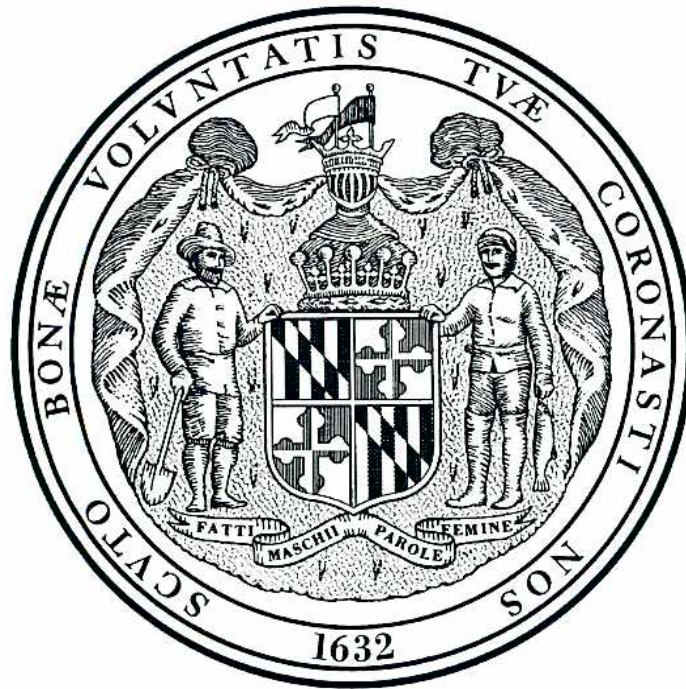


UNEMPLOYMENT INSURANCE FUNDING TASK FORCE

2004 Interim Report



ANNAPOLIS, MARYLAND
DECEMBER 2004

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MARYLAND GENERAL ASSEMBLY
UNEMPLOYMENT INSURANCE FUNDING TASK FORCE

December 31, 2004

The Honorable Robert L. Ehrlich, Jr., Governor
The Honorable Thomas V. Mike Miller, Jr., President of the Senate
The Honorable Michael E. Busch, Speaker of the House of Delegates
The Honorable Members of the Maryland General Assembly

Ladies and Gentlemen:

The Unemployment Insurance Funding Task Force was created pursuant to Chapter 269 of 2003 and continued for an additional year under Chapter 260 of 2004. The task force is charged with examining the fairness of the existing charging and taxation system under current State law, the fairness of the existing eligibility and benefit provisions under current State law, the need for altering the current system of charging and taxation in order to maintain the Unemployment Insurance Trust Fund at a level sufficient to meet benefit needs, and the impact of changes in the national and State economies and their relationship to changes in the fund. The 2004 legislation requires the task force to report its findings and recommendations by December 31, 2004.

The 13-member task force met six times between August 2003 and January 2004 and another five times between July 2004 and November 2004. Although the task force considered an extensive list of potential options to Maryland's current unemployment insurance system, the recommendations were limited based on consensus by the various groups representing employers, employees, and unemployed workers. Given that the trust fund is slowly recovering from the economic downturn, the task force felt that this was not the time to make extensive changes to the system. Accordingly, the task force agreed that further improvements to the system may be considered in the future.

This report provides background information, describes the task force's activities, identifies options that the task force considered, and presents the task force's findings and recommendations which were unanimously agreed upon by all task force members. The task force's interim report, issued February 2004, contains additional background information considered by the task force in its deliberations. Since the recommendations address the statutory charges specified in the 2003 legislation, the task force has fulfilled its mission. The task force will introduce legislation to implement its recommendations.

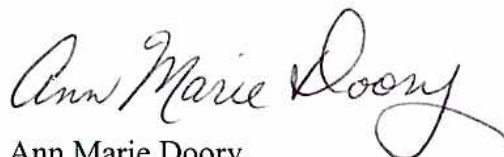
The Honorable Robert L. Ehrlich, Jr., Governor
The Honorable Thomas V. Mike Miller, Jr., President of the Senate
The Honorable Michael E. Busch, Speaker of the House of Delegates
The Honorable Members of the Maryland General Assembly
December 31, 2004
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The task force expresses its appreciation for the time and effort invested by all members.

Respectfully submitted,



Thomas McLain Middleton
Senate Co-Chair



Ann Marie Doory
House of Delegates Co-Chair

TMM:AMD/TDB/ncs

Maryland General Assembly
Unemployment Insurance Funding Task Force
2004 Membership Roster

Senator Thomas McLain Middleton, Co Chairman
Delegate Ann Marie Doory, Co-Chairman
Senator Nathaniel Exum
Senator Delores G. Kelley
Delegate Carolyn Krysiak
Delegate John G. Trueschler

Representative of the Department of Labor, Licensing, and Regulation

Mr. Thomas Wendel, Executive Director
Department of Labor, Licensing, and Regulation

Representative of the Department of Business and Economic Development

Mr. Roger Fujihara
Department of Business and Economic Development

Representative of the Maryland Retailers Association

Mr. Tom S. Saquella, President
Maryland Retailers Association

Representative of the Job Opportunities Task Force

Ms. Deborah Povich, Executive Director
Job Opportunities Task Force

Representative of Union Labor (Maryland State and District of Columbia AFL-CIO)

Mr. Ernie Grecco, President
Metropolitan Baltimore Council AFL-CIO Unions

Representative of the Maryland Chamber of Commerce

Mr. Ronald L. Adler
Laurdan Associates, Inc., H.R. Consulting

Representative of the Academic Profession

Anirban Basu, M.A., M.P.P., J.D.
Chairman & CEO, Sage Policy Group & Senior Lecturer
Towson University, Sage Policy Group

Committee Staff

Tami Burt
Mitchell McCalmon

Note: Although Chapter 269 of 2003 required that the task force consist of two members of the Senate and two members of the House of Delegates, the presiding officers chose to designate an additional senator and delegate.

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Executive Summary

Findings and Recommendations

The Unemployment Insurance Funding Task Force was created pursuant to Chapter 269 of 2003 and continued for an additional year under Chapter 260 of 2004. The task force unanimously agreed on the recommendations described in this report.

The task force was charged with examining the fairness of the existing charging and taxation system, the fairness of the existing eligibility and benefit provisions, and the need for altering the current system of charging and taxation in order to maintain the Unemployment Insurance Trust Fund at a level sufficient to meet benefit needs. Since the recommendations address these statutory charges, the task force has fulfilled its mission.

Although the task force considered an extensive list of potential options to Maryland's current unemployment insurance system, the recommendations were limited based on consensus by the various groups representing employers, employees, and unemployed workers. Given that the trust fund is slowly recovering from the economic downturn, the task force felt that this was not the time to make extensive changes to the system. Accordingly, the task force agreed that further improvements to the system may be considered in the future.

Recommendation 1: Replace the current single schedule of experience tax rates and the flat-rated surcharge system with an overall more experienced rated system, effective January 1, 2006.

With benefit payments exceeding tax revenues for several years, the level of the trust fund has been depleted to a level that necessitates the assessment of a surcharge to replenish the balance. On September 30, 2004, the balance in the trust fund was \$705.5 million, \$130.5 million below the level that is required to prevent triggering the State's surcharge, but an improvement over last year's shortfall of \$176 million. Since the balance of the trust fund was below the required \$836 million, the State's employers will be assessed a 0.8 percent surcharge in calendar 2005, a reduction of the calendar 2004 surcharge of 1.1 percent. This translates into an additional cost to employers of \$68 per employee per year above the rate without a surcharge; however, it is a reduction of \$25.50 per employee from the additional cost of \$93.50 imposed from the 2004 surcharge. The business community expressed concern that the current flat-rated surcharge was unfair to those minimum-rated employers that did not contribute to the depletion of the trust fund.

The ability of the tax structure to provide adequate trust fund reserves to avoid a surcharge is affected by a number of factors, including the duration of cyclical unemployment, the level of structural unemployment, and the strength of experience rating. "Socialized costs," including the "noncharging" of benefits weaken experience rating and reduce the regular taxing structure's ability to achieve trust fund adequacy. Noncharging, also called "leakage," which has been a significant problem in Maryland and other states for a number of years, includes the not

charging of benefits received by a claimant that voluntarily quit his/her job or was discharged for gross misconduct; the not charging of benefits received by claimants against former employers that are no longer in business (*i.e.*, “closed accounts”); and ineffective benefit charging, which occurs when employees collect more in benefits than an employer pays in UI taxes because the employer is at the maximum tax rate. By not directly charging the employers that have had an employer-employee relationship with the separated employee, benefits become socialized, and all employers must pay more. Realizing that leakage has to be financed one way or another, the business community proposed changes that would improve the financing soundness of the unemployment insurance program, improve trust fund adequacy, improve financing equity, improve tax certainty, and reduce volatility in employer tax liability.

Under this recommendation, a series of tax rate tables would be developed. The actual table that would be used for a particular calendar year would depend on the ratio of the balance in the trust fund on the previous September 30 to the total taxable wages for the prior year. The tables would be designed to help achieve trust adequacy. To further accomplish this goal and enhance experience rating of tax rates, the minimum incremental change between tax rates in each table would be changed to 0.3 percent from the current 0.1 percent.

Six tax tables would be developed, as follows:

- Table A, the first of the tax rate tables, would be used when the ratio of the balance in the trust fund to the total taxable wages is greater than 5 percent

of taxable wages; this table would not include a weighted tax factor in the tax rates, would range in tax rates from 0.3 to 7.5 percent on the first \$8,500 of taxable wages, as is the case under current law, and would have 0.3 percent incremental changes between tax rates.

- Table B would be used when the ratio is greater than 4.5 percent but less than or equal to 5.0 percent. This table would not include a weighted tax factor in the tax rates, however, would range in tax rates from 0.6 to 9.0 percent on the first \$8,500 of taxable wages.
- Table C would be used when the ratio is greater than 4.0 percent but less than or equal to 4.5 percent. This table would include a weighted tax factor in the tax rates. Tax rates would range from 1.0 to 10.5 percent on the first \$8,500 of taxable wages.
- Table D would be used when the ratio is greater than 3.5 percent but less than or equal to 4.0 percent. Table D would include a higher weighted tax factor in the tax rates than the amount included in the tax rates in Table C. Tax rates in Table D would range from 1.4 to 11.8 percent on the first \$8,500 of taxable wages.
- Table E would be used when the ratio is greater than 3.0 percent but less than or equal to 3.5 percent. Table E would include a higher weighted tax factor in the tax rates than the amount included in the tax rates in Table D. Tax rates in Table E would range from 1.8 to 12.9 percent on the first \$8,500 of taxable wages.

- Table F would be used when the ratio is less than or equal to 3.0 percent. Table F would include a higher weighted tax factor in the tax rates than the amount included in the tax rates in Table E. Tax rates in Table F would range from 2.2 to 13.5 percent on the first \$8,500 of taxable wages.

The determination of the solvency of the trust fund would be based on the trust fund's percentage of taxable wages. Although there was discussion of increasing the taxable wage base to \$10,000 for Table E and \$11,500 for Table F, the task force ultimately decided to keep the taxable wage base consistent at \$8,500 throughout the tables.

Since the new law would not technically have a surcharge, the current law concerning the new employers' tax rate would have to be restructured because the current law uses a five-year average of employer tax rates (excluding any surcharges). A cap on the potential new employer rate (possibly 2.6) may need to be set at a level that would not inhibit new businesses from starting or relocating in Maryland.

Recommendation 2: Increase the maximum weekly benefit amount (WBA) from \$310 to \$340, effective October 1, 2005. Further, this recommendation increases the amount from \$90 to \$100 an individual may earn while still receiving the full weekly benefit amount.

Under current law, WBAs range from \$25 to \$310 per week, with a claimant's WBA based on his or her earnings in the base period, defined as the first four of the last five completed calendar quarters. To qualify for the maximum WBA of \$310, a

claimant must have earned at least \$7,416.01 in the "high quarter" of his or her base period and an additional amount of at least \$3,743.99 in the remaining quarters in the base period. The current maximum WBA, which increased from \$280 to the current \$310 under Chapter 239 of 2002, replaces approximately 43 percent of the State's average weekly wage. Labor and representatives of unemployed workers expressed concern that the current benefit level has fallen far behind a goal that was set years ago in a previous agreement between labor and business to provide a maximum WBA equal to 54 percent of the State's average weekly wage. Under this recommendation, the new WBA would equal approximately 47 percent of the current State's average weekly wage.

Under current law, a claimant may earn \$90 and still receive his or her full WBA. Any amount earned in a week over \$90 is deducted from the WBA that the claimant would be eligible to receive. By allowing claimants to earn additional wage earnings (up to \$100) before a deduction of benefits is required, claimants may be encouraged to take part-time jobs that may eventually lead to full-time work.

Recommendation 3: Establish an oversight committee for two years, composed of the same representatives as are currently serving on the task force. The oversight committee would be charged with reviewing the effect of the implemented changes and making further recommendations to improve the unemployment insurance system.

The task force members worked well together, as seen by the formulation of the aforementioned modifications. With an

alteration to the taxation system from the way it has been implemented for many years, additional changes may be needed as the actual impact is realized. An oversight committee that is knowledgeable about the changes would be able to review the impact and suggest appropriate changes. Further, as stated earlier, the recommendations were limited given there was not consensus at this time to make extensive changes to the system during a time when the trust fund is recovering. Accordingly, the task force agreed that improvements to the system may be considered in the future. The oversight committee is anticipated to meet twice per year over the next two-year period.

Recommendation 4: Express support for the legislation that the Maryland Division of Unemployment Insurance will introduce during the 2005 session regarding State Unemployment Tax Acts (SUTA) dumping.

As a form of leakage, SUTA dumping is the practice of an employer to avoid a high unemployment insurance tax rate (based on its history in the system) by either forming a new company to get a lower unemployment tax rate or buying an existing firm with a low number of unemployment claims and use the second firm's lower rate. Either way, the employer is "dumping" its original high tax rate since the employer shifts the employees to the company or firm with the lower rate. Several states, including North Carolina, Arkansas, Maine, and Washington, recently passed legislation imposing heftier fines (making the penalty a felony) on employers who manipulate state unemployment rates to lower their unemployment taxes. To date, the Maryland Division of Unemployment Insurance has not identified violators.

After studying the situation, Congress passed legislation (SUTA Dumping Prevention Act) Summer 2004 to require states to prohibit this practice, impose civil and criminal penalties on violators, and create a National Directory of New Hires. Further, it requires, as a condition of state eligibility for grants for unemployment compensation administration and employer federal tax credits (under the Federal Unemployment Tax Act), that changes be made to state unemployment compensation laws to provide for the proper transfer of unemployment experience (rates) upon the transfer or acquisition of a business.

The creation of a national directory of new hires would better facilitate the identification of claimants who continue to collect unemployment insurance benefits after they have been rehired and are no longer eligible for benefits. This will help reduce the payments of benefits to individuals no longer unemployed and reduce the outflow of benefits from the trust fund.

Accordingly, with the exception of the last recommendation, the task force will introduce legislation during the 2005 session to implement the aforementioned recommendations, effective July 1, 2005. A draft of the legislation is provided in this report. **Since the recommendations were developed based on consensus, the task force feels strongly that in order for the passage of the task force's legislation to be successful, the recommendations must be kept intact without alterations.**

Unemployment Insurance Funding Task Force

With the known possibility that the assessment of a surcharge on the State's employers was inevitable in the near future, the General Assembly passed Chapter 269 of 2003 to establish the Unemployment Insurance Funding Task Force for the purposes of reviewing Maryland's overall unemployment insurance system.

Specifically, the task force is charged with examining the fairness of the existing charging and taxation system under current State law, the fairness of the existing eligibility and benefit provisions under current State law, the need for altering the current system of charging and taxation in order to maintain the Unemployment Insurance Trust Fund at a level sufficient to meet benefit needs, and the impact of changes in the national and State economies, and their relationship, on changes in the fund. The task force is comprised of legislators, representatives of business and labor, a State agency representative, an economist, and an academic professional.

During the 2003 interim, the task force began its work in August 2003, holding its last meeting of the interim in early January 2004. Since the task force had not completed its work, it issued an interim report, dated February 2003, recommending that it continue for another year. Accordingly, the General Assembly passed Chapter 260 of 2004, requiring the task force to report its findings and recommendations by December 31, 2004. **Appendix A** provides the 2003 and 2004 legislation. The task force reconvened in July 2004, holding its last meeting in mid-November 2004. In submitting this report, the task force has fulfilled its mission.

The report provides background information and describes the task force's activities during the 2004 interim. Further, the report identifies options that the task force considered and presents the task force's findings and recommendations. In addition, enclosed with this report are appendices that include information prepared by the Department of Labor, Licensing, and Regulation and other interested parties. Additional background information and a description of the task force's 2003 interim activities can be found in the task force's interim report, dated February 2004.

Background: Unemployment Insurance System

From employer tax contributions, the unemployment insurance system pays benefits to workers unemployed through no fault of their own. Although the system was established in federal law, it is administered through state laws. Generally, the system is designed to provide income security, stimulate the economy during recessions, promote labor market stability, and improve productivity.

Status of the State's Unemployment Insurance Trust Fund and the Assessment of a Surcharge

Under federal law each state must maintain an unemployment insurance trust fund from which unemployment benefits are to be paid. In Maryland, a surcharge triggers on the following January 1 when the Maryland Unemployment Insurance Trust Fund balance on September 30 of any year is less than 4.7 percent of the total taxable wages in covered employment for the preceding four calendar quarters. The surcharge varies from 0.1 to 2 percent, with the amount depending on the degree to which the trust fund balance is underfunded. Total taxable wages for fiscal 2004 are estimated at \$17.8 billion.

During fiscal 2004 tax revenues amounted to approximately \$413 million and benefit payments to approximately \$459 million. With benefit payments exceeding tax revenues for several years, the level of the trust fund has been depleted to a level that necessitates the assessment of a surcharge to replenish the balance. On September 30, 2004, the balance in the trust fund was \$705.5 million, \$130.5 million below the level that is required to prevent triggering the State's surcharge, an improvement over last year's shortfall of \$176 million. Since the balance of the trust fund was below the required \$836 million, the State's employers will be assessed a 0.8 percent surcharge in calendar 2005, an improvement over the calendar 2004 surcharge of 1.1 percent. This translates into an additional cost to employers of \$68 per employee per year above the rate without a surcharge; however, it is a reduction of \$25.50 per employee from the additional cost of \$93.50 imposed from the 2004 surcharge. Unlike the basic rate that is charged to employers, all employers pay the same surcharge amount. Reimbursers (nonprofit organizations that reimburse the trust fund dollar-for-dollar for benefits paid) and new employers are not assessed a surcharge.

Without federal assistance, a surcharge of 0.8 percent would have been assessed on the State's employers in calendar 2003. Under the federal Job Creation and Worker Assistance Act of 2002, the federal government distributed \$8 billion to the states for unemployment insurance programs. Maryland's share of this "Reed Act" transfer, \$142.9 million, was deposited into the State's unemployment insurance account and used to pay benefits during fiscal 2003.

Prior to calendar 2004, the last year a surcharge was assessed was in calendar 1996 (0.6 percent). A surcharge was also assessed in calendar 1993, 1994, and 1995 (1.7 percent, 1.7 percent, and 1.1 percent, respectively). Legislation was enacted in 1994 and 1995 to bypass the statutory surcharge schedule in order to reduce the surcharge to a lower level.

Maryland is not the only state that will assess a surcharge on its employers for calendar 2005. Approximately 21 other states are assessing surcharges on their employers to replenish their trust funds. Moreover, during calendar 2004 the economic downturn significantly impacted seven states' unemployment systems that faced bankruptcy, forcing them to either seek bailout loans from the federal unemployment insurance trust fund managed through the U.S. Department

of Labor or float bonds. Unless loans are paid back by September 30 of the year borrowed, interest is charged, adding to the cost to taxpayers (through general funds).

The State's Taxation System and Noncharging Provisions

Under current law, monies are paid into the trust fund through a basic tax on employers paid on the first \$8,500 of each employee's annual income (the taxable wage base). There are approximately 2.3 million employees for whom employers pay the basic rate. The basic tax is experience rated, with employers with the least turnover paying the minimum tax of 0.3 percent and employers with the highest turnover paying a maximum tax of 7.5 percent. A new employer (less than two years experience) is charged a rate that is based on the higher of 1 percent, the State's five-year benefit cost rate, or the rates assigned to employers with the lowest rate for that year. The current new employer rate for calendar 2004 is 1.9 percent.

Benefits are chargeable to employers' accounts in proportion to the wages the employer paid which were used to establish the individual's eligibility for benefits. However, employers may only be charged up to the maximum rate (7.5 percent). Further, benefits are not chargeable to employers' accounts under certain circumstances listed below. With these charging limitations, less than two-thirds of all benefits are charged back to employers (67 percent in fiscal 2004).

General Noncharging Provisions

The ability of the tax structure to provide adequate trust fund reserves to avoid a surcharge is affected by a number of factors, including the duration of cyclical unemployment, the level of structural unemployment, and the strength of experience rating. "Socialized costs," including the "noncharging" of benefits weaken experience rating and reduce the regular taxing structure's ability to achieve trust fund adequacy. Noncharging, also called "leakage," which has been a significant problem in Maryland and other states for a number of years. By not directly charging the employers that have had an employer-employee relationship with the separated employee, benefits become socialized, and all employers must pay more.

Noncharging circumstances, also called "leakage," under current law include:

- not charging an employer's account for a former employee's subsequent unemployment after reemployment, particularly where the employee requalifies for benefits after **voluntarily quitting** the earlier employer (accounts for about 11 percent of all benefits – approximately \$47.2 million in fiscal 2004);
- not charging an employer's account for a former employee's subsequent unemployment after reemployment, particularly where the employee requalifies for benefits after being

discharged for **gross misconduct or aggravated misconduct** (accounts for about 2 percent of all benefits – approximately \$7.6 million in fiscal 2004);

- the noncharging of **closed businesses** (accounts for about 11 percent of all benefits – approximately \$48.9 in fiscal 2004); and
- the partial charging of businesses with experience ratings (turnover rates) that would theoretically place them at a tax rate greater than the maximum 7.5 percent tax rate that can be charged under the State schedule (called **ineffective charge**) (accounts for about 10 percent of all benefits – approximately \$43.1 million in fiscal 2004).

State Unemployment Tax Acts (SUTA Dumping) – Form of Leakage

As a form of leakage, SUTA dumping is the practice of an employer trying to avoid a high unemployment insurance tax rate (based on its history in the system) by either forming a new company to get a lower unemployment tax rate or buying an existing firm with a low number of unemployment claims and use the second firm's lower rate. Either way, the employer is "dumping" its original high tax rate since the employer shifts the employees to the company or firm with the lower rate. Several states, including North Carolina, Arkansas, Maine, and Washington, recently passed legislation imposing heftier fines (making the penalty a felony) on employers who manipulate state unemployment rates to lower their unemployment taxes. To date, the Maryland Division of Unemployment Insurance has not identified violators.

After studying the situation, Congress passed legislation (SUTA Dumping Prevention Act) this past summer to require states to prohibit this practice, impose civil and criminal penalties on violators, and create a National Directory of New Hires. Further, it requires, as a condition of state eligibility for grants for unemployment compensation administration and employer federal tax credits (under the Federal Unemployment Tax Act), that changes be made to state unemployment compensation laws to provide for the proper transfer of unemployment experience (rates) upon the transfer or acquisition of a business.

The creation of a national directory of new hires would better facilitate the identification of claimants who continue to collect unemployment insurance benefits after they have been rehired and are no longer eligible for benefits. This will help reduce the payments of benefits to individuals no longer unemployed and reduce the outflow of benefits from the trust fund.

The State's Benefit and Eligibility Requirements

Under current law, the weekly benefit amounts (WBA) range from \$25 to \$310 per week, with a claimant's WBA based on his or her earnings in the base period, defined as the first four of the last five completed calendar quarters. To qualify for the maximum WBA of \$310, a

claimant must have earned at least \$7,416.01 in the “high quarter” of his or her base period and an additional amount of at least \$3,743.99 in the remaining quarters in the base period. The current maximum WBA, which increased from \$280 to the current \$310 under Chapter 239 of 2002, replaces approximately 43 percent of the State’s average weekly wage. The State’s average weekly wage is approximately \$788 (as of first quarter 2004 according to the Department of Labor, Licensing, and Regulation). Under current law, a claimant may earn \$90 and still receive his or her full WBA. Any amount earned in a week over \$90 is deducted from the WBA that the claimant would be eligible to receive.

In addition to the weekly unemployment insurance benefits to which a claimant is entitled, a claimant is paid \$8 per week for each child, adopted child, or stepchild who is wholly or partly supported by the claimant and under 16 years old, not to exceed five dependents. The unemployment benefit plus the dependents’ allowances in any one week may not exceed the highest weekly benefit amount in the schedule of benefits, which is currently \$310. Approximately 14 percent of claimants receive dependents’ allowances (about 17,000 in fiscal 2004 received at least one check with dependents’ allowances for a total of \$3.3 million).

Eligible claimants may receive benefits for up to 26 weeks, known as the “uniform method of benefits.” The average duration for fiscal 2004 is 16 weeks.

To be eligible, an individual must be (1) able to work; (2) available for work; and (3) actively seeking work full time. Claimants must be physically able to work at the time the claim is filed and must be available for customary hours of work in his or her occupation. A claimant may not restrict his/her availability to work (*e.g.*, only part-time, limited hours, etc.). Although there is no express requirement that an individual seek “full-time” work, Maryland Court of Appeals decisions have determined that a claimant is not eligible if the claimant restricts his/her ability to work or search for work.

If an individual is released from a job due to a “job abolishment,” the individual’s weekly benefits are not reduced by a severance amount paid by the employer. However, if the individual is released for other reasons, the individual’s benefit is reduced based on the receipt of severance.

Task Force Activities

2003 Interim

The task force met six times between August 2003 and January 2004. Information regarding these meetings is included in the task force’s interim report, dated February 2004.

2004 Interim

The task force met five times between July 2004 and November 2004. On July 13, 2004, Mr. James D. Fielder, PhD, Secretary of Labor, Licensing, and Regulation (DLLR), discussed the need to work toward a solution that will resolve the financial solvency of the trust fund in the long term. Mr. Thomas Wendel, Executive Director, and Ms. Susan Bass, Legislative Liaison, Division of Unemployment Insurance, DLLR provided the task force with an update on the status of the Unemployment Insurance Trust Fund. The trust fund is anticipated to have a shortfall of about \$132 million on September 30, 2004, causing a surcharge of 0.8 percent for calendar 2005. (The surcharge for calendar 2004 is 1.1 percent.) **Appendix B** contains statistical information prepared by DLLR.

Mr. Wendel also reviewed the list of various options that the task force discussed in previous meeting for possible changes to the unemployment insurance system. Task force members were requested to review the list to determine if additional items should be added. **Table 1** shows the revised list of menu of options.

At this meeting, the task force also discussed the illegal practice of State Unemployment Tax Avoidance (“SUTA” dumping). At the time of the meeting, Congress was deliberating about strengthening the federal unemployment law to prevent these practices.

Also, at this meeting, the task force discussed obtaining information from the various business sectors (manufacturing, construction, temp/staff agencies, high/bio technology, hospitality, and restaurants) to understand the impact that certain legislative changes to the unemployment insurance system could have on each business sector. The task force was particularly interested in hearing from the business sectors that may be impacted by a charging and taxation change because of the “seasonality or temporary” aspect or “sensitivity to the economy” aspect of their respective industries.

Accordingly, following the meeting, staff sent letters to the various trade associations that represent these business sectors requesting that they survey their members, compile their responses, and present their findings at the next task force meeting. The survey included questions about comparing their Maryland unemployment insurance tax rate with the tax rate imposed on them in the surrounding states.

On August 11, 2004, Mr. Thomas Wendel provided the task force with several charts that detailed information regarding average tax rates and closed accounts by industry sector. About 3.6 percent of businesses are at the maximum rate. The industries with the most employers at the maximum rate are mining (20 percent) and transportation (about 12 percent). The task force had anticipated that manufacturing and other industries vulnerable to the economy would have a high number of employers at the maximum rate. **Appendix B** provides these charts.

Further, the task force heard from several business sectors about their unemployment insurance obligations in Maryland, as compared to other states. Presenters included

representatives of the Associated General Contractors, the Maryland Highway Contractors Association, the Maryland State Builders Association, and the Maryland Staffing Association. The business representatives discussed their views about the various options that the task force is considering. **Appendix C** includes the survey responses.

