the culminating event was not within the claimant's control, the claimant may be allowed benefits. While the details regarding the culminating event are important, employers should be able to provide dates and types of disciplinary action taken previously.
2. **Absenteeism/Tardiness** - An employer should provide the dates of warnings, specify whether they were oral or written warnings, and should distinguish between excused and unexcused absenteeism and lateness. Did the employer require a medical slip to justify the claimant's absences? Were there any patterns of absence or tardiness, such as on Mondays and Fridays or before and after holidays? Failure to call in should be noted in the employee's attendance records and should be discussed with the employee during counseling/warning sessions. The reason for separation should include rule violations.
3. **Rule Violation** - Employers should state the rule violated and provide details. In addition, employers should describe any warnings, the dates the warnings were given, and note if the rule is in an employee handbook. Employers should also describe the consequences of the rule violation and indicate how the employee was made aware of the rule(s).
4. **Insubordination** - Explain exactly what was said and done in detail. When did the incident occur? Were there witnesses? Were threats or abusive language used? Did the employee refuse to perform duties which were part of their job description? What were the consequences of their insubordination?
5. **Conviction for Criminal Offense** - If the employer pressed charges but the matter is unresolved, the employer should include this information during the telephone interview. A criminal offense that is not directly against the employer may not be disqualifying. The Division will disqualify the claimant if the offense was in connection with employment. To determine if the actions are in connection with employment, the Division considers:

<ul style="list-style-type: none"> ● Was there a breach of duty to the employer? ● Did the act occur during work hours? 	<ul style="list-style-type: none"> ● Did the act occur on the employer's premises?
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<ul style="list-style-type: none"> • Did the act occur while the employee was engaged in their work? 	<ul style="list-style-type: none"> • Did the employee take advantage of the employment relationship to commit the act?
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6. **Discrepancy** - If discrepancies exist and cannot be resolved, the claimant and the employer will be scheduled at a specific date and time to participate in a conference call with a Division representative to resolve the issue(s). This type of hearing is called a predetermination or predetermination hearing. This hearing allows both parties the opportunity to provide and offer rebuttals during the conference call. Both the claimant and the employer have the right to appeal this determination within 30 days. The last day to file an appeal and instructions about how to proceed are noted on the form.

<p>Once a determination is made, either from a fact-finding interview or a hearing, a Notice of Benefit Determination (DUI 222) is sent (via BEACON and the individual’s preferred communication method) to the claimant and the employer. The Notice of Benefit Determination will include the following:</p> <ul style="list-style-type: none"> ❑ Issue(s) adjudicated; ❑ Applicable section(s) of the Maryland UI Law; ❑ Reason for decision to allow or deny benefits; ❑ If benefits are denied, it will indicate the penalty that must be served before benefits may be paid; ❑ If benefits are denied and the claimant is already receiving benefits, the Notice of Benefit Determination will show the overpayment amount due because of improperly paid benefits.
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NOTE: In a circumstance where the determination to pay a claimant benefits is reversed and a claimant is overpaid benefits, an employer will be charged for any benefits paid if the employer did not provide timely or adequate information during the fact-finding interview and determination. If the employer did provide adequate and timely information, the employer will be relieved of the charges for the overpaid benefits.

LAYOFF, MASS LAYOFF, OR LACK OF WORK

If a layoff affects 24 or fewer workers, the employer must complete a separate Request for Separation Information form for each laid-off worker who files a claim for UI benefits. All requested information must be entered on this form, including the return-to-work date, if any. If a laid-off claimant fails to return to work, the Division should be notified (see the **New Return-to-Work Date and Job Refusal Application for Employers** information under the **Quick Highlights for Employers** section of this guide). An employer experiencing a mass layoff (affecting 25 or more workers) that is permanent, indefinite, or for seven days or more, is required to inform the Division at least 48 hours in advance. Employers can report a mass layoff online in [BEACON](#) (select **Benefit Services** from your portal’s left menu, then select **Report Mass Layoff** and follow the prompts). If an employer does not have advance knowledge of the layoff, the list of affected workers must be submitted within 48 hours

after the commencement of the layoff. The list must be ordered alphabetically or by Social Security numbers and include the following:

Employees' names and Social Security numbers;	Each employee's last weekly or hourly pay/rate;
Additional information concerning bonus pay, vacation or holiday pay, and/or severance pay;	Indicate every worker who receives pension or retirement pay, the amount received, and whether or not the worker contributed to it;
Expected date of recall, if known;	Last day of work and reason for layoff.

This information will prevent the generation of individual separation notices. It is to the employer's advantage to provide the information to the Division in advance. Upon notification, the Secretary of Labor may adopt a plan modifying reporting requirements for these employees. Under this plan, the Division may distribute applications or establish dedicated call times for the laid off workers at claim centers or a designated job site. These applications, upon completion and returned in accordance with the plan, will constitute the employees' registration for work and claim for benefits. UI benefits are not payable for any weeks in which the individual is receiving wages in lieu of notice.

NOTE: The federal [Worker Adjustment and Retraining Notification \(WARN\) Act](#) requires employers of 100 or more workers, in certain instances, to provide 60 days' notice of any mass layoff or plant closure. Employers are potentially liable for failure to provide notice.

