

**SB 3
Unemployment Insurance Modernization Act of 2026
In the Finance Committee
Hearing on February 11, 2026 at 2 PM
Position: Favorable**

Maryland Legal Aid (MLA) submits its written and oral testimony supporting the changes proposed in SB 3, at the invitation of Senator Kramer.

Thank you, Chair Beidle and Vice Chair Hayes for the opportunity to testify on behalf of SB 3. Maryland Legal Aid (MLA) asks that the Committee report **favorably and pass SB 3**, which would increase the maximum and minimum weekly benefit amount payable to an unemployment insurance claimant. MLA has represented thousands of individuals who were once employed, subsequently became unemployed, and filed for unemployment insurance. We believe that this bill is a crucial step in helping individuals maintain their purchasing power, ensuring they can cover essential expenses, such as food, housing, and healthcare during periods of unemployment.

This bill would repeal the current methodology used to calculate the weekly benefit amount for a claimant, which the State of Maryland last updated and has been the law since 2010. Currently, the maximum weekly benefit amount is \$430, and the minimum weekly benefit amount is \$50. Those numbers are not connected to inflation and have remained the same since 2010. In this bill, beginning in calendar year 2027 and each year thereafter, the Department of Labor would set the maximum weekly benefit amount to 40% of the average weekly wage in the State of Maryland and set the minimum weekly benefit amount to 15% of the average weekly wage in the State of Maryland on July 1st each year.

This bill also increases an employer's taxable wage base from the first \$8,500 of an employee's wages in a calendar year to, beginning in calendar year 2029 and each year thereafter, 16% of the average annual wage for employees in the State of Maryland. This will assist in paying for the increase in the maximum and minimum weekly benefit amount mentioned in the previous paragraph. In addition, this bill excludes up to \$50 from being deducted from a claimant's weekly benefit amount if that claimant earns wages in a week in which they are receiving a weekly benefit.

This increase in the weekly benefit amount payable to an unemployment insurance claimant is necessary due to an increase in the cost of living in the State of Maryland year after year. The increased support this bill provides can reduce financial strain and mental health challenges, such as stress and anxiety, associated with job loss. Moreover, individuals receiving higher unemployment insurance benefits are more likely to spend money on goods and services, especially in local economies. This can help sustain businesses and demand for goods and services, while reducing the risk of an economic slowdown or recession.

Increasing the weekly benefit amount payable to an unemployment insurance claimant provides more income, reducing poverty and improving living standards. If unemployment insurance benefits are low, individuals may have to seek and apply for other public benefits, such as housing, temporary cash assistance, and SNAP to keep their children out of poverty. Increased unemployment insurance benefits may reduce other public support benefits an individual seeks and applies for, and as a result reduces dependency on public assistance programs. The increase in the weekly benefit payable to an unemployment insurance claimant can directly benefit children in households experiencing unemployment, improving their nutrition, access to healthcare, and educational outcomes.

Sufficient unemployment insurance can put food on the table, pay the rent, and keep a family from falling into poverty during periods of joblessness. Increasing the weekly benefit amount payable to an unemployment insurance claimant can benefit the wider economy by stimulating demand and ensuring better economic stability.

MLA urges a favorable report on and passage of SB 3. If you have any questions, please contact Shawn W. Conley, Esq., at sconley@mdlaboratory.org or Jessica Spraker, Esq, at jspraker@mdlaboratory.org.