

SENATE BILL 816

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EMERGENCY BILL

1lr2081
CF HB 908

By: **Senator Klausmeier (Chair, Joint Committee on Unemployment Insurance Oversight)**

Introduced and read first time: February 9, 2021

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 27, 2021

CHAPTER _____

1 AN ACT concerning

2 **Unemployment Insurance – Employer Contributions – ~~Payment Plans~~**

3 FOR the purpose of requiring the Secretary of Labor to offer to employing units for certain
4 calendar years a variety of payment plan options that spread certain contribution
5 due dates through the end of a certain month; requiring the Secretary to offer a
6 variety of additional payment plan options that mutually serve certain interests and,
7 for plans offered in a calendar year in which a certain table of rates is applicable,
8 provide more flexibility than certain plans offered under a certain provision of this
9 Act; authorizing certain employing units to elect to delay submitting certain
10 contributions for certain calendar quarters under certain circumstances; authorizing
11 the Secretary to authorize certain employing units to defer submitting certain
12 contributions for certain calendar quarters under certain circumstances; prohibiting
13 an employing unit that defers the submission of a contribution in accordance with
14 this Act from being required by the Secretary to file for an extension or be assessed
15 certain interest under certain circumstances; repealing certain provisions of law
16 providing for the deferral of certain contribution and employment reports; repealing
17 a certain provision of law rendered obsolete by a certain provision of this Act; making
18 this Act an emergency measure; providing for the termination of certain provisions
19 of this Act; and generally relating to ~~payment plans for~~ unemployment insurance.

20 BY repealing and reenacting, with amendments,

21 Article – Labor and Employment

22 Section ~~8-607(d)~~ 8-607(a) and (d)

23 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

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



1 (2016 Replacement Volume and 2020 Supplement)

2 BY adding to

3 Article – Labor and Employment

4 Section 8–607.1 and 8–607.2

5 Annotated Code of Maryland

6 (2016 Replacement Volume and 2020 Supplement)

7 BY repealing and reenacting, with amendments,

8 Article – Labor and Employment

9 Section 8–626 and 8–628

10 Annotated Code of Maryland

11 (2016 Replacement Volume and 2020 Supplement)

12 (As enacted by Chapter 39 of the Acts of the General Assembly of 2021)

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

15 **Article – Labor and Employment**

16 8–607.

17 (d) (1) [(i)] By regulation, the Secretary shall set:

18 [1.] (I) the date when contributions are due; and

19 [2.] (II) **SUBJECT TO § 8–607.1 OF THIS SUBTITLE**, the
20 manner in which contributions are to be paid.

21 [(ii) The regulations shall require that, for any calendar year in which
22 Table F is applicable under § 8–612(d)(6) of this title, the Secretary offer a variety of
23 payment plan options that spread through the end of August the dates when contributions
24 are due on taxable wages for covered employment of the first 6 months of the calendar
25 year.]

26 (2) In accordance with regulations adopted by the Secretary, an employing
27 unit shall:

28 (i) submit to the Secretary periodic reports for determination of the
29 amount of contributions due; and

30 (ii) pay the contribution.

31 (3) For payment of contributions, a fractional part of a cent:

32 (i) that is less than one-half cent shall be disregarded; and

(ii) that is one-half cent or more shall be increased to 1 cent.

8-607.1.

THE SECRETARY SHALL:

(1) FOR ANY CALENDAR YEAR IN WHICH TABLE F IS APPLICABLE UNDER § 8-612(D)(6) OF THIS SUBTITLE, OFFER A VARIETY OF PAYMENT PLAN OPTIONS THAT SPREAD THROUGH THE END OF AUGUST THE DATES WHEN CONTRIBUTIONS ARE DUE ON TAXABLE WAGES FOR COVERED EMPLOYMENT OF THE FIRST 6 MONTHS OF THE CALENDAR YEAR; AND

(2) OFFER A VARIETY OF ADDITIONAL PAYMENT PLAN OPTIONS THAT:

(I) MUTUALLY SERVE THE INTEREST OF THE DIVISION AND INDIVIDUAL EMPLOYING UNITS; AND

(II) FOR PLANS OFFERED IN A CALENDAR YEAR IN WHICH TABLE F IS APPLICABLE UNDER § 8-612(D)(6) OF THIS SUBTITLE, PROVIDE MORE FLEXIBILITY FOR AN EMPLOYING UNIT ~~THEN~~ THAN THE PLANS OFFERED UNDER ITEM (1) OF THIS SECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Labor and Employment

8-607.

(a) Except as provided in Part III of this subtitle, AND SUBJECT TO § 8-607.2 OF THIS SUBTITLE, an employing unit shall pay to the Secretary contributions for the Unemployment Insurance Fund on taxable wages for covered employment that is performed for the employing unit.

8-607.2.

(A) (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, FOR CALENDAR YEAR 2021, AN EMPLOYING UNIT THAT EMPLOYS FEWER THAN 50 INDIVIDUALS MAY ELECT TO DEFER PAYING CONTRIBUTIONS FOR THE CALENDAR QUARTERS ENDING ON MARCH 31, JUNE 30, AND SEPTEMBER 30.