The **Dislocated Workers Unit** is required to provide Rapid Response assistance to workers impacted by a plant closure or mass layoff. These services, which may be provided on-site, include assessment, testing, job search assistance, educational remediation and training. Employers may fill out a [Dislocation Event Form](#) to notify the unit of impending layoffs or business closures. When required, notice must be given to the workers, the state, and to local elected officials. Failure to provide notice could result in full back pay to the workers and a fine of \$500 per day. We recommend employers contact legal counsel. For more , contact the **Maryland Department of Labor Dislocated Workers Unit at (410) 767-2833.**

REPORT NEW HIRES, REHIRES

1. **The Maryland New Hire Registry** - The Maryland New Hire Registry is a tool to protect against UI overpayments and fraud, public assistance fraud, and to assist in the enforcement of child support. Employers who are covered under the Maryland UI Law are required to report all new employees, re-hires, or recalled employees to a central registry.

2. **Within 20 days of an employee's first day of work, employers must report:**

<ul style="list-style-type: none">• Employee's name and Social Security number;• First day of work;• Maryland UI 10-digit account number;	<ul style="list-style-type: none">• Whether health insurance is available;• Employee's home address;• Employer's name and address;• Federal Employer Identification Number.
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Several additional data elements are requested on a voluntary basis. For more information, contact the Maryland New Hire Registry Help Desk by phone at (410) 281-6000 or 1-(888) MDHIRE, by fax at (410) 281-6004, or see mdnewhire.com.

BANKRUPTCY

Employers with questions about bankruptcy can call the Employer Call Center at 410-949-0033. An employer should notify the Division if the employer's business is in bankruptcy. The notice should be sent by fax to **410-333-5059**, by e-mail to ui.litpros@maryland.gov, or by mail to:

**Maryland Division of Unemployment Insurance
Legal Services and Collection
1100 N. Eutaw Street, Room 401
Baltimore, MD 21201**

The information concerning the bankruptcy should include the: date of bankruptcy filing; state of bankruptcy filing; chapter number and case number, if known; attorney's name and telephone number, if represented by an attorney; and, if the business is closed, provide the date that the business ceased operations.

FRAUD

It is considered fraud if a person files for UI benefits while employed without reporting wages, or provides false or insufficient information to obtain or increase benefits. Information regarding fraudulent claims should be reported to the Division for investigation. Suspected UI fraud can be reported to the Division by submitting a [Request for Investigation of Unemployment Insurance Fraud](#) by e-mail to ui.fraud@maryland.gov, fax to 410-767-2610, or mail to:

**Benefit Payment Control,
1100 North Eutaw Street, Room 206,
Baltimore, MD 21201**

METHODS TO ENSURE PROPER PAYMENTS

Effective claims management procedures by employers are essential to controlling the number, and severity, of UI claims. Tips for effective management include:

Social Security Numbers	<ul style="list-style-type: none"> ● Verify Social Security numbers at the time of hire; ● Ask to see employees' Social Security cards. If they do not have cards, they should be instructed to apply for them; ● Verify the claimant's name and Social Security number. Provide complete and accurate dates of employment, wage information, and any other payments (severance pay, pension, vacation pay).
Internal Processes	<ul style="list-style-type: none"> ● Establish a central location for claims handling; ● Assign responsibility and control of claims processing to one person (and a back-up) or department; ● Emphasize the consequences and impact on your account of untimely, inaccurate, or incomplete responses. ● Require personnel to forward UI forms promptly to the central location for claims processing;
Employer Practices	<ul style="list-style-type: none"> ● Sign and date all correspondence, including any forms, for proper documentation. Include contact information (phone number and e-mail) on forms in case the Division needs additional information. ● Failure to respond to Requests for Separation Information or provide wage information by the due date can result in a \$15 penalty.

The Division uses numerous methods to prevent improper benefit payments, which are costly to employers, including the techniques listed below.

1. **Post Audit** - The Post Audit is a computerized crossmatch that compares benefits paid to claimants with employer wage reports. The purpose is to detect improper payments to claimants who were employed while receiving UI benefits. When a match occurs, the employer is sent an Audit Form (DUI 330-M). Employers must complete the form and return it to the Division by the due date.

2. **Benefit Accuracy Measurement (BAM)** - The BAM program aims to ensure UI benefit payment accuracy, reduce fraud and errors, and improve UI program efficiency. BAM investigators audit randomly-selected claims to determine whether the claimant was eligible to receive payment for that week. During an audit, employers are asked to substantiate information, including wages, work search contacts reported by the claimant and the reasons for a claimant's separation or reduced hours.

BAM investigations are conducted by phone, e-mail, postal mail, or fax, and certain items may require an employer’s signature. If the audit uncovers an improper payment, the Division determines if the improper payment resulted from an action by a claimant, the Division, employer, or any combination of these.

3. **Tax Performance Systems** - The Tax Performance Systems program enables the Division to determine the cause of tax-related errors. The Division continuously informs employers about ways to reduce costly errors that result in improper experience rating charges and improper UI benefit payments.

NOTE: Please cooperate in answering investigators’ inquiries. Eliminating fraud and errors saves employers money and helps ensure the integrity of the UI program.

