

GCCC Testimony SB 64 UI COVID Claims Rating Waiver

Uploaded by: Christian, Nicole

Position: FAV



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





SB 64_Unemployment Insurance - Earning Rating Reco

Uploaded by: Griffin, Andrew

Position: FAV



LEGISLATIVE POSITION:

Favorable

Senate Bill 64

**Unemployment Insurance – Earned Rating Record –
Waiver of Benefit Charges Due to COVID-19
Senate Finance Committee**

Tuesday, February 9, 2021

Dear Chairwoman Kelley and Members of the Committee:

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 5,000 members and federated partners, and we work to develop and promote strong public policy that ensures sustained economic recovery and growth for Maryland businesses, employees, and families.

The COVID-19 pandemic has been an extremely sensitive and challenging time for Maryland's employer community. Ensuring the health and safety of their employees, the public, and their business has been front of mind while navigating a time of ever-changing information. A wide breadth of industry sectors have taken significant losses as a result of the forced government shutdowns. The Comptroller's Office has estimated that as many as 30,000 Maryland businesses may shut their doors as a result of the current economic situation.

A major barrier to recovery for employers that has risen from the government shutdowns has been the rising cost of unemployment insurance taxes. Unemployment insurance tax rates are based on two factors; the first being an employer's "experience rating", and the second being the statutorily mandated table of rates which the state determines based on the health of the Unemployment Insurance Trust Fund.

When the economy was shutdown, employers were forced to layoff their employees at no fault of their own. This in turn caused employers "experience ratings" to be negatively impacted, increasing their unemployment insurance taxes. This was done outside of the employer's control. SB 64 seeks to rectify this problem by waiving the benefit charges for tax year 2020 and calculating an employer's "experience rating" on the 2017, 2018, and 2019 years.

SB 64 protects Maryland's employers from rising unemployment insurance taxes which are through no fault of their own. Keeping this tax down helps keep money in the pocket of Maryland businesses, their doors open, and employees on the payroll. For these reasons, the Chamber respectfully requests a **favorable report** on **Senate Bill 64**.

SB64-S~1.PDF

Uploaded by: Italiano, Ginanne

Position: FAV

February 4, 2021

Senator Delores G. Kelley
Chair, Finance Committee
Maryland State Senate
3 East
Miller Senate Office Building
Annapolis, MD 21401

RE: SB0064 - Unemployment Insurance-Earned Rating Record-Waiver of Benefit Charges Due to COVID-19
Position: SUPPORT

Dear Senator Kelley, Vice Chair Feldman and Members of the Committee:

On behalf of our 500-member businesses and more than 45,000 employees in Montgomery County, The Greater Bethesda Chamber of Commerce is in **Support of SB0064** – Unemployment Insurance-Earned Rating Record-Waiver of Benefit Charges Due to COVID-19. This bill would require the Secretary of Labor to waive the charging of unemployment insurance benefits paid to a claimant against the earned rating record of an employer during the state of emergency declared by the Governor due to the COVID-19 pandemic. This would terminate within one year after the state of emergency ends.

During this difficult and unprecedented time, and when the total number of unemployment claims continue to grow (unemployment claims topped 50,000 in Maryland last week), this legislation can't come soon enough. When businesses start to get back up and growing, this reprieve in regards to the employer's experience rating will provide them the needed boost in order to succeed and afford to bring employees back to work.

We ask you for a **FAVORABLE** report and thank you for your consideration of our remarks.

Sincerely,



Allie Williams
President & CEO

SB0064_FAV_LS,HPCNM,MAADS,MNCHA_Unemployment Insur

Uploaded by: Kauffman, Danna

Position: FAV



Hospice & Palliative Care Network
OF MARYLAND



TO: The Honorable Delores G. Kelley, Chair
Members, Senate Finance Committee
The Honorable Johnny Ray Salling

FROM: Danna L. Kauffman
Pamela Metz Kasemeyer

DATE: February 9, 2021

RE: **SUPPORT** – Senate Bill 64 – *Unemployment Insurance - Earned Rating Record - Waiver of Benefit Charges Due to COVID-19*

On behalf of the LifeSpan Network, the Maryland Association of Adult Day Services (MAADS), the Hospice & Palliative Care Network of Maryland (HPCNM), and the Maryland-National Capital Homecare Association (MNCHA), we support Senate Bill 64, which states that the Secretary of Labor must waive the charge of benefits paid to a claimant during the State of Emergency declared by the Governor due to the COVID-19 pandemic against the earned rating record of an employing unit.

But for the COVID-19 pandemic, many businesses would not have been put in a position that required them to lay off their workforce. For example, the medical adult day care centers were closed by Executive Order on March 18, 2020. They have remained closed. Many centers tried desperately to maintain their full workforce but were unable to do so directly due to the mandatory closure. Another unfortunate reality of the pandemic was that many, including those working in health care, voluntarily left employment but still received unemployment benefits. The members of LifeSpan, MAADS, HPCNM and MNCHA have spent thousands in unbudgeted costs for personal protective equipment, environmental modifications to buildings, hazard pay and COVID-19 surveillance testing costs. Senate Bill 64 will provide future economic relief and avoid higher costs on employers for a situation which, for all practical purposes, was out of their control.

We urge a favorable vote.

For more information call:

Danna L. Kauffman
Pamela Metz Kasemeyer
410-244-7000

NFIB - UI Experience Rating - SB64 (2021).pdf

Uploaded by: O'Halloran, Mike

Position: FAV



NFIB-Maryland – 60 West St., Suite 101 – Annapolis, MD 21401 – www.NFIB.com/Maryland

TO: Senate Finance Committee

FROM: NFIB – Maryland

DATE: February 9, 2021

RE: **SUPPORT SENATE BILL 64** – Unemployment Insurance – Earned Rating Record – Waiver of Benefit Charges Due to COVID-19

Founded in 1943, NFIB is the voice of small business, advocating on behalf of America's small and independent business owners, both in Washington, D.C., and in all 50 state capitals. With more than 250,000 members nationwide, and nearly 4,000 here in Maryland, we work to protect and promote the ability of our members to grow and operate their business.

On behalf of Maryland's small businesses, NFIB-Maryland supports Senate Bill 64 – legislation allowing the Secretary of Labor to waive the charge(s) of benefits against the earned rating record of an employer for the purpose of calculating unemployment insurance taxes.

The Department of Legislative Services' Issue Papers notes that from March through September of 2020, the Unemployment Insurance Trust Fund paid out \$1.4 billion in benefits to claimants. Further, the UITF's balance is shrinking at a far greater rate than it experienced during the Great Recession.

The important difference between then and now is the reason for such drops. At the beginning of the COVID-19 pandemic, many small businesses were forced to close their doors in the interest of public health. As a result, they were also forced to lay off or furlough employees.

Senate Bill 64 will ensure employers will not be held responsible for the forced layoff of employees when the State ordered businesses to close their doors and reduce their capacity. Small business is starting to show signs of recovery. We must ensure future progress isn't met with a massive unemployment insurance tax bill.

For these reasons **NFIB supports SB64** and requests a favorable committee report.