

Chapter 98

(House Bill 348)

AN ACT concerning

Unemployment Insurance – Employer Contributions – Application for Refund or Adjustment

FOR the purpose of extending the time period during which an employer may apply to the Secretary of Labor, Licensing, and Regulation for an adjustment to unemployment insurance contributions due or a refund of unemployment contributions or interest paid; and generally relating to applications for a refund of or adjustment to unemployment insurance employer contributions.

BY repealing and reenacting, with amendments,
Article – Labor and Employment
Section 8–638
Annotated Code of Maryland
(2008 Replacement Volume and 2012 Supplement)

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

Article – Labor and Employment

8–638.

(a) An employer that has paid to the Secretary, wholly or partly, contributions or interest alleged to be due may submit to the Secretary an application for:

- (1) an adjustment in connection with contributions then due; or
- (2) if an adjustment cannot be made, a refund.

(b) An employing unit that wishes to apply for an adjustment or refund shall apply within the later of:

- (1) 1 year from the date on which the payment was made; or
- (2) [3] 4 years from the last day of the calendar quarter for which the payment was made.

(c) (1) If the Secretary determines that the contested amount or any part of it was collected erroneously, the Secretary shall:

(i) allow the employing unit to make an adjustment without interest to the contribution then due by the employing unit; or

(ii) if an adjustment cannot be made, refund the amount without interest.

(2) The Secretary shall refund a contribution that was collected erroneously from the Unemployment Insurance Fund and interest that was collected erroneously from the Special Administrative Expense Fund.

(3) If an employing unit reported wages that have been included in the determination of an eligible claimant for benefits, the Secretary shall reduce any adjustment or refund by the amount of benefits received by the claimant that are chargeable to the employing unit.

(d) Within the time limitation for an application under subsection (b) of this section and in accordance with subsection (c) of this section, the Secretary, on the Secretary's own initiative, may make an adjustment or grant a refund without interest.

(e) (1) If a claim for an adjustment or refund is rejected, the Secretary shall mail a written notice of rejection to the employing unit.

(2) (i) Within 15 days after receiving a notice of rejection, the employing unit may petition the Appeals Board for a formal hearing.

(ii) The petition shall state the grounds on which the refund or adjustment is claimed.

(3) The Board of Appeals shall:

(i) grant a hearing requested under this subsection;

(ii) notify the employing unit of the time and place of the hearing;

(iii) after the hearing, pass an order that the Board of Appeals considers to be just and lawful; and

(iv) give a copy of the order to the employing unit.

(f) This title does not:

(1) authorize an adjustment or refund of money that was due under the law in effect at the time that the money was paid; or

(2) prohibit a refund required under § 8-640 of this subtitle.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2013.

Approved by the Governor, April 9, 2013.