MARYLAND WORKFORCE EXCHANGE (MWE)

MWE provides reemployment services for individuals seeking work, as well as hiring and business development opportunities for employers. Employers can use MWE to:

<ul style="list-style-type: none"> • administer the hiring process free online or at an American Job Center; • gain exposure for job openings; • access economic and real-time local labor force data; • create/manage a recruitment strategy online; 	<ul style="list-style-type: none"> • maintain a database of job candidates and rank them in preferred order; • enroll in workshops or business seminars; and, • find business and economic development resources.
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Employers can use MWE’s online job-matching tool to gain exposure for their job openings, grow their talent pipeland monitor current economic trends or real-time labor market information. **To access these features, visit the [MWE website](#).**

UNEMPLOYMENT INSURANCE BENEFITS

All unemployed workers are entitled to file a claim for UI benefits, although **the right to file does not guarantee eligibility for benefits** under Maryland’s UI law. When a claimant files for benefits, all of the employers the claimant worked for during the claimant’s base period are notified (for more about base periods, see the **Covered Employment and Exemptions** section of this guide).

- **An employer must provide information about the claimant’s separation from employment** (by completing and returning the Request for Separation Information form). For details, see the **Request for Separation Information** section of this guide.

When an individual files a claim for benefits, the Division will determine if the claimant meets monetary and non-monetary eligibility requirements to be eligible for UI benefits.

<p>Monetary Eligibility</p>	<p>The Division will determine whether a claimant earned enough wages in covered employment during the base period (standard or alternate) to be eligible for UI benefits.</p> <p>A claimant must have wages in at least two, not necessarily consecutive, calendar quarters in the base period to be eligible.</p>
<p>Non-Monetary Eligibility</p>	<p>To determine if a claimant meets non-monetary eligibility requirements, the Division considers several factors, including whether the claimant is:</p> <ul style="list-style-type: none"> ● able to work, available for work, and actively seeking work; ● receiving any deductible pay (vacation, holiday, or special pay, severance, retirement/pension payments, or back pay/damages); ● the reason the claimant separated from employment.

To be eligible for benefits each week, a claimant must also meet the requirements below:

<ul style="list-style-type: none"> ● Be able to work, available for work, and actively seek work (meet all work search requirements); ● Not place any undue restriction on their availability for work or the work they will accept; ● File timely weekly claim certifications; 	<ul style="list-style-type: none"> ● Report all earnings; ● Accept suitable work, when offered. ● Be available and contact the Division and/or the Maryland Division of Workforce Development and Adult Learning (DWDAL) when instructed.
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A claimant’s previous job experience, training, wage level, and other factors are considered in determining suitability of a job offer. If a claimant is determined to be ineligible for UI benefits, the claimant has a right to file an appeal. If the issue involves an employer, the employer also has the right to appeal (for more, see the **Hearings and Appeals** section of this guide). A claimant’s weekly benefit amount is based on the claimant’s earnings during a base period (these earnings are reported by all base period employers via a quarterly contribution report). For details about the WBA, see page **Benefit Charging** section of this guide). To request benefit payment for each week of unemployment, the claimant must file a weekly claim certification. When filing each claim certification, the claimant answers questions concerning eligibility. If an answer provided brings into question the claimant’s eligibility for UI benefits, a telephone fact-finding interview is scheduled. If information is

required from the employer, the employer is also contacted. For more about fact-finding interviews, see the **Fact-Finding Interviews** section of this guide. The filing process continues until the claimant becomes either re-employed, ineligible for benefits, exhausts benefit entitlement, or stops filing for benefits.

PART-TIME WORKERS

A part-time worker is an individual whose availability for work is restricted to part-time work and who works predominantly on a part-time basis throughout the year (at least 20 hours per week). A part-time worker meets the Maryland UI law requirements if:

- the worker is eligible for benefits based on wages that are predominantly earned from part-time work;
- is actively seeking part-time work;
- is available for part-time work for at least the number of hours worked at the part-time worker's previous employment;
- does not impose any other restrictions on the part-time worker's ability to work or availability for work; and,
- is in a labor market in which a reasonable demand exists for part-time work.

NOTE: A part-time worker is not considered to be unemployed if the part-time worker is working all hours according to the part-time worker's specified availability, regardless of the amount of money the part-time worker is earning. Therefore, the part-time worker will not be eligible for partial benefits if working all available hours.

PARTIAL BENEFITS

A claimant who was laid off from a full-time job, but is working a part-time job while collecting UI benefits (and earning gross wages that are less than their weekly benefit amount), may receive partial UI benefits. The claimant may earn up to \$50 without any money being deducted from the weekly benefit amount (WBA). After \$50, earnings are deducted dollar for dollar. If a claimant's earnings equal/exceed their WBA, benefits are not payable. Employers must report employee wages to the Division (by filing quarterly contribution reports). When the Division requests wages for an employee during a specific week, an employer should ensure:

- The wages are reported when earned, not when paid;
- The gross amount of wages, before taxes and other deductions, is reported; and,
- The wages are reported for the week requested. For UI purposes, a week begins on Sunday and ends on Saturday. The week may not correspond with an employer's pay period. An employer may need to calculate an employee's daily earnings to submit the requested information properly.

