



February 26, 2025

Legislative Position: Unfavorable
House Bill 554
Unemployment Insurance Modernization Act of 2025
House Economic Matters Committee

Dear Chairman Wilson and members of the committee:

Founded in 1969, the Howard Chamber of Commerce is dedicated to helping businesses—from sole proprietors to large international firms—grow and succeed. With the power of 700 members that encompass more than 170,000 employees, the Howard County Chamber is an effective partner with elected officials and advocates for the interests of the county's business community.

As introduced, House Bill 554 (HB 554) would make four primary changes to Maryland's unemployment insurance program:

1. Raising the taxable wage base used to calculate employer contributions from \$8,500 to 20% of the state average annual wage (~\$15,000) - an increase of about 76%.
2. Raising the maximum and minimum weekly benefit amounts to 50% and 15% of the state average weekly wage, respectively.
3. Increasing the dependent allowance from \$8 to \$25 per dependent and attaching it to inflation.
4. Attaching the \$50 earnings deduction to inflation.

The proposals in HB 554 make changes to the UI program that Howard County businesses are rightfully concerned about, with each proposal being an increased cost for employers. Large-scale changes of this nature require a deeper conversation with all stakeholders and goes beyond the work that can oftentimes be done during the legislative session. With so much uncertainty in Maryland's economy and federal changes impacting Maryland's workforce, we hope to have deeper discussions about these proposals and how they both impact our state's unemployment insurance system, employers and employees. At this point, the Howard County Chamber of Commerce respectfully requests an unfavorable report on HB 554 but looks forward to talking further with the bill sponsor.

Sincerely,

Kristi Simon
President & CEO
Howard County Chamber of Commerce