Mr. Ronald L. Adler, a member of the task force representing the Chamber of Commerce, provided a chart of a comparative analysis of state unemployment insurance data and a work sheet that shows the details of the 2004 calculations. **Appendix D** provides this information.

On September 14, 2004, the task force heard from several workers in the various business sectors regarding the alternatives that the task force is considering. Presenters included representatives of the Washington Building Trades Council and an assistant professor at the University of Baltimore. The representatives expressed their concerns about the alternatives that reduce or eliminate current benefits.

Also, at this meeting, Mr. Thomas Saquella, a member of the task force representing the Maryland Retailers Association, and Mr. Ronald Adler, a member of the task force representing the Chamber of Commerce described their respective tax schedule proposals which are a way to “experience rate the surcharge” and involve the use of various tax schedules, depending on the level of the trust fund. Mr. Thomas Wendel commented on the tables, indicating that the proposals do not necessarily address the underlying structural concerns. **Appendix E** includes the proposed tax tables and DLLR comments.

On October 12, 2004, the task force discussed whether there was consensus among the members for recommendations. Discussion regarding the two tax proposals continued. Mr. Thomas Wendel provided information regarding the merging of the two tax proposals and also provided his proposal. Further, several members of the task force indicated that they had met as a workgroup, attempting to work out agreement among labor and business. It was their intent to meet again and propose a solution to the entire task force at the next meeting. **Appendix E** includes information relating to this meeting.

Options

The task force considered numerous options. The comprehensive list of options discussed is summarized below. The estimated impact on the trust fund is indicated, as appropriate; estimates are based on current economic conditions.

Table 1
Options Discussed
Cost Impact Is Estimated for 2005

	Increase (+)/Decrease(-) in the Cost to the Trust Fund (<u>\$ in Million</u>)
Raise all tax rates by 0.3% (new range: 0.6% to 7.8%)	+\$52.5
Raise all tax rates by 0.6% (new range: 0.9% to 8.1%)	+105.0
Raise minimum rate only 0.6% (new range: 0.9% to 7.5%)	+10.6
Collapse tax table into 0.2% intervals	+6.8
Collapse tax table into 0.3% intervals	+14.3
Collapse tax table into 0.5% intervals*	+28.4
Raise taxable wage base to \$10,000 and index ²	+9.8
Raise taxable wage base to \$12,000 and index ²	+19.0
Raise (or gradually raise) taxable wage base to \$10,000	% of \$9.8 M
Raise (or gradually raise) taxable wage base to \$12,000	% of \$19.0 M
Index current taxable wage base (twb)	\$1M/yr/2% inc. in twb
Experience rate the surcharge (<i>i.e.</i> , tax rate schedules) ¹	cost neutral
Use different tax rate tables in different economic climates	Cost neutral
Suppress surcharge for calendar 2004 or later years by 0.1%	-17.5
Raise maximum rate to 8.25%	+2.5
Raise maximum rate to 8.5%	+3.3
Raise maximum rate to 9.5%	+6.3
Raise maximum rate to 10.5%	+9.4
Charge employers for voluntary quit (VQ) employment by charging last 30-day employer's account*	+20.0
Charge employers for VQ employment by charging voluntary quit employer's account*	+60.0
Increase VQ penalty to 20 or 25 x weekly benefit amount*	+1.0

Table 1
Options Discussed
Cost Impact Is Estimated for 2005

	Increase (+)/Decrease(-) in the Cost to the Trust Fund (<u>\$ in Million</u>)
Take out gross misconduct wages before calculating benefit	+3.5
Charge employers gross misconduct (GM) employment by charging last 30-day employer's account*	+2.0
Charge employers GM employment by charging gross misconduct employer's account*	+3.5
Increase GM penalty to 25 x weekly benefit amount*	+1.0
Require the posting of security/letter for new employers*	undetermined
Change formula for new employers to require 3 years (current is 2) before experience rated	undetermined
Change formula for new employers to add 1%	+12.0
Impose surcharge on new employers*	+5.6
Impose surcharge on nonprofits (reimbursers)*	+44.2
Use an alternative base period (most recent 4 quarters)	-35.0
Require only 1 quarter of wages, instead of 2	-30.0
Use a "percent of base period wages" (2%) to determine benefit and keep 2 quarters)	-5.0
Change to "variable duration" (benefit weeks based on weeks worked)	+15.0
Impose a 1 week waiting period all the time	+22.1
Impose a 1 week waiting period only in times of full employment	undetermined
Impose a 1 week waiting period to only those who qualify for less than 4 weeks	+3.2
Impose a 1 week waiting period to only those who qualify for more than \$250	undetermined
Extend benefits to certain part-time workers	-40.0
Deduct all severance payments from weekly benefits***	+1.5

Table 1
Options Discussed
Cost Impact Is Estimated for 2005

	Increase (+)/Decrease(-) in the Cost to the Trust Fund (<u>\$ in Million</u>)
Raise dependents' allowances to \$25 per child per week**	-8.3
Raise dependents' allowances to \$25 AND eliminate cap**	-19.1
Eliminate dependents' allowances from the law**	+4.0
Raise weekly benefit to \$340 in 2005 and index ²	-26.0
Raise weekly benefit to \$340 in 2005 (no index)	-26.0
Drop bottom benefit amounts so that the minimum is \$50/week*	+2.5
Eliminate sick claims	+20.0
Eliminate stoppage of work clause	+1.0
Reduce benefits 5% when trust fund hits a low level*	+25.5
Enhance penalty provisions "SUTA dumping" by strengthening the "fraud with intent to evade a tax" penalty to be equal to 50% of total deficiency in payment of tax; strengthening the "attempt to evade tax" penalty to be a felony; and specifying that a "fraudulent act by contribution tax return preparer" is subject to a felony penalty.	undetermined
Amend current laws assessing employer penalties to have the penalties apply to each employee of the employer, rather than to one \$35 penalty per employer. Current penalties do not deter employers' refusal to comply with law.	undetermined

Notes:

* Alternatives that the task force voted to no longer include in the list of possible alternatives.

** Alternatives that the task force voted to no longer include in the list of possible alternatives; however, the task force may reconsider this decision.

*** Alternatives that the task force voted to include in a reform package.

¹The surcharge is not experience rated causing all employers to pay the same surcharge amount regardless of their basic tax rate. As an alternative to eliminating the surcharge, the Chamber of Commerce presented a proposal to implement a series of tax tables, depending upon the ratio of the trust fund balance to total taxable wages. Minimum and maximum rates would shift depending on the level of the trust fund for each year.

²The cost estimates do not reflect the indexing factor.

Decision Meeting

On November 16, 2004, Mr. Thomas Wendel provided the following information:

- the official final trust fund balance on September 30, 2004, was \$705,421,439;
- the taxable wage base for fiscal 2004 is \$17,783,689,548;
- the minimum trust fund balance to avoid a surcharge is \$835,833,408 (taxable wage base x 4.7 percent);
- the shortfall is \$130,411,969 (\$835,833,408 - \$705,421,439); and
- the surcharge for calendar 2005 will be 0.8 percent ($\$130,411,969 / \$17,783,689,548$).

Further, at this meeting, the task force heard from the workgroup that had met several times to develop a compromise solution. The group, comprised of members of the task force for labor and business agreed to replacing the tax charging system, raising the weekly benefit amount to \$340, and increasing the partial benefit amount to \$100. The task force voted unanimously to support these recommendations, as well as a few others. Specifically, the task force recommendations include establishing an oversight committee that will meet about two times each year to review the effect of the implemented changes and make further recommendations to improve the unemployment insurance system. Further, the task force supports legislation that the Maryland Division of Unemployment Insurance will introduce during the 2005 session regarding SUTA dumping. A summary of the task force's finding and recommendations are provided below. Following the task force's last meeting, the Maryland Division of Unemployment Insurance (Mr. Thomas Wendel) and other members of the task force developed the tax tables which are provided in **Appendix F**.

Findings and Recommendations

Although the task force considered an extensive list of potential options to Maryland's current unemployment insurance system, the recommendations were limited based on consensus by the various groups representing employers, employees, and unemployed workers. Given that the trust fund is slowly recovering from the economic downturn, the task force felt that this was not the time to make extensive changes to the system. Accordingly, the task force agreed that further improvements to the system may be considered in the future.

Recommendation 1: Replace the current single schedule of experience tax rates and the flat-rated surcharge system with an overall more experienced rated system, effective January 1, 2006.

With benefit payments exceeding tax revenues for several years, the level of the trust fund has been depleted to a level that necessitates the assessment of a surcharge to replenish the balance. On September 30, 2004, the balance in the trust fund was \$705.5 million, \$130.5

million below the level that is required to prevent triggering the State's surcharge, but an improvement over last year's shortfall of \$176 million. Since the balance of the trust fund was below the required \$836 million, the State's employers will be assessed a 0.8 percent surcharge in calendar 2005, a reduction of the calendar 2004 surcharge of 1.1 percent. This translates into an additional cost to employers of \$68 per employee per year above the rate without a surcharge; however, it is a reduction of \$25.50 per employee from the additional cost of \$93.50 imposed from the 2004 surcharge. The business community expressed concern that the current flat-rated surcharge was unfair to those minimum-rated employers that did not contribute to the depletion of the trust fund.

The ability of the tax structure to provide adequate trust fund reserves to avoid a surcharge is affected by a number of factors, including the duration of cyclical unemployment, the level of structural unemployment, and the strength of experience rating. "Socialized costs," including the "noncharging" of benefits weaken experience rating and reduce the regular taxing structure's ability to achieve trust fund adequacy. Noncharging, also called "leakage," which has been a significant problem in Maryland and other states for a number of years, includes the not charging of benefits received by a claimant that voluntarily quit his/her job or was discharged for gross misconduct; the not charging of benefits received by claimants against former employers that are no longer in business (*i.e.*, "closed accounts"); and ineffective benefit charging, which occurs when employees collect more in benefits than an employer pays in unemployment insurance taxes because the employer is at the maximum tax rate. By not directly charging the employers that have had an employer-employee relationship with the separated employee, benefits become socialized, and all employers must pay more. Realizing that leakage has to be financed one way or another, the business community proposed changes that would improve the financing soundness of the unemployment insurance program, improve trust fund adequacy, improve financing equity, improve tax certainty, and reduce volatility in employer tax liability.

Under this recommendation, a series of tax rate tables would be developed. The actual table that would be used for a particular calendar year would depend on the ratio of the balance in the trust fund on the previous September 30 to the total taxable wages for the prior year. The tables would be designed to help achieve trust adequacy. To further accomplish this goal and enhance experience rating of tax rates, the minimum incremental change between tax rates in each table would be changed to 0.3 percent from the current 0.1 percent.

Six tax tables would be developed, as follows:

- Table A, the first of the tax rate tables, would be used when the ratio of the balance in the trust fund to the total taxable wages is greater than 5 percent of taxable wages; this table would not include a weighted tax factor in the tax rates, would range in tax rates from 0.3 to 7.5 percent on the first \$8,500 of taxable wages, as is the case under current law, and would have 0.3 percent incremental changes between tax rates.

- Table B would be used when the ratio is greater than 4.5 percent but less than or equal to 5.0 percent. This table would not include a weighted tax factor in the tax rates, however, would range in tax rates from 0.6 to 9.0 percent on the first \$8,500 of taxable wages.
- Table C would be used when the ratio is greater than 4.0 percent but less than or equal to 4.5 percent. This table would include a weighted tax factor in the tax rates. Tax rates would range from 1.0 to 10.5 percent on the first \$8,500 of taxable wages.
- Table D would be used when the ratio is greater than 3.5 percent but less than or equal to 4.0 percent. Table D would include a higher weighted tax factor in the tax rates than the amount included in the tax rates in Table C. Tax rates in Table D would range from 1.4 to 11.8 percent on the first \$8,500 of taxable wages.
- Table E would be used when the ratio is greater than 3.0 percent but less than or equal to 3.5 percent. Table E would include a higher weighted tax factor in the tax rates than the amount included in the tax rates in Table D. Tax rates in Table E would range from 1.8 to 12.9 percent on the first \$8,500 of taxable wages.
- Table F would be used when the ratio is less than or equal to 3.0 percent. Table F would include a higher weighted tax factor in the tax rates than the amount included in the tax rates in Table E. Tax rates in Table F would range from 2.2 to 13.5 percent on the first \$8,500 of taxable wages.

The determination of the solvency of the trust fund would be based on the trust fund's percentage of taxable wages. Although there was discussion of increasing the taxable wage base to \$10,000 for Table E and \$11,500 for Table F, the task force ultimately decided to keep the taxable wage base consistent at \$8,500 throughout the tables.

Since the new law would not technically have a surcharge, the current law concerning the new employers' tax rate would have to be restructured because the current law uses a five-year average of employer tax rates (excluding any surcharges). A cap on the potential new employer rate (possibly 2.6) may need to be set at a level that would not inhibit new businesses from starting or relocating in Maryland.

Recommendation 2: Increase the maximum weekly benefit amount (WBA) from \$310 to \$340, effective October 1, 2005. Further, this recommendation increases the amount from \$90 to \$100 an individual may earn while still receiving the full weekly benefit amount.

Under current law, WBAs range from \$25 to \$310 per week, with a claimant's WBA based on his or her earnings in the base period, defined as the first four of the last five completed calendar quarters. To qualify for the maximum WBA of \$310, a claimant must have earned at least \$7,416.01 in the "high quarter" of his or her base period and an additional amount of at

least \$3,743.99 in the remaining quarters in the base period. The current maximum WBA, which increased from \$280 to the current \$310 under Chapter 239 of 2002, replaces approximately 43 percent of the State's average weekly wage. Labor and representatives of unemployed workers expressed concern that the current benefit level has fallen far behind a goal that was set years ago in a previous agreement between labor and business to provide a maximum WBA equal to 54 percent of the State's average weekly wage. Under this recommendation, the new WBA would equal approximately 47 percent of the current State's average weekly wage.

Under current law, a claimant may earn \$90 and still receive his or her full WBA. Any amount earned in a week over \$90 is deducted from the WBA that the claimant would be eligible to receive. By allowing claimants to earn additional wage earnings (up to \$100) before a deduction of benefits is required, claimants may be encouraged to take part-time jobs that may eventually lead to full-time work.

Recommendation 3: Establish an oversight committee for two years, composed of the same representatives as are currently serving on the task force. The oversight committee would be charged with reviewing the effect of the implemented changes and making further recommendations to improve the unemployment insurance system.

The task force members worked well together, as seen by the formulation of the aforementioned modifications. With an alteration to the taxation system from the way it has been implemented for many years, additional changes may be needed as the actual impact is realized. An oversight committee that is knowledgeable about the changes would be able to review the impact and suggest appropriate changes. Further, as stated earlier, the recommendations were limited given there was not consensus at this time to make extensive changes to the system during a time when the trust fund is recovering. Accordingly, the task force agreed that improvements to the system may be considered in the future. The oversight committee is anticipated to meet twice per year over the next two-year period.

Recommendation 4: Express support for the legislation that the Maryland Division of Unemployment Insurance will introduce during the 2005 session regarding State Unemployment Tax Acts (SUTA) dumping.

As a form of leakage, SUTA dumping is the practice of an employer to avoid a high unemployment insurance tax rate (based on its history in the system) by either forming a new company to get a lower unemployment tax rate or buying an existing firm with a low number of unemployment claims and use the second firm's lower rate. Either way, the employer is "dumping" its original high tax rate since the employer shifts the employees to the company or firm with the lower rate. Several states, including North Carolina, Arkansas, Maine, and Washington, recently passed legislation imposing heftier fines (making the penalty a felony) on employers who manipulate state unemployment rates to lower their unemployment taxes. To date, the Maryland Division of Unemployment Insurance has not identified violators.

After studying the situation, Congress passed legislation (SUTA Dumping Prevention Act) Summer 2004 to require states to prohibit this practice, impose civil and criminal penalties on violators, and create a National Directory of New Hires. Further, it requires, as a condition of state eligibility for grants for unemployment compensation administration and employer federal tax credits (under the Federal Unemployment Tax Act), that changes be made to state unemployment compensation laws to provide for the proper transfer of unemployment experience (rates) upon the transfer or acquisition of a business.

The creation of a national directory of new hires would better facilitate the identification of claimants who continue to collect unemployment insurance benefits after they have been rehired and are no longer eligible for benefits. This will help reduce the payments of benefits to individuals no longer unemployed and reduce the outflow of benefits from the trust fund.

Accordingly, with the exception of the last recommendation, the task force will introduce legislation during the 2005 session to implement the aforementioned recommendations, effective July 1, 2005. A draft of the legislation is provided below. **Since the recommendations were developed based on consensus, the task force feels strongly that in order for the passage of the task force's legislation to be successful, the recommendations must be kept intact without alterations.**

Drafted By: Tami Burt
Typed By: _____
Stored On: 1/19/05
Proofread By: _____
Checked By: _____

By: Senator Middleton, Exum, and Kelley and Delegate Doory, Krysiak, and Trueschler (Unemployment Insurance Funding Task Force)

A BILL ENTITLED

AN ACT concerning

Unemployment Insurance - Charging and Taxation - Benefits - Oversight Committee

FOR the purpose of altering the charging and taxation system; altering the standard rate of contribution that a certain employing unit shall pay; increasing the maximum weekly unemployment insurance benefit amount; increasing the amount of wages used to compute a claimant’s weekly benefit amount for partial benefits; providing for the application of this Act; establishing an oversight committee; requiring the committee to report to the Governor and the General Assembly on or before certain dates; providing for the termination of a section of this Act relating to the oversight committee; defining a certain term; and generally relating to the unemployment insurance charging and taxation system and benefits and the establishment of an oversight committee.

BY repealing and reenacting, with amendments

Article - Labor and Employment
Section 8-608, 8-609 (a) and (b), 8-610(c), 8-612, 8-803
Annotated Code of Maryland
(1999 Volume and 2004 Supplement)

SECTION 1. AND BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article - Labor and Employment

8-608.

(A) IN THIS SUBTITLE, “STANDARD RATE” MEANS THE MAXIMUM RATE IN EACH OF THE TABLE OF BASIC RATES UNDER § 8-612(D) OF THIS SUBTITLE.

(B) Except as otherwise provided in this subtitle, an employing unit shall pay contributions at the standard rate [of 7.5%] of the taxable wage base.

8-609.

(a) (1) In this section the following terms have the meanings indicated.

(Unofficial Copy of LR 1434)

(2) "New employer" means an employing unit that does not qualify for an earned rate under § 8-610 of this subtitle.

(3) "Employer industry category" means the [2-digit standard industry classification code] **6-DIGIT NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM** promulgated by the Federal Office of Management and Budget.

(b) A new employer shall pay contributions at a rate that does not exceed [2.3%] **2.6%** of the taxable wage base, and that is the highest of:

(1) 1% of the taxable wage base;

(2) the 5-year benefit cost rate of the State as computed under subsection (c) of this section;

or

(3) the contribution rate under § 8-611 of this subtitle that applies to an employing unit with a benefit ratio of 0.000.

8-610.

(c) If an employing unit has met each of the requirements to qualify for an earned rate but files no contribution reports for any of the 3 rating years immediately preceding the computation date as required by § 8-626 of this subtitle, the Secretary shall assign the employing unit [a contribution rate that is the earned rate of the employing unit or] the standard rate of contribution[, whichever is greater].

8-612.

(a) (1) Subject to paragraph (2) of this subsection, on the basis of the earned rating record of an employing unit that qualifies for an earned rate of contribution under § 8-610 of this subtitle, the Secretary shall [:

(i)] compute to the 4th decimal place a benefit ratio for the employing unit in accordance with subsection (b) or (c) of this section [; and

(ii) subject to the Schedule of Basic Rate Adjustments in subsection (e) of this section, assign the basic contribution rate that corresponds to the employing unit's benefit ratio in the Table of Basic Rates in subsection (d) of this section].

(2) The Secretary may not assign an earned rate of contribution that is less than [0.1%] **0.3%** or more than [9.5%] **13.5%**.

(b) For an employing unit that qualifies under § 8-610(a)(2) of this subtitle, the Secretary shall compute a benefit ratio by:

(1) adding the regular, work sharing, and extended benefits that were chargeable to the earned rating record of the employing unit and paid during the 3 rating years immediately preceding the computation date; and

(Unofficial Copy of LR 1434)

(2) dividing the figure determined under item (1) of this subsection by the total of the reported taxable wages for the same period.

(c) For an employing unit that qualifies under § 8-610(a)(3) of this subtitle, the Secretary shall compute a benefit ratio for the employing unit by:

(1) adding the regular, work sharing, and extended benefits that were chargeable to the earned rating record of the employing unit and paid during the period beginning with the 1st day of the calendar quarter in which the employing unit first became subject to this title and ending on the June 30 immediately preceding the computation date; and

(2) dividing the figure obtained under item (1) of this subsection by the total of the reported taxable wages for the same period.

[(d) For any calendar year beginning on or after January 1, 1992, when the Unemployment Insurance Fund balance on September 30 of the immediately preceding calendar year equals or exceeds 4.7% but is not in excess of 5.5% of the total taxable wages in covered employment for the 4 completed calendar quarters immediately preceding September 30, the Table of Basic Rates shall apply.

Table Of Basic Rates

	Employing Unit's Benefit Ratio	Employing Unit's Basic Rate
(1)	.0000 --	0.3%
(2)	.0001 -- .0009	0.4%
(3)	.0010 -- .0018	0.5%
(4)	.0019 -- .0027	0.6%
(5)	.0028 -- .0036	0.7%
(6)	.0037 -- .0045	0.8%
(7)	.0046 -- .0054	0.9%
(8)	.0055 -- .0063	1.0%
(9)	.0064 -- .0072	1.1%
(10)	.0073 -- .0081	1.2%
(11)	.0082 -- .0090	1.3%
(12)	.0091 -- .0099	1.4%
(13)	.0100 -- .0108	1.5%
(14)	.0109 -- .0117	1.6%
(15)	.0118 -- .0126	1.7%
(16)	.0127 -- .0135	1.8%
(17)	.0136 -- .0144	1.9%
(18)	.0145 -- .0153	2.0%
(19)	.0154 -- .0162	2.1%
(20)	.0163 -- .0171	2.2%
(21)	.0172 -- .0180	2.3%
(22)	.0181 -- .0189	2.4%
(23)	.0190 -- .0198	2.5%

(Unofficial Copy of LR 1434)

(24)	.0199 -- .0207	2.6%
(25)	.0208 -- .0216	2.7%
(26)	.0217 -- .0225	2.8%
(27)	.0226 -- .0234	2.9%
(28)	.0235 -- .0243	3.0%
(29)	.0244 -- .0252	3.1%
(30)	.0253 -- .0261	3.2%
(31)	.0262 -- .0270	3.3%
(32)	.0271 -- .0279	3.4%
(33)	.0280 -- .0288	3.5%
(34)	.0289 -- .0297	3.6%
(35)	.0298 -- .0306	3.7%
(36)	.0307 -- .0315	3.8%
(37)	.0316 -- .0324	3.9%
(38)	.0325 -- .0333	4.0%
(39)	.0334 -- .0342	4.1%
(40)	.0343 -- .0351	4.2%
(41)	.0352 -- .0360	4.3%
(42)	.0361 -- .0369	4.4%
(43)	.0370 -- .0378	4.5%
(44)	.0379 -- .0387	4.6%
(45)	.0388 -- .0396	4.7%
(46)	.0397 -- .0405	4.8%
(47)	.0406 -- .0414	4.9%
(48)	.0415 -- .0423	5.0%
(49)	.0424 -- .0432	5.1%
(50)	.0433 -- .0441	5.2%
(51)	.0442 -- .0450	5.3%
(52)	.0451 -- .0459	5.4%
(53)	.0460 -- .0468	5.5%
(54)	.0469 -- .0477	5.6%
(55)	.0478 -- .0486	5.7%
(56)	.0487 -- .0495	5.8%
(57)	.0496 -- .0504	5.9%
(58)	.0505 -- .0513	6.0%
(59)	.0514 -- .0522	6.1%
(60)	.0523 -- .0531	6.2%
(61)	.0532 -- .0540	6.3%
(62)	.0541 -- .0549	6.4%
(63)	.0550 -- .0558	6.5%
(64)	.0559 -- .0567	6.6%
(65)	.0568 -- .0576	6.7%
(66)	.0577 -- .0585	6.8%
(67)	.0586 -- .0594	6.9%
(68)	.0595 -- .0603	7.0%
(69)	.0604 -- .0612	7.1%
(70)	.0613 -- .0621	7.2%
(71)	.0622 -- .0630	7.3%

(Unofficial Copy of LR 1434)

(72)	.0631 -- .0639	7.4%
(73)	.0640 -- .0648	7.5%
(74)	.0649 -- .0657	7.5%
(75)	.0658 -- and over	7.5%

(e) For any calendar year beginning on or after January 1, 1992, when the Unemployment Insurance Fund balance on September 30 of the immediately preceding calendar year is less than 4.7% or equals or is in excess of 5.5% of the total taxable wages in covered employment for the 4 completed calendar quarters immediately preceding September 30, the rates at which employers shall be required to pay contributions shall be determined by using the Table of Basic Rates under subsection (d) of this section adjusted as shown in the Schedule of Basic Rate Adjustments set forth below.

SCHEDULE OF BASIC RATE ADJUSTMENTS

When Ratio Between Fund Balance on September 30 and Total Taxable Wages for Prior Year Is:	Employing Unit's Contribution Basic Rate Shall:
(1) up to 2.8	Increase by 2.0%
(2) 2.8% but less than 2.9	Increase by 1.9%
(3) 2.9% but less than 3.0	Increase by 1.8%
(4) 3.0% but less than 3.1	Increase by 1.7%
(5) 3.1% but less than 3.2	Increase by 1.6%
(6) 3.2% but less than 3.3	Increase by 1.5%
(7) 3.3% but less than 3.4	Increase by 1.4%
(8) 3.4% but less than 3.5	Increase by 1.3%
(9) 3.5% but less than 3.6	Increase by 1.2%
(10) 3.6% but less than 3.7	Increase by 1.1%
(11) 3.7% but less than 3.8	Increase by 1.0%
(12) 3.8% but less than 3.9	Increase by 0.9%
(13) 3.9% but less than 4.0	Increase by 0.8%
(14) 4.0% but less than 4.1	Increase by 0.7%
(15) 4.1% but less than 4.2	Increase by 0.6%
(16) 4.2% but less than 4.3	Increase by 0.5%
(17) 4.3% but less than 4.4	Increase by 0.4%
(18) 4.4% but less than 4.5	Increase by 0.3%
(19) 4.5% but less than 4.6	Increase by 0.2%
(20) 4.6% but less than 4.7	Increase by 0.1%
(21) 5.5% but less than 5.6	Decrease by 0.1%
(22) 5.6% but less than 5.7	Decrease by 0.2%
(23) 5.7% but less than 5.8	Decrease by 0.3%
(24) 5.8% but less than 5.9	Decrease by 0.4%
(25) 5.9% but less than 6.0	Decrease by 0.5%
(26) 6.0% but less than 6.1	Decrease by 0.6%
(27) 6.1% but less than 6.2	Decrease by 0.7%
(28) 6.2% but less than 6.3	Decrease by 0.8%
(29) 6.3% but less than 6.4	Decrease by 0.9%
(30) 6.4% but less than 6.5	Decrease by 1.0%

(Unofficial Copy of LR 1434)

(31)	6.5% but less than 6.6	Decrease by 1.1%
(32)	6.6% but less than 6.7	Decrease by 1.2%
(33)	6.7% but less than 6.8	Decrease by 1.3%
(34)	6.8% but less than 6.9	Decrease by 1.4%
(35)	6.9% but less than 7.0	Decrease by 1.5%
(36)	7.0% but less than 7.1	Decrease by 1.6%
(37)	7.1% but less than 7.2	Decrease by 1.7%
(38)	7.2% but less than 7.3	Decrease by 1.8%
(39)	7.3% but less than 7.4	Decrease by 1.9%
(40)	7.4% and over	Decrease by 2.0%]

(D) (1) FOR ANY CALENDAR YEAR BEGINNING ON OR AFTER JANUARY 1, 2006, WHEN THE UNEMPLOYMENT INSURANCE FUND BALANCE ON SEPTEMBER 30 OF THE IMMEDIATELY PRECEDING CALENDAR YEAR EXCEEDS 5% OF THE TOTAL TAXABLE WAGES IN COVERED EMPLOYMENT FOR THE 4 COMPLETED CALENDAR QUARTERS IMMEDIATELY PRECEDING SEPTEMBER 30, THE TABLE OF BASIC RATES IN THIS PARAGRAPH OF THIS SUBSECTION SHALL APPLY.