NOTE: For UI tax purposes, wages are reported when paid. However, for UI benefit purposes, wages are reported when earned.

Claimants who do not report earnings during the claim process are committing UI fraud. If an employer suspects UI fraud, the employer should complete the [Request for Investigation of Unemployment Insurance Fraud](#) form.

DISQUALIFICATIONS

Claimants may be disqualified for benefits if they cannot satisfy the requirement that the job loss was through no fault of their own. Under certain circumstances, claimants may qualify for UI benefits even if they voluntarily quit employment or are discharged for good cause. The possible disqualifications are as follows:

1. **Voluntary Resignation** - When an individual voluntarily leaves their job, the burden of proof is on the claimant to show that the quit was “with good cause or valid circumstances.” The claimant must show that they made every reasonable effort to remain employed. If a claimant quits for reasons that are directly attributable to the employment (conditions of employment or actions of the employing unit), it may be determined to be for good cause. In that circumstance, no penalty is assessed, and the employer’s account is charged.

If a claimant quits for reasons not directly attributable to the claimant’s employer, but has made reasonable efforts to remain employed and shows that the claimant quit for valid circumstances, a five to 10 week penalty may be imposed (starting on the Sunday prior to the last day of work). The claimant will not receive benefit payments during that time period. When the penalty ends, benefits are payable, but the employer’s account is not charged. If the individual quits without good cause or valid circumstances, the claimant will not receive UI benefits until:

- the claimant becomes reemployed and earns 15 times their WBA; and,
- the claimant loses the new job through no fault of their own.

If it is determined that a claimant voluntarily quit employment without good cause and subsequently receives benefits, the employer from whom the individual quit will be relieved of benefit charges. An individual is not disqualified from receiving benefits if the individual quit a part-time job before losing a full-time job. Voluntarily quitting employment to attend school, follow a spouse to a new location (if the transfer is not mandatory) or to become self-employed is held to be without good cause or valid circumstances and the maximum penalty is imposed. However, a five to 10-week penalty is imposed for a claimant who quits a job to: **(a)** follow a military/military-related spouse due to the spouse’s mandatory transfer; or, **(b)** to follow a spouse to a new location if the spouse’s employer mandates the transfer.

2. **Discharges and Suspensions** - Discharges and suspensions are separations initiated by the employer. The employer is responsible for showing that the claimant’s behavior constituted misconduct in connection with the work. The employee’s behavior must clearly be a willful disregard for the employer’s interest, have a direct adverse effect on the employer’s business, and must be reasonably related in time to the act causing the

separation. Employers must outline the expected behavior of the employees either verbally or in writing. Employers should document all warnings, including who gave the warnings, why they were given, and the dates they were given. The Division explores the following in imposing a disqualification:

- What happened on the last day of work that caused the separation?
- How soon after the alleged misconduct did the discharge or suspension occur?

There are three discharge disqualification categories under Maryland's UI law: simple misconduct, gross misconduct, and aggravated misconduct.

1. **Simple Misconduct** - Simple misconduct means a violation of some established rule or policy of the employer, a disregard of the employer's best interests, a dereliction of duty, or a course of wrongful conduct. The penalty for simple misconduct is the delay of receipt of benefits for 10 to 15 weeks from the Sunday prior to the last day of work. When the penalty ends, benefits are payable and the employer's account is charged for any benefits paid after the penalty has been served. Simple negligence with no harmful intent is not misconduct, nor is inefficiency, unsatisfactory conduct that is beyond the claimant's control, or good faith error of judgment or discretion. Under these situations, no penalty is assessed, benefits are payable, and the employer's account is charged.
2. **Gross Misconduct** - Gross misconduct means conduct that is either:
 - a deliberate and willful disregard of standards of behavior that an employing unit rightfully expects and which shows gross indifference to the employing unit's interests; or,
 - repeated violations of employment rules that prove a regular and wanton disregard of the employee's obligations.

The penalty for gross misconduct is the denial of the claimant's benefits until the claimant becomes reemployed, earns 25 times their weekly benefit amount (WBA), and thereafter becomes unemployed through no fault of their own. The employer is not charged for any benefits paid after the penalty is satisfied.

3. **Aggravated Misconduct** - Aggravated misconduct is defined as behavior of the claimant that consists of physical assault, property loss, or property damage so serious that neither simple nor gross misconduct penalties would apply. The claimant's act must have been committed with actual malice and a deliberate disregard for the property, safety, and lives of others, including the employer and those associated with the employer as defined in the law. Malice is the intent to cause physical harm, property loss, or property damage.
 - If the action was accidental, aggravated misconduct does not exist.
 - If the action was intentional but not meant to cause any harm, loss or damage, aggravated misconduct does not exist. The penalty for aggravated misconduct is the

denial of the claimant's benefits until the claimant becomes re-employed, earns 30 times their WBA, and thereafter becomes unemployed through no fault of their own.

- If a claimant's reason for separation from the employer is determined to be aggravated misconduct, the claimant is disqualified and serves the penalty. Any benefits eventually paid will not be charged to the employer's account.

