

Chapter 45

(House Bill 907)

AN ACT concerning

Unemployment Insurance – Study on System Reforms

FOR the purpose of requiring the Maryland Department of Labor, in consultation with the Department of Legislative Services, to study and make recommendations regarding reforms to the unemployment insurance system in the State; specifying the scope of the study; requiring the Maryland Department of Labor to report, at a certain interval, to the Department of Legislative Services and the co-chairs of the Joint Committee on Unemployment Insurance Oversight ~~and~~, to consult with certain other agencies and stakeholders for certain purposes, and to examine and consider a certain report or recommendation; requiring the Maryland Department of Labor to submit an interim and a final report to certain committees of the General Assembly on or before certain dates; making this Act an emergency measure; and generally relating to unemployment insurance.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That:

(a) (1) The Maryland Department of Labor, in consultation with the Department of Legislative Services, shall study and make recommendations regarding reforms to the unemployment insurance system in the State.

(2) The Maryland Department of Labor shall study:

(i) expanded eligibility for unemployment benefits for various types of workers, including ~~self-employed individuals~~, individuals who:

1. are employed on a seasonal or temporary basis;
2. have received benefits during the pandemic but are not eligible for regular unemployment benefits; or

3. leave their job for family reasons or due to job schedule volatility;

(ii) the costs and benefits of increasing:

1. the maximum weekly benefit amount, including costs and benefits of indexing the weekly benefit amount to account for inflationary change;

2. the allowance that claimants receive for their dependents;

and

3. the income disregard for part–time work;

(iii) alternative approaches to the experience rating process, including:

1. the feasibility of establishing a new waiver for benefit charges incurred during an unemployment insurance crisis; and

2. potential methods for minimizing the impact on an employer’s experience rating when the employer establishes a work sharing agreement with the Maryland Department of Labor under Title 8, Subtitle 12 of the Labor and Employment Article;

(iv) the establishment of clear standards for when an employee is entitled to claim unemployment insurance benefits if the employee:

1. leaves a job due to unsafe working conditions;

2. leaves a job in order to guard against an unreasonable risk of infection;

3. is terminated for refusing to work under unsafe work conditions; or

4. declines to accept work due to unsafe work conditions;

(v) the existing penalties for fraud and the need for enhancing or altering those penalties;

(vi) the solvency of the Unemployment Insurance Trust Fund, as adjusted based on implementation of each of the system reforms studied under this paragraph; and

(vii) any other issue that the Maryland Department of Labor determines is necessary to include in its evaluation of the State’s unemployment insurance system.

(b) In conducting the study and making recommendations, the Maryland Department of Labor shall:

(1) report monthly to the Department of Legislative Services and the co–chairs of the Joint Committee on Unemployment Insurance Oversight on the status of the study; ~~and~~

(2) as necessary or appropriate, consult with the U.S. Department of Labor, other state agencies that administer unemployment insurance programs, and a diverse group of stakeholders to better inform recommendations; and

(3) examine and consider any report or recommendation made by the National Academy of Social Insurance Unemployment Insurance Task Force of 2021.

(c) (1) On or before July 1, 2021, the Maryland Department of Labor shall submit an interim report outlining actions taken in furtherance of the study to the Joint Committee on Unemployment Insurance Oversight, in accordance with § 2–1257 of the State Government Article.

(2) On or before December 1, 2021, the Maryland Department of Labor shall report its findings and recommendations to the Governor and the Senate Finance Committee, the House Economic Matters Committee, and the Joint Committee on Unemployment Insurance Oversight, in accordance with § 2–1257 of the State Government Article.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a ye and nay vote supported by three–fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted.

Enacted under Article II, § 17(b) of the Maryland Constitution, April 9, 2021.