TABLE OF BASIC RATES - TABLE A

	EMPLOYING UNIT'S BENEFIT RATIO	EMPLOYING UNIT'S BASIC RATE
(1)	.0000 --	0.30%
(2)	.0001 -- .0027	0.60%
(3)	.0028 -- .0054	0.90%
(4)	.0055 -- .0081	1.20%
(5)	.0082 -- .0108	1.50%
(6)	.0109 -- .0135	1.80%
(7)	.0136 -- .0162	2.10%
(8)	.0163 -- .0189	2.40%
(9)	.0190 -- .0216	2.70%
(10)	.0217 -- .0243	3.00%
(11)	.0244 -- .0270	3.30%
(12)	.0271 -- .0297	3.60%
(13)	.0298 -- .0324	3.90%
(14)	.0325 -- .0351	4.20%
(15)	.0352 -- .0378	4.50%
(16)	.0379 -- .0405	4.80%
(17)	.0406 -- .0432	5.10%
(18)	.0433 -- .0459	5.40%
(19)	.0460 -- .0486	5.70%
(20)	.0487 -- .0513	6.00%
(21)	.0514 -- .0540	6.30%
(22)	.0541 -- .0567	6.60%
(23)	.0568 -- .0594	6.90%
(24)	.0595 -- .0621	7.20%
(25)	.0622 -- AND OVER	7.50%

(Unofficial Copy of LR 1434)

(2) FOR ANY CALENDAR YEAR BEGINNING ON OR AFTER JANUARY 1, 2006, WHEN THE UNEMPLOYMENT INSURANCE FUND BALANCE ON SEPTEMBER 30 OF THE IMMEDIATELY PRECEDING CALENDAR YEAR EXCEEDS 4.5%, BUT IS NOT IN EXCESS OF 5% OF THE TOTAL TAXABLE WAGES IN COVERED EMPLOYMENT FOR THE 4 COMPLETED CALENDAR QUARTERS IMMEDIATELY PRECEDING SEPTEMBER 30, THE TABLE OF BASIC RATES IN THIS PARAGRAPH OF THIS SUBSECTION SHALL APPLY.

TABLE OF BASIC RATES - TABLE B

	EMPLOYING UNIT'S BENEFIT RATIO	EMPLOYING UNIT'S BASIC RATE
(1)	.0000 --	0.60%
(2)	.0001 -- .0027	0.90%
(3)	.0028 -- .0054	1.20%
(4)	.0055 -- .0081	1.50%
(5)	.0082 -- .0108	1.80%
(6)	.0109 -- .0135	2.10%
(7)	.0136 -- .0162	2.40%
(8)	.0163 -- .0189	2.70%
(9)	.0190 -- .0216	3.00%
(10)	.0217 -- .0243	3.30%
(11)	.0244 -- .0270	3.60%
(12)	.0271 -- .0297	3.90%
(13)	.0298 -- .0324	4.20%
(14)	.0325 -- .0351	4.50%
(15)	.0352 -- .0378	4.80%
(16)	.0379 -- .0405	5.10%
(17)	.0406 -- .0432	5.40%
(18)	.0433 -- .0459	5.70%
(19)	.0460 -- .0486	6.00%
(20)	.0487 -- .0513	6.30%
(21)	.0514 -- .0540	6.60%
(22)	.0541 -- .0567	6.90%
(23)	.0568 -- .0594	7.20%
(24)	.0595 -- .0621	7.50%
(25)	.0622 -- .0648	7.80%
(26)	.0649 -- .0675	8.10%
(27)	.0676 -- .0702	8.40%
(28)	.0703 -- .0729	8.70%
(29)	.0730 -- AND OVER	9.00%

(3) FOR ANY CALENDAR YEAR BEGINNING ON OR AFTER JANUARY 1, 2006, WHEN THE UNEMPLOYMENT INSURANCE FUND BALANCE ON SEPTEMBER 30 OF THE IMMEDIATELY PRECEDING CALENDAR YEAR EXCEEDS 4%, BUT IS NOT IN EXCESS OF 4.5% OF THE TOTAL TAXABLE WAGES IN COVERED EMPLOYMENT FOR THE 4 COMPLETED CALENDAR QUARTERS IMMEDIATELY PRECEDING SEPTEMBER 30, THE TABLE OF BASIC RATES IN THIS PARAGRAPH OF THIS SUBSECTION SHALL APPLY.

TABLE OF BASIC RATES - TABLE C

	EMPLOYING UNIT'S BENEFIT RATIO	EMPLOYING UNIT'S BASIC RATE
(1)	.0000 --	1.00%
(2)	.0001 -- .0027	1.50%
(3)	.0028 -- .0054	1.80%
(4)	.0055 -- .0081	2.10%
(5)	.0082 -- .0108	2.40%
(6)	.0109 -- .0135	2.70%
(7)	.0136 -- .0162	3.00%
(8)	.0163 -- .0189	3.30%
(9)	.0190 -- .0216	3.60%
(10)	.0217 -- .0243	3.90%
(11)	.0244 -- .0270	4.20%
(12)	.0271 -- .0297	4.50%
(13)	.0298 -- .0324	4.80%
(14)	.0325 -- .0351	5.10%
(15)	.0352 -- .0378	5.40%
(16)	.0379 -- .0405	5.70%
(17)	.0406 -- .0432	6.00%
(18)	.0433 -- .0459	6.30%
(19)	.0460 -- .0486	6.60%
(20)	.0487 -- .0513	6.90%
(21)	.0514 -- .0540	7.20%
(22)	.0541 -- .0567	7.50%
(23)	.0568 -- .0594	7.80%
(24)	.0595 -- .0621	8.10%
(25)	.0622 -- .0648	8.40%
(26)	.0649 -- .0675	8.70%
(27)	.0676 -- .0702	9.00%
(28)	.0703 -- .0729	9.30%
(29)	.0730 -- .0756	9.60%
(30)	.0757 -- .0783	9.90%
(31)	.0784 -- .0810	10.20%
(32)	.0811 -- AND OVER	10.50%

(4) FOR ANY CALENDAR YEAR BEGINNING ON OR AFTER JANUARY 1, 2006, WHEN THE UNEMPLOYMENT INSURANCE FUND BALANCE ON SEPTEMBER 30 OF THE IMMEDIATELY PRECEDING CALENDAR YEAR EXCEEDS 3.5%, BUT IS NOT IN EXCESS OF 4% OF THE TOTAL TAXABLE WAGES IN COVERED EMPLOYMENT FOR THE 4 COMPLETED CALENDAR QUARTERS IMMEDIATELY PRECEDING SEPTEMBER 30, THE TABLE OF BASIC RATES IN THIS PARAGRAPH OF THIS SUBSECTION SHALL APPLY.

TABLE OF BASIC RATES - TABLE D

(Unofficial Copy of LR 1434)

	EMPLOYING UNIT'S BENEFIT RATIO	EMPLOYING UNIT'S BASIC RATE
(1)	.0000 --	1.40%
(2)	.0001 -- .0027	2.10%
(3)	.0028 -- .0054	2.40%
(4)	.0055 -- .0081	2.70%
(5)	.0082 -- .0108	3.00%
(6)	.0109 -- .0135	3.30%
(7)	.0136 -- .0162	3.60%
(8)	.0163 -- .0189	3.90%
(9)	.0190 -- .0216	4.20%
(10)	.0217 -- .0243	4.50%
(11)	.0244 -- .0270	4.80%
(12)	.0271 -- .0297	5.10%
(13)	.0298 -- .0324	5.40%
(14)	.0325 -- .0351	5.70%
(15)	.0352 -- .0378	6.00%
(16)	.0379 -- .0405	6.30%
(17)	.0406 -- .0432	6.60%
(18)	.0433 -- .0459	6.90%
(19)	.0460 -- .0486	7.20%
(20)	.0487 -- .0513	7.50%
(21)	.0514 -- .0540	7.80%
(22)	.0541 -- .0567	8.10%
(23)	.0568 -- .0594	8.40%
(24)	.0595 -- .0621	8.70%
(25)	.0622 -- .0648	9.00%
(26)	.0649 -- .0675	9.30%
(27)	.0676 -- .0702	9.60%
(28)	.0703 -- .0729	9.90%
(29)	.0730 -- .0756	10.20%
(30)	.0757 -- .0783	10.50%
(31)	.0784 -- .0810	10.80%
(32)	.0811 -- .0837	11.10%
(33)	.0838 -- .0864	11.40%
(34)	.0865 -- .0891	11.70%
(35)	.0892 -- AND OVER	11.80%

(5) FOR ANY CALENDAR YEAR BEGINNING ON OR AFTER JANUARY 1, 2006, WHEN THE UNEMPLOYMENT INSURANCE FUND BALANCE ON SEPTEMBER 30 OF THE IMMEDIATELY PRECEDING CALENDAR YEAR EXCEEDS 3%, BUT IS NOT IN EXCESS OF 3.5% OF THE TOTAL TAXABLE WAGES IN COVERED EMPLOYMENT FOR THE 4 COMPLETED CALENDAR QUARTERS IMMEDIATELY PRECEDING SEPTEMBER 30, THE TABLE OF BASIC RATES IN THIS PARAGRAPH OF THIS SUBSECTION SHALL APPLY.

TABLE OF BASIC RATES - TABLE E

(Unofficial Copy of LR 1434)

	EMPLOYING UNIT'S BENEFIT RATIO	EMPLOYING UNIT'S BASIC RATE
(1)	.0000 --	1.80%
(2)	.0001 -- .0027	2.60%
(3)	.0028 -- .0054	2.90%
(4)	.0055 -- .0081	3.20%
(5)	.0082 -- .0108	3.50%
(6)	.0109 -- .0135	3.80%
(7)	.0136 -- .0162	4.10%
(8)	.0163 -- .0189	4.40%
(9)	.0190 -- .0216	4.70%
(10)	.0217 -- .0243	5.00%
(11)	.0244 -- .0270	5.30%
(12)	.0271 -- .0297	5.60%
(13)	.0298 -- .0324	5.90%
(14)	.0325 -- .0351	6.20%
(15)	.0352 -- .0378	6.50%
(16)	.0379 -- .0405	6.80%
(17)	.0406 -- .0432	7.10%
(18)	.0433 -- .0459	7.40%
(19)	.0460 -- .0486	7.70%
(20)	.0487 -- .0513	8.00%
(21)	.0514 -- .0540	8.30%
(22)	.0541 -- .0567	8.60%
(23)	.0568 -- .0594	8.90%
(24)	.0595 -- .0621	9.20%
(25)	.0622 -- .0648	9.50%
(26)	.0649 -- .0675	9.80%
(27)	.0676 -- .0702	10.10%
(28)	.0703 -- .0729	10.40%
(29)	.0730 -- .0756	10.70%
(30)	.0757 -- .0783	11.00%
(31)	.0784 -- .0810	11.30%
(32)	.0811 -- .0837	11.60%
(33)	.0838 -- .0864	11.90%
(34)	.0865 -- .0891	12.20%
(35)	.0892 -- .0918	12.50%
(36)	.0919 -- .0945	12.80%
(37)	.0946 -- AND OVER	12.90%

(6) FOR ANY CALENDAR YEAR BEGINNING ON OR AFTER JANUARY 1, 2006, WHEN THE UNEMPLOYMENT INSURANCE FUND BALANCE ON SEPTEMBER 30 OF THE IMMEDIATELY PRECEDING CALENDAR YEAR IS NOT IN EXCESS OF 3% OF THE TOTAL TAXABLE WAGES IN COVERED EMPLOYMENT FOR THE 4 COMPLETED CALENDAR QUARTERS IMMEDIATELY PRECEDING SEPTEMBER 30, THE TABLE OF BASIC RATES IN THIS PARAGRAPH OF THIS SUBSECTION SHALL APPLY.

(Unofficial Copy of LR 1434)
TABLE OF BASIC RATES - TABLE F

	EMPLOYING UNIT'S BENEFIT RATIO	EMPLOYING UNIT'S BASIC RATE
(1)	.0000 --	2.20%
(2)	.0001 -- .0027	3.10%
(3)	.0028 -- .0054	3.40%
(4)	.0055 -- .0081	3.70%
(5)	.0082 -- .0108	4.00%
(6)	.0109 -- .0135	4.30%
(7)	.0136 -- .0162	4.60%
(8)	.0163 -- .0189	4.90%
(9)	.0190 -- .0216	5.20%
(10)	.0217 -- .0243	5.50%
(11)	.0244 -- .0270	5.80%
(12)	.0271 -- .0297	6.10%
(13)	.0298 -- .0324	6.40%
(14)	.0325 -- .0351	6.70%
(15)	.0352 -- .0378	7.00%
(16)	.0379 -- .0405	7.30%
(17)	.0406 -- .0432	7.60%
(18)	.0433 -- .0459	7.90%
(19)	.0460 -- .0486	8.20%
(20)	.0487 -- .0513	8.50%
(21)	.0514 -- .0540	8.80%
(22)	.0541 -- .0567	9.10%
(23)	.0568 -- .0594	9.40%
(24)	.0595 -- .0621	9.70%
(25)	.0622 -- .0648	10.00%
(26)	.0649 -- .0675	10.30%
(27)	.0676 -- .0702	10.60%
(28)	.0703 -- .0729	10.90%
(29)	.0730 -- .0756	11.20%
(30)	.0757 -- .0783	11.50%
(31)	.0784 -- .0810	11.80%
(32)	.0811 -- .0837	12.10%
(33)	.0838 -- .0864	12.40%
(34)	.0865 -- .0891	12.70%
(35)	.0892 -- .0918	13.00%
(36)	.0919 -- .0945	13.30%
(37)	.0946 -- AND OVER	13.50%

[(f)] (E) For the purpose of making any computation under this section:

(1) money that has been credited to the account of the State in the Unemployment Trust Fund under § 903 of the Social Security Act and that has been appropriated for expenses of administration,

(Unofficial Copy of LR 1434)

whether or not withdrawn from the account, shall be excluded from the total amount available for benefits in the Unemployment Insurance Fund; and

(2) the total amount available for benefits in the Unemployment Insurance Fund includes:

(i) money receivable by the Unemployment Insurance Fund as federal reimbursement for shareable benefits under the Federal-State Extended Unemployment Compensation Act of 1970;

(ii) all advance payments made to the Unemployment Insurance Fund on behalf of eligible employing units who elect to make reimbursement payments; and

(iii) money receivable by the Unemployment Insurance Fund from an eligible employing unit who elects to make reimbursement payments.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Labor and Employment

8-803.

(a) (1) To determine the weekly benefit amount to assign to a claimant in the schedule of benefits in subsection (b) of this section, the line in the schedule of benefits shall be located in which the high quarter wages in column (A) correspond to wages that the claimant was paid for covered employment in the calendar quarter of the claimant's base period in which those wages were highest.

(2) The claimant shall be assigned:

(i) the weekly benefit amount in column (B) of the schedule for that line; or

(ii) if the claimant is not eligible under § 8-802 of this subtitle for that weekly benefit amount but was paid wages to qualify in 1 of the next 6 lower lines of the schedule, the weekly benefit amount in the next lower line in column (B) of the schedule.

(b)

SCHEDULE OF BENEFITS

Line	High Quarter Wages (A)	Weekly Benefit Amount (B)	Minimum Qualifying Wages (C)
(1)	\$576.01 to \$ 600.00	25.00	900.00
(2)	\$600.01 to \$ 624.00	26.00	936.00
(3)	\$624.01 to \$ 648.00	27.00	972.00
(4)	\$648.01 to \$ 672.00	28.00	1,008.00
(5)	\$672.01 to \$ 696.00	29.00	1,044.00
(6)	\$696.01 to \$ 720.00	30.00	1,080.00
(7)	\$720.01 to \$ 744.00	31.00	1,116.00

(Unofficial Copy of LR 1434)

(8)	\$744.01 to \$ 768.00	32.00	1,152.00
(9)	\$768.01 to \$ 792.00	33.00	1,188.00
(10)	\$792.01 to \$ 816.00	34.00	1,224.00
(11)	\$816.01 to \$ 840.00	35.00	1,260.00
(12)	\$840.01 to \$ 864.00	36.00	1,296.00
(13)	\$864.01 to \$ 888.00	37.00	1,332.00
(14)	\$888.01 to \$ 912.00	38.00	1,368.00
(15)	\$912.01 to \$ 936.00	39.00	1,404.00
(16)	\$936.01 to \$ 960.00	40.00	1,440.00
(17)	\$960.01 to \$ 984.00	41.00	1,476.00
(18)	\$984.01 to \$1,008.00	42.00	1,512.00
(19)	\$1,008.01 to \$1,032.00	43.00	1,548.00
(20)	\$1,032.01 to \$1,056.00	44.00	1,584.00
(21)	\$1,056.01 to \$1,080.00	45.00	1,620.00
(22)	\$1,080.01 to \$1,104.00	46.00	1,656.00
(23)	\$1,104.01 to \$1,128.00	47.00	1,692.00
(24)	\$1,128.01 to \$1,152.00	48.00	1,728.00
(25)	\$1,152.01 to \$1,176.00	49.00	1,764.00
(26)	\$1,176.01 to \$1,200.00	50.00	1,800.00
(27)	\$1,200.01 to \$1,224.00	51.00	1,836.00
(28)	\$1,224.01 to \$1,248.00	52.00	1,872.00
(29)	\$1,248.01 to \$1,272.00	53.00	1,908.00
(30)	\$1,272.01 to \$1,296.00	54.00	1,944.00
(31)	\$1,296.01 to \$1,320.00	55.00	1,980.00
(32)	\$1,320.01 to \$1,344.00	56.00	2,016.00
(33)	\$1,344.01 to \$1,368.00	57.00	2,052.00
(34)	\$1,368.01 to \$1,392.00	58.00	2,088.00
(35)	\$1,392.01 to \$1,416.00	59.00	2,124.00
(36)	\$1,416.01 to \$1,440.00	60.00	2,160.00
(37)	\$1,440.01 to \$1,464.00	61.00	2,196.00
(38)	\$1,464.01 to \$1,488.00	62.00	2,232.00
(39)	\$1,488.01 to \$1,512.00	63.00	2,268.00
(40)	\$1,512.01 to \$1,536.00	64.00	2,304.00
(41)	\$1,536.01 to \$1,560.00	65.00	2,340.00
(42)	\$1,560.01 to \$1,584.00	66.00	2,376.00
(43)	\$1,584.01 to \$1,608.00	67.00	2,412.00
(44)	\$1,608.01 to \$1,632.00	68.00	2,448.00
(45)	\$1,632.01 to \$1,656.00	69.00	2,484.00
(46)	\$1,656.01 to \$1,680.00	70.00	2,520.00
(47)	\$1,680.01 to \$1,704.00	71.00	2,556.00
(48)	\$1,704.01 to \$1,728.00	72.00	2,592.00
(49)	\$1,728.01 to \$1,752.00	73.00	2,628.00
(50)	\$1,752.01 to \$1,776.00	74.00	2,664.00
(51)	\$1,776.01 to \$1,800.00	75.00	2,700.00
(52)	\$1,800.01 to \$1,824.00	76.00	2,736.00
(53)	\$1,824.01 to \$1,848.00	77.00	2,772.00
(54)	\$1,848.01 to \$1,872.00	78.00	2,808.00
(55)	\$1,872.01 to \$1,896.00	79.00	2,844.00

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(56)	\$1,896.01 to \$1,920.00	80.00	2,880.00
(57)	\$1,920.01 to \$1,944.00	81.00	2,916.00
(58)	\$1,944.01 to \$1,968.00	82.00	2,952.00
(59)	\$1,968.01 to \$1,992.00	83.00	2,988.00
(60)	\$1,992.01 to \$2,016.00	84.00	3,024.00
(61)	\$2,016.01 to \$2,040.00	85.00	3,060.00
(62)	\$2,040.01 to \$2,064.00	86.00	3,096.00
(63)	\$2,064.01 to \$2,088.00	87.00	3,132.00
(64)	\$2,088.01 to \$2,112.00	88.00	3,168.00
(65)	\$2,112.01 to \$2,136.00	89.00	3,204.00
(66)	\$2,136.01 to \$2,160.00	90.00	3,240.00
(67)	\$2,160.01 to \$2,184.00	91.00	3,276.00
(68)	\$2,184.01 to \$2,208.00	92.00	3,312.00
(69)	\$2,208.01 to \$2,232.00	93.00	3,348.00
(70)	\$2,232.01 to \$2,256.00	94.00	3,384.00
(71)	\$2,256.01 to \$2,280.00	95.00	3,420.00
(72)	\$2,280.01 to \$2,304.00	96.00	3,456.00
(73)	\$2,304.01 to \$2,328.00	97.00	3,492.00
(74)	\$2,328.01 to \$2,352.00	98.00	3,528.00
(75)	\$2,352.01 to \$2,376.00	99.00	3,564.00
(76)	\$2,376.01 to \$2,400.00	100.00	3,600.00
(77)	\$2,400.01 to \$2,424.00	101.00	3,636.00
(78)	\$2,424.01 to \$2,448.00	102.00	3,672.00
(79)	\$2,448.01 to \$2,472.00	103.00	3,708.00
(80)	\$2,472.01 to \$2,496.00	104.00	3,744.00
(81)	\$2,496.01 to \$2,520.00	105.00	3,780.00
(82)	\$2,520.01 to \$2,544.00	106.00	3,816.00
(83)	\$2,544.01 to \$2,568.00	107.00	3,852.00
(84)	\$2,568.01 to \$2,592.00	108.00	3,888.00
(85)	\$2,592.01 to \$2,616.00	109.00	3,924.00
(86)	\$2,616.01 to \$2,640.00	110.00	3,960.00
(87)	\$2,640.01 to \$2,664.00	111.00	3,996.00
(88)	\$2,664.01 to \$2,688.00	112.00	4,032.00
(89)	\$2,688.01 to \$2,712.00	113.00	4,068.00
(90)	\$2,712.01 to \$2,736.00	114.00	4,104.00
(91)	\$2,736.01 to \$2,760.00	115.00	4,140.00
(92)	\$2,760.01 to \$2,784.00	116.00	4,176.00
(93)	\$2,784.01 to \$2,808.00	117.00	4,212.00
(94)	\$2,808.01 to \$2,832.00	118.00	4,248.00
(95)	\$2,832.01 to \$2,856.00	119.00	4,284.00
(96)	\$2,856.01 to \$2,880.00	120.00	4,320.00
(97)	\$2,880.01 to \$2,904.00	121.00	4,356.00
(98)	\$2,904.01 to \$2,928.00	122.00	4,392.00
(99)	\$2,928.01 to \$2,952.00	123.00	4,428.00
(100)	\$2,952.01 to \$2,976.00	124.00	4,464.00
(101)	\$2,976.01 to \$3,000.00	125.00	4,500.00
(102)	\$3,000.01 to \$3,024.00	126.00	4,536.00
(103)	\$3,024.01 to \$3,048.00	127.00	4,572.00

(Unofficial Copy of LR 1434)

(104)	\$3,048.01 to \$3,072.00	128.00	4,608.00
(105)	\$3,072.01 to \$3,096.00	129.00	4,644.00
(106)	\$3,096.01 to \$3,120.00	130.00	4,680.00
(107)	\$3,120.01 to \$3,144.00	131.00	4,716.00
(108)	\$3,144.01 to \$3,168.00	132.00	4,752.00
(109)	\$3,168.01 to \$3,192.00	133.00	4,788.00
(110)	\$3,192.01 to \$3,216.00	134.00	4,824.00
(111)	\$3,216.01 to \$3,240.00	135.00	4,860.00
(112)	\$3,240.01 to \$3,264.00	136.00	4,896.00
(113)	\$3,264.01 to \$3,288.00	137.00	4,932.00
(114)	\$3,288.01 to \$3,312.00	138.00	4,968.00
(115)	\$3,312.01 to \$3,336.00	139.00	5,004.00
(116)	\$3,336.01 to \$3,360.00	140.00	5,040.00
(117)	\$3,360.01 to \$3,384.00	141.00	5,076.00
(118)	\$3,384.01 to \$3,408.00	142.00	5,112.00
(119)	\$3,408.01 to \$3,432.00	143.00	5,148.00
(120)	\$3,432.01 to \$3,456.00	144.00	5,184.00
(121)	\$3,456.01 to \$3,480.00	145.00	5,220.00
(122)	\$3,480.01 to \$3,504.00	146.00	5,256.00
(123)	\$3,504.01 to \$3,528.00	147.00	5,292.00
(124)	\$3,528.01 to \$3,552.00	148.00	5,328.00
(125)	\$3,552.01 to \$3,576.00	149.00	5,364.00
(126)	\$3,576.01 to \$3,600.00	150.00	5,400.00
(127)	\$3,600.01 to \$3,624.00	151.00	5,436.00
(128)	\$3,624.01 to \$3,648.00	152.00	5,472.00
(129)	\$3,648.01 to \$3,672.00	153.00	5,508.00
(130)	\$3,672.01 to \$3,696.00	154.00	5,544.00
(131)	\$3,696.01 to \$3,720.00	155.00	5,580.00
(132)	\$3,720.01 to \$3,744.00	156.00	5,616.00
(133)	\$3,744.01 to \$3,768.00	157.00	5,652.00
(134)	\$3,768.01 to \$3,792.00	158.00	5,688.00
(135)	\$3,792.01 to \$3,816.00	159.00	5,724.00
(136)	\$3,816.01 to \$3,840.00	160.00	5,760.00
(137)	\$3,840.01 to \$3,864.00	161.00	5,796.00
(138)	\$3,864.01 to \$3,888.00	162.00	5,832.00
(139)	\$3,888.01 to \$3,912.00	163.00	5,868.00
(140)	\$3,912.01 to \$3,936.00	164.00	5,904.00
(141)	\$3,936.01 to \$3,960.00	165.00	5,940.00
(142)	\$3,960.01 to \$3,984.00	166.00	5,976.00
(143)	\$3,984.01 to \$4,008.00	167.00	6,012.00
(144)	\$4,008.01 to \$4,032.00	168.00	6,048.00
(145)	\$4,032.01 to \$4,056.00	169.00	6,084.00
(146)	\$4,056.01 to \$4,080.00	170.00	6,120.00
(147)	\$4,080.01 to \$4,104.00	171.00	6,156.00
(148)	\$4,104.01 to \$4,128.00	172.00	6,192.00
(149)	\$4,128.01 to \$4,152.00	173.00	6,228.00
(150)	\$4,152.01 to \$4,176.00	174.00	6,264.00
(151)	\$4,176.01 to \$4,200.00	175.00	6,300.00

(Unofficial Copy of LR 1434)