Benefits are denied until the individual becomes reemployed and earns 30 times their weekly benefit amount in covered employment income. Any future benefits paid to the employee (who committed the aggravated assault) will not be charged to the employer against whom the aggravated assault was committed. For UI purposes, the wages the claimant earned under this employer are deleted.

NOTE: A penalty is self-served when an individual satisfies all penalties of time and earnings under the Maryland UI Law prior to filing a claim for UI benefits. A claimant may be paid UI benefits and the claimant's previous employer may be charged for benefits if the claimant has self-served a penalty.

ABLE, AVAILABLE, AND ACTIVE SEARCH FOR WORK

To be eligible for UI benefits, a claimant must be able to work, available for work, and actively seeking full-time work (unless designated as a part-time worker) without any unreasonable restrictions on the hours/days that the claimant will work. For information about work search requirements, see the [Maryland Work Search Requirements webpage](#).

- The Division randomly audits claims, and all work search contacts are subject to verification. It is important that **employers keep records of who contacted them for employment, how they were contacted, the date the contact was made, the type of work applied for, and the result of the job contact.**

There are some exemptions to the work search requirements:

1. **Work Search Exemptions** - If an employer shuts down operations for up to 10 weeks and provides employees with a definite return-to-work date at the beginning of the layoff, the claimants are exempt from actively seeking work. The employer must provide the Division with the return to work date. If the layoff extends beyond 10 weeks, the individual will need to actively search for work. The exemption cannot be extended beyond the allowed 10 weeks, except as noted below.
2. **Extended Work Search Exemption** - If an employer shuts down operations for up to 26 weeks, claimants are exempt from the active work search requirements if:
 - The shutdown is for a certain and definable period not exceeding 26 weeks;
 - The work search exemption is jointly requested by the employer and the affected employees;
 - The employer provides that all of the employees included in the exemption shall return to work for the employer; and,

- The Division determines that the work search exemption during the shutdown will promote productivity and economic stability within the state.

For example, this type of shutdown could be used if an employer is shutting down its operations to modernize. This exemption will **not** be granted for seasonal layoffs. For more information, contact the Employer Call Center at 410-949-0033.

3. **Approved Training** - Claimants enrolled in a training program approved by the Division, who are otherwise eligible to receive benefits, are exempt from actively seeking work.

RECEIPT OF PAYMENTS OTHER THAN WAGES

A claimant is required to report certain payments (listed below) on the initial claim. Claimants who receive vacation, holiday, bonus, back pay or damages, and/or other special payments after filing an initial claim must call a claims agent (667-207-6520) to report it. Claimants who do not report these payments are committing UI fraud.

- **Severance payments** are deductible from UI benefits and are prorated based on the individual's last weekly pay rate.
- **Vacation or holiday pay** is deducted from UI benefits **only if** the employer provides a definite return-to-work date on or before the last day of work.
- **Bonus pay** may reduce or prevent the receipt of UI benefits, depending on the week(s) to which it is attributed.
- **Pension or annuity payments** from a base period employer are deductible from UI benefits.

REFUSAL OF SUITABLE WORK

NOTE: When an employer offers a job to a claimant who is receiving UI benefits or recalls a former employee in layoff status and the individual refuses the job/fails to return, **the employer must notify the Division within 15 days of refusal through [BEACON](#)**. The Division will determine whether the claimant should be paid or denied benefits. The Division may request additional information from the employer regarding the job offer and, if known, the reason for refusal. A claimant must accept offers of suitable work. The factors considered in determining suitability include:

<ul style="list-style-type: none"> • training (occupation); • work experience; • prior wages; • commuting distance; 	<ul style="list-style-type: none"> • prospect of securing work in claimant's customary occupation; and, • length of time claimant has been unemployed.
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A job is not considered suitable if: it is vacant as a direct result of a labor dispute; if the wages, hours, or other conditions are less favorable than for other similar jobs in the local area; if there is an unreasonable degree of risk to the individual; or if a claimant is required to either join a company union, resign from a union, or be required to refrain from joining a

labor union. If a claimant refuses suitable work without good cause, the individual will be disqualified from receiving UI benefits for either:

- five to 10 weeks (from the Sunday prior to the date the job was refused); or,
- until the claimant becomes re-employed, earns 10 times the weekly benefit amount, and thereafter becomes unemployed through no fault of their own.

If a labor dispute exists at an employer’s business and the striking employees file for UI benefits, an offer by the employer to return to work under the same conditions that existed prior to the labor dispute may constitute a suitable offer of work. The employees may be ineligible for UI benefits if they refuse to return to work.

LABOR DISPUTES

Claims for benefits by individuals participating in a labor dispute are adjudicated by the Board of Appeals, once it has assumed jurisdiction, or by a special examiner. Employers must inform the Division via [BEACON](#) when a labor dispute begins. Employers may file a labor dispute by going to the Benefit Services tab and selecting, “Report Labor Dispute.”

Notice of the labor dispute must be made within 48 hours and must include a list of the names and Social Security numbers of the affected workers. The Division will then contact the employer to obtain additional information. A claimant is denied benefits during the stoppage of work due to a labor dispute, other than a lockout, if the claimant:

- is participating in, financing, or directly interested in the labor dispute; and,
- belongs to a grade or class of workers participating, financing, or directly interested in the labor dispute.

