

HOUSE BILL 251

K2

(PRE-FILED)

4r0253

CF 4r0254

By: **Chair, Economic Matters Committee (By Request – Departmental – Labor)**

Requested: September 18, 2023

Introduced and read first time: January 10, 2024

Assigned to: Economic Matters

Committee Report: Favorable

House action: Adopted

Read second time: March 8, 2024

CHAPTER _____

1 AN ACT concerning

2 **Unemployment Insurance – Covered Employment – Employees of Governmental**
3 **Entities or Charitable, Educational, or Religious Organizations**

4 FOR the purpose of specifying that certain limitations on the payment of benefits to
5 employees of governmental entities or charitable, educational, or religious
6 organizations do not apply with respect to service in other covered employment even
7 if the service is provided exclusively for a governmental entity or a charitable,
8 educational, religious, or other organization; and generally relating to eligibility to
9 receive unemployment insurance benefits.

10 BY repealing and reenacting, without amendments,
11 Article – Labor and Employment
12 Section 8–208(a) and 8–212(c)
13 Annotated Code of Maryland
14 (2016 Replacement Volume and 2023 Supplement)

15 BY repealing and reenacting, with amendments,
16 Article – Labor and Employment
17 Section 8–909
18 Annotated Code of Maryland
19 (2016 Replacement Volume and 2023 Supplement)

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

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.



Article – Labor and Employment

1 8–208.

2 (a) Except as otherwise provided in this subtitle, employment is covered
3 employment if the employment is:

4 (1) performed for a charitable, educational, religious, or other organization;
5 and

6 (2) excluded from the definition of “employment” in the Federal
7 Unemployment Tax Act solely by § 3306(c)(8) of the Act.

8 8–212.

9 (c) (1) Except as provided in this subtitle, employment performed for a
10 governmental entity of a state is covered employment if the employment is excluded from
11 the definition of “employment” in the Federal Unemployment Tax Act solely by § 3306(c)(7)
12 of the Act.

13 (2) Employment performed for a governmental entity is not covered
14 employment if performed:

15 (i) as an elected official;

16 (ii) as a member of a legislative body, a judicial body, the State
17 National Guard, or the Air National Guard;

18 (iii) as a temporary employee in case of an earthquake, flood, fire,
19 snow, storm or similar emergency;

20 (iv) in a position that, under the laws of the State, is designated a
21 major nontenured advisory or policymaking position;

22 (v) in an advisory or policymaking position that ordinarily requires
23 8 hours or less of work each week; or

24 (vi) as an election official or election worker if the amount of
25 remuneration received by the individual during the calendar year for services as an election
26 official or election worker is less than \$1,000.

27 8–909.

28 (a) **(1) THIS SECTION APPLIES ONLY WITH RESPECT TO SERVICE IN
29 COVERED EMPLOYMENT UNDER §§ 8–208(A) AND 8–212(C) OF THIS TITLE.**
30

1 **(2) THIS SECTION DOES NOT APPLY WITH RESPECT TO SERVICE IN**
2 **OTHER COVERED EMPLOYMENT, INCLUDING COVERED EMPLOYMENT FOR A**
3 **FOR-PROFIT EMPLOYING UNIT, EVEN IF THE SERVICE IS PROVIDED EXCLUSIVELY**
4 **FOR A GOVERNMENTAL ENTITY OR A CHARITABLE, EDUCATIONAL, RELIGIOUS, OR**
5 **OTHER ORGANIZATION.**

6 **(B)** Subject to the provisions of this section, benefits based on service in covered
7 employment under §§ 8–208(a) and 8–212(c) of this title shall be payable in the same
8 amount, on the same terms, and subject to the same conditions as benefits payable on the
9 basis of other service in covered employment.

10 **[(b)] (C)** (1) With respect to services performed in an instructional, research,
11 or principal administrative capacity for an educational institution, benefits may not be paid
12 based on those services for any week of unemployment that begins during:

13 (i) a period between 2 successive academic years;

14 (ii) a similar period between 2 regular but not successive terms; or

15 (iii) a period of contractually provided paid sabbatical leave.

16 (2) This subsection applies only to any individual who:

17 (i) performs the services in an instructional, research, or principal
18 administrative capacity in the first of 2 academic years or terms; and

19 (ii) has a contract or reasonable assurance that the individual will
20 perform the services in an instructional, research, or principal administrative capacity for
21 any educational institution in the second of the 2 academic years or terms.

22 **[(c)] (D)** (1) With respect to services performed for an educational institution
23 in any capacity other than instructional, research, or principal administrative, benefits
24 may not be paid on the basis of the services for any week of unemployment that begins
25 during a period between 2 successive academic years or terms.

26 (2) This subsection applies to any individual who:

27 (i) performs the services described in this subsection in the first of
28 2 academic years or terms; and

29 (ii) has a reasonable assurance that the individual will perform the
30 services in the second of the 2 successive academic years or terms.

31 (3) Before July 1 of each year, each educational institution shall provide
32 the Department with the name and Social Security number of each individual who has a
33 reasonable assurance of performing covered employment described under this subsection

1 in the next academic year.

2 (4) If an individual whose name and Social Security number are required
3 to be submitted to the Department under paragraph (3) of this subsection is not given an
4 opportunity to perform the services for the educational institution for the next successive
5 year or term, the individual shall be eligible for benefits retroactively if the individual:

6 (i) files a timely claim for each week;

7 (ii) was denied benefits solely under this subsection; and

8 (iii) is otherwise eligible for benefits.

9 **[(d)] (E)** (1) With respect to services described in subsections **[(b) and (c)] (C)**
10 **AND (D)** of this section, an individual may not be eligible for benefits based on the services
11 for any week that begins during an established and customary vacation period or holiday
12 recess.

13 (2) This subsection applies to any individual who:

14 (i) performs the services in the period immediately before the
15 vacation period or holiday recess; and

16 (ii) has a reasonable assurance that the individual will perform the
17 services in the period immediately following the vacation period or holiday recess.

18 **[(e)] (F)** (1) In this subsection, “educational service agency” means a
19 governmental entity that is established and operated exclusively to provide educational
20 service to one or more educational institutions.

21 (2) If any service described in subsection **[(b) or (c)] (C) OR (D)** of this
22 section is performed by an individual in an educational institution while in the employ of
23 an educational service agency, the individual is subject to subsections **[(b), (c), and (d)] (C),**
24 **(D), AND (E)** of this section and benefits may not be paid if not allowed under subsection
25 **[(b), (c), or (d)] (C), (D), OR (E)** of this section.

26 **[(f)] (G)** If any service described in subsection **[(a)] (B)** of this section is provided
27 by an individual to or on behalf of an educational institution, the individual is subject to
28 subsections **[(b), (c), and (d)] (C), (D), AND (E)** of this section and benefits may not be paid
29 if not allowed under subsections **[(b), (c), and (d)] (C), (D), AND (E)** of this section.

30 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
31 October 1, 2024.