(152)	\$4,200.01 to \$4,224.00	176.00	6,336.00
(153)	\$4,224.01 to \$4,248.00	177.00	6,372.00
(154)	\$4,248.01 to \$4,272.00	178.00	6,408.00
(155)	\$4,272.01 to \$4,296.00	179.00	6,444.00
(156)	\$4,296.01 to \$4,320.00	180.00	6,480.00
(157)	\$4,320.01 to \$4,344.00	181.00	6,516.00
(158)	\$4,344.01 to \$4,368.00	182.00	6,552.00
(159)	\$4,368.01 to \$4,392.00	183.00	6,588.00
(160)	\$4,392.01 to \$4,416.00	184.00	6,624.00
(161)	\$4,416.01 to \$4,440.00	185.00	6,660.00
(162)	\$4,440.01 to \$4,464.00	186.00	6,696.00
(163)	\$4,464.01 to \$4,488.00	187.00	6,732.00
(164)	\$4,488.01 to \$4,512.00	188.00	6,768.00
(165)	\$4,512.01 to \$4,536.00	189.00	6,804.00
(166)	\$4,536.01 to \$4,560.00	190.00	6,840.00
(167)	\$4,560.01 to \$4,584.00	191.00	6,876.00
(168)	\$4,584.01 to \$4,608.00	192.00	6,912.00
(169)	\$4,608.01 to \$4,632.00	193.00	6,948.00
(170)	\$4,632.01 to \$4,656.00	194.00	6,984.00
(171)	\$4,656.01 to \$4,680.00	195.00	7,020.00
(172)	\$4,680.01 to \$4,704.00	196.00	7,056.00
(173)	\$4,704.01 to \$4,728.00	197.00	7,092.00
(174)	\$4,728.01 to \$4,752.00	198.00	7,128.00
(175)	\$4,752.01 to \$4,776.00	199.00	7,164.00
(176)	\$4,776.01 to \$4,800.00	200.00	7,200.00
(177)	\$4,800.01 to \$4,824.00	201.00	7,236.00
(178)	\$4,824.01 to \$4,848.00	202.00	7,272.00
(179)	\$4,848.01 to \$4,872.00	203.00	7,308.00
(180)	\$4,872.01 to \$4,896.00	204.00	7,344.00
(181)	\$4,896.01 to \$4,920.00	205.00	7,380.00
(182)	\$4,920.01 to \$4,944.00	206.00	7,416.00
(183)	\$4,944.01 to \$4,968.00	207.00	7,452.00
(184)	\$4,968.01 to \$4,992.00	208.00	7,488.00
(185)	\$4,992.01 to \$5,016.00	209.00	7,524.00
(186)	\$5,016.01 to \$5,040.00	210.00	7,560.00
(187)	\$5,040.01 to \$5,064.00	211.00	7,596.00
(188)	\$5,064.01 to \$5,088.00	212.00	7,632.00
(189)	\$5,088.01 to \$5,112.00	213.00	7,668.00
(190)	\$5,112.01 to \$5,136.00	214.00	7,704.00
(191)	\$5,136.01 to \$5,160.00	215.00	7,740.00
(192)	\$5,160.01 to \$5,184.00	216.00	7,776.00
(193)	\$5,184.01 to \$5,208.00	217.00	7,812.00
(194)	\$5,208.01 to \$5,232.00	218.00	7,848.00
(195)	\$5,232.01 to \$5,256.00	219.00	7,884.00
(196)	\$5,256.01 to \$5,280.00	220.00	7,920.00
(197)	\$5,280.01 to \$5,304.00	221.00	7,956.00
(198)	\$5,304.01 to \$5,328.00	222.00	7,992.00
(199)	\$5,328.01 to \$5,352.00	223.00	8,028.00

(Unofficial Copy of LR 1434)

(200)	\$5,352.01 to \$5,376.00	224.00	8,064.00
(201)	\$5,376.01 to \$5,400.00	225.00	8,100.00
(202)	\$5,400.01 to \$5,424.00	226.00	8,136.00
(203)	\$5,424.01 to \$5,448.00	227.00	8,172.00
(204)	\$5,448.01 to \$5,472.00	228.00	8,208.00
(205)	\$5,472.01 to \$5,496.00	229.00	8,244.00
(206)	\$5,496.01 to \$5,520.00	230.00	8,280.00
(207)	\$5,520.01 to \$5,544.00	231.00	8,316.00
(208)	\$5,544.01 to \$5,568.00	232.00	8,352.00
(209)	\$5,568.01 to \$5,592.00	233.00	8,388.00
(210)	\$5,592.01 to \$5,616.00	234.00	8,424.00
(211)	\$5,616.01 to \$5,640.00	235.00	8,460.00
(212)	\$5,640.01 to \$5,664.00	236.00	8,496.00
(213)	\$5,664.01 to \$5,688.00	237.00	8,532.00
(214)	\$5,688.01 to \$5,712.00	238.00	8,568.00
(215)	\$5,712.01 to \$5,736.00	239.00	8,604.00
(216)	\$5,736.01 to \$5,760.00	240.00	8,640.00
(217)	\$5,760.01 to \$5,784.00	241.00	8,676.00
(218)	\$5,784.01 to \$5,808.00	242.00	8,712.00
(219)	\$5,808.01 to \$5,832.00	243.00	8,748.00
(220)	\$5,832.01 to \$5,856.00	244.00	8,784.00
(221)	\$5,856.01 to \$5,880.00	245.00	8,820.00
(222)	\$5,880.01 to \$5,904.00	246.00	8,856.00
(223)	\$5,904.01 to \$5,928.00	247.00	8,892.00
(224)	\$5,928.01 to \$5,952.00	248.00	8,928.00
(225)	\$5,952.01 to \$5,976.00	249.00	8,964.00
(226)	\$5,976.01 to \$6,000.00	250.00	9,000.00
(227)	\$6,000.01 to \$6,024.00	251.00	9,036.00
(228)	\$6,024.01 to \$6,048.00	252.00	9,072.00
(229)	\$6,048.01 to \$6,072.00	253.00	9,108.00
(230)	\$6,072.01 to \$6,096.00	254.00	9,144.00
(231)	\$6,096.01 to \$6,120.00	255.00	9,180.00
(232)	\$6,120.01 to \$6,144.00	256.00	9,216.00
(233)	\$6,144.01 to \$6,168.00	257.00	9,252.00
(234)	\$6,168.01 to \$6,192.00	258.00	9,288.00
(235)	\$6,192.01 to \$6,216.00	259.00	9,324.00
(236)	\$6,216.01 to \$6,240.00	260.00	9,360.00
(237)	\$6,240.01 to \$6,264.00	261.00	9,396.00
(238)	\$6,264.01 to \$6,288.00	262.00	9,432.00
(239)	\$6,288.01 to \$6,312.00	263.00	9,468.00
(240)	\$6,312.01 to \$6,336.00	264.00	9,504.00
(241)	\$6,336.01 to \$6,360.00	265.00	9,540.00
(242)	\$6,360.01 to \$6,384.00	266.00	9,576.00
(243)	\$6,384.01 to \$6,408.00	267.00	9,612.00
(244)	\$6,408.01 to \$6,432.00	268.00	9,648.00
(245)	\$6,432.01 to \$6,456.00	269.00	9,684.00
(246)	\$6,456.01 to \$6,480.00	270.00	9,720.00
(247)	\$6,480.01 to \$6,504.00	271.00	9,756.00

(Unofficial Copy of LR 1434)

(248)	\$6,504.01 to \$6,528.00	272.00	9,792.00
(249)	\$6,528.01 to \$6,552.00	273.00	9,828.00
(250)	\$6,552.01 to \$6,576.00	274.00	9,864.00
(251)	\$6,576.01 to \$6,600.00	275.00	9,900.00
(252)	\$6,600.01 to \$6,624.00	276.00	9,936.00
(253)	\$6,624.01 to \$6,648.00	277.00	9,972.00
(254)	\$6,648.01 to \$6,672.00	278.00	10,008.00
(255)	\$6,672.01 to \$6,696.00	279.00	10,044.00
(256)	\$6,696.01 to \$6,720.00	280.00	10,080.00
(257)	\$6,720.01 to \$6,744.00	281.00	10,116.00
(258)	\$6,744.01 to \$6,768.00	282.00	10,152.00
(259)	\$6,768.01 to \$6,792.00	283.00	10,188.00
(260)	\$6,792.01 to \$6,816.00	284.00	10,224.00
(261)	\$6,816.01 to \$6,840.00	285.00	10,260.00
(262)	\$6,840.01 to \$6,864.00	286.00	10,296.00
(263)	\$6,864.01 to \$6,888.00	287.00	10,332.00
(264)	\$6,888.01 to \$6,912.00	288.00	10,368.00
(265)	\$6,912.01 to \$6,936.00	289.00	10,404.00
(266)	\$6,936.01 to \$6,960.00	290.00	10,440.00
(267)	\$6,960.01 to \$6,984.00	291.00	10,476.00
(268)	\$6,984.01 to \$7,008.00	292.00	10,512.00
(269)	\$7,008.01 to \$7,032.00	293.00	10,548.00
(270)	\$7,032.01 to \$7,056.00	294.00	10,584.00
(271)	\$7,056.01 to \$7,080.00	295.00	10,620.00
(272)	\$7,080.01 to \$7,104.00	296.00	10,656.00
(273)	\$7,104.01 to \$7,128.00	297.00	10,692.00
(274)	\$7,128.01 to \$7,152.00	298.00	10,728.00
(275)	\$7,152.01 to \$7,176.00	299.00	10,764.00
(276)	\$7,176.01 to \$7,200.00	300.00	10,800.00
(277)	\$7,200.01 to \$7,224.00	301.00	10,836.00
(278)	\$7,224.01 to \$7,248.00	302.00	10,872.00
(279)	\$7,248.01 to \$7,272.00	303.00	10,908.00
(280)	\$7,272.01 to \$7,296.00	304.00	10,944.00
(281)	\$7,296.01 to \$7,320.00	305.00	10,980.00
(282)	\$7,320.01 to \$7,344.00	306.00	11,016.00
(283)	\$7,344.01 to \$7,368.00	307.00	11,052.00
(284)	\$7,368.01 to \$7,392.00	308.00	11,088.00
(285)	\$7,392.01 to \$7,416.00	309.00	11,124.00
[(286)	\$7,416.01 and over	310.00	11,160.00]
(286)	\$7,416.01 TO \$7,440.00	310.00	11,160.00
(287)	\$7,440.01 TO \$7,464.00	311.00	11,196.00
(288)	\$7,464.01 TO \$7,488.00	312.00	11,232.00
(289)	\$7,488.01 TO \$7,512.00	313.00	11,268.00
(290)	\$7,512.01 TO \$7,536.00	314.00	11,304.00
(291)	\$7,536.01 TO \$7,560.00	315.00	11,340.00
(292)	\$7,560.01 TO \$7,584.00	316.00	11,376.00
(293)	\$7,584.01 TO \$7,608.00	317.00	11,412.00
(294)	\$7,608.01 TO \$7,632.00	318.00	11,448.00

(Unofficial Copy of LR 1434)

(295)	\$7,632.01 TO \$7,656.00	319.00	11,484.00
(296)	\$7,656.01 TO \$7,680.00	320.00	11,520.00
(297)	\$7,680.01 TO \$7,704.00	321.00	11,556.00
(298)	\$7,704.01 TO \$7,728.00	322.00	11,592.00
(299)	\$7,728.01 TO \$7,752.00	323.00	11,628.00
(300)	\$7,752.01 TO \$7,776.00	324.00	11,664.00
(301)	\$7,776.01 TO \$7,800.00	325.00	11,700.00
(302)	\$7,800.01 TO \$7,824.00	326.00	11,736.00
(303)	\$7,824.01 TO \$7,848.00	327.00	11,772.00
(304)	\$7,848.01 TO \$7,872.00	328.00	11,808.00
(305)	\$7,872.01 TO \$7,896.00	329.00	11,844.00
(306)	\$7,896.01 TO \$7,920.00	330.00	11,880.00
(307)	\$7,920.01 TO \$7,944.00	331.00	11,916.00
(308)	\$7,944.01 TO \$7,968.00	332.00	11,952.00
(309)	\$7,968.01 TO \$7,992.00	333.00	11,988.00
(310)	\$7,992.01 TO \$8,016.00	334.00	12,024.00
(311)	\$8,016.01 TO \$8,040.00	335.00	12,060.00
(312)	\$8,040.01 TO \$8,064.00	336.00	12,096.00
(313)	\$8,064.01 TO \$8,088.00	337.00	12,132.00
(314)	\$8,088.01 TO \$8,112.00	338.00	12,168.00
(315)	\$8,112.01 TO \$8,136.00	339.00	12,204.00
(316)	\$8,136.01 AND OVER	340.00	12,240.00

(c) The schedule of benefits that is in effect on the 1st day of a claimant's benefit year applies to the claimant throughout that benefit year.

(d) (1) Except as provided in § 8-1207 of this title for the work sharing program and § 8-1604 of this title for the Self-Employment Assistance Program, an eligible claimant shall be paid a weekly benefit amount that is computed by:

(i) determining the claimant's weekly benefit amount under this section;

(ii) adding any allowance for a dependent to which the claimant is entitled under § 8-804 of this subtitle; and

(iii) subtracting any wages exceeding [\$90] \$100 payable to the claimant for the week.

(2) In computing benefits under this subsection, a fraction of a dollar shall be rounded to the next lower dollar.

(e) Any child support payment that is required under § 8-807 of this subtitle shall be withheld from benefits.

SECTION 3. AND BE IT FURTHER ENACTED, That:

(A) **THERE IS A JOINT COMMITTEE ON UNEMPLOYMENT INSURANCE OVERSIGHT.**

(Unofficial Copy of LR 1434)

(B) THE COMMITTEE CONSISTS OF THE FOLLOWING 13 MEMBERS:

(1) 3 SHALL BE MEMBERS OF THE SENATE, APPOINTED BY THE PRESIDENT OF THE SENATE;

(2) 3 SHALL BE MEMBERS OF THE HOUSE OF DELEGATES, APPOINTED BY THE SPEAKER OF THE HOUSE OF DELEGATES;

(3) THE SECRETARY OF THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION, OR THE SECRETARY'S DESIGNEE;

(4) THE SECRETARY OF THE DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT, OR THE SECRETARY'S DESIGNEE;

(5) A REPRESENTATIVE OF THE MARYLAND RETAILERS ASSOCIATION, DESIGNATED BY THE MARYLAND RETAILERS ASSOCIATION ;

(6) A REPRESENTATIVE OF THE MARYLAND CHAMBER OF COMMERCE, DESIGNATED BY THE MARYLAND CHAMBER OF COMMERCE;

(7) A REPRESENTATIVE OF THE JOB OPPORTUNITIES TASK FORCE, DESIGNATED BY THE JOB OPPORTUNITIES TASK FORCE;

(8) A REPRESENTATIVE OF UNION LABOR, DESIGNATED BY THE MARYLAND STATE AND DISTRICT OF COLUMBIA AFL-CIO; AND

(9) A REPRESENTATIVE OF THE ACADEMIC PROFESSION WHO IS KNOWLEDGEABLE IN UNEMPLOYMENT INSURANCE LAW, DESIGNATED JOINTLY BY THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF DELEGATES.

(C) THE MEMBERS OF THE COMMITTEE SERVE AT THE PLEASURE OF THE PRESIDING OFFICER WHO APPOINTED THEM.

(D) THE PRESIDENT AND THE SPEAKER SHALL APPOINT A SENATOR AND A DELEGATE, RESPECTIVELY, EACH TO SERVE AS CO-CHAIRMAN.

(E) (1) THE COMMITTEE SHALL EXAMINE THE CONDITION OF THE UNEMPLOYMENT INSURANCE SYSTEM IN THE STATE AS A RESULT OF THE IMPLEMENTATION OF THIS ACT.

(2) THE COMMITTEE MAY EXAMINE THE NEED FOR ADDITIONAL ALTERATIONS TO THE UNEMPLOYMENT INSURANCE SYSTEM, INCLUDING THE CHARGING AND TAXATION PROVISIONS AND THE ELIGIBILITY AND BENEFIT PROVISIONS, IN CONSIDERATION OF THE FAIRNESS OF THE SYSTEM AND IN ORDER TO MAINTAIN THE UNEMPLOYMENT INSURANCE TRUST FUND AT A LEVEL SUFFICIENT TO ENSURE THAT BENEFITS WILL BE PAID FROM THE FUND.

(F) (1) THE DEPARTMENT OF LEGISLATIVE SERVICES SHALL PROVIDE STAFFING FOR THE COMMITTEE.

(Unofficial Copy of LR 1434)

(2) THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION SHALL REPORT TO THE COMMITTEE ON THE CONDITION OF UNEMPLOYMENT INSURANCE IN THE STATE.

(G) A MEMBER OF THE COMMITTEE MAY NOT RECEIVE COMPENSATION FOR SERVING ON THE COMMITTEE, BUT IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

(H) THE COMMITTEE SHALL REPORT ITS PRELIMINARY FINDINGS AND RECOMMENDATIONS ON OR BEFORE DECEMBER 31, 2005 AND ITS FINAL FINDINGS AND RECOMMENDATIONS ON OR BEFORE DECEMBER 31, 2006 TO THE GOVERNOR AND, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY.

SECTION 4. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall take effect January 1, 2006 and shall apply to tax contributions due which are based on taxable wages for calendar years beginning on January 1, 2006.

SECTION 5. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect October 1, 2005 and shall apply to all claims filed establishing a new benefit year on or after on or after October 2, 2005.

SECTION 6. AND BE IT FURTHER ENACTED, That except as provided in Sections 4 and 5 of this Act, this Act shall take effect July 1, 2005. Section 3 of this Act shall remain effective for a period of 1 year and 6 months and, at the end of December 31, 2006, with no further action required by the General Assembly, Section 3 of this Act shall be abrogated and of no further force and effect.

Appendix A

By: **Senators Middleton, Exum, and Kelley**
Introduced and read first time: January 30, 2004
Assigned to: Finance

Committee Report: Favorable
Senate action: Adopted
Read second time: March 19, 2004

CHAPTER _____

1 AN ACT concerning

2 **Unemployment Insurance Funding Task Force - Extension**

3 FOR the purpose of extending the termination date of the Unemployment Insurance
4 Funding Task Force; extending the date by which a certain report is due; and
5 generally relating to unemployment insurance.

6 BY repealing and reenacting, with amendments,
7 Chapter 269 of the Acts of the General Assembly of 2003
8 Section 1(h) and 2

9 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
10 MARYLAND, That the Laws of Maryland read as follows:

11 **Chapter 269 of the Acts of 2003**

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
13 MARYLAND, That:

14 (h) On or before December [1, 2003] 31, 2004, the Task Force shall report its
15 findings and recommendations, subject to § 2-1246 of the State Government Article,
16 to the General Assembly.

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
18 June 1, 2003. It shall remain effective for a period of 1 YEAR AND 7 months and, at the
19 end of December 31, [2003] 2004, with no further action required by the General
20 Assembly, this Act shall be abrogated and of no further force and effect.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 June 1, 2004.

SENATE BILL 765

Unofficial Copy
K2

2003 Regular Session
(3lr2672)

ENROLLED BILL
-- Finance/Economic Matters --

Introduced by **Senator Middleton**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Scaled with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Unemployment Insurance Funding Task Force**

3 FOR the purpose of establishing an Unemployment Insurance Funding Task Force;
4 providing for the membership and duties of the Task Force; providing for the
5 appointment of a chairperson of the Task Force; providing for staffing of the
6 Task Force; prohibiting a member of the Task Force from receiving certain
7 compensation; authorizing a member of the Task Force to receive
8 reimbursement for certain expenses; requiring the Task Force to report to the
9 Governor and the General Assembly on or before a certain date; providing for
10 the termination of this Act; and generally relating to the establishment of an
11 Unemployment Insurance Funding Task Force.

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
13 MARYLAND, That:

14 (a) There is an Unemployment Insurance Funding Task Force to study
15 taxation and charging for purposes of funding the Unemployment Insurance Trust
16 Fund.

1 (b) The Task Force shall consist of the following ~~10~~ 11 members:

2 (1) two members of the Senate, appointed by the President of the Senate;

3 (2) two members of the House of Delegates, appointed by the Speaker of
4 the House;

5 (3) the Secretary of the Department of Labor, Licensing, and Regulation,
6 or the Secretary's designee;

7 (4) the Secretary of the Department of Business and Economic
8 Development, or the Secretary's designee;

9 (5) a representative of the Maryland Retailers Association, designated by
10 the Maryland Retailers Association;

11 (6) ~~a member of the general public~~ representative of the Job
12 Opportunities Task Force, designated by the Job Opportunities Task Force;

13 (7) ~~a representative of union labor; and employees union labor,~~
14 designated jointly by the President of the Senate and the Speaker of the House of
15 Delegates by the Maryland State and District of Columbia AFL-CIO;

16 (8) a representative of the Maryland Chamber of Commerce, designated
17 by the Maryland Chamber of Commerce; and

18 (9) a representative of the academic profession who is knowledgeable in
19 unemployment insurance law, designated jointly by the President of the Senate and
20 the Speaker of the House of Delegates.

21 (c) The President of the Senate and the Speaker of the House jointly shall
22 appoint the member of the general public, and shall jointly designate the chairperson
23 from among the members of the Task Force. co-chairs from among the Senate and
24 House members appointed to the Task Force.

25 (d) The Task Force shall examine:

26 (1) the fairness of the existing charging and taxation system under
27 current Maryland Unemployment Insurance law, taking into consideration the
28 impact on small, medium, and large employers across a variety of industries;

29 (2) the fairness of the existing eligibility and benefit provisions under
30 current Maryland Unemployment Insurance law;

31 (2) (3) the need for altering the current system of charging and
32 taxation in order to maintain the Unemployment Insurance Trust Fund at a level
33 sufficient to ensure that benefits will be paid from the Fund; and

34 (3) (4) the impact of changes in the national and State economies and
35 their relationship to changes in the Unemployment Insurance Trust Fund.

1 (e) The Task Force shall make specific recommendations, including
2 developing draft legislation, on what steps might be taken to ensure that payments
3 into the Unemployment Insurance Trust Fund remain adequate and equitable for
4 both employees and employers.

5 (f) The Department of Legislative Services, ~~with assistance from~~ in
6 consultation with the Department of Labor, Licensing, and Regulation, shall provide
7 staffing for the Task Force.

8 (g) A member of the Task Force may not receive compensation for serving on
9 the Task Force, but is entitled to reimbursement for expenses under the Standard
10 State Travel Regulations, as provided in the State budget.

11 (h) On or before December 1, 2003, the Task Force shall report its findings and
12 recommendations ~~to the Governor and~~, subject to § 2-1246 of the State Government
13 Article, to the General Assembly.

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
15 June 1, 2003. It shall remain effective for a period of 7 months and, at the end of
16 December 31, 2003, with no further action required by the General Assembly, this Act
17 shall be abrogated and of no further force and effect.

Appendix B

UNEMPLOYMENT INSURANCE ACTIVITIES COMPARISON

FISCAL YEARS 1993, 2001, 2002 and 2003

	FY 2003	FY 2002	FY 2001	FY 1993
Initial Claims (new and addl.)	259,565	253,630	202,384	306,241
Weeks Claimed	2,460,210	2,440,320	1,681,101	2,887,361
Claimants Receiving Benefits	133,010	132,019	102,425	128,932
Amount of Benefits Paid	\$518,664,531	\$475,365,528	\$313,246,727	\$395,001,161
Avg. Duration of Benefits (weeks)	16.1	15.2	13.7	17.0
Avg. Weekly Benefit Amount	\$246	\$240	\$226	\$181
Exhaustion Rate	36.5%	32.8%	26.2%	26.5%
Unemployment Rate (annual avg.)	4.3%	4.6%	3.9%	6.2%
Employers' Tax Receipts	\$260,112,000	\$246,789,122	\$267,442,041	\$393,732,497
				(inc. surtax of 2.2% for 7/1-12/31/92 & 1.7% for 1993)

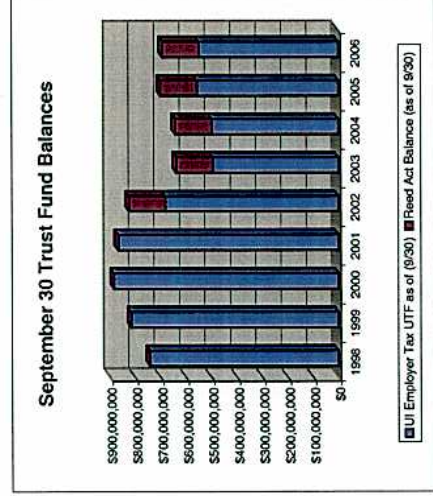
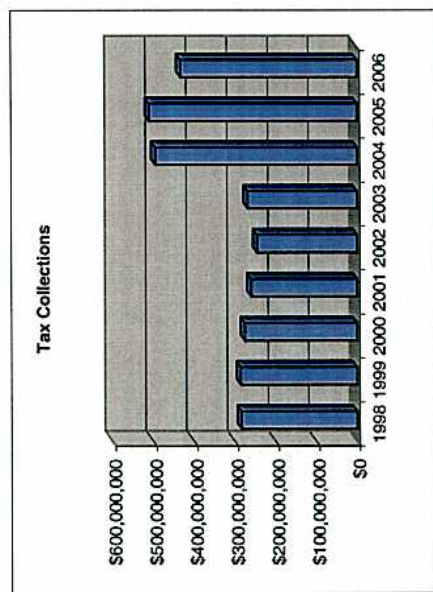
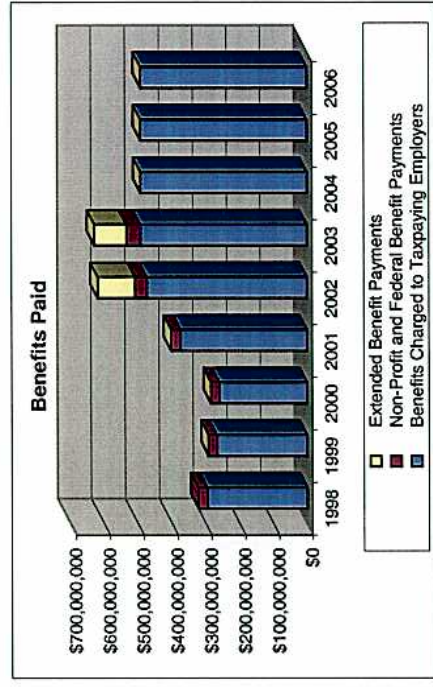
TWELVE MONTH PERIOD ENDING MARCH 31, 2003 AND MARCH 31, 2002

	2003	2002
Initial Claims (new and addl.)	277,097	263,230
Weeks Claimed	2,566,417	2,200,841
Claimants Receiving Benefits	132,147	130,149
Amount of Benefits Paid	\$504,507,000	\$437,884,000
Ave. Duration of Benefits (weeks)	16	14.4
Ave. Weekly Benefit Amount	\$245	\$238
Exhaustion Rate	36.5%	31.5%
Unemployment Rate (12 mos. avg.)	4.3%	4.4%
Employers' Tax Receipts	\$272,344,000	\$276,312,000

State of Maryland - Department of Labor, Licensing and Regulation - Office of Unemployment Insurance
FISCAL PROJECTIONS FOR THE OFFICE OF UNEMPLOYMENT INSURANCE
CALENDAR YEARS

January 27, 2004

	1998	1999	2000	2001	2002	2003 (Estimated) (Actual thru Nov.)	2004 (Estimated)	2005 (Estimated)	2006 (Estimated)
Revenue:									
Tax Collections	\$284,349,738	\$285,942,378	\$275,717,303	\$259,569,643	\$245,660,793	\$268,649,647	\$495,078,987	\$510,004,518	\$433,343,944
Penalty & Interest	\$2,761,199	\$2,898,321	\$2,488,536	\$4,150,830	\$2,970,896	\$3,166,327	\$0	\$0	\$0
Non-Profit and Federal Reimbursement	\$26,397,882	\$24,161,332	\$24,797,988	\$28,428,469	\$33,588,720	\$37,518,651	\$0	\$0	\$0
Extended Benefit Federal Reimbursement	\$0	\$0	\$0	\$0	\$104,818,000	\$93,553,000	\$0	\$0	\$0
Reed Act Distributions	\$280,456	\$2,038,124	\$1,990,835	\$2,009,680	\$142,929,005	\$0	\$0	\$0	\$0
Interest Earned on Trust Fund Deposits	\$49,167,724	\$64,560,130	\$56,133,087	\$56,513,769	\$53,214,575	\$41,659,892	\$36,097,738	\$39,560,712	\$40,784,606
Total Revenue	\$362,957,000	\$379,600,284	\$361,127,749	\$350,672,390	\$583,181,990	\$444,547,517	\$531,176,726	\$549,565,230	\$474,128,550
Disbursements:									
Benefits Charged to Taxpaying Employers	\$295,807,177	\$268,184,020	\$260,197,088	\$374,290,186	\$474,107,885	\$492,109,306	\$492,109,306	\$492,109,306	\$492,109,306
Non-Profit and Federal Benefit Payments	\$27,195,958	\$24,431,025	\$25,376,377	\$28,475,441	\$34,853,051	\$42,337,662	\$0	\$0	\$0
Extended Benefit Payments	(\$12,875)	\$0	\$0	\$0	\$109,694,486	\$94,202,733	\$0	\$0	\$0
Reed Act Funds Withdrawn	\$2,761,199	\$2,898,321	\$2,488,536	\$4,150,830	\$2,970,896	\$6,319,250	\$0	\$0	\$0
Transfer to SAEF	\$4,456,716	\$4,967,965	\$8,506,665	\$9,039,992	\$6,535,032	\$3,166,327	\$0	\$0	\$0
Employer Tax Refunds						\$5,077,264	\$0	\$0	\$0
Total Disbursements	\$330,208,174	\$300,481,331	\$296,568,666	\$415,956,448	\$628,161,349	\$643,212,542	\$492,109,306	\$492,109,306	\$492,109,306
December 31 Trust Fund Balance	\$735,150,717	\$814,269,670	\$878,828,753	\$813,544,695	\$768,565,335	\$569,900,310	\$608,967,730	\$666,423,654	\$648,442,898
Reed Act Funds Available W/O Affecting Surcharge	\$0	\$0	\$0	\$0	\$31,941	\$0	\$0	\$0	\$0
Taxable Wages used in 9/30/XX calculation	\$15,977,642,294	\$16,589,657,283	\$17,394,834,305	\$17,960,742,059	\$17,680,766,876	\$17,584,498,455	\$17,539,943,604	\$17,539,943,604	\$17,539,943,604
Reed Act Balance (as of 9/30)	\$0	\$0	\$0	\$0	\$142,929,005	\$142,928,850	\$142,928,850	\$142,928,850	\$142,928,850
UI Employer Tax UTF as of (9/30)	\$741,627,857	\$815,851,707	\$882,823,375	\$866,946,938	\$681,779,884	\$495,574,680	\$499,266,190	\$557,388,803	\$549,936,633
September 30 Trust Fund Balance	\$741,627,857	\$815,851,707	\$882,823,375	\$866,946,938	\$824,708,889	\$638,503,530	\$642,195,040	\$700,317,653	\$692,865,483
Surtax	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.10%	1.10%	0.80%
Surtax (Implied W/O Reed Act Distributions)	0.00%	0.00%	0.00%	0.00%	0.00%	0.80%	1.90%	1.90%	1.70%