WORK SHARING PROGRAM

Under the Work Sharing program, employers facing a temporary, non-cyclical decline in business (due to lower economic activity) can temporarily reduce employees’ hours, as opposed to laying off workers. Employers can reduce hours by at least 10 percent, and no more than 60 percent, among all participating employees in a unit. Employees receive partial UI benefits based on their reduction in work hours and pay. **Work Sharing helps to:**

<ul style="list-style-type: none">● Prevent layoffs;● Keep workforce in place;● Maintain employees’ skills;	<ul style="list-style-type: none">● Retain workforce;● Maintain affirmative action goals;● Improve employee morale.
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When the economy stabilizes, the employer can immediately restore its workforce. Work Sharing may be used across an entire business or for a portion of an employer’s operation, (department, shift, individual plant, etc.). It must, however, equally affect all employees of the designated employing unit. For more, see the [Work Sharing web page](#), [Employers’ FAQs on Work Sharing](#), or contact the **Work Sharing Unit** at ui.worksharing@maryland.gov.

SUPPLEMENTAL UNEMPLOYMENT BENEFITS (SUB)

Supplemental Unemployment Benefits (SUB) are private plans that provide additional, non-governmental benefits to unemployed workers. Common SUB plan features include:

<ul style="list-style-type: none">• A contractual agreement between an employer and employees (usually a union);• Employer financing. Typically, an employer pays an established amount, such as 15 cents per hour worked, into a separate fund. Employer contributions continue until a predetermined funding level is reached;	<ul style="list-style-type: none">• An independent trustee administers the fund; and,• To qualify for SUB, an individual must separate from a job and be eligible for regular UI benefits. Under Maryland law, SUB plans do not affect a claimant's weekly benefit amount.
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TRADE ADJUSTMENT ASSISTANCE (TAA) PROGRAM

The federal **TAA program** provides benefits to workers who are unemployed or on reduced work schedules due to the impact of foreign competition. TAA is funded by federal general revenues. Benefits include:

- Trade Readjustment Allowances (TRA) which equal the claimant's weekly benefit amount. TRA benefits are paid after the claimant exhausts regular UI benefits and are normally payable for 26 weeks. Additional TRA benefits may be paid if the affected worker is in training; and,
- Relocation allowances, work search, job training, and a wage subsidy for up to two years for reemployed workers ages 50 and over.

For more, see the [TAA webpage](#) on the Maryland Department of Labor website.

EXTENDED BENEFITS (EB) PROGRAM

During periods of high unemployment, eligible claimants may receive additional weeks of UI benefits through the federal-state EB program. Claimants can receive EB only after their regular UI benefits are exhausted. If Maryland meets the requirements to offer EB, information will be posted on the [Division website](#).

POSTERS REQUIRED BY LAW

Employers are required to display two posters, Benefit Entitlement, and Health Insurance Coverage, in a highly visible area of the workplace. Employers will receive these posters upon registration as a Maryland employer. To receive additional copies of the posters, call 410-949-0033 or download the posters from the [Division website](#).

Health Insurance Coverage Poster (DUI 6116)

TO BE POSTED HEALTH INSURANCE COVERAGE

You and other members of your family may be eligible under Maryland law to continue to be covered by your former employer's health insurance policy if:

- ◇ You quit your job or you were terminated from your employment for a reason other than for cause; and
- ◇ You are covered by your employer under a group hospital-medical policy or a health maintenance organization (HMO) for at least three (3) months prior to being separated from your employment; and
- ◇ You do not have other similar insurance.

If you wish to continue your health insurance, you **MUST** give your employer written notice no later than forty-five (45) days after your last day of work.

IMPORTANT:

You will be responsible for paying the entire cost of the health insurance policy.

For further information about the program, you should contact your employer, or if necessary, telephone the Insurance Administration in Baltimore at (410) 468-2244 or 1-800-492-6116 (Ext. 2244).

State of Maryland
Maryland Department of Labor

**THIS NOTICE APPLIES TO STATE LAW.
YOU MAY HAVE BROADER BENEFITS UNDER FEDERAL LAW.**

TO BE POSTED

Benefit Entitlement Poster (DUI 328)

TO EMPLOYEES

YOUR EMPLOYER IS SUBJECT TO the Maryland Unemployment Insurance Law and pays taxes under this law. No deduction is made from your wages for this purpose.

IF YOU ARE LAID OFF or otherwise become unemployed, immediately file a claim by calling the telephone number for the area in which you reside or you may file a claim on the internet at the web site address indicated below.

IF YOU ARE ELIGIBLE, you may be entitled to unemployment insurance benefits for as many as 26 weeks.

IF YOU ARE WORKING LESS THAN FULL TIME, you may be eligible for partial benefits. If your regular hours of work have been reduced, promptly file a claim as instructed above, to determine your benefit rights.

IF YOU HAVE BEEN FILING FOR BENEFITS AND RETURN TO WORK, you must report your gross wages before deductions during the week you return to work regardless of whether or not you have been paid.

YOU ARE ENTITLED TO BENEFITS IF:

1. You are unemployed through no fault of your own.
2. You have sufficient earnings in your Base Period.
3. You have registered for work and filed a claim for benefits with a Maryland Department of Labor claim center listed below.
4. You are able to work, available for work, and actively seeking work.

