



Testimony offered on behalf of:
THE GARRETT COUNTY CHAMBER OF COMMERCE

FAVORABLE:

SB 64 – Unemployment Insurance - Earned Rating Record - Waiver of Benefit Charges Due to COVID-19

Finance Committee
February 9, 2021

On behalf of the Garrett County Chamber of Commerce, representing 600 member organizations in Western Maryland, I write to express our opposition to **SB 64 – Unemployment Insurance - Earned Rating Record - Waiver of Benefit Charges Due to COVID-19**.

The Legislature must act quickly to prevent undue increases to unemployment insurance (UI) premiums for Maryland employers. Due to the state-wide stay-at-home mandate and the closure of non-essential businesses during the pandemic, many employers had to furlough or lay off workers. Some had to eliminate jobs and positions due to decreased customers and revenue. These employers were following State mandates and the decision to close was not their own. Therefore, unemployment claims made during the COVID-19 crisis should not be counted against an employer's experience rating. In turn, these employers can expect significant UI premium increases.

According to TaxFoundation.org, "As of mid-May, 26 states and the District of Columbia have declared—mostly through executive order or labor department guidance—that COVID-19-related layoffs will not be charged against employers for purposes of calculating the experience ratings that determine their UI tax rates. (A detailed map of states' handling of UI claims is included below.) This is a reasonable way to help protect businesses and industries that have been disproportionately impacted by mandated business closures and stay-at-home orders. It will also help ensure more businesses will be able to survive this crisis and rehire their employees once they can safely resume operations."

Maryland is one of only six states, and the only one of all of our neighboring states, that has declared the COVID claims will count against the employers despite the extenuating circumstances. This policy is counterintuitive to all that the State and its agencies are doing to help businesses recover.

We are fully aware that the massive amounts of unemployment claims due to the pandemic are draining the State's UI coffers, but huge increases to UI premiums adds insult to injury for businesses that were mandated to close their doors and are now struggling to stay afloat. Every effort should be made to replenish the UI fund without increasing premiums for employers.

The Chamber respectfully requests a **FAVORABLE committee report on SB 64**.

Sincerely,

Nicole Christian, JON, CE

President & CEO

Garrett County Chamber of Commerce, Inc.

(301) 387-8745 office / (301) 616-0396 mobile