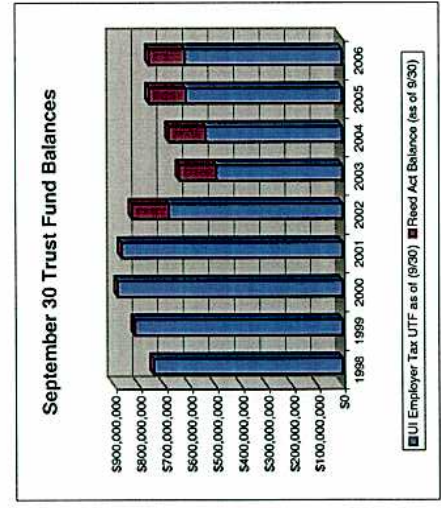
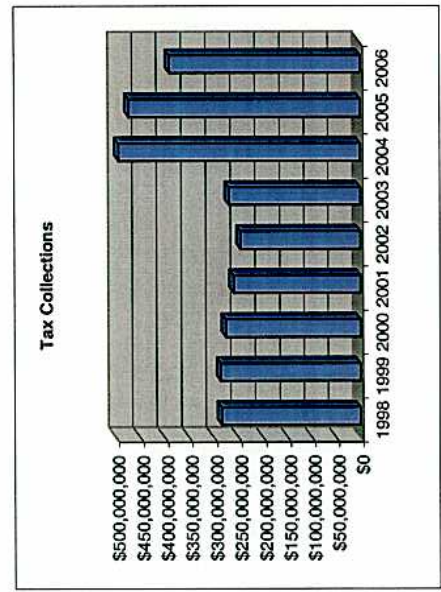
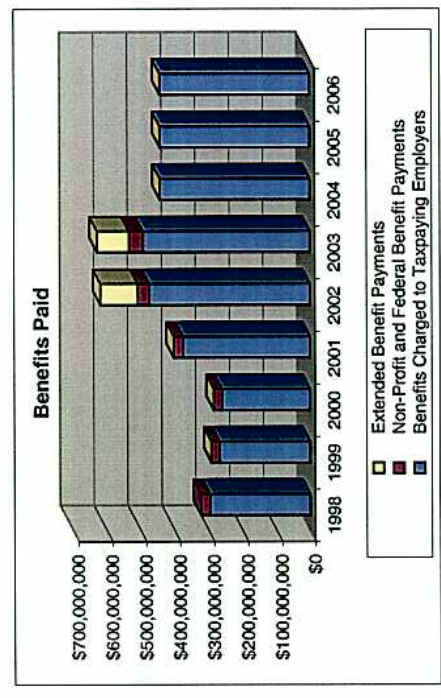
Assumptions for Projected Data:
 1. Benefits for calendar years 2004, 2005 and 2006 remain at 2003 levels
 2. Taxable wages for calendar years 2004, 2005 and 2006 remain at 2004 levels.

State of Maryland - Department of Labor, Licensing and Regulation - Office of Unemployment Insurance
FISCAL PROJECTIONS FOR THE OFFICE OF UNEMPLOYMENT INSURANCE
 CALENDAR YEARS

January 27, 2004

	1998	1999	2000	2001	2002	2003 (Estimated) (Actual thru Nov.)	2004 (Estimated)	2005 (Estimated)	2006 (Estimated)
Revenue:									
Tax Collections	\$284,349,738	\$285,942,378	\$275,717,303	\$259,569,643	\$245,660,793	\$268,626,828	\$493,051,670	\$472,620,324	\$389,653,301
Penalty & Interest	\$2,761,199	\$2,898,321	\$2,488,536	\$4,150,830	\$2,970,896	\$3,166,327	\$0	\$0	\$0
Non-Profit and Federal Reimbursement	\$26,397,882	\$24,161,332	\$24,797,988	\$28,428,469	\$33,588,720	\$37,518,651	\$0	\$0	\$0
Extended Benefit Federal Reimbursement	\$0	\$0	\$0	\$0	\$104,818,000	\$93,553,000	\$0	\$0	\$0
Reed Act Distributions	\$280,456	\$2,038,124	\$1,990,835	\$2,009,680	\$142,929,005	\$0	\$0	\$0	\$0
Interest Earned on Trust Fund Deposits	\$49,167,724	\$64,560,130	\$56,133,087	\$56,513,769	\$53,214,575	\$41,659,892	\$37,480,202	\$42,859,413	\$44,719,751
Total Revenue	\$362,957,000	\$379,600,284	\$361,127,749	\$350,672,390	\$583,181,990	\$444,524,698	\$530,531,872	\$515,479,736	\$434,373,052
Disbursements:									
Benefits Charged to Taxpaying Employers	\$295,807,177	\$268,184,020	\$260,197,088	\$374,290,186	\$474,107,885	\$492,109,306	\$442,898,375	\$442,898,375	\$442,898,375
Non-Profit and Federal Benefit Payments	\$27,195,958	\$24,431,025	\$25,376,377	\$28,475,441	\$34,853,051	\$42,337,662	\$0	\$0	\$0
Extended Benefit Payments	(\$12,875)	\$0	\$0	\$0	\$109,694,486	\$94,202,733	\$0	\$0	\$0
Reed Act Funds Withdrawn	\$0	\$0	\$0	\$0	\$0	\$6,319,250	\$0	\$0	\$0
Transfer to SAEF	\$2,761,199	\$2,898,321	\$2,488,536	\$4,150,830	\$2,970,896	\$3,166,327	\$0	\$0	\$0
Employer Tax Refunds	\$4,456,716	\$4,967,965	\$8,506,665	\$9,039,992	\$6,535,032	\$5,077,264	\$0	\$0	\$0
Total Disbursements	\$330,208,174	\$300,481,331	\$296,568,666	\$415,956,448	\$628,161,349	\$643,212,542	\$442,898,375	\$442,898,375	\$442,898,375
December 31 Trust Fund Balance	\$735,150,717	\$814,269,670	\$878,828,753	\$813,544,695	\$768,565,335	\$569,877,491	\$657,510,988	\$730,092,349	\$721,567,025
Reed Act Funds Available W/O Affecting Surcharge	\$0	\$0	\$0	\$0	\$31,941	\$0	\$0	\$0	\$0
Taxable Wages used in 9/30/XX calculation	\$15,977,642,294	\$16,589,657,283	\$17,394,834,305	\$17,960,742,059	\$17,680,766,876	\$17,584,498,455	\$17,812,970,931	\$18,169,230,350	\$18,532,614,957
Reed Act Balance (as of 9/30)	\$0	\$0	\$0	\$0	\$142,929,005	\$142,928,850	\$142,928,850	\$142,928,850	\$142,928,850
UI Employer Tax UTF as of (9/30)	\$741,627,857	\$815,851,707	\$882,823,375	\$866,946,938	\$681,779,884	\$495,574,680	\$536,829,224	\$614,421,259	\$616,285,782
September 30 Trust Fund Balance	\$741,627,857	\$815,851,707	\$882,823,375	\$866,946,938	\$824,708,889	\$638,503,530	\$679,758,074	\$757,350,109	\$759,214,631
Surtax	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.10%	0.90%	0.60%
Surtax (Implied W/O Reed Act Distributions)	0.00%	0.00%	0.00%	0.00%	0.00%	0.80%	1.90%	1.70%	1.40%

51



Assumptions for Projected Data:
 1. Benefits for Calendar year 2004 decrease by 10%
 2. Taxable wages for calendar years 2004 and 2005 increase by 2%

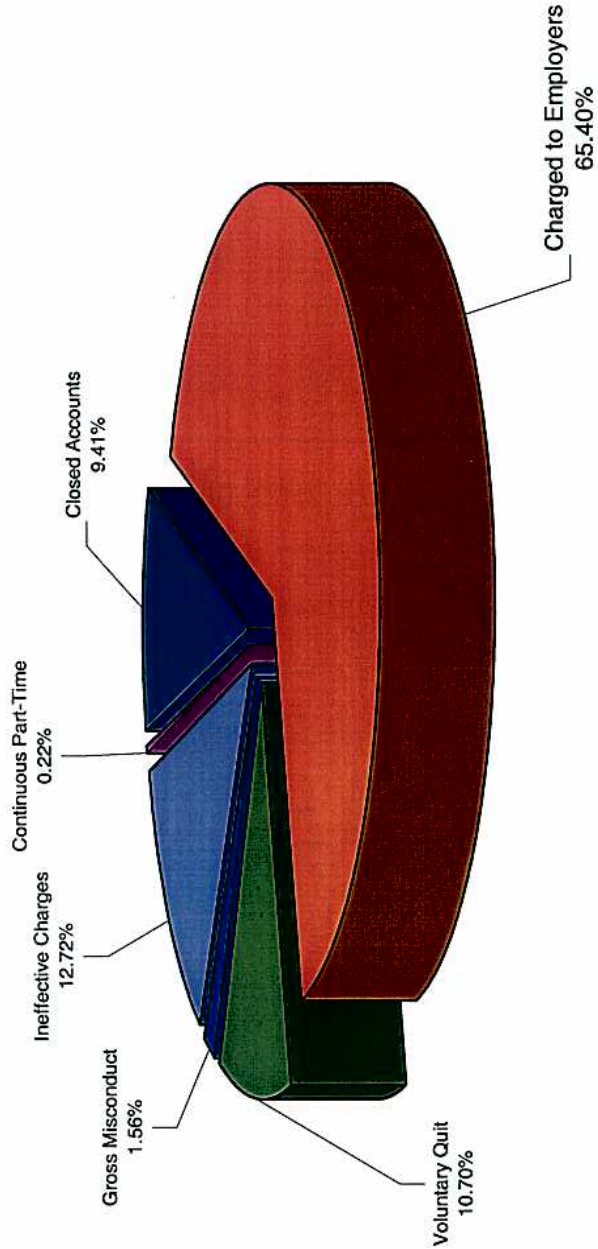
UNEMPLOYMENT INSURANCE STATISTICS - REGIONAL COMPARISON
(Fiscal Year 2003 except as noted)

	Data is Based on Fiscal Year 2003	Maryland	North Carolina	Pennsylvania	Virginia	District of Columbia	Delaware	West Virginia
A	2004 Tax Rates	1.4% - 8.6% <i>1.1% 1.5%</i>	0% - 5.7%	2.0080-10.2624%	.44 - 6.54%	1.6 - 7.0%	.3%-8.2%	1.5%-8.5%
B	Taxable Wage Base for 2004	\$8,500	\$16,200	\$8,000	\$8,000	\$9,000	\$8,500	\$8,000
C	Covered Employment	2,299,000	3,691,000	5,397,000	3,259,000	458,000	397,000	661,000
D	Total Wages	\$87,455,107,000	\$119,805,263,000	\$191,715,790,000	\$118,138,347,000	\$24,630,522,000	\$15,696,485,000	\$18,480,202,000
E	Taxable Wages	\$17,680,766,876	\$44,250,142,000	\$37,595,456,000	\$24,851,532,000	\$3,823,257,000	\$3,071,101,000	\$4,490,305,000
F	Avg. Weekly Wage	\$731.52	\$624.17	\$683.18	\$697.12	\$1,033.97	\$760.97	\$ 537.52
G	Maximum Weekly Benefit Amount	\$310	\$416	\$461	\$316	\$309	\$330	\$351
H	Waiting Week	NO	YES	YES	YES	YES	NO	YES
I	Duration of Benefits	26 weeks	13-26 weeks	16-26 weeks	12-26 weeks	19-26 weeks	18-26 weeks	26 weeks
J	Average Duration	16.1 weeks	13.0 weeks	17.1 weeks	13.9 weeks	20.3 weeks	15.2 weeks	14.8 weeks
K	Dependents' Allow.	YES	NO	YES	NO	NO	NO	NO
L	Sick Claims	YES	NO	NO	NO	NO	YES	NO
M	Average Weeks Claimed (weekly)	49,339	107,719	215,928	53,043	7,584	9,387	19,078
N	Benefits Paid	\$518,664,531	\$1,206,404,000	\$2,716,936,000	\$697,327,000	\$116,844,000	\$115,978,000	\$175,991,000
O	Exhaustion Rate	36.5%	38.1%	36.3%	41.0%	73.2%	30.6%	25.8%
P	Trust Fund Balance as of 12/31/2003	\$582,845,123	\$5,950,305	\$759,159,318	\$225,213,393	\$286,896,906	\$244,121,083	\$207,319,793
Q	Trust Fund Balance w/o Reed Act funds	\$439,945,123	Reed Act funds expended State bonds used to pay benefits	\$337,670,341	\$20,667,067	\$264,578,651	\$216,903,950	\$172,561,230

F/Y 2003 BENEFIT CHARGING SUMMARY
 SOURCE OF INFORMATION: RATING AUDIT REPORT

1	Charged to Employers	\$311,706,185	65.40%
2	Voluntary Quit	\$50,986,919	10.70%
3	Gross Misconduct	\$7,444,155	1.56%
4	Ineffective Charges	\$60,621,114	12.72%
5	Continuous Part-Time	\$1,057,722	0.22%
6	Closed Accounts	\$44,830,848	9.41%
	Total Chargeable Benefits F/Y 2003	\$476,646,943	100.00%
7	Reimbursable (Non-Profit & Federal)	\$47,981,258	
8	Extended Unemployment (Reimbursed by Federal Govt)	\$106,242,645	
	Total Benefits Paid F/Y 2003	\$630,870,846	

Chart of Chargeable Benefits
 State Fiscal Year 2003



FY 2004 BENEFIT CHARGING SUMMARY
SOURCE OF INFORMATION: RATING AUDIT REPORT

1	Charged to Employers	\$300,090,189	67.01 %
2	Voluntary Quit	\$47,236,331	10.55 %
3	Gross Misconduct	\$7,598,276	1.70 %
4	Ineffective Charges	\$43,087,161	9.62 %
5	Continuous Part-Time	\$954,514	0.21 %
6	Closed Accounts	\$48,853,936	10.91 %
	Total Chargeable Benefits FY 2004	\$447,820,407	100.00%
7	Reimbursable (Non-Profit & Federal)	\$64,371,207	
8	Extended Unemployment (Reimbursed by Federal Govt)	\$68,511,480	
	Total Benefits Paid FY 2004	\$580,703,094	

**Chart of Chargeable Benefits
State Fiscal Year 2004**

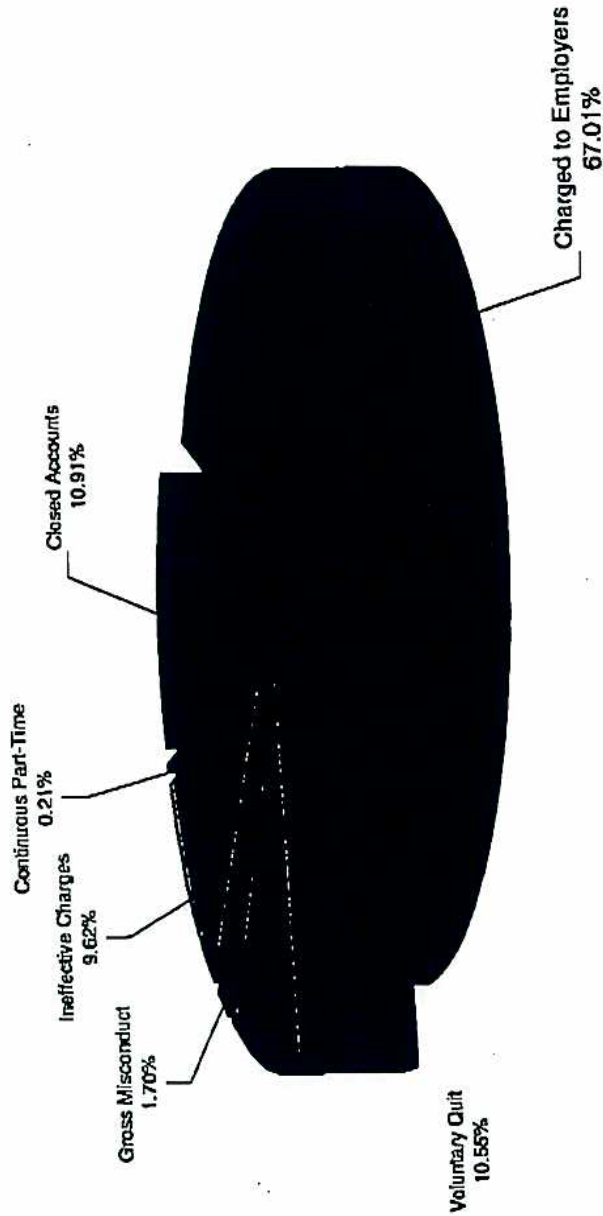


Chart of Taxes Collected, Benefits Paid & the Effect on Trust Fund and Surcharge Trigger

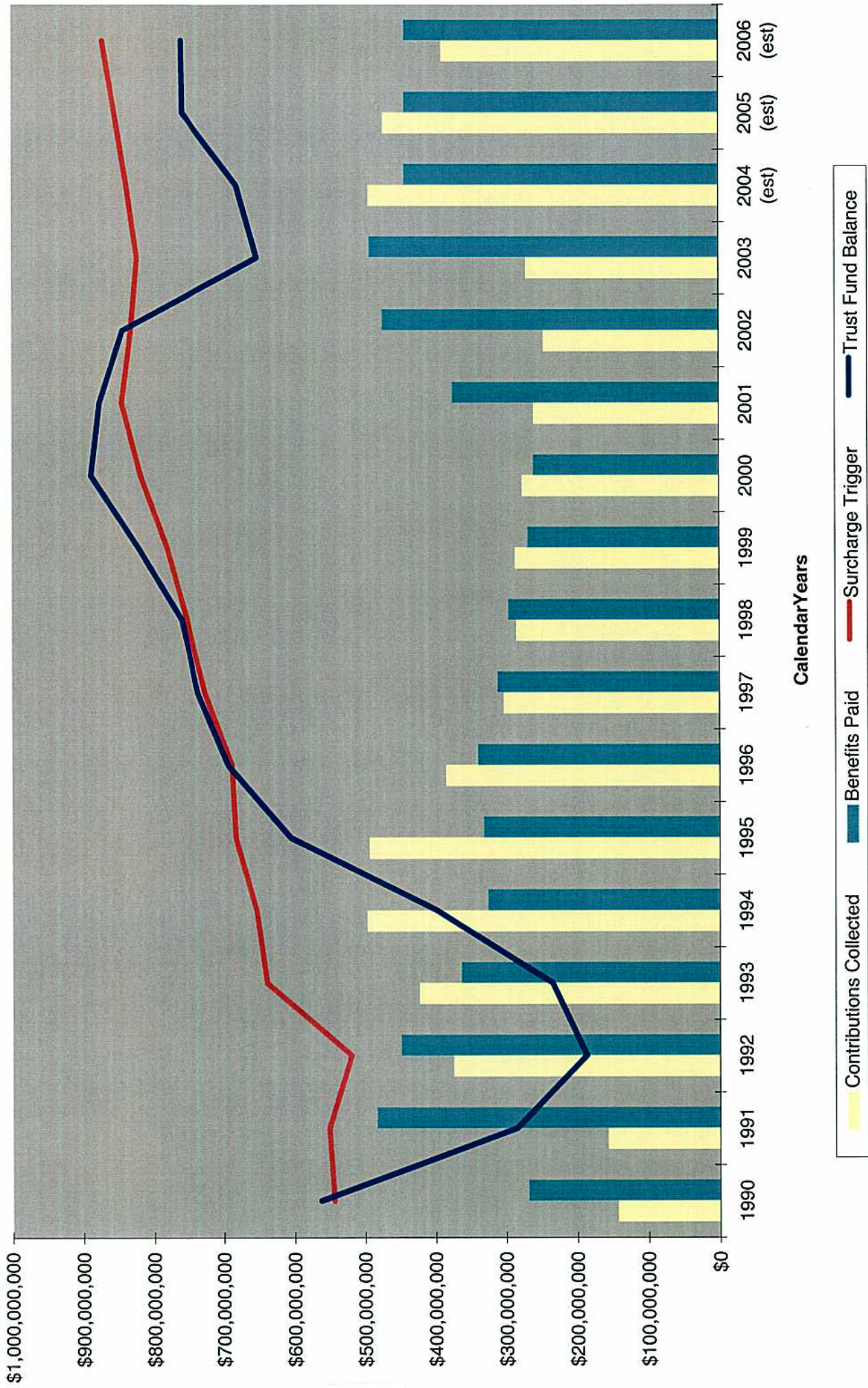


Chart Assumptions: Benefits Paid for 2004, 2005 and 2006 are 10% less than the 2003 levels.

**STATE OF MARYLAND
CIVILIAN LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT BY PLACE OF RESIDENCE - JUNE 2004**

Area	Civilian Labor Force		Employment		Unemployment		Unemployment Rate	
	June 2004	May 2004*	June 2004	May 2004*	June 2004	May 2004*	June 2004	May 2004*
Seasonally Adjusted								
Maryland	2,944,626	2,954,376	2,828,583	2,837,761	116,043	116,615	3.9	3.9
United States**	147,279,000	146,974,000	139,031,000	138,772,000	8,248,000	8,203,000	5.6	5.6
Not Seasonally Adjusted								
Maryland	2,985,586	2,940,341	2,861,304	2,829,511	124,282	110,830	4.2	3.8
Baltimore Metropolitan Area	1,376,558	1,356,525	1,309,992	1,297,793	66,566	58,732	4.8	4.3
Baltimore City	296,532	290,402	270,639	268,119	25,893	22,283	8.7	7.7
Anne Arundel	271,348	267,626	262,046	259,605	9,302	8,021	3.4	3.0
Baltimore	423,291	417,620	404,050	400,287	19,241	17,333	4.5	4.2
Carroll	86,669	85,668	84,227	83,442	2,442	2,226	2.8	2.6
Harford	120,660	119,128	115,870	114,791	4,790	4,337	4.0	3.6
Howard	155,466	153,715	151,269	149,860	4,197	3,855	2.7	2.5
Queen Anne's	22,591	22,365	21,891	21,688	700	677	3.1	3.0
D.C. Area	1,223,327	1,206,867	1,182,000	1,170,544	41,327	36,323	3.4	3.0
Calvert	42,339	41,749	41,170	40,771	1,169	978	2.8	2.3
Charles	67,525	66,571	65,408	64,774	2,117	1,797	3.1	2.7
Frederick	112,970	111,502	109,690	108,627	3,280	2,875	2.9	2.6
Montgomery	518,640	512,380	505,835	500,932	12,805	11,448	2.5	2.2
Prince George's	481,854	474,665	459,897	455,440	21,957	19,225	4.6	4.1
Western Maryland	119,244	117,925	113,541	112,730	5,703	5,195	4.8	4.4
Allegany	32,537	32,206	30,348	30,143	2,189	2,063	6.7	6.4
Garrett	14,588	14,093	13,840	13,415	748	678	5.1	4.8
Washington	72,119	71,626	69,353	69,172	2,766	2,454	3.8	3.4
Talbot-Caroline LMA	38,850	37,917	37,434	36,501	1,416	1,416	3.6	3.7
Caroline	17,853	17,424	17,061	16,636	792	788	4.4	4.5
Talbot	20,997	20,493	20,373	19,865	624	628	3.0	3.1
Wicomico-Somerset LMA	62,919	62,232	60,158	59,675	2,761	2,557	4.4	4.1
Somerset	11,807	11,650	11,090	11,001	717	649	6.1	5.6
Wicomico	51,112	50,582	49,068	48,674	2,044	1,908	4.0	3.8
Balance of State	164,690	158,876	158,180	152,269	6,510	6,607	4.0	4.2
Cecil	43,429	43,086	41,636	41,127	1,793	1,959	4.1	4.5
Dorchester	15,877	15,591	14,778	14,438	1,099	1,153	6.9	7.4
Kent	11,084	10,864	10,784	10,546	300	318	2.7	2.9
St. Mary's	62,404	60,896	60,656	59,413	1,748	1,483	2.8	2.4
Worcester	31,896	28,439	30,326	26,745	1,570	1,694	4.9	6.0
United States**	148,478,000	146,659,000	139,861,000	138,867,000	8,616,000	7,792,000	5.8	5.3
								6.5

*Estimates are revised. **Source: U.S. Department of Labor, Bureau of Labor Statistics.
NOTE: Figures may not add due to rounding. These are estimates relating to the week of the 12th of each month. The count is of persons not jobs.
SOURCE: Maryland Department of Labor, Licensing and Regulation, Office of Labor Market Analysis and Information