NOTE: To ensure prompt handling of your claim, it is necessary to have your Social Security number available. If you claim dependents under sixteen (16) years of age, you must know the Social Security number of each dependent when you file. If you do not know the Social Security numbers, you will be provided with instructions on how to provide a copy of the dependents' birth certificates or other forms of proof of dependency.

IF YOU ARE TOTALLY OR PARTIALLY UNEMPLOYED CALL:

Phone Number To File A Claim	Area Served	Phone Number To File A Claim	Area Served	Phone Number To File A Claim	Area Served
301-313-8000 1-877-293-4125 (toll free)	Calvert Charles Montgomery Prince Georges St. Mary's	410-334-6800 1-877-293-4125 (toll free)	Caroline Dorchester Kent Queen Anne's Somerset Talbot Wicomico Worcester	410-853-1600 1-877-293-4125 (toll free)	Anne Arundel Baltimore City Baltimore County Carroll Cecil Harford Howard
301-723-2000 1-877-293-4125 (toll free)	Allegany Frederick Garrett Washington	INSIDE THE STATE OF MARYLAND (DENTRO DEL ESTADO DE MARYLAND) Maryland Relay Dial 711 TTY: 1-800-735-2258 Speech to Speech: 1-800-785-5630 Para Relevos en Maryland presione 711 ó 1-800-877-1264 (U.S.)		OUTSIDE THE STATE OF MARYLAND (FUERA DEL ESTADO DE MARYLAND) TTY: 1-800-735-2258 Speech to Speech: 1-800-785-5630 Para Relevos en Maryland presione 1-800-877-1264 (U.S.)	
SOLICITUD DE BENEFICIOS DEL DESEMPLEO PARA LA POBLACIÓN DE HABLE HISPANA 301-313-8000					

TO FILE A CLAIM VIA THE INTERNET: www.mdunemployment.com

IMPORTANT NOTICE

Unemployment insurance is intended for persons who are unemployed through no fault of their own and who are ready, willing and able to work. Persons who receive benefits through false statements or fail to report ALL earnings will be disqualified and will be subject to criminal prosecution.

The Civil Rights Act of 1964 states that no person shall be discriminated against on the basis of race, color, religion, age, sex, or national origin. If you feel you have been discriminated against in the unemployment insurance process because of any of these factors, you may file a complaint with the Office of Fair Practices, 1100 North Eutaw Street, Room 613, Baltimore, Maryland 21201.

MARYLAND DEPARTMENT OF LABOR - DIVISION OF UNEMPLOYMENT INSURANCE

THIS CARD MUST BE POSTED IN A CONSPICUOUS PLACE

GUIDELINES FOR JOB INTERVIEW AND PRE-EMPLOYMENT INQUIRIES

Employers wanting to conduct fair and lawful recruitment and selection processes are sometimes confused about the legality or appropriateness of some pre-employment inquiries. Listed below are guidelines for determining appropriate and nondiscriminatory questions for job applications/pre-employment interviews found in state and federal equal employment opportunity laws and guidelines (primarily Title VII of the Civil Rights Act of 1964, as amended, the Equal Employment Opportunity Commission's (EEOC) 1981 Pre-Employment Inquiries Guidelines, the Americans with Disabilities Act of 1990 (ADA) and Article 49B of the Annotated Code of Maryland). For more guidance, see the Maryland Human Relations Commission's Guidelines on Employee Selection Procedures and the EEOC's Technical Assistance Guide on the Employment Provisions of Title I of ADA. **This information is Not A Substitute For Legal Advice.**

Employers should:

- Standardize and structure the selection process;
- Determine essential requirements of the job before recruiting and interviewing;
- Develop written, job-related position descriptions which detail these essential requirements;
- Prepare written questions;
- Ask only those questions necessary to determine qualifications and suitability, and ask all questions of all applicants/candidates; and,
- Maintain job-related documentation.

General Questions Employers Should Ask Themselves:

- Will the answers to this question, if used in making a selection, have a disparate effect in screening out minorities or members of one sex?
- Will the response to this question screen out qualified candidates because of their disability before their actual ability to do the job is evaluated?
- Is this information necessary to judge an applicant's competence/qualifications?
- Is this question permitted on the basis of a bona fide occupational qualification?
- Is the employer a federal contractor or a participant in a program subject to special employment/selection guidelines?

SUBJECT: AGE

Lawful Inquiries/Requirements

- Whether applicant meets the minimum age requirement set by law, if required as a Bona Fide Occupational Qualification (BFOQ), or after hire, if inquiry serves a legitimate record-keeping purpose.

Unlawful Inquiries/Requirements

- That applicant states age or date of birth. That applicant provides proof of age (birth certificate). Specifications such as: "young," "college student," "recent college graduate," or "retired."

SUBJECT: ARREST AND CONVICTIONS**Lawful Inquiries/Requirements**

- Inquiries about convictions that bear a direct relationship to the job and have not been expunged or sealed by the courts. Consideration should be given to the nature, recentness, and rehabilitation.

Unlawful Inquiries/Requirements

- Inquiries about a candidate's general arrest and conviction record.

