

# HOUSE BILL 908

K2

EMERGENCY BILL

11r2080  
CF SB 816

---

By: **Delegate Carey**

Introduced and read first time: February 2, 2021

Assigned to: Economic Matters

---

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 2, 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  
24 (2016 Replacement Volume and 2020 Supplement)

---

### 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 BY adding to  
 2 Article – Labor and Employment  
 3 Section 8–607.1 and 8–607.2  
 4 Annotated Code of Maryland  
 5 (2016 Replacement Volume and 2020 Supplement)

6 BY repealing and reenacting, with amendments,  
 7 Article – Labor and Employment  
 8 Section 8–626 and 8–628  
 9 Annotated Code of Maryland  
 10 (2016 Replacement Volume and 2020 Supplement)  
 11 (As enacted by Chapter 39 of the Acts of the General Assembly of 2021)

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

14 **Article – Labor and Employment**

15 8–607.

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

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

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

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

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

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

29 (ii) pay the contribution.

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

31 (i) that is less than one–half cent shall be disregarded; and

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

1 8-607.1.

2 THE SECRETARY SHALL:

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

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

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

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

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

17 Article – Labor and Employment

18 8-607.

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

23 8-607.2.

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

28 (2) AN EMPLOYING UNIT THAT ELECTS TO DEFER THE PAYMENT OF  
29 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.

---

Speaker of the House of Delegates.

---

President of the Senate.