Naics Code	Description	A Number of Employers	B FY 2003 Wages	C FY 2002 Wages	D FY 2001 Wages	E Rating Year 2004 Wages	F FY 2003 Charges	G FY 2002 Charges	H FY 2001 Charges	I Rating Year 2004 Charges	J Experience Ratio	K Experience Rate
11	Agriculture, Forestry, Fishing and Hunting	136	\$1,082,257	\$2,514,025	\$3,686,232	\$7,282,514	\$48,635	\$158,061	\$170,655	\$377,350	0.0518	7.20%
21	Mining	25	\$129,322	\$483,068	\$1,325,151	\$1,937,541	\$70,660	\$72,882	\$77,325	\$220,867	0.1140	8.60%
22	Utilities	28	\$101,920	\$953,617	\$9,599,444	\$10,654,981	\$157,311	\$94,778	\$103,436	\$355,525	0.0334	5.20%
23	Construction	4,605	71,876,423.91	149,983,392.97	238,678,161.64	\$460,537,979	\$6,740,168	\$10,714,014	\$8,217,567	\$27,671,748	0.0601	8.10%
31	Manufacturing - Food, Beverage & Textile	231	\$6,076,390	\$26,378,067	\$56,086,763	\$88,541,220	\$1,413,568	\$1,930,705	\$2,647,095	\$5,991,368	0.0677	8.60%
32	Manufacturing - Paper, Wood, Printing, Petroleum	432	\$29,028,911	\$52,555,978	\$77,455,808	\$159,040,698	\$2,852,006	\$4,315,501	\$2,174,492	\$9,341,999	0.0587	8.00%
33	Manufacturing - Metal, machinery, Computer, Electrical	570	\$68,045,968	\$76,144,846	\$143,563,818	\$287,754,632	\$7,018,108	\$6,701,490	\$3,453,924	\$17,173,523	0.0597	8.10%
42	Wholesale Trade	3,179	\$67,559,482	\$135,033,810	\$194,706,053	\$397,299,345	\$7,740,147	\$8,413,596	\$3,570,001	\$19,723,743	0.0496	7.00%
44	Retail Trade - Auto, furniture, Electronics, Food, Gas, Clothing	3,005	\$86,041,774	\$138,884,233	\$220,771,168	\$445,697,176	\$4,558,852	\$5,109,619	\$4,487,016	\$14,155,487	0.0318	5.00%
45	Retail Trade - Sporting Goods, Music, Books, General Merchandise	1,262	71,120,017.87	83,305,437.54	122,787,120.01	\$277,212,575	\$2,302,833	\$4,085,762	\$3,272,482	\$9,661,077	0.0349	5.30%
48	Transportation - Air, Rail, Water, Truck, Transit, Pipeline, Support Svcs	1,137	\$21,874,980	\$39,797,562	\$55,967,657	\$117,640,200	\$2,833,926	\$2,768,640	\$2,034,399	\$7,636,965	0.0649	8.60%
49	Transportation - Postal, Couriers, Warehousing and Storage	152	\$2,840,498	\$5,233,643	\$17,205,470	\$25,279,611	\$228,252	\$1,080,040	\$402,210	\$1,710,502	0.0677	8.60%
51	Information - Publishing, Motion Picture, Broadcasting, Internet, Telecommunicat	1,134	\$17,956,523	\$44,619,590	\$149,536,961	\$212,113,073	\$4,404,096	\$7,245,712	\$3,468,671	\$15,118,479	0.0713	8.60%
52	Finance and Insurance	1,478	\$97,968,375	\$145,241,822	\$198,884,045	\$442,094,241	\$4,406,612	\$4,197,487	\$3,864,447	\$12,468,546	0.0282	4.60%
53	Real Estate and Rental Leasing	1,270	\$13,128,951	\$29,356,793	\$55,260,964	\$97,746,708	\$1,338,686	\$1,782,994	\$1,183,622	\$4,305,301	0.0440	6.30%
54	Professional and Technical Services	6,827	\$113,049,733	\$196,946,455	\$359,700,725	\$669,696,913	\$10,797,035	\$15,546,814	\$8,233,931	\$34,577,780	0.0516	7.20%
55	Management of Companies and Enterprises	68	\$910,806	\$2,135,722	\$2,630,244	\$5,676,771	\$80,900	\$68,293	\$41,882	\$191,076	0.0337	5.20%
56	Administrative and Waste Services	3,208	\$113,778,512	\$249,131,912	\$414,896,949	\$777,807,373	\$11,414,259	\$14,196,361	\$10,326,109	\$35,936,728	0.0462	6.60%
61	Educational Services	405	\$5,831,389	\$9,606,745	\$16,416,824	\$31,854,959	\$353,818	\$1,061,144	\$539,727	\$1,954,688	0.0614	8.30%
62	Health Care and Social Assistance	2,088	\$76,834,015	\$122,069,098	\$172,063,613	\$370,966,726	\$2,251,112	\$3,027,901	\$2,647,563	\$7,926,576	0.0214	3.80%
71	Arts, Entertainment and Recreation	529	\$9,010,365	\$15,397,131	\$19,966,010	\$44,373,507	\$592,256	\$738,332	\$800,641	\$2,131,228	0.0480	6.80%
72	Accommodation and Food Services	2,852	\$78,528,546	\$160,020,923	\$278,726,785	\$517,277,254	\$4,607,273	\$6,876,939	\$5,765,131	\$17,249,343	0.0333	5.10%
81	Other Services, except for Public Administration	7,371	\$47,898,506	\$81,824,343	\$110,019,953	\$239,742,801	\$2,940,438	\$2,741,086	\$2,378,109	\$8,059,633	0.0336	5.20%
92	Public Administration	3	\$0	\$13,289	\$35,479	\$48,768	\$0	\$0	\$0	\$0	0.0000	0.00%
99	Unclassified	3,035	\$14,421,806	\$45,858,520	\$73,942,565	\$134,222,891	\$1,680,489	\$3,568,490	\$3,387,559	\$8,636,538	0.0643	8.60%
	Totals	45,030	\$1,015,096,472	\$1,813,490,022	\$2,993,913,961	\$5,822,500,456	\$82,831,437	\$106,496,642	\$73,247,992	\$262,576,070	0.0451	6.50%

NAICS Code	Description	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
		Number of Employers	FY 2003 Wages	FY 2002 Wages	FY 2001 Wages	Rating Year 2004 Wages	FY 2003 Charges	FY 2002 Charges	FY 2001 Charges	Rating Year 2004 Charges	Experience Ratio	Experience Rate	# of Employers at the Max Rate	%	Rating Year 2004 Wages at Max Rate	%	Rating Year 2004 Charges at Max Rate	%	Unassigned 2004 Rate
11	Agriculture, Forestry, Fishing and Hunting	587	\$53,373,547	\$53,642,512	\$44,368,250	\$151,384,309	\$644,266	\$683,983	\$569,060	\$2,207,289	0.0146	3.10%	38	6.47%	\$10,121,584	6.89%	\$993,702	45.02%	12.85%
21	Mining	75	\$12,681,781	\$13,026,346	\$12,349,284	\$38,057,391	\$457,532	\$219,112	\$222,426	\$699,070	0.0236	4.10%	15	20.00%	\$4,721,833	12.41%	\$616,352	68.55%	18.69%
22	Utilities	108	\$97,837,758	\$96,142,958	\$91,810,517	\$275,591,334	\$1,432,589	\$666,052	\$190,459	\$2,281,100	0.0083	2.40%	5	4.63%	\$494,250	0.18%	\$59,698	2.61%	15.47%
23	Construction	18,052	\$1,785,423,696	\$1,767,606,998	\$1,681,857,354	\$5,254,890,048	\$66,413,776	\$47,605,998	\$31,745,838	\$145,865,710	0.0278	4.50%	1,190	6.59%	\$57,178,606	11.03%	\$72,487,602	49.76%	18.07%
31	Manufacturing - Food, Beverage & Textile	644	\$274,856,522	\$275,981,077	\$277,929,576	\$828,767,176	\$8,007,170	\$5,768,048	\$4,230,513	\$18,005,731	0.0217	3.90%	50	7.76%	\$59,521,724	7.06%	\$7,419,524	41.17%	18.21%
32	Manufacturing - Paper, Wood, Printing, Petroleum	1,418	\$488,402,261	\$503,424,826	\$523,670,254	\$1,515,487,341	\$13,418,052	\$11,490,482	\$6,975,448	\$31,883,992	0.0210	3.80%	78	5.36%	\$65,504,572	4.32%	\$7,088,905	22.23%	13.80%
33	Manufacturing - Metal, machinery, Computer, Electrical	2,091	\$642,387,854	\$663,877,233	\$754,410,680	\$2,080,475,786	\$26,992,989	\$28,186,863	\$15,948,582	\$71,111,235	0.0342	5.20%	148	7.08%	\$362,054,763	17.40%	\$41,987,377	59.04%	14.87%
42	Wholesale Trade	9,152	\$902,526,078	\$881,083,862	\$888,382,282	\$2,672,012,022	\$18,654,560	\$17,315,155	\$10,260,079	\$47,228,793	0.0177	3.40%	391	4.27%	\$136,283,112	5.10%	\$15,445,260	32.70%	14.54%
44	Retail Trade - Auto, Furniture, Electronics, Food, Gas, Clothing	10,286	\$1,878,553,156	\$1,827,746,078	\$1,758,002,690	\$5,466,301,925	\$22,159,126	\$17,839,528	\$12,815,406	\$52,814,059	0.0097	2.50%	228	2.22%	\$54,422,887	1.00%	\$6,723,985	12.73%	15.82%
45	Retail Trade - Sporting Goods, Music, Books, General Merchandise	3,822	\$713,779,406	\$704,849,545	\$687,883,488	\$2,106,512,449	\$10,071,228	\$6,590,970	\$4,296,935	\$20,959,133	0.0099	2.60%	108	2.83%	\$51,728,041	2.46%	\$5,105,550	24.36%	12.71%
48	Transportation - Air, Rail, Water, Truck, Transit, Pipeline, Support Svcs	3,206	\$408,680,505	\$399,162,781	\$393,793,015	\$1,201,836,301	\$12,369,433	\$13,186,965	\$6,651,680	\$32,211,087	0.0268	4.40%	373	11.63%	\$148,717,751	12.46%	\$19,125,970	59.38%	16.34%
49	Transportation - Postal, Couriers, Warehousing and Storage	408	\$131,945,189	\$131,184,067	\$128,078,298	\$391,208,533	\$2,467,867	\$1,682,793	\$950,146	\$5,110,605	0.0131	2.90%	15	3.68%	\$12,169,215	3.11%	\$1,439,828	28.08%	15.10%
51	Information - Pub., Motion Picture, Broadcasting, Internet, Telecom.	2,264	\$458,166,386	\$483,808,341	\$506,065,533	\$1,448,040,261	\$11,852,946	\$4,796,230	\$4,796,230	\$32,277,537	0.0223	3.90%	103	4.55%	\$79,912,182	5.52%	\$8,965,726	27.78%	14.40%
52	Finance and Insurance	5,352	\$1,056,744,894	\$1,003,319,428	\$955,271,860	\$3,015,335,982	\$16,342,543	\$12,155,367	\$7,009,432	\$35,507,343	0.0118	2.80%	122	2.28%	\$37,152,054	1.23%	\$3,727,339	10.50%	12.82%
53	Real Estate and Rental Leasing	4,946	\$443,803,303	\$422,076,092	\$401,373,781	\$1,267,255,176	\$7,298,043	\$6,080,233	\$3,875,860	\$17,284,236	0.0136	3.00%	114	2.30%	\$22,760,869	1.80%	\$2,204,036	12.77%	12.48%
54	Professional and Technical Services	21,256	\$1,808,148,048	\$1,842,413,627	\$1,779,844,717	\$5,530,404,393	\$37,542,208	\$31,804,552	\$17,097,164	\$86,543,924	0.0156	3.20%	646	3.04%	\$206,409,067	3.75%	\$19,254,072	22.25%	12.04%
55	Management of Companies and Enterprises	152	\$16,501,478	\$13,228,435	\$13,115,714	\$42,845,628	\$454,047	\$286,727	\$101,046	\$841,819	0.0196	3.60%	2	1.32%	\$117,763	0.27%	\$11,066	1.31%	12.12%
56	Administrative and Waste Services	9,322	\$1,562,726,251	\$1,478,520,645	\$1,445,602,725	\$4,498,851,622	\$40,515,981	\$33,731,036	\$19,668,819	\$93,858,836	0.0209	3.80%	521	5.59%	\$248,144,828	5.53%	\$24,594,896	26.18%	12.76%
61	Educational Services	1,668	\$139,846,836	\$131,154,253	\$124,258,604	\$395,259,683	\$2,032,175	\$1,782,348	\$858,692	\$4,883,215	0.0119	2.80%	32	1.83%	\$7,626,877	1.83%	\$965,850	20.62%	16.20%
62	Health Care and Social Assistance	11,206	\$1,398,779,522	\$1,299,069,201	\$1,218,754,800	\$3,914,603,553	\$15,213,844	\$10,659,336	\$7,493,999	\$33,386,778	0.0085	2.40%	183	1.63%	\$30,786,867	0.79%	\$2,700,674	8.09%	11.34%
71	Arts, Entertainment and Recreation	2,079	\$245,254,082	\$237,326,322	\$227,311,172	\$709,894,575	\$4,651,390	\$3,776,619	\$2,933,866	\$11,381,878	0.0160	3.20%	54	2.60%	\$23,352,774	3.28%	\$2,822,738	24.84%	15.48%
72	Accommodation and Food Services	8,238	\$1,434,715,665	\$1,355,708,848	\$1,284,230,604	\$4,074,653,117	\$17,412,813	\$15,782,380	\$10,123,816	\$49,299,112	0.0106	2.80%	212	2.57%	\$103,578,886	2.54%	\$13,025,174	30.06%	16.09%
81	Other Services, except for Public Administration	17,843	\$782,505,192	\$749,855,483	\$713,678,442	\$2,246,037,118	\$8,902,350	\$6,502,068	\$4,139,188	\$19,543,806	0.0087	2.40%	256	1.43%	\$39,325,822	1.75%	\$4,225,687	21.62%	13.81%
92	Public Administration	102	\$13,084,161	\$13,315,810	\$13,162,222	\$39,562,194	\$142,072	\$68,616	\$60,496	\$269,185	0.0068	2.20%	0	0.00%	\$0	0.00%	\$0	0.00%	N/A
99	Unclassified	2,150	\$24,826,491	\$19,258,625	\$15,499,313	\$59,584,428	\$511,186	\$274,225	\$119,678	\$905,098	0.0152	3.10%	29	1.35%	\$3,007,274	5.05%	\$368,749	40.74%	15.70%
	Totals	136,417	\$16,806,556,024	\$16,386,508,196	\$15,839,713,316	\$49,162,862,338	\$350,835,528	\$286,086,102	\$173,154,659	\$810,186,360	0.0165	3.30%	4,811	3.60%	\$2,285,103,943	4.65%	\$281,347,940	32.26%	14.67%

Notes:

1. "Rating Year" is defined as the fiscal years 2001, 2002 and 2003; or the period of July 1, 2000 through June 30, 2003.
2. The "%s" for the last three columns refer to the percent of employers within each specific industry classification at the maximum rate.
3. The "Experience Rate" includes the 1.1% surcharge.

PORT OF TRUST FUND BALANCES & TAXABLE WAGES USED IN SURCHARGE CALCULATION
1985 Through 2005

MIMIMUM TRUST FUND REQUIREMENT AT 4.5% [PRE 93] OR 4.7%

Rates Assigned For:		Trust Fund Balance (TF)		Taxable Wages (TW)		TF:TW RATIO	MIMIMUM TRUST FUND REQUIREMENT AT 4.5% [PRE 93] OR 4.7%
Period	Year	Measurement Date	Amount	Period	Amount		
Fiscal Year	1985	5/31/1984	\$335,213,797	Calendar Year	1983		\$396,117,243.81
Fiscal Year	1986	5/31/1985	\$177,991,740	Calendar Year	1984		\$430,030,075.01
Fiscal Year	1987	5/31/1986	\$494,522,113	Calendar Year	1985		\$460,128,574.11
Fiscal Year	1988	5/31/1987	\$555,778,570	Calendar Year	1986		\$489,481,070.84
Fiscal Year	1989	5/31/1988	\$578,711,572	Calendar Year	1987		\$522,854,327.66
Fiscal Year	1990	5/31/1989	\$605,788,894	Calendar Year	1988		\$551,422,854.38
Fiscal Year	1991	5/31/1990	\$562,660,704	Calendar Year	1989		\$568,449,976.59
Fiscal Year	1992	5/31/1991	\$372,252,279	Calendar Year	1990		\$573,712,407.83
SPECIAL RATE 10/1/91 - 6/30/92		9/30/1991	\$276,177,061	Not a factor in the Rate Calculation (UTF < \$350,000,000)			
Calendar Year	1993	9/30/1992	\$186,781,449	Fiscal Year	1992		\$542,151,954.12
Calendar Year	1994	9/30/1993	\$231,226,597	Fiscal Year	1993		\$638,433,290.79
Calendar Year	1995	9/30/1994	\$394,136,986	Fiscal Year	1994		\$649,916,867.76
Calendar Year	1996	9/30/1995	\$604,467,853	Fiscal Year	1995		\$682,044,970.64
Calendar Year	1997	9/30/1996	\$692,446,962	Fiscal Year	1996		\$687,628,682.45
Calendar Year	1998	9/30/1997	\$735,683,310	Fiscal Year	1997		\$725,417,270.94
Calendar Year	1999	9/30/1998	\$758,336,220	Fiscal Year	1998		\$750,949,187.82
Calendar Year	2000	9/30/1999	\$816,452,980	Fiscal Year	1999		\$777,267,542.82
Calendar Year	2001	9/30/2000	\$883,148,792	Fiscal Year	2000		\$824,128,318.76
Calendar Year	2002	9/30/2001	\$867,696,057	Fiscal Year	2001		\$837,945,433.56
Calendar Year	2003	9/30/2002	\$832,093,969	Fiscal Year	2002		\$827,532,902.41
Calendar Year	2004	9/30/2003	\$646,111,239	Fiscal Year	2003		\$822,557,268.80
Calendar Year	2005	9/30/2004	\$705,421,439	Fiscal Year	2004		\$835,833,408.76

Note: Fiscal Year 1993 Taxable Wages reflect increase to \$8,500 from \$7,000

Appendix C

Unemployment Insurance Funding Task Force

August 11, 2004

The trade associations that were requested to participate in a survey encompass the following business sectors: manufacturing, construction, temp/staff agencies, high/bio technology, hospitality, and restaurants.

- Maryland Manufacturing Council & Maryland Industrial Technology Alliance
- Manufactures Alliance of Maryland
- Maryland Industrial Group
- Multi-State Association Inc. on Behalf of National Electric Manufacturers Association
- Association of Builders and Contractors
- Association of General Contractors
- Home Builders Association of Maryland
- Maryland Highway Contractors Association
- Maryland Aggregates Association
- Maryland Improvement Contractors Association
- Maryland State Builders Association
- American Subcontractors Association of Baltimore, Inc.
- The Maryland Ready Mix Concrete Association, Inc.
- Maryland Staffing Association
- Technology Council of Maryland
- Maryland Hotel and Lodging Association
- Maryland Retail Association
- Restaurant Association of Maryland
- Associated General Contractors

Surveys from the Maryland Industrial Group

Unemployment Insurance Funding Task Force Survey

Association Representative: Please request that each member in your association respond to these questions. The task force would appreciate if you would compile the responses that you receive from your members and **BRIEFLY** present your findings to the task force on Wednesday, August 11, 2004 at 1:00 p.m. in Annapolis.

Business Sector: Cement MFG Name of Business: Lafarge-North Am.

Size of Business: Less than 50 workers or x 50 workers or more (please check one)

1) What was the Maryland unemployment insurance taxable payroll for your company in 2003?

\$1.8

2) In comparison to the 2003 Maryland unemployment insurance taxable payroll, will your company's Maryland unemployment insurance taxable payroll in 2004 be higher, lower, or remain unchanged?

- 2004 will be higher than 2003
 2004 will be lower than 2003
 2004 will remain unchanged from 2003

3) What was the Maryland unemployment insurance tax rate for your company in 2003? n/a

4) What is the Maryland unemployment insurance tax rate for your company in 2004? n/a

5) Does your company employ workers in any of the following states? If so, please indicate the unemployment insurance tax rate in each of those states for 2004.

- | | |
|--|--|
| <input checked="" type="checkbox"/> District of Columbia | <input checked="" type="checkbox"/> Pennsylvania |
| <input checked="" type="checkbox"/> North Carolina | <input checked="" type="checkbox"/> New Jersey |
| <input checked="" type="checkbox"/> West Virginia | <input checked="" type="checkbox"/> Delaware |
| <input checked="" type="checkbox"/> Virginia | |

6) In comparison to the other states that your company employs workers, how would your company rate Maryland's unemployment insurance program?

Maryland is Better Maryland is Similar Maryland is Worse

Please explain:

Unemployment Insurance Funding Task Force Survey

Association Representative: Please request that each member in your association respond to these questions. The task force would appreciate if you would compile the responses that you receive from your members and **BRIEFLY** present your findings to the task force on Wednesday, August 11, 2004 at 1:00 p.m. in Annapolis.

Business Sector: Manufacturing Name of
Business: Kaydon Ring & Seal, Inc.

Size of Business: Less than 50 workers or X 50 workers or more (please check one)

1) What was the Maryland unemployment insurance taxable payroll for your company in 2003?

12,091,9074 _____

2) In comparison to the 2003 Maryland unemployment insurance taxable payroll, will your company's Maryland unemployment insurance taxable payroll in 2004 be higher, lower, or remain unchanged?

X 2004 will be higher than 2003
 2004 will be lower than 2003
 2004 will remain unchanged from 2003

3) What was the Maryland unemployment insurance tax rate for your company in 2003? 2.4% _____

4) What is the Maryland unemployment insurance tax rate for your company in 2004? 4.4% _____

5) Does your company employ workers in any of the following states? If so, please indicate the unemployment insurance tax rate in each of those states for 2004.

<u> </u> District of Columbia	<u>X</u> Pennsylvania
<u> </u> North Carolina	<u> </u> New Jersey
<u>X</u> West Virginia	<u> </u> Delaware
<u> </u> Virginia	

6) In comparison to the other states that your company employs workers, how would your company rate Maryland's unemployment insurance program?

 Maryland is Better X Maryland is Similar Maryland is Worse

Please explain:

Surveys from the Restaurant Association of Maryland

Restaurant Association of MD - RESULTS

Unemployment Insurance Funding Task Force Survey

45 surveys sent to our Board of Directors, 10 surveys returned

Business Sector: _____ Name of Business: _____

Restaurant: 8
Caterer: 1
Restaurant Supplier: 1

Size of Business: ___ Less than 50 workers or ___ 50 workers or more (please check one)

<u>Restaurant:</u>	<u>Caterer:</u>	<u>Restaurant Supplier:</u>
Less than 50: 1	Less than 50:	Less than 50
50 or more: 7	50 or more: 1	50 or more: 1

1) What was the Maryland unemployment insurance taxable payroll for your company in 2003?

Restaurant Average from 8 respondents: 3,408,081
Caterer: 3,847,120 Supplier: 1,367,873

2) In comparison to the 2003 Maryland unemployment insurance taxable payroll, will your company's Maryland unemployment insurance taxable payroll in 2004 be higher, lower, or remain unchanged?

<u>Restaurants:</u>	<u>Caterer:</u>	<u>Supplier:</u>
2004 higher than 2003: 8	1	1
2004 lower than 2003: 0		
2004 unchanged from 2003: 0		

3) What was the Maryland unemployment insurance tax rate for your company in 2003?

Restaurant Average from 8 respondents: 0.33
Caterer: 2.2 Supplier: 1.9

4) What is the Maryland unemployment insurance tax rate for your company in 2004?

Restaurant Average from 8 respondents: 1.34
Caterer: 3.7 Supplier: 2.7

5) Does your company employ workers in any of the following states? If so, please indicate the unemployment insurance tax rate in each of those states for 2004.

<u> 2.7 </u> District of Columbia	<u> 3.4 </u> Pennsylvania
<u> 1.5 </u> North Carolina	<u> 1.4 </u> New Jersey
<u> 1.9 </u> West Virginia	<u> .8 </u> Delaware
<u> .49 </u> Virginia	

6) In comparison to the other states that your company employs workers, how would your company rate Maryland's unemployment insurance program?

 Maryland is Better X Maryland is Similar Maryland is Worse

Please explain: *(Questions #5 & #6 were applicable to only one respondent, Outback Steakhouse)*

Surveys from the Maryland Staffing Association

Unemployment Insurance Funding Task Force Survey

Association Representative: Please request that each member in your association respond to these questions. The task force would appreciate if you would compile the responses that you receive from your members and BRIEFLY present your findings to the task force on Wednesday, August 11, 2004 at 1:00 p.m. in Annapolis.

Business Sector: **Temp/Staff Agencies** Name of Business: **NRI, Inc.**

Size of Business: ___ Less than 50 workers or **X** 50 workers or more (please check one)

1) What was the Maryland unemployment insurance taxable payroll for your company in 2003?

\$4,944,824.00

2) In comparison to the 2003 Maryland unemployment insurance taxable payroll, will your company's Maryland unemployment insurance taxable payroll in 2004 be higher, lower, or remain unchanged?

X 2004 will be higher than 2003
___ 2004 will be lower than 2003
___ 2004 will remain unchanged from 2003

3) What was the Maryland unemployment insurance tax rate for your company in 2003? **2.5%**

4) What is the Maryland unemployment insurance tax rate for your company in 2004? **4.3% (3.2% + 1.1% surcharge)**

5) Does your company employ workers in any of the following states? If so, please indicate the unemployment insurance tax rate in each of those states for 2004.

<u>3.9%</u> District of Columbia	<u>0.09%</u> Pennsylvania
<u>1.2%</u> North Carolina	<u>4.23%</u> New Jersey
<u>2.7%</u> West Virginia	<u>N/A</u> Delaware
<u>2.14%</u> Virginia	

6) In comparison to the other states that your company employs workers, how would your company rate Maryland's unemployment insurance program?

___ Maryland is Better **X** Maryland is Similar ___ Maryland is Worse

Please explain: **Maryland is similar to the other states we deal with. Obviously each state has its quirks, but overall the programs are similar in timeliness, charges, and errors made.**

Unemployment Insurance Funding Task Force Survey

Association Representative: Please request that each member in your association respond to these questions. The task force would appreciate if you would compile the responses that you receive from your members and **BRIEFLY** present your findings to the task force on Wednesday, August 11, 2004 at 1:00 p.m. in Annapolis.

Business Sector: Staffing Service Name of Business: ACT Personnel Service, Inc.

Size of Business: ___ than 50 workers or X 50 workers or more (Includes Temps)

1) What was the Maryland unemployment insurance taxable payroll for your company in 2003?

1,477,317.00

2) In comparison to the 2003 Maryland unemployment insurance taxable payroll, will your company's Maryland unemployment insurance taxable payroll in 2004 be higher, lower, or remain unchanged?

- X 2004 will be higher than 2003
- ___ 2004 will be lower than 2003
- ___ 2004 will remain unchanged from 2003

3) What was the Maryland unemployment insurance tax rate for your company in 2003? .042

4) What is the Maryland unemployment insurance tax rate for your company in 2004? .049

5) Does your company employ workers in any of the following states? If so, please indicate the unemployment insurance tax rate in each of those states for 2004.

- | | |
|---------------------------|------------------|
| ___ District of Columbia | ___ Pennsylvania |
| ___ North Carolina | ___ New Jersey |
| <u>.045</u> West Virginia | ___ Delaware |
| ___ Virginia | |

6) In comparison to the other states that your company employs workers, how would your company rate Maryland's unemployment insurance program?

- ___ Maryland is Better ___ Maryland is Similar X Maryland is Worse

Please explain: **State employees have actually told employable people not to take interim temporary jobs, two weeks or less, because it will "screw" up their benefits. They are also required to call in requesting work at the end of an assignment, however, they will still get unemployment money even if they do not call or refuse same pay jobs. The recent across the board increase takes at least \$10,000.00 off the bottom line.**

Unemployment Insurance Funding Task Force Survey

Association Representative: Please request that each member in your association respond to these questions. The task force would appreciate if you would compile the responses that you receive from your members and **BRIEFLY** present your findings to the task force on Wednesday, August 11, 2004 at 1:00 p.m. in Annapolis.

Business Sector: Temporary Staffing Name of Business: PMC Staffing Solutions

Size of Business: ___ Less than 50 workers or X 50 workers or more (pleas check one)

1) What was the Maryland unemployment insurance taxable payroll for your company in 2003?

\$17,087,936.32

2) In comparison to the 2003 Maryland unemployment insurance taxable payroll, will your company's Maryland unemployment insurance taxable payroll in 2004 be higher, lower, or remain unchanged?

- X 2004 will be higher than 2003
___ 2004 will be lower than 2003
___ 2004 will remain unchanged from 2003

3) What was the Maryland unemployment insurance tax rate for your company in 2003?
1.9%

4) What is the Maryland unemployment insurance tax rate for your company in 2004?
3.3%

5) Does your company employ workers in any of the following states? If so, please indicate the unemployment insurance tax rate in each of those states for 2004.

___ District of Columbia	5.6528% Pennsylvania
___ North Carolina	___ New Jersey
___ West Virginia	___ Delaware
___ Virginia	

6) In comparison to the other states that your company employs workers, how would your company rate Maryland's unemployment insurance program?

___ Maryland is Better X Maryland is Similar ___ Maryland is Worse

Please explain:

Unemployment Insurance Funding Task Force Survey

Association Representative: Please request that each member in your association respond to these questions. The task force would appreciate if you would compile the responses that you receive from your members and BRIEFLY present your findings to the task force on Wednesday, August 11, 2004 at 1:00 p.m. in Annapolis.

Business Sector: Temporary Staffing Name of Business: Beacon Staffing

Size of Business: ___ Less than 50 workers or X 50 workers or more (please check one)

1) What was the Maryland unemployment insurance taxable payroll for your company in 2003?

\$1,763,356.00

2) In comparison to the 2003 Maryland unemployment insurance taxable payroll, will your company's Maryland unemployment insurance taxable payroll in 2004 be higher, lower, or remain unchanged?

X 2004 will be higher than 2003
___ 2004 will be lower than 2003
___ 2004 will remain unchanged from 2003

3) What was the Maryland unemployment insurance tax rate for your company in 2003? .019

4) What is the Maryland unemployment insurance tax rate for your company in 2004? .043

5) Does your company employ workers in any of the following states? If so, please indicate the unemployment insurance tax rate in each of those states for 2004.