(2) AN EMPLOYING UNIT THAT ELECTS TO DEFER THE PAYMENT OF CONTRIBUTIONS AS AUTHORIZED UNDER PARAGRAPH (1) OF THIS SUBSECTION:

1 (I) SHALL SUBMIT THE CONTRIBUTIONS ON OR BEFORE THE
2 DATE ON WHICH THE CONTRIBUTION FOR THE CALENDAR QUARTER ENDING
3 DECEMBER 31, 2021, IS DUE;

4 (II) MAY NOT BE REQUIRED BY THE SECRETARY TO FILE FOR AN
5 EXTENSION; AND

6 (III) MAY NOT BE ASSESSED INTEREST THAT ACCRUES UNDER §
7 8-628 OF THIS SUBTITLE FOR THE PERIOD FOR WHICH THE CONTRIBUTIONS ARE
8 DEFERRED.

9 (B) (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, FOR
10 CALENDAR YEAR 2022, THE SECRETARY MAY AUTHORIZE AN EMPLOYING UNIT THAT
11 EMPLOYS FEWER THAN 50 INDIVIDUALS TO DEFER PAYING CONTRIBUTIONS DUE IN
12 ACCORDANCE WITH THIS SECTION.

13 (2) IF THE SECRETARY AUTHORIZES AN EMPLOYING UNIT TO DEFER
14 PAYING CONTRIBUTIONS IN ACCORDANCE WITH PARAGRAPH (1) OF THIS
15 SUBSECTION:

16 (I) THE SECRETARY SHALL ESTABLISH THE DATE ON WHICH
17 THE CONTRIBUTIONS ARE DUE;

18 (II) THE EMPLOYING UNIT MAY NOT BE REQUIRED TO FILE FOR
19 AN EXTENSION; AND

20 (III) THE EMPLOYING UNIT MAY NOT BE ASSESSED INTEREST
21 THAT ACCRUES UNDER § 8-628 OF THIS SUBTITLE FOR THE PERIOD FOR WHICH THE
22 CONTRIBUTIONS ARE DEFERRED.

23 8-626.

24 (a) [(1) Subject to paragraphs (2) and (3) of this subsection, for] FOR each
25 calendar quarter, each employing unit shall submit to the Secretary a contribution and
26 employment report on or before the date that the Secretary sets.

27 [(2) (i) For calendar year 2021, an employing unit that employs fewer
28 than 50 individuals may elect to defer submitting contribution and employment reports for
29 the calendar quarters ending on March 31, June 30, and September 30.

30 (ii) An employing unit that elects to defer the submission of a
31 contribution and employment report as authorized under subparagraph (i) of this
32 paragraph:

1 1. shall submit the report on or before the date on which the
2 report for the calendar quarter ending December 31, 2021, is due;

3 2. may not be required by the Secretary to file for an
4 extension; and

5 3. may not be assessed interest that accrues under § 8-628
6 of this subtitle for the period for which the submission is deferred.

7 (3) (i) For calendar year 2022, the Secretary may authorize an
8 employing unit that employs fewer than 50 individuals to defer submitting a contribution
9 and employment report due in accordance with this section.

10 (ii) If the Secretary authorizes an employing unit to defer submitting
11 a contribution and employment report in accordance with subparagraph (i) of this
12 paragraph:

13 1. the Secretary shall establish the date on which the
14 contribution and employment report is due;

15 2. the employing unit may not be required to file for an
16 extension; and

17 3. the employing unit may not be assessed interest that
18 accrues under § 8-628 of this subtitle for the period for which the submission is deferred.]

19 (b) An employing unit shall include in a contribution and employment report
20 information that the Secretary requires.

21 (c) (1) An employing unit that fails to submit a contribution and employment
22 report under this section is subject to a penalty of \$35 unless the Secretary waives the
23 penalty for cause.

24 (2) An employing unit that submits a check or other negotiable instrument
25 in payment of any penalty under this subsection which is returned for insufficient funds is
26 subject to an additional penalty of \$25.

27 8-628.

28 (a) Except as provided in § 8-201.1 of this title and §§ 8-620 and [8-626] 8-607.2
29 of this subtitle, a contribution or reimbursement payment that is due and unpaid shall
30 accrue interest at the rate of 1.5% per month or part of a month from the date on which it
31 is due until the Secretary receives the contribution or payment in lieu of contributions and
32 the interest.

33 (b) Notwithstanding subsection (a) of this section, except as provided in § 8-201.1
34 of this title, for any calendar year in which Table F is applicable under § 8-612(d)(6) of this

1 subtitle, a contribution or reimbursement payment that is due and unpaid shall accrue
2 interest at the rate of 0.5% per month or part of a month from the date on which it is due
3 until the Secretary receives the contribution or payment in lieu of contributions and the
4 interest.

5 SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall be
6 construed to apply only prospectively to bills for contributions due on or after the effective
7 date of this Act.

8 SECTION ~~3~~ 4. AND BE IT FURTHER ENACTED, That this Act is an emergency
9 measure, is necessary for the immediate preservation of the public health or safety, has
10 been passed by a ye and nay vote supported by three-fifths of all the members elected to
11 each of the two Houses of the General Assembly, and shall take effect from the date it is
12 enacted. Section 2 of this Act shall remain effective through June 30, 2023, and, at the end
13 of June 30, 2023, Section 2 of this Act, with no further action required by the General
14 Assembly, shall be abrogated and of no further force and effect.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.