

NED CAREY
Legislative District 31A
Anne Arundel County

Economic Matters Committee

Subcommittees

Alcoholic Beverages

Chair, Unemployment Insurance

House Chair

Joint Committee on

Unemployment Insurance Oversight



The Maryland House of Delegates
6 Bladen Street, Room 161
Annapolis, Maryland 21401
410-841-3047 • 301-858-3047
800-492-7122 Ext. 3047
Ned.Carey@house.state.md.us

THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

HB 908 - Unemployment Insurance – Employer Contributions – Payment Plans

SPONSOR TESTIMONY

Cross-file: SB 816

House Economic Matters Committee, February 23, 2021

Chairman Davis, Vice Chair Dumais and Members of the Committee,

HB 908 requires the Maryland Department of Labor to offer a variety of flexible payment plans to employers when paying their unemployment taxes. This legislation codifies current practice, but also requires the Department to be more flexible with employers.

As we all know, COVID-19 has severely impacted employers across our State. We recently passed the RELIEF Act, and through that bill, the General Assembly took steps to protect Maryland businesses from large unemployment insurance tax increases. This bill provides businesses with another mechanism for mitigating the impact of higher unemployment taxes on their recovery.

Under current law, the Department of Labor is required to adopt regulations for payment plans when we are in Tax Table F, and while there are payment plans currently available, there are no regulations in place. One option that is offered to employers is to delay half of their quarterly payments to be paid over the following three months. The Department has also stated that they are willing to enter a payment plan that mutually serves the interest of the Division and the employer.

HB 908 codifies the Department's current practice of working with employers to enter mutually beneficial payment plans, and requires them to be more flexible with offered plans while we are in Table F.

Requiring this flexibility allows Maryland businesses to focus more on their recovery efforts and less on paying their unemployment taxes up-front as we continue to work out of the COVID-19 pandemic.

For this reason, I strongly urge the committee to give House Bill 908 a favorable report.