<u> </u> District of Columbia	<u> </u> Pennsylvania
<u> </u> North Carolina	<u> </u> New Jersey
<u> </u> West Virginia	<u> </u> Delaware
<u> </u> Virginia	

6) In comparison to the other states that your company employs workers, how would your company rate Maryland's unemployment insurance program?

 Maryland is Better Maryland is Similar Maryland is Worse

Please explain:

I think it is unfair to penalize the business's that are open and employing people.

Unemployment Insurance Funding Task Force Survey

Association Representative: Please request that each member in your association respond to these questions. The task force would appreciate if you would compile the responses that you receive from your members and BRIEFLY present your findings to the task force on Wednesday, August 11, 2004 at 1:00 p.m. in Annapolis.

Business Sector: **Staffing** Name of Business: **Mary Kraft & Associates, Inc.**

Size of Business: ___ Less than 50 workers or **X** 50 workers or more (please check one)

1) What was the Maryland unemployment insurance taxable payroll for your company in 2003?

1,374,436

2) In comparison to the 2003 Maryland unemployment insurance taxable payroll, will your company's Maryland unemployment insurance taxable payroll in 2004 be higher, lower, or remain unchanged?

2004 will be higher than 2003
 2004 will be lower than 2003
 2004 will remain unchanged from 2003

3) What was the Maryland unemployment insurance tax rate for your company in 2003?
4.2

4) What is the Maryland unemployment insurance tax rate for your company in 2004?
4.4

5) Does your company employ workers in any of the following states? If so, please indicate the unemployment insurance tax rate in each of those states for 2004.

N/A

<input type="checkbox"/> District of Columbia	<input type="checkbox"/> Pennsylvania
<input type="checkbox"/> North Carolina	<input type="checkbox"/> New Jersey
<input type="checkbox"/> West Virginia	<input type="checkbox"/> Delaware
<input type="checkbox"/> Virginia	

6) In comparison to the other states that your company employs workers, how would your company rate Maryland's unemployment insurance program?

N/A

Maryland is Better Maryland is Similar Maryland is Worse

Please explain:

Unemployment Insurance Funding Task Force Survey

Association Representative: Please request that each member in your association respond to these questions. The task force would appreciate if you would compile the responses that you receive from your members and BRIEFLY present your findings to the task force on Wednesday, August 11, 2004 at 1:00 p.m. in Annapolis.

Business Sector: Staffing

Name: Universal Healthcare Placements

Size of Business: Less than 50 workers or 50 workers or more (pleas check one)

1) What was the Maryland unemployment insurance taxable payroll for your company in 2003?

\$707,612.79

2) In comparison to the 2003 Maryland unemployment insurance taxable payroll, will your company's Maryland unemployment insurance taxable payroll in 2004 be higher, lower, or remain unchanged?

- 2004 will be higher than 2003 2004
will be lower than 2003 2004 will
remain unchanged from 2003

3) What was the Maryland unemployment insurance tax rate for your company in 2003?
.024

4) What is the Maryland unemployment insurance tax rate for your company in 2004?
.040

5) Does your company employ workers in any of the following states? If so, please indicate the unemployment insurance tax rate in each of those states for 2004.

District of Columbia
North Carolina
West Virginia
Virginia

Pennsylvania
New Jersey
Delaware

6) In comparison to the other states that your company employs workers, how would your company rate Maryland's unemployment insurance program?

Maryland is Better Maryland is Similar Maryland is Worse

Please explain:

The surcharge placed on Employers this year is unfair. Not requiring workers to show proof of job searching is a license to steal.

Surveys from the Maryland State Builders Association

Unemployment Insurance Funding Task Force Survey

Association Representative: Please request that each member in your association respond to these questions. The task force would appreciate if you would compile the responses that you receive from your members and BRIEFLY present your findings to the task force on Wednesday, August 11, 2004 at 1:00 p.m. in Annapolis.

Business Sector: Land Development Name of Business: J.J.M., Inc

Size of Business: Less than 50 workers or 50 workers or more (please check one)

1) What was the Maryland unemployment insurance taxable payroll for your company in 2003?

25,500

2) In comparison to the 2003 Maryland unemployment insurance taxable payroll, will your company's Maryland unemployment insurance taxable payroll in 2004 be higher, lower, or remain unchanged?

2004 will be higher than 2003
 2004 will be lower than 2003
 2004 will remain unchanged from 2003

3) What was the Maryland unemployment insurance tax rate for your company in 2003? .023

4) What is the Maryland unemployment insurance tax rate for your company in 2004? .014

5) Does your company employ workers in any of the following states? If so, please indicate the unemployment insurance tax rate in each of those states for 2004. NO

<input type="checkbox"/> District of Columbia	<input type="checkbox"/> Pennsylvania
<input type="checkbox"/> North Carolina	<input type="checkbox"/> New Jersey
<input type="checkbox"/> West Virginia	<input type="checkbox"/> Delaware
<input type="checkbox"/> Virginia	

6) In comparison to the other states that your company employs workers, how would your company rate Maryland's unemployment insurance program?

Maryland is Better Maryland is Similar Maryland is Worse

Please explain:

Unemployment Insurance Funding Task Force Survey

Association Representative: Please request that each member in your association respond to these questions. The task force would appreciate if you would compile the responses that you receive from your members and **BRIEFLY** present your findings to the task force on Wednesday, August 11, 2004 at 1:00 p.m. in Annapolis.

Business Sector: construction Name of business: Richard L. Howard Const. Co. Inc.
Size of Business: Less than 50 workers or 50 workers or more (please check one)

1) What was the Maryland unemployment insurance taxable payroll for your company in 2003?

\$ 26,159.00

2) In comparison to the 2003 Maryland unemployment insurance taxable payroll, will your company's Maryland unemployment insurance taxable payroll in 2004 be higher, lower, or remain unchanged?

- 2004 will be higher than 2003
 2004 will be lower than 2003
 2004 will remain unchanged from 2003

3) What was the Maryland unemployment insurance tax rate for your company in 2003? .003

4) What is the Maryland unemployment insurance tax rate for your company in 2004? .014

5) Does your company employ workers in any of the following states? If so, please indicate the unemployment insurance tax rate in each of those states for 2004.

- | | |
|---|---------------------------------------|
| <input type="checkbox"/> District of Columbia | <input type="checkbox"/> Pennsylvania |
| <input type="checkbox"/> North Carolina | <input type="checkbox"/> New Jersey |
| <input type="checkbox"/> West Virginia | <input type="checkbox"/> Delaware |
| <input type="checkbox"/> Virginia | |
- NO

6) In comparison to the other states that your company employs workers, how would your company rate Maryland's unemployment insurance program?

- Maryland is Better Maryland is Similar Maryland is Worse

Please explain: have only dealt with MD

Unemployment Insurance Funding Task Force Survey

Association Representative: Please request that each member in your association respond to these questions. The task force would appreciate if you would compile the responses that you receive from your members and BRIEFLY present your findings to the task force on Wednesday, August 11, 2004 at 1:00 p.m. in Annapolis.

Business Sector: _____ Name of Business: Building Contractor

Size of Business: Less than 50 workers or 50 workers or more (please check one)

1) What was the Maryland unemployment insurance taxable payroll for your company in 2003?
27,400

2) In comparison to the 2003 Maryland unemployment insurance taxable payroll, will your company's Maryland unemployment insurance taxable payroll in 2004 be higher, lower, or remain unchanged?

2004 will be higher than 2003
 2004 will be lower than 2003
 2004 will remain unchanged from 2003

3) What was the Maryland unemployment insurance tax rate for your company in 2003? .052

4) What is the Maryland unemployment insurance tax rate for your company in 2004? .064

5) Does your company employ workers in any of the following states? If so, please indicate the unemployment insurance tax rate in each of those states for 2004.

- | | |
|---|---------------------------------------|
| <input type="checkbox"/> District of Columbia | <input type="checkbox"/> Pennsylvania |
| <input type="checkbox"/> North Carolina | <input type="checkbox"/> New Jersey |
| <input type="checkbox"/> West Virginia | <input type="checkbox"/> Delaware |
| <input type="checkbox"/> Virginia | |

6) In comparison to the other states that your company employs workers, how would your company rate Maryland's unemployment insurance program?

Maryland is Better Maryland is Similar Maryland is Worse

Please explain:

Unemployment Insurance Funding Task Force Survey

Association Representative: Please request that each member in your association respond to these questions. The task force would appreciate if you would compile the responses that you receive from your members and BRIEFLY present your findings to the task force on Wednesday, August 11, 2004 at 1:00 p.m. in Annapolis.

Business Sector: Builder Name of Business: Ameri-Star Homes, Inc.

Size of Business: Less than 50 workers or 50 workers or more (please check one)

1) What was the Maryland unemployment insurance taxable payroll for your company in 2003?

142,467.00

2) In comparison to the 2003 Maryland unemployment insurance taxable payroll, will your company's Maryland unemployment insurance taxable payroll in 2004 be higher, lower, or remain unchanged?

- 2004 will be higher than 2003
 2004 will be lower than 2003
 2004 will remain unchanged from 2003

3) What was the Maryland unemployment insurance tax rate for your company in 2003? .30

4) What is the Maryland unemployment insurance tax rate for your company in 2004? .4

5) Does your company employ workers in any of the following states? If so, please indicate the unemployment insurance tax rate in each of those states for 2004.

<input type="checkbox"/> District of Columbia	<input type="checkbox"/> Pennsylvania
<input checked="" type="checkbox"/> North Carolina	<input type="checkbox"/> New Jersey
<input type="checkbox"/> West Virginia	<input type="checkbox"/> Delaware
<input type="checkbox"/> Virginia	

6) In comparison to the other states that your company employs workers, how would your company rate Maryland's unemployment insurance program?

Maryland is Better Maryland is Similar Maryland is Worse

Please explain:

Unemployment Insurance Funding Task Force Survey

Association Representative: Please request that each member in your association respond to these questions. The task force would appreciate if you would compile the responses that you receive from your members and BRIEFLY present your findings to the task force on Wednesday, August 11, 2004 at 1:00 p.m. in Annapolis.

Business Sector: Home Builder Name of Business: Williamsburg Group

Size of Business: Less than 50 workers or 50 workers or more (please check one)

1) What was the Maryland unemployment insurance taxable payroll for your company in 2003?

237,270

2) In comparison to the 2003 Maryland unemployment insurance taxable payroll, will your company's Maryland unemployment insurance taxable payroll in 2004 be higher, lower, or remain unchanged?

- 2004 will be higher than 2003
 2004 will be lower than 2003
 2004 will remain unchanged from 2003

3) What was the Maryland unemployment insurance tax rate for your company in 2003? .003

4) What is the Maryland unemployment insurance tax rate for your company in 2004? .019

5) Does your company employ workers in any of the following states? If so, please indicate the unemployment insurance tax rate in each of those states for 2004.

<input type="checkbox"/> District of Columbia	<input type="checkbox"/> Pennsylvania
<input type="checkbox"/> North Carolina	<input type="checkbox"/> New Jersey
<input type="checkbox"/> West Virginia	<input type="checkbox"/> Delaware
<input type="checkbox"/> Virginia	

6) In comparison to the other states that your company employs workers, how would your company rate Maryland's unemployment insurance program?

Maryland is Better Maryland is Similar Maryland is Worse

Please explain:

Unemployment Insurance Funding Task Force Survey

Association Representative: Please request that each member in your association respond to these questions. The task force would appreciate if you would compile the responses that you receive from your members and BRIEFLY present your findings to the task force on Wednesday, August 11, 2004 at 1:00 p.m. in Annapolis.

Business Sector: manufacturing Name of Business: Shelter Systems Limited

Size of Business: Less than 50 workers or XX 50 workers or more (please check one)

1) What was the Maryland unemployment insurance taxable payroll for your company in 2003?

\$1,101,322.

2) In comparison to the 2003 Maryland unemployment insurance taxable payroll, will your company's Maryland unemployment insurance taxable payroll in 2004 be higher, lower, or remain unchanged?

XX 2004 will be higher than 2003
 2004 will be lower than 2003
 2004 will remain unchanged from 2003

3) What was the Maryland unemployment insurance tax rate for your company in 2003? .01

4) What is the Maryland unemployment insurance tax rate for your company in 2004? .025

5) Does your company employ workers in any of the following states? If so, please indicate the unemployment insurance tax rate in each of those states for 2004.

<u> </u> District of Columbia	<u> </u> Pennsylvania
<u> </u> North Carolina	<u> </u> New Jersey
<u> </u> West Virginia	<u> </u> Delaware
<u> </u> Virginia	

6) In comparison to the other states that your company employs workers, how would your company rate Maryland's unemployment insurance program?

 Maryland is Better Maryland is Similar Maryland is Worse

Please explain:

Unemployment Insurance Funding Task Force Survey

Association Representative: Please request that each member in your association respond to these questions. The task force would appreciate if you would compile the responses that you receive from your members and BRIEFLY present your findings to the task force on Wednesday, August 11, 2004 at 1:00 p.m. in Annapolis.

Business Sector: Residential New Homes Name of Business: Bob Ward New Homes @ Harford County LLC

Size of Business: ___ Less than 50 workers or X 50 workers or more (please check one)

1) What was the Maryland unemployment insurance taxable payroll for your company in 2003?

\$1,218,946.10 (estimated based on 1st quarter 2004)
\$657,372.38 (actual SUI taxable payroll 4/03 - 12/03)

2) In comparison to the 2003 Maryland unemployment insurance taxable payroll, will your company's Maryland unemployment insurance taxable payroll in 2004 be higher, lower, or remain unchanged?

X 2004 will be higher than 2003
___ 2004 will be lower than 2003
___ 2004 will remain unchanged from 2003

3) What was the Maryland unemployment insurance tax rate for your company in 2003? 1.8%

4) What is the Maryland unemployment insurance tax rate for your company in 2004? 1.9%

5) Does your company employ workers in any of the following states? If so, please indicate the unemployment insurance tax rate in each of those states for 2004.

<u> </u> District of Columbia	<u>10.3984%</u> Pennsylvania
<u> </u> North Carolina	<u> </u> New Jersey
<u> </u> West Virginia	<u> </u> Delaware
<u> </u> Virginia	

6) In comparison to the other states that your company employs workers, how would your company rate Maryland's unemployment insurance program?

X Maryland is Better ___ Maryland is Similar ___ Maryland is Worse

Please explain: We have had limited experience with the Pennsylvania unemployment program, but throughout the account set up, Maryland was more efficient and uncomplicated.

Unemployment Insurance Funding Task Force Survey

Association Representative: Please request that each member in your association respond to these questions. The task force would appreciate if you would compile the responses that you receive from your members and BRIEFLY present your findings to the task force on Wednesday, August 11, 2004 at 1:00 p.m. in Annapolis.

Business Sector: HOMEBUILDING Name of Business: CRAWFORD HOMES
+ LAND DEVELOPMENT

Size of Business: Less than 50 workers or 50 workers or more (please check one)

1) What was the Maryland unemployment insurance taxable payroll for your company in 2003?
\$490,778.39

2) In comparison to the 2003 Maryland unemployment insurance taxable payroll, will your company's Maryland unemployment insurance taxable payroll in 2004 be higher, lower, or remain unchanged?

- 2004 will be higher than 2003
 2004 will be lower than 2003
 2004 will remain unchanged from 2003

3) What was the Maryland unemployment insurance tax rate for your company in 2003? 1.3 %

4) What is the Maryland unemployment insurance tax rate for your company in 2004? 2.3 %

5) Does your company employ workers in any of the following states? If so, please indicate the unemployment insurance tax rate in each of those states for 2004.

<input type="checkbox"/> District of Columbia	<input type="checkbox"/> Pennsylvania — <u>EMPLOYEE</u>
<input type="checkbox"/> North Carolina	<input type="checkbox"/> New Jersey
<input type="checkbox"/> West Virginia	<input type="checkbox"/> Delaware
<input type="checkbox"/> Virginia	

6) In comparison to the other states that your company employs workers, how would your company rate Maryland's unemployment insurance program?

Maryland is Better Maryland is Similar Maryland is Worse

Please explain: NOT ENOUGH EXPERIENCE TO DETERMINE.

**Surveys from the Maryland
Aggregates Highway Contractors Association**

MARYLAND
AGGREGATES
HIGHWAY CONTRACTORS
ASSOCIATIONS

2408 Peppermill Drive
Suite F
Glen Burnie, MD 21061
410 760 9505

August 11, 2004

COMMENTS TO THE UNEMPLOYMENT INSURANCE TAX TASK
FORCE

The Maryland Highway Contractors Association (MHCA) and the Maryland Aggregates Association (MDAGG) have been asked by the task force to provide information about how the construction and construction materials industries will be affected by changes in Maryland's unemployment insurance tax (UIT) based on the seasonal nature of our industries.

Pursuant to your request and using your survey, we have surveyed our members and compiled their responses.

SURVEY COMPILATION AND RESULTS

MHCA received responses from approximately 10% of its contractor members, and MDAGG received responses from approximately 5% of its members. Of these two groups, MHCA members work primarily on projects funded by the Transportation Trust Fund (which include not only the State Highway Administration, but county and municipal governments as well) and the Maryland Transportation Authority. MDAGG supplies roughly 60% of its product to the private sector, with 40% going to the public sector.

Business sectors: 35% are highway contractors, 30% are specialty subcontractors in the highway construction industry, 25% are surface miners of construction materials, and 10% are civil engineers.

Size: 70% have 50 or more workers, and 30% have fewer than 50 workers.

UIT payroll: The highest payroll is \$20.8 million, and the lowest is \$34,000. The average is \$351,745, but that number is not reflective of the data. Four companies are in the \$100,000 to \$300,000 range, one is between \$500,000 and \$1 million, two are between \$2 million and \$3 million, and one is between \$8 million and \$10 million. All companies but one (the one with the lowest payroll) are headquartered in Maryland.

2004 UIT payroll compared to 2003 UIT payroll: 60% say 2004 will be higher. 30% say it will be lower. 10% did not respond.

2003 UIT rate: For 70% it was 7.5%; for the other 30% it was in the range of 1.3% to 2.9%.

2004 UIT rate: For (the same) 70% it is 8.6%; for the other 30% it is in the range of 2.5% to 4.5%.

UIT rates in other states (controlled for wage base)

	<u>Other state</u>	<u>MD</u>	<u>03</u>	<u>04</u>
DC: Specialty sub (wage base \$9,000)	2.7% \$243		2.9% \$247	4.5% \$383
NC: Engineer (03 wage base \$15,900) (04 wage base \$16,200)	3.3% \$525 \$535		1.3% \$111	3.3% \$281
WV: Engineer (wage base \$8,000)	4.5% \$360		1.3% \$111	3.3% \$281
VA: Engineer	6.54% \$523		1.3% \$111	3.3% \$281
Specialty sub	4.69% \$375		7.5% \$638	8.6% \$731
Highway contractor (wage base \$8,000)	6.54% \$523		7.5% \$638	8.6% \$731

	<u>Other state</u>	<u>MD</u>	<u>03</u>	<u>04</u>
PA: Engineer	7.9% \$632		1.3% \$111	3.3% \$281
Specialty sub	10.2624% \$821		2.9% \$247	4.5% \$383
Specialty sub	10.2624% \$821		7.5% \$638	8.6% \$731
Surface miner (wage base \$8,000)	10.2624% \$821		7.5% \$638	8.6% \$731
NJ: Specialty sub (03 wage base \$23,900) (04 wage base \$24,300)	5.825% + 1% \$1,632 \$1,658		2.9% \$247	4.5% \$383
DE: Engineer	6.8% \$578		1.3% \$111	3.3% \$281
Specialty sub	4.1% \$349		2.9% \$247	4.5% \$383
Highway contractor (wage base \$8,500)	8.2% \$697		7.5% \$638	8.6% \$731

Rating MD's UIT program: 50% said it was similar to that of other states, 20% said it was worse, and 30% did not respond.

In terms of the data provided above, 11 of the data points showed MD UIT cost as lower than that for other states, four of the data points showed MD UIT cost as higher than that for other states, and one data point that was virtually the same as that for the other state.

Specific comments about MD's UIT program: One comment noted that DE had less paperwork and higher employee benefits. Also, MD's automated telephone claim filing and "telecert" system has some problems. The automated system does not allow for answering questions about how to correctly enter data. Errors result in benefit checks being held.

If the claimant makes an error in Week 1, he or she does not get a check in Week 2 (instead, he or she receives a notice about the “issue” created by the error), and the error is not corrected until the telephone interview in Week 3, at which time the check is promptly released. The solution to these issues would be to allow claimants who so desire to go to the local unemployment office and deal with their claims in person.

Another suggestion would be to eliminate the requirement for a rehire date after the initial ten-week period. The second and subsequent rehire dates are a source of delay if they are not updated (by the employer) in a timely manner—and they serve no real purpose, because employers provide notification upon any and all rehiring.

Finally, cyclical employees who year in and year out get laid off and then go back to the same employer should not have to jump through all of the same hoops as other claimants.

Thank you, and I look forward to answering any questions you may have.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Brian Holmes', with a long horizontal line extending to the right.

Brian Holmes
MHCA

**Surveys from the Associated
General Contractors of America, Inc.**



MARYLAND CHAPTER

OF THE

ASSOCIATED GENERAL CONTRACTORS OF AMERICA, INC.

UNEMPLOYMENT INSURANCE SURVEY

UNEMPLOYMENT INSURANCE FUNDING TASK FORCE

AUGUST 11, 2004

The Maryland Chapter of the Associated General Contractors of America, Inc. ("AGC") is a business trade association comprised of commercial and industrial construction contractors and industry-related businesses. AGC appreciates the opportunity to present to the Task Force responses from our contractor members to the Task Force's survey regarding unemployment insurance tax rates in Maryland.

Our survey findings are limited to responses from four contractors: three general contractor and a mechanical contractor. All of the contractors listed do business in the State of Maryland only; therefore, there is no comparative data with other states. All expect payroll to be lower or stay the same in 2004.

	<50 Employees		>50 Employees	
	General contractor		Mechanical contractor	
2003 UI Taxable Payroll	(1) \$295,000 (2004 payroll will be lower)		(4) \$2.1 million (2004 payroll will be lower)	
	(2) \$573,000 (2004 payroll will be lower)			
	(3) \$778,000 (2004 payroll will remain the same)			
	<u>2003 UI Tax Rate</u>	<u>2004 UI Tax Rate</u>	<u>2003 UI Tax Rate</u>	<u>2004 UI Tax Rate</u>
	(1) 5.5%	6.8%	(4) 3.2%	8.6%
	(2) 4.2%	7.9%		
	(3) 2.0%	4.3%		

Attachments: Survey responses

Presented by: Barbara Wilkins
HOLLAND & KNIGHT LLP

2161716_v1

Unemployment Insurance Funding Task Force Survey

Business Sector: GENERAL Contractor Name of Business: SHADE Construction Co.

Size of Business: Less than 50 workers or 50 workers or more (please check one)

1) What was the Maryland unemployment insurance taxable payroll for your company in 2003?

\$299,642.28

2) In comparison to the 2003 Maryland unemployment insurance taxable payroll, will your company's Maryland unemployment insurance taxable payroll in 2004 be higher, lower, or remain unchanged?

- 2004 will be higher than 2003
- 2004 will be lower than 2003
- 2004 will remain unchanged from 2003

3) What was the Maryland unemployment insurance tax rate for your company in 2003? 5.5%

4) What is the Maryland unemployment insurance tax rate for your company in 2004? 5.7%

5) Does your company employ workers in any of the following states? If so, please indicate the unemployment insurance tax rate in each of those states for 2004. - NO -

- | | |
|---|---------------------------------------|
| <input type="checkbox"/> District of Columbia | <input type="checkbox"/> Pennsylvania |
| <input type="checkbox"/> North Carolina | <input type="checkbox"/> New Jersey |
| <input type="checkbox"/> West Virginia | <input type="checkbox"/> Delaware |
| <input type="checkbox"/> Virginia | |

6) In comparison to the other states that your company employs workers, how would your company rate Maryland's unemployment insurance program?

- Maryland is Better Maryland is Similar Maryland is Worse

Please explain: nothing to compare with

AUG 5 2004

Unemployment Insurance Funding Task Force Survey

Business Sector: Construction Name of Business: Concord Associates, Inc.

Size of Business: Less than 50 workers or 50 workers or more (please check one)

1) What was the Maryland unemployment insurance taxable payroll for your company in 2003?

573,480.00

2) In comparison to the 2003 Maryland unemployment insurance taxable payroll, will your company's Maryland unemployment insurance taxable payroll in 2004 be higher, lower, or remain unchanged?

- 2004 will be higher than 2003
- 2004 will be lower than 2003
- 2004 will remain unchanged from 2003

3) What was the Maryland unemployment insurance tax rate for your company in 2003? 4.29%

4) What is the Maryland unemployment insurance tax rate for your company in 2004? 7.09% (6.8+1.1)

5) Does your company employ workers in any of the following states? If so, please indicate the unemployment insurance tax rate in each of those states for 2004.

- | | | |
|----|---|---------------------------------------|
| MA | <input type="checkbox"/> District of Columbia | <input type="checkbox"/> Pennsylvania |
| | <input type="checkbox"/> North Carolina | <input type="checkbox"/> New Jersey |
| | <input type="checkbox"/> West Virginia | <input type="checkbox"/> Delaware |
| | <input type="checkbox"/> Virginia | |

6) In comparison to the other states that your company employs workers, how would your company rate Maryland's unemployment insurance program?

MA Maryland is Better Maryland is Similar Maryland is Worse

Please explain:

AUG 5 2004

Unemployment Insurance Funding Task Force Survey

Business Sector: Construction Name of Business: NPB, INC.

Size of Business: Less than 50 workers or 50 workers or more (please check one)

1) What was the Maryland unemployment insurance taxable payroll for your company in 2003? \$ 777,944.99

2) In comparison to the 2003 Maryland unemployment insurance taxable payroll, will your company's Maryland unemployment insurance taxable payroll in 2004 be higher, lower, or remain unchanged?

- 2004 will be higher than 2003
 2004 will be lower than 2003
 2004 will remain unchanged from 2003

3) What was the Maryland unemployment insurance tax rate for your company in 2003? .020

4) What is the Maryland unemployment insurance tax rate for your company in 2004? .043

5) Does your company employ workers in any of the following states? If so, please indicate the unemployment insurance tax rate in each of those states for 2004.

<u>No</u> District of Columbia	<u>No</u> Pennsylvania
<u> </u> North Carolina	<u> </u> New Jersey
<u> </u> West Virginia	<u> </u> Delaware
<u>↓</u> Virginia	

6) In comparison to the other states that your company employs workers, how would your company rate Maryland's unemployment insurance program?

Maryland is Better Maryland is Similar Maryland is Worse

Please explain: N/A

Unemployment Insurance Funding Task Force Survey

Business Sector: MECHANICAL CONTRACTOR Name of Business: J. E. FISCHER, INC.

Size of Business: ___ Less than 50 workers or 50 workers or more (please check one)

1) What was the Maryland unemployment insurance taxable payroll for your company in 2003? \$ 2,119,781

2) In comparison to the 2003 Maryland unemployment insurance taxable payroll, will your company's Maryland unemployment insurance taxable payroll in 2004 be higher, lower, or remain unchanged?

- 2004 will be higher than 2003
- 2004 will be lower than 2003
- 2004 will remain unchanged from 2003

3) What was the Maryland unemployment insurance tax rate for your company in 2003? 3.2 PERCENT

4) What is the Maryland unemployment insurance tax rate for your company in 2004? 8.6 PERCENT (7.5 + 1.1%)

5) Does your company employ workers in any of the following states? If so, please indicate the unemployment insurance tax rate in each of those states for 2004.

- N/A
- | | |
|---|---------------------------------------|
| <input type="checkbox"/> District of Columbia | <input type="checkbox"/> Pennsylvania |
| <input type="checkbox"/> North Carolina | <input type="checkbox"/> New Jersey |
| <input type="checkbox"/> West Virginia | <input type="checkbox"/> Delaware |
| <input type="checkbox"/> Virginia | |

6) In comparison to the other states that your company employs workers, how would your company rate Maryland's unemployment insurance program?

Maryland is Better Maryland is Similar Maryland is Worse

Please explain:

AUG 3 2004

Memorandum

Date August 12, 2004

To Tami Burt and Mitch McCalmon
Unemployment Insurance Funding
Task Force

From Barbara Wilkins, representing
Maryland Chapter of the Associated
General Contractors of America, Inc.

