

Chapter 371

**(House Bill 140)**

AN ACT concerning

**Unemployment Insurance – Recovery of Benefits – Limitation and Methods**

FOR the purpose of limiting the percentage of the weekly benefits amount that the Secretary of Labor may deduct from weekly benefits payable to a claimant to recover certain overpayments of unemployment insurance benefits; clarifying the circumstances under which the Secretary may use certain methods to recover overpayments of unemployment insurance benefits; and generally relating to the recovery of unemployment insurance benefits.

BY repealing and reenacting, without amendments,

Article – Labor and Employment  
Section 8–809(a), (b), and (e)  
Annotated Code of Maryland  
(2016 Replacement Volume and 2022 Supplement)

BY repealing and reenacting, with amendments,

Article – Labor and Employment  
Section 8–809(d)  
Annotated Code of Maryland  
(2016 Replacement Volume and 2022 Supplement)

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

**Article – Labor and Employment**

8–809.

(a) The Secretary may recover benefits paid to a claimant if the Secretary finds that the claimant was not entitled to the benefits because:

- (1) the claimant was not unemployed;
- (2) the claimant received or retroactively was awarded wages; or
- (3) due to a redetermination of an original claim by the Secretary, the claimant is disqualified or otherwise ineligible for benefits.

(b) If the Secretary finds that a claimant knowingly made a false statement or representation or knowingly failed to disclose a material fact to obtain or increase a benefit

or other payment under this title, in addition to disqualification of the claimant, the Secretary may recover from the claimant:

(1) all benefits paid to the claimant for each week for which the false statement or representation was made or for which the claimant failed to disclose a material fact;

(2) a monetary penalty of 15% of all benefits paid to the claimant for each week for which the false statement or representation was made or for which the claimant failed to disclose a material fact; and

(3) interest of 1.5% per month on the amount of all benefits paid to the claimant for each week for which the false statement or representation was made or for which the claimant failed to disclose a material fact plus the amount of the monetary penalty accruing from the date that the claimant is notified by the Secretary that the claimant was not entitled to benefits received.

(d) (1) **[The] IF THE SECRETARY IS RECOVERING BENEFITS FROM A CLAIMANT UNDER CIRCUMSTANCES OTHER THAN THOSE DESCRIBED IN SUBSECTION (B) OF THIS SECTION, THE** Secretary may recover an amount under subsection (a) of this section:

(i) by deduction **OF:**

**1. UP TO 50% OF THE WEEKLY BENEFIT AMOUNT** from **THE WEEKLY** benefits payable to the claimant in the future; **OR**

**2. IF THE WEEKLY BENEFIT AMOUNT IS LESS THAN OR EQUAL TO \$100, UP TO 25% OF THE WEEKLY BENEFIT FROM THE WEEKLY BENEFITS PAYABLE TO THE CLAIMANT IN THE FUTURE;**

(ii) in the manner provided in § 8-630 of this title for the collection of past due contributions;

(iii) by assessment in the same manner as provided in § 8-629 of this title for the assessment of past due contributions; or

(iv) through other reasonable means of collection, including those permitted under:

1. State law for the collection of debts owed to the State; or

2. federal law.

(2) (i) If the Secretary seeks to recover an amount under subsection (a) of this section by assessment, the Secretary shall allow a claimant to elect, within 30 days of the date of the notice of assessment, to have the amount collected by suit instead of by assessment.

(ii) The Secretary shall adopt regulations to provide general guidance about:

1. the processes under which the Secretary may recover benefits; and

2. the application of § 8–629 of this title to the recovery of benefits by assessment under this section.

(e) The Secretary may recover an amount under subsection (b) of this section:

(1) in the manner provided in § 8–630 of this title for the collection of past due contributions;

(2) through other reasonable means of collection, including those permitted under:

(i) State law for the collection of debts owed to the State; or

(ii) federal law; or

(3) if the deduction is made by another jurisdiction under an intergovernmental agreement providing for the recovery of overpaid benefits, by deduction from benefits for which the claimant is eligible in the future under the law of the jurisdiction that made the deduction, excluding the monetary penalty assessed under subsection (b)(2) of this section and interest due under subsection (b)(3) of this section.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~October 1, 2023~~ April 1, 2024.

Approved by the Governor, May 3, 2023.