SUBJECT: CITIZENSHIP, BIRTHPLACE**Lawful Inquiries/Requirements**

- After employment, verification of legal right to work (all new hires).

Unlawful Inquiries/Requirements

- Whether applicant, parents or spouse are naturalized or native-born U.S. citizens. Birthplace of applicant, parents, or spouse. Requirement that applicant produces naturalization papers.

SUBJECT: DEPENDENTS**Lawful Inquiries/Requirements**

- Non-applicable.

Unlawful Inquiries/Requirements

- Inquiries regarding: the number and ages of children; what child care arrangements have been made; family planning.

SUBJECT: DISABILITY**Lawful Inquiries/Requirements**

- Whether the applicant can perform the essential functions of the job with or without reasonable accommodation. That applicant can demonstrate how they would perform the job and with what accommodation(s). After a job offer, but before hire, require medical examination for all similarly-situated entering employees.

Unlawful Inquiries/Requirements

- Requirement that applicant provide information about workers' compensation claim(s) before a job offer. General inquiries into the applicant's state of health or the nature and severity of a disability.

SUBJECT: DRIVER'S LICENSE**Lawful Inquiries/Requirements**

- Inquiry if driving is necessary to the job.

Unlawful Inquiries/Requirements

- Inquiring if all applicants have a valid driver's license, regardless of job.

SUBJECT: MARITAL STATUS**Lawful Inquiries/Requirements**

- Non-applicable.

Unlawful Inquiries/Requirements

- Whether applicant is: single, married, divorced, widowed, etc.; Mr., Mrs., Miss, Ms. Inquiries regarding the names and ages of spouse or children.

SUBJECT: MILITARY SERVICE**Lawful Inquiries/Requirements**

- Job related inquiries into military experience in the U.S. Armed Forces or state militia (e.g. branch, occupational specialty).

Unlawful Inquiries/Requirements

- Inquiries regarding foreign military experience. Whether honorably discharged.

SUBJECT: NAME**Lawful Inquiries/Requirements**

- Whether the applicant has used another name (to verify past work record).

Unlawful Inquiries/Requirements

- Inquiries or comments about the name which would reveal applicant's lineage, national origin, marital status, etc. (e.g., maiden name? Mr., Mrs., Miss, Ms.?).

SUBJECT: NATIONAL ORIGIN**Lawful Inquiries/Requirements**

- What languages an applicant reads, speaks, or writes fluently, if relevant to the job or if required as a Bona Fide Occupational Qualification.

Unlawful Inquiries/Requirements

- Inquiries regarding: applicant's nationality; ancestry; lineage or parentage; nationality of applicant's parents or spouse; maiden name of applicant, wife, or mother.

SUBJECT: PHOTOGRAPH**Lawful Inquiries/Requirements**

- May be requested after hire (for identification).

Unlawful Inquiries/Requirements

- Request before hire.

SUBJECT: POLYGRAPH, LIE DETECTOR**Lawful Inquiries/Requirements**

- Non-applicable.

Unlawful Inquiries/Requirements

- Require test be taken as a condition of employment.

SUBJECT: PROFESSIONAL ASSOCIATIONS**Lawful Inquiries/Requirements**

- Inquiries regarding memberships in job-related clubs and organizations. Applicants may omit those which reveal the race, religion, age, sex, disability, etc., of applicant.

Unlawful Inquiries/Requirements

- Requesting the names of all organizations, clubs, associations, to which the applicant belongs. Inquiries regarding how the applicant spends their spare time.

SUBJECT: RACE, COLOR**Lawful Inquiries/Requirements**

- Non-applicable.

Unlawful Inquiries/Requirements

- Inquiries regarding: applicant's race; color of applicant's skin, eyes, hair or other questions directly or indirectly indicating race or color; applicant's height (unless a Bona Fide Occupational Qualification).

SUBJECT: REFERENCES**Lawful Inquiries/Requirements**

- Inquiring by whom the applicant was referred. Requesting names of persons willing to provide professional or character references. Making job-related inquiries of references.

Unlawful Inquiries/Requirements

- Requiring the submission of religious references. Inquiries of references which would elicit information on applicant's race, color, national origin, age, marital status, disability, or sexual orientation.

SUBJECT: RELIGION**Lawful Inquiries/Requirements**

- Inquiries regarding the normal hours of work. After hire, inquiries regarding religious accommodations.

Unlawful Inquiries/Requirements

- Inquiries regarding applicant's religious denomination/affiliation or religious holidays observed. Any inquiry which would indicate or identify religious customs or holidays observed.

SUBJECT: SEX**Lawful Inquiries/Requirements**

- Inquiry only if required as a Bona Fide Occupational Qualification.

Unlawful Inquiries/Requirements

- Inquiries regarding: applicant's sex; Mr., Mrs., Miss, Ms.; if applicant is expecting, planning a family, or uses birth control.

SUBJECT: SEXUAL ORIENTATION**Lawful Inquiries/Requirements**

- Non-applicable.

Unlawful Inquiries/Requirements

- Any inquiry concerning an applicant's heterosexuality, homosexuality or bisexuality.



Learn more about the Maryland Division of Unemployment Insurance and the resources available to employers on the [Division website](#).