

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE

Senate Bill 612
Finance

(Senator Della)

Unemployment Insurance - Filing for Benefits - Notification

This bill requires the Secretary of Labor, Licensing, and Regulation to adopt regulations regarding the content of the notification to individuals who may be eligible for additional unemployment insurance (UI) benefits under the Extended Benefit program (EB). The regulations must require the notification to state that the individual has exhausted regular benefits and may be eligible for extended benefits and that the individual must file a claim for extended benefits by contacting the Unemployment Insurance Division in a timely fashion. If the Secretary determines that individuals are unable to file a claim in a timely fashion because of call volume, an individual must be given at least 21 days to file an extended claim.

The bill takes effect June 1, 2010.

Fiscal Summary

Unemployment Insurance Trust Fund (UITF): None. The bill does not alter eligibility for UI benefits.

State Effect: None. The Department of Labor, Licensing, and Regulation (DLLR) can implement the required regulations with existing budgeted resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: In order to be eligible for unemployment benefits an individual must be able to work, available for work, and actively seeking work for each week in which a benefit is sought. If the week of unemployment for which an individual claims extended compensation through EB is a week to which a disqualification for regular benefits applies, the individual may not be entitled to extended compensation for that week. Individuals may receive a regular UI benefit for a maximum of 26 weeks.

An individual filing an initial claim for unemployment must file the initial claim or a reopened claim in the manner and timeframe prescribed by the Secretary. The effective date of an initial or reopened claim may be other than the date specified by the Secretary under certain circumstances. The Code of Maryland Regulations (COMAR 09.32.02.03) specifies situations where a claim for unemployment benefits may be backdated:

- if a claimant who has been working part-time requests partial benefits, a claim may be backdated up to 30 days;
- if there is a clerical error attributed to DLLR;
- if severe weather conditions exist, as determined by the Secretary of Labor, Licensing, and Regulation; or
- if the office to which the claimant is instructed to report is closed for a reason other than that day is not a working day.

Background: Two federal programs provide additional UI benefits to unemployed workers who have exhausted regular benefits. Both programs have trigger mechanisms under which additional American Recovery and Reinvestment Act of 2009 (ARRA) benefits become available.

- EB is a state program that provides an additional 13 to 20 weeks of UI benefits. The program typically splits the cost of additional benefits evenly between the applicable state UITF and federally provided funds. For 2009 states where the unemployed workers equal 5% or more of all employed, the program was 100% federally funded; and
- Emergency Unemployment Compensation (EUC) is a federal program which provides up to an additional 53 weeks of benefits (only 47 weeks in Maryland, up from a maximum of 33 weeks effective November 8, 2009) depending on the level of unemployment in each state.

Unemployed workers in Maryland who exhausted regular benefits have been receiving additional UI benefits through EUC since July 2008. EUC is scheduled to expire

February 28, 2010, unless the U.S. Congress extends the program. Currently, for individuals who have exhausted regular benefits and become eligible for additional UI benefits through EUC, the Secretary of Labor, Licensing, and Regulation sends a letter providing instructions for filing a claim. This letter currently directs the individual to contact a claim center within 14 days. DLLR has sent 21,000 letters to EUC exhaustees and 47,000 letters to EUC initial claimants. In December 2009, 6,322 initial EUC claims were filed and 11,252 individuals reopened EUC claims. Maryland has not provided UI benefits through EB since 1982.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Labor, Licensing, and Regulation; Department of Legislative Services

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ncs/rhh

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