



**Testimony for SB0003**

**Favorable**

**Unemployment Insurance Modernization Act of 2026**

**February 9, 2026**

**To:** Honorable Chair Beidle, Vice Chair Hayes, and the members of the  
Senate Finance Committee

**From:** Kayla Mock, Political & Legislative Director

United Food and Commercial Workers Union Local 400

Chair Beidle, Vice Chair Hayes, members of the Senate Finance Committee:

I appreciate the opportunity to share my testimony on behalf of our over 10,000 members in Maryland, who work in grocery, retail, food distribution, cannabis, and health care. Through collective bargaining, our members raise the workplace standards of wages, benefits, safety, and retirement for all workers. Union members are critical to addressing inequality and uplifting the middle class.

Many of our members are the hardworking men and women who keep Maryland's grocery stores running, ensuring families have access to fresh food and essential goods.

Unemployment Insurance is one of the most important tools we have to prevent working people from falling into financial crisis if and when they lose their jobs. It stabilizes families, keeps communities thriving, and supports the broader economy.

SB0003 strengthens this system at a moment when Maryland's workforce urgently needs it. This bill updates both sides of the UI system: how benefits are calculated for workers, and how employers contribute to the UI Trust Fund. Today, employers pay UI taxes only on the first \$8,500 of each worker's wages, where it has been frozen since 1992. SB0003 modernizes the structure with a new wage-indexed system. The Department of Labor (DOL) will calculate the State Average Annual Wage each year, and the taxable wage base will rise with it.

By 2029, employers will pay UI taxes on 16% of the State Average Annual Wage, ensuring that the UI Trust Fund grows in step.

SB0003 also recognizes that Maryland's existing benefit formula needs to reflect wages in Maryland. The minimum weekly benefit must be at least 15% of the state average weekly wage, and the maximum will gradually increase until it reaches 40% in 2027. This increases the maximum benefit over time and ensures that UI payments reflect real wages and living costs. Sufficient UI benefits support the functioning of the labor market by providing economic stability for individuals as they search for reemployment and by improving job-matching efficiency. Unemployment insurance benefits are quickly spent on necessities, uplifting local economies. Every \$1.00 in benefits generates approximately \$1.50 in economic activity. Strengthening our UI system is not optional; it is necessary.

Workers need adequate benefits to survive, and local economies need stability. The state needs a resilient, well-funded UI Trust Fund to weather economic downturns. SB0003 strikes a balance by addressing these issues.

For these reasons, we urge a favorable vote on SB0003.