
House Bill 901

Date: March 1, 2022
Committee: Economic Matters Committee
Bill Title: Unemployment Insurance - Disqualification Exceptions - COVID-19 Vaccination
Re: Letter of Opposition

House Bill 901 (“HB 901” or “the Bill”) would amend Section 8-1001 of Maryland UI Law to require the Department of Labor (“Department”), Division of Unemployment Insurance (“Division”) to treat the voluntary resignation of a job because that job required the employee to become vaccinated against COVID-19 and failed to provide suitable other work that would not require the employee to become vaccinated, as a valid circumstance.

The Bill would supercede a Division directive that directs Division staff to evaluate each separation for refusal to comply with an employer’s vaccine mandate on a case-by-case basis to determine whether the separation was a voluntary quit or a discharge, whether good cause or valid circumstances apply, and the length of the penalty (if applicable). HB 901 removes flexibility that the Division currently applies in reviews of separations, and imposes a mandate on the Division.

This bill will likely increase the number of claimants applying for and receiving unemployment insurance benefits. To date, the Department has relayed the message that individuals who quit or are fired from their employment due to a refusal to comply with an employer’s vaccine mandate may or may not be eligible for unemployment benefits. The bill would ensure that individuals who voluntarily resign from employment would qualify for unemployment insurance benefits regardless of any mitigating circumstances, which may lead to more separations and more individuals receiving benefits.

Because a voluntary resignation for valid circumstances is considered a quit attributable to the employer, employers are charged for these benefits. It would increase the experience rating for contributory employers and the amount reimbursing employers pay to cover 100% of the UI benefits paid to their employees. Additionally, because the Bill likely will increase the amount of UI benefits paid out, it might affect the solvency of the UI Trust Fund and possibly the rate at which contributory employers are taxed.

For these reasons, the Department respectfully requests an unfavorable report of HB 901.