

Department of Legislative Services
Maryland General Assembly
1999 Session

FISCAL NOTE

House Bill 761 (Delegate Fulton)

Economic Matters

Unemployment Insurance - Unemployment Status - Snow Removal

This bill prohibits wages paid for work directly related to snow removal from affecting an individual's eligibility for unemployment insurance.

Fiscal Summary

State Effect: None.

Local Effect: None.

Maryland Unemployment Insurance Fund: This bill would have a minimal effect on the Maryland Unemployment Insurance Fund.

Small Business Effect: Minimal.

Fiscal Analysis

Background: Under current law, claimants are allowed to earn up to \$70 a week which is not deducted from weekly unemployment insurance (UI) benefits. Amounts above \$70 are deducted from claimants' weekly benefit amounts, on a dollar-for-dollar basis. Once a claimant's wages equal or exceed his or her weekly benefit amount, benefits are not payable for that week. Current law allocates wages to the week that wages are earned rather than the week that wages are paid.

If there is a break in a claimant's filing for UI benefits, the U. S. Department of Labor requires the claimant to reopen the claim in order to determine whether the claimant was working when not filing for benefits. If the claimant was working, the department determines the reason why the claimant was separated from employment. If the claimant

voluntarily quit or was fired for cause, the case must be adjudicated to determine whether benefits will continue to be payable.

Maryland Unemployment Insurance Fund: This bill would not have a significant effect on the trust fund balance because the number of affected individuals is presumed to be small. The bill will have the following effect on the administration of the Unemployment Insurance Office:

- Individuals filing for UI benefits who are paid wages related to snow removal would not have those wages deducted from weekly unemployment insurance benefits;
- Individuals who are paid wages in snow removal would not be considered employed during the week in which the wages were paid;
- Because wages paid would not affect an individual's eligibility for UI benefits, the Unemployment Insurance Office would not know if the individual voluntarily quit the job, refused work, or had been fired for cause;
- Any wages paid for snow removal, when performed for a covered employer, would not be used in future years to determine an individual's eligibility for benefits; and
- Total weeks of unemployment insurance benefits would continue to be chargeable to the account of a claimant's prior employer although the individual is working part-time or full-time.

Information Source: Department of Labor, Licensing, and Regulation

Fiscal Note History: First Reader - February 28, 1999

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