Re Follow-up to August 1, 2004 Meeting -
Construction Industry UI Survey Data

Barbara Wilkins
barbara.wilkins@hklaw.com

In presenting the findings of the Unemployment Insurance Funding Task Force Survey in behalf of Associated General Contractors, I indicated that J.E. Fischer, Inc., a mechanical contractor in Maryland, experienced a dramatic increase in its unemployment insurance rate from 3.2% in 2003 to 8.6% in 2004. The primary reason for the increase was that a two-year wastewater treatment project on the Eastern Shore was completed and an inordinate number of unemployment claims resulted.

Deborah Povich asked me about the number of employees on that job and the approximate wages. The job employed approximately 30-50 union plumbers and steamfitters with average annual wages of \$50,000 to \$65,000. J.E. Fischer, Inc. experienced increased charges to its account as follows: \$7,327 benefit charges in 2001; \$60,137 benefit charges in 2002; and \$161,259 benefit charges in 2003. The taxable payroll declined from approximately \$1.3 mill in 2001 and 2002 to \$802,580 in 2003.

I hope this information responds to the Task Force's request.

cc: Cal Coblenz, Executive Vice President, AGC

2188558_v1

Survey from the Maryland Retailers Association

Unemployment Insurance Funding Task Force Survey

Association Representative: Please request that each member in your association respond to these questions. The task force would appreciate if you would compile the responses that you receive from your members and BRIEFLY present your findings to the task force on Wednesday, August 11, 2004 at 1:00 p.m. in Annapolis.

Business Sector: Retail Name of Business: Maryland Retailers Association

Size of Business: 37% Less than 50 workers or 63% 50 workers or more (please check one)

1) What was the Maryland unemployment insurance taxable payroll for your company in 2003?

\$51,000.00 to \$43.2 million

2) In comparison to the 2003 Maryland unemployment insurance taxable payroll, will your company's Maryland unemployment insurance taxable payroll in 2004 be higher, lower, or remain unchanged?

29% 2004 will be higher than 2003

28% 2004 will be lower than 2003

43% 2004 will remain unchanged from 2003

3) What was the Maryland unemployment insurance tax rate for your company in 2003? 63% between 0.3% - 1.0% 37% between 1.1% - 2.0%

4) What is the Maryland unemployment insurance tax rate for your company in 2004? 50% between 1.4% - 2.0% 50% between 2.1% - 3.0%

5) Does your company employ workers in any of the following states? If so, please indicate the unemployment insurance tax rate in each of those states for 2004.

 District of Columbia

 Pennsylvania

 North Carolina

 New Jersey

 West Virginia

 Delaware

 Virginia

Surtax generally put Maryland rates above rates in other states.

6) In comparison to the other states that your company employs workers, how would your company rate Maryland's unemployment insurance program?

 Maryland is Better 66% Maryland is Similar 34% Maryland is Worse

Please explain:

Not applicable to most respondents.

Survey from the Maryland Associated Builders and Contractors



Associated Builders and Contractors of Metropolitan Washington

August 18, 2004

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Facchina Construction Company, Inc.

Chairman-elect
Adam Prill
Prill Construction Group, LLC

Vice Chairman
Brian A. Mattingly
Goldin & Stafford, LLC

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Donohoe Construction Company

Secretary
Deborah Murphy
Standard Supplies, Inc.

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Oncore Construction, LLC

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Timothy Cummins
Aronson and Company

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Debra A. Schoonmaker
President/CEO

Mr. Mitch McCalmon
Maryland Unemployment Insurance Funding
Task Force
90 State Circle
Annapolis, MD 21401

Dear Mr. McCalmon:

Thank you for the opportunity to provide you with feedback regarding the unemployment insurance funding survey. We mailed copies of the survey to each of our members and received 32 responses. I have attempted to summarize the responses in the following chart. I hope the information proves helpful to the Task Force during their ongoing deliberations on this most important subject to the business community.

Employers with Under 50 Employees- 17 Responses

1. *\$1.2 million/\$30,883 (range of responses)
Average- \$483,066*
2. *11 Higher, 5 Unchanged, 1 no response*
3. *.032/.0017 (range)
.018 (average)*
4. *.041/.016 (range)
.024 (average)*
5. *n/a*
6. *2 Better, 1 Similar, 14 no response*

Employers with Over 50 Employees- 15 responses

1. *\$8.3 million/\$216,000 (range of responses)*
2. *8 Higher, 3 Unchanged, 2 Lower, 2 no answer*
3. *.064/.012 (range)
.018 (average)*

4. *.065/.012 (range)*
.029 (average)
5. *n/a*
6. *10 Similar, 3 worse, 2 no answer*

We hope this information is helpful. If you have any questions, please do not hesitate to call.

Sincerely,

A handwritten signature in black ink, appearing to read 'Bob', with a stylized flourish extending to the right.

Robert M. Zinsmeister, Director
Governmental Affairs

Survey from 13 Graphic, Art, and Copying Companies



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Name of Business:

1. The Art Litho Company
2. Alpha Graphics, Inc.
3. Sir Speedy printing
4. Circle Graphics, Inc.
5. K & W finishing, inc.
6. Kwik Kopy Printing
7. Economy Printing Company, Inc.
8. CCL Insertco, LLC
9. automated graphic systems
10. Jenkins Environmental
11. Cogar Printing
12. Graphic Impressions, Inc.
13. Chestnut Hill Design Group

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What was the Maryland unemployment insurance taxable payroll for your company in 2003?

1. 786,885
2. 265518.84
3. 236,212
4. \$783,980.44
5. 2,080,000
6. 209,654
7. \$171,216.00
8. 1.5M
9. 1,771,357
10. \$61,721.32
11. 136,000.00
12. 75,010
13. 60,500.00

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1. Insurance Funding Taskforce Survey

1. Business Sector:

[View](#) Total Respondents 13
(skipped this question) 0

2. Name of Business:

[View](#) Total Respondents 13
(skipped this question) 0

3. What was the Maryland unemployment insurance taxable payroll for your company in 2003?

[View](#) Total Respondents 13
(skipped this question) 0

4. In comparison to the 2003 Maryland unemployment insurance taxable payroll, will your company's Maryland unemployment insurance taxable payroll in 2004 be higher, lower, or remain unchanged?

	Response Percent	Response Total
2004 will be higher than 2003	46.2%	6
2004 will be lower than 2003	23.1%	3
2004 will remain unchanged from 2003	30.8%	4
Total Respondents		13
(skipped this question)		0

5. What was the Maryland unemployment insurance tax rate for your company in 2003?

[View](#) Total Respondents 13

(skipped this question) 0

6. What is the Maryland unemployment insurance tax rate for your company in 2004?

[View](#) Total Respondents 13

(skipped this question) 0

7. Does your company employ workers in any of the following states? If so, please indicate the unemployment insurance tax rate in each of those states for 2004.

		Response Percent	Response Total
View	Delaware	50%	3
View	District of Columbia	50%	3
View	New Jersey	66.7%	4
View	North Carolina	50%	3
View	Pennsylvania	66.7%	4
View	Virginia	66.7%	4
View	West Virginia	66.7%	4
		Total Respondents	6
		(skipped this question)	7

8. In comparison to the other states that your company employs workers, how would your company rate Maryland's unemployment insurance program?

	Response Percent	Response Total
Maryland Is Better	25%	1
Maryland Is Similar	75%	3
Maryland Is Worse	0%	0
		Total Respondents
		4
		(skipped this question)
		9

9. Please Explain:

[View](#) Total Respondents 7

(skipped this question) 6

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What is the Maryland unemployment insurance tax rate for your company in 2004?


1. 5.7%
2. .015
3. .068
4. .017
5. 0.025
6. .014
7. .017
8. 3.1%
9. 2.4%
10. 1.4 %
11. .050
12. .014
13. 1.8

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Name of Business:

1. The Art Litho Company
2. Alpha Graphics, Inc.
3. Sir Speedy printing
4. Circle Graphics, Inc.
5. K & W finishing, Inc.
6. Kwik Kopy Printing
7. Economy Printing Company, Inc.
8. CCL Insertco, LLC
9. automated graphic systems
10. Jenkins Environmental
11. Cogar Printing
12. Graphic Impressions, Inc.
13. Chestnut Hill Design Group

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Please Explain:

1. We have historically (a few years ago) employed sales reps in Virginia and Pennsylvania. Wage bases and experience ratings were close to Maryland's at that time.
2. I don't know what the other states are doing, but if you are thinking of raising the unemployment rates again it might cause a hardship for some companies. Once was enough-we went from a .009 rate to .015 in the space of 2 years, it really isn't fair to companies like ours with clear unemployment records.
3. N/A
4. I believe that the employer should be able to provide more information when submitting the "Request For Separation Information." We employ a large number of part-time workers and they often file claims when they are absent for personal or illness related reasons. When filing a claim, online or written, there is no way for the employer to communicate this information. Also, the information I receive from MD Unemployment often varies depending on whom I talk to. This is very frustrating as I try to do what I believe to be the "right" thing in each case.
5. No means of comparison
6. I have had employees from PA in the past and was shocked at how high their rates (.03451) were in comparison to MD. That's more than 10 times what I was paying for MD. Even with the dramatic increase this year to .014 it is still less than half of what I was paying PA. I have no knowledge of other surrounding areas.
7. Since I am the only employee of the corporation (as well as the owner and President) -- it's silly that I have to pay unemployment tax since I cannot be 'laid off'. If I am 'laid off' I would be going out of business. Therefore, I consider this tax as simply another tax that I pay that goes into a black hole -- I realize that my experience is probably not the 'typical' PIM response, but please recognized the perspectives of all of your members, both large and small. Thank you.



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What was the Maryland unemployment insurance tax rate for your company in 2003?

- 1. 3.1%
- 2. .011
- 3. .026
- 4. .013
- 5. 0.011
- 6. .003
- 7. .005
- 8. 3.1%
- 9. 1.2%
- 10. .3%
- 11. .034
- 12. .003
- 13. 1.8

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Appendix D

Table 1
C/Y 2004 Comparative Analysis of
Average per Employee UI Total Tax Liability

State	2004 Rank	2004 Total UI Tax	2003 Total UI Tax	2002 Total UI Tax	2001 Total UI Tax	2000 Total UI Tax
Washington	1	\$811.00	\$ 739.10	\$ 654.50	\$ 641.20	\$ 590.60
Alaska	2	\$733.50	\$ 696.80	\$ 732.00	\$ 591.50	\$ 576.80
Oregon	3	\$704.00	\$ 628.00	\$ 506.00	\$ 506.00	\$ 539.00
Hawaii	4	\$521.00	\$ 539.20	\$ 407.60	\$ 396.80	\$ 523.50
Massachusetts	5	\$518.00	\$ 326.00	\$ 304.40	\$ 304.40	\$ 315.20
Connecticut	6	\$506.00	\$ 476.00	\$ 266.00	\$ 266.00	\$ 326.00
Rhode Island	7	\$490.00	\$ 416.00	\$ 416.00	\$ 404.00	\$ 440.00
New Jersey	8	\$469.10	\$ 462.30	\$ 526.00	\$ 409.60	\$ 416.40
New York	9	\$421.50	\$ 413.00	\$ 311.00	\$ 311.00	\$ 319.50
Illinois	10	\$418.60	\$ 317.00	\$ 245.00	\$ 263.00	\$ 263.00
Michigan	11	\$398.00	\$ 353.00	\$ 303.00	\$ 293.50	\$ 303.00
Pennsylvania	12	\$392.00	\$ 376.00	\$ 344.00	\$ 344.00	\$ 352.00
Idaho	13	\$387.20	\$ 387.20	\$ 387.20	\$ 364.40	\$ 350.00
Minnesota	14	\$386.00	\$ 342.00	\$ 245.00	\$ 236.00	\$ 265.00
N. Dakota	15	\$352.00	\$ 326.00	\$ 264.80	\$ 294.00	\$ 281.40
Iowa	16	\$351.50	\$ 344.00	\$ 279.20	\$ 288.70	\$ 263.60
Nevada	17	\$342.00	\$ 335.50	\$ 327.70	\$ 319.90	\$ 310.80
N. Carolina	18	\$331.40	\$ 310.40	\$ 164.50	\$ 158.90	\$ 153.30
California	19	\$329.00	\$ 266.00	\$ 238.00	\$ 238.00	\$ 245.00
U.S. Average		\$327.63	\$ 279.34	\$ 233.96	\$ 243.05	\$ 228.40
Wisconsin	20	\$318.50	\$ 287.00	\$ 255.50	\$ 255.50	\$ 255.50
Arkansas	21	\$296.00	\$ 274.50	\$ 218.00	\$ 218.00	\$ 227.00
Montana	22	\$287.00	\$ 272.70	\$ 263.90	\$ 256.20	\$ 250.70
W. Virginia	23	\$280.00	\$ 280.00	\$ 288.00	\$ 280.00	\$ 280.00
Texas	24	\$272.00	\$ 254.00	\$ 164.00	\$ 173.00	\$ 173.00
Oklahoma	25	\$270.50	\$ 196.40	\$ 98.00	\$ 86.30	\$ 85.40
DC	26	\$263.00	\$ 245.00	\$ 254.00	\$ 254.00	\$ 254.00
Kentucky	27	\$256.00	\$ 240.00	\$ 192.00	\$ 192.00	\$ 184.00
Tennessee	28	\$252.00	\$ 231.00	\$ 161.00	\$ 105.56	\$ 161.00
Maryland	29	\$243.00	\$ 183.50	\$ 175.00	\$ 192.00	\$ 192.00
Utah	30	\$237.60	\$ 191.00	\$ 166.00	\$ 141.60	\$ 177.20
Maine	31	\$236.00	\$ 236.00	\$ 380.00	\$ 392.00	\$ 368.00
Ohio	31	\$236.00	\$ 218.00	\$ 182.00	\$ 191.00	\$ 191.00
Delaware	33	\$226.00	\$ 209.00	\$ 200.50	\$ 209.00	\$ 217.50
Kansas	34	\$224.00	\$ 200.00	\$ 160.00	\$ 200.00	\$ 184.00
Missouri	35	\$216.00	\$ 198.50	\$ 154.00	\$ 154.00	\$ 146.00
Vermont	35	\$216.00	\$ 216.00	\$ 216.00	\$ 208.00	\$ 256.00
Wyoming	37	\$215.00	\$ 183.20	\$ 232.40	\$ 253.40	\$ 246.40
Indiana	38	\$210.00	\$ 182.00	\$ 133.00	\$ 133.00	\$ 154.00
New Mexico	39	\$207.20	\$ 222.00	\$ 199.10	\$ 223.20	\$ 233.60
Colorado	40	\$206.00	\$ 156.00	\$ 146.00	\$ 136.00	\$ 146.00
S. Carolina	41	\$203.00	\$ 196.00	\$ 154.00	\$ 161.00	\$ 154.00
Georgia	42	\$200.50	\$ 107.00	\$ 98.50	\$ 81.50	\$ 98.50
Alabama	43	\$200.00	\$ 192.00	\$ 152.00	\$ 160.00	\$ 144.00
Mississippi	44	\$196.00	\$ 175.00	\$ 147.00	\$ 147.00	\$ 161.00
New Hampshire	45	\$184.00	\$ 136.00	\$ 120.00	\$ 120.00	\$ 120.00
Virginia	46	\$176.00	\$ 136.00	\$ 104.00	\$ 96.00	\$ 96.00
Florida	47	\$175.00	\$ 147.00	\$ 133.00	\$ 126.00	\$ 105.00
Louisiana	47	\$175.00	\$ 175.00	\$ 161.00	\$ 161.00	\$ 154.00
Nebraska	47	\$175.00	\$ 175.00	\$ 126.00	\$ 112.00	\$ 105.00

The TOTAL average per employee UI tax liability is the sum of the average per employee state UI tax liability plus the federal per employee UI tax liability.

Source: U.S. DOL; Prepared by Laurdan Associates, Inc.

Table 1
 C/Y 2004 Comparative Analysis of
 Average per Employee UI Total Tax Liability

Arizona	50	\$126.00	\$ 112.00	\$ 119.00	\$ 112.00	\$ 126.00
S. Dakota	51	\$105.00	\$ 105.00	\$ 98.00	\$ 98.00	\$ 98.00

Footnote:

The TOTAL average per employee UI tax liability is the sum of the average per employee state UI tax liability plus the federal per employee UI tax liability.

Source: U.S. DOL; Prepared by Laurdan Associates, Inc.

Total UI Tax Liability Worksheet

State	2004 State UI Taxable Wage Base	2004 State UI Average Tax Rate	2004 State UI UI Tax	2004 State Taxable Wage Base	2004 Federal UI Net Tax Rate	2004 Federal UI UI Tax	2004 Total UI Tax
Alabama	\$8,000	1.80%	\$144.00	\$7,000	0.80%	\$56.00	\$200.00
Alaska	\$27,100	2.50%	\$677.50	\$7,000	0.80%	\$56.00	\$733.50
Arizona	\$7,000	1.00%	\$70.00	\$7,000	0.80%	\$56.00	\$126.00
Arkansas	\$10,000	2.40%	\$240.00	\$7,000	0.80%	\$56.00	\$296.00
California	\$7,000	3.90%	\$273.00	\$7,000	0.80%	\$56.00	\$329.00
Colorado	\$10,000	1.50%	\$150.00	\$7,000	0.80%	\$56.00	\$206.00
Connecticut	\$15,000	3.00%	\$450.00	\$7,000	0.80%	\$56.00	\$506.00
Delaware	\$8,500	2.00%	\$170.00	\$7,000	0.80%	\$56.00	\$226.00
DC	\$9,000	2.30%	\$207.00	\$7,000	0.80%	\$56.00	\$263.00
Florida	\$7,000	1.70%	\$119.00	\$7,000	0.80%	\$56.00	\$175.00
Georgia	\$8,500	1.70%	\$144.50	\$7,000	0.80%	\$56.00	\$200.50
Hawaii	\$31,000	1.50%	\$465.00	\$7,000	0.80%	\$56.00	\$521.00
Idaho	\$27,600	1.20%	\$331.20	\$7,000	0.80%	\$56.00	\$387.20
Illinois	\$9,800	3.70%	\$362.60	\$7,000	0.80%	\$56.00	\$418.60
Indiana	\$7,000	2.20%	\$154.00	\$7,000	0.80%	\$56.00	\$210.00
Iowa	\$19,700	1.50%	\$295.50	\$7,000	0.80%	\$56.00	\$351.50
Kansas	\$8,000	2.10%	\$168.00	\$7,000	0.80%	\$56.00	\$224.00
Kentucky	\$8,000	2.50%	\$200.00	\$7,000	0.80%	\$56.00	\$256.00
Louisiana	\$7,000	1.70%	\$119.00	\$7,000	0.80%	\$56.00	\$175.00
Maine	\$12,000	1.50%	\$180.00	\$7,000	0.80%	\$56.00	\$236.00
Maryland	\$8,500	2.20%	\$187.00	\$7,000	0.80%	\$56.00	\$243.00
Massachusetts	\$14,000	3.30%	\$462.00	\$7,000	0.80%	\$56.00	\$518.00
Michigan	\$9,000	3.80%	\$342.00	\$7,000	0.80%	\$56.00	\$398.00
Minnesota	\$22,000	1.50%	\$330.00	\$7,000	0.80%	\$56.00	\$386.00
Mississippi	\$7,000	2.00%	\$140.00	\$7,000	0.80%	\$56.00	\$196.00
Missouri	\$8,000	2.00%	\$160.00	\$7,000	0.80%	\$56.00	\$216.00
Montana	\$21,000	1.10%	\$231.00	\$7,000	0.80%	\$56.00	\$287.00
Nebraska	\$7,000	1.70%	\$119.00	\$7,000	0.80%	\$56.00	\$175.00
Nevada	\$22,000	1.30%	\$286.00	\$7,000	0.80%	\$56.00	\$342.00
New Hampshire	\$8,000	1.60%	\$128.00	\$7,000	0.80%	\$56.00	\$184.00
New Jersey	\$24,300	1.70%	\$413.10	\$7,000	0.80%	\$56.00	\$469.10
New Mexico	\$16,800	0.90%	\$151.20	\$7,000	0.80%	\$56.00	\$207.20
New York	\$8,500	4.30%	\$365.50	\$7,000	0.80%	\$56.00	\$421.50
North Carolina	\$16,200	1.70%	\$275.40	\$7,000	0.80%	\$56.00	\$331.40
North Dakota	\$18,500	1.60%	\$296.00	\$7,000	0.80%	\$56.00	\$352.00

C/Y 2004

Total UI Tax Liability Worksheet

Ohio	\$9,000	2.00%	\$180.00	\$7,000	0.80%	\$56.00	\$236.00
Oklahoma	\$14,300	1.50%	\$214.50	\$7,000	0.80%	\$56.00	\$270.50
Oregon	\$27,000	2.40%	\$648.00	\$7,000	0.80%	\$56.00	\$704.00
Pennsylvania	\$8,000	4.20%	\$336.00	\$7,000	0.80%	\$56.00	\$392.00
Rhode Island	\$14,000	3.10%	\$434.00	\$7,000	0.80%	\$56.00	\$490.00
South Carolina	\$7,000	2.10%	\$147.00	\$7,000	0.80%	\$56.00	\$203.00
South Dakota	\$7,000	0.70%	\$49.00	\$7,000	0.80%	\$56.00	\$105.00
Tennessee	\$7,000	2.80%	\$196.00	\$7,000	0.80%	\$56.00	\$252.00
Texas	\$9,000	2.40%	\$216.00	\$7,000	0.80%	\$56.00	\$272.00
Utah	\$22,700	0.80%	\$181.60	\$7,000	0.80%	\$56.00	\$237.60
Vermont	\$8,000	2.00%	\$160.00	\$7,000	0.80%	\$56.00	\$216.00
Virginia	\$8,000	1.50%	\$120.00	\$7,000	0.80%	\$56.00	\$176.00
Washington	\$30,200	2.50%	\$755.00	\$7,000	0.80%	\$56.00	\$811.00
West Virginia	\$8,000	2.80%	\$224.00	\$7,000	0.80%	\$56.00	\$280.00
Wisconsin	\$10,500	2.50%	\$262.50	\$7,000	0.80%	\$56.00	\$318.50
Wyoming	\$15,900	1.00%	\$159.00	\$7,000	0.80%	\$56.00	\$215.00
U.S. Average	\$10,865	2.50%	\$271.63	\$7,000	0.80%	\$56.00	\$327.63

Source: U.S. DOL
Prepared by Laurdan Associates, Inc. December 2004

Source: U.S. DOL; Prepared by Laurdan Associates, Inc.

Appendix E

Maryland Retailers Association

The Maryland Retailers Association (MRA) offers a proposal for consideration by the Unemployment Insurance Funding Task Force that is more experience rated than the present surtax and offers the possibility of more forward and stable funding for the program.

The proposal replaces the current basic rate and surcharge taxing system to a system of four (or more) tables that provide for a more equitable and less volatile funding system.

Table A: Would be the present Basic Rates with the tax table collapsed into 0.2% intervals. Rates would range from 0.4% to 7.6%. Estimated revenue is \$280 million.

Table B: Would be a 10% across the board increase to the rates in Table A. Rates would range from 0.44% to 8.4%. Estimated revenue over Table A is \$28.5 million for a total of \$313.5 million.

Table C: Would be a 20% across the board increase to the rates in Table B. Rates would range from 0.528% to 10.08%. Estimated revenue over Table B is \$63.0 million for a total of \$376.5 million.

Table D: Would be a 30% across the board increase to the rates in Table C except the maximum rate would be capped at 10.6%. Rates would range from 0.686 to 10.6%. Estimated revenue over Table C is \$95.0 million for a total of \$471.5 million.

These revenue estimates are basically arithmetic calculations based on previous reports from DLLR. The actual revenue gains could be less due to economic conditions and reduced employer contributions. DLLR's analysis, therefore is still much needed.

The above is one scenario using tables with across the board percentage increases. You could have a scenario of just 10% increases or a 10% - 15% - 20% scenario. In all cases, experience rating is maintained. What needs to be determined is: (1) what scenario is most realistic, and (2) at what fund level(s) do you move from one table to the next – forward or back.

Maryland Chamber of Commerce – Ron Adler

Proposed UI Tax Rate Schedules

Table A

0.3% to 7.5%, with 0.1% incremental changes when the ratio of the Fund Balance/Taxable Wages exceeds 5.0%

Table B

0.6% to 9%, with 0.1% incremental changes when the ratio of the Fund Balance/Taxable Wages is greater than 4.5% but less than 5.0%

Table C

0.6% to 9%, with 0.3% incremental changes when the ratio of the Fund Balance/Taxable Wages is greater than 4.0% but less than 4.5%

Table D

0.6% to 9%, with 0.4% incremental changes when the ratio of the Fund Balance/Taxable Wages is greater than 3.5% but less than 4.0%

Table E

0.6% to 9%, with 0.5% incremental changes when the ratio of the Fund Balance/Taxable Wages is greater than 3.0% but less than 3.5%

Table F

0.9% to 9.9%, with 0.6% incremental changes when the ratio of the Fund Balance/Taxable Wages is less than 3.0%

Evaluation of Surcharge Proposals

Summary

Proposals have been submitted by Tom Saquella, representing Maryland Retailer's Association and by Ron Adler, representing the Maryland Chamber of Commerce. The two proposals provide alternatives to the existing surcharge system by prorating the surcharge and/or imposing various temporary tax changes to address Trust Fund shortfalls.

Neither proposal generates sufficient revenue to match the current surcharge mechanism and therefore would place the future solvency of the Trust Fund at risk.

Maryland Chamber of Commerce Proposal

TABLE A

0.3% to 7.5%, with 0.1 incremental changes when the ratio of the Fund Balance/Taxable Wages exceeds 5.0%.

TABLE B

0.6% to 9.0%, with 0.1% incremental changes when the ratio of the Fund Balance/Taxable Wages is greater than 4.5% but less than 5.0%

TABLE C

0.6% to 9.0%, with a 0.3% incremental changes when the ratio of the Fund Balance/Taxable Wages is greater than 4.0% but less than 4.5%

TABLE D

0.6% to 9.0%, with 0.4% incremental changes when the ratio of the Fund Balance/Taxable Wages is greater than 3.5% but less than 4.0% [Was 3.7% on 9/30/03]

TABLE E

0.6% to 9.0%, with 0.5% incremental changes when the ratio of the Fund Balance/Taxable Wages is greater than 3.0% but less than 3.5%

TABLE F

0.9% to 9.9%, with 0.6 incremental changes when the ratio of the Fund Balance/Taxable Wages is less than 3.0%

The estimate is based on total taxable wages of \$17.5 billion.

Trust Fund Balances for Tables A-F

Table A - Trust Fund \geq \$880 million

Table B - Trust Fund is $>$ \$792 million and $<$ \$880 million

Table C - Trust Fund is $>$ \$704 million and $<$ \$792 million

Table D - Trust Fund is $>$ \$616 million and $<$ \$704 million

Table E - Trust Fund is $>$ \$528 million and $<$ \$616 million

Table F - Trust Fund is $<$ \$528 million

For Calendar Year 2004, Level D would have been in effect*.

The estimates are based on the midpoint of the ratio of the Fund Balance to Taxable Wages

Table	Revenue Generated	Requirement Based on Ratio
A	\$0	\$0
B	\$57 million	\$50 million
C	\$71 million	\$136 million
D	\$78 million	\$224 million
E	\$85 million	\$311 million
F	\$145 million	\$400 million

In 2004, the exact ratio required a surcharge generating \$192.5 million. Level D would have generated \$78 million, a \$114 shortfall. If the current surcharge had generated only \$78 million in revenue, there would be an additional .7% surcharge for CY 2005, in addition to the estimated 2005 surcharge of .8%

Maryland Retailers Association

The proposal replaces the current basic rate and surcharge taxing system to a system of four (or more) tables that provide for a more equitable and less volatile funding system.

For calendar year 2004, Table D would have been in effect.

Table A: Would be the present Basic Rates with the tax table collapsed into 0.2% intervals. Rates would range from 0.4% to 7.6%. Estimated revenue is \$280 million and \$6.8 million over the base (current law without surcharge).

Table B: Would be a 10% across the board increase to the rates in Table A. Rates would range from 0.44% to 8.4%. Estimated revenue over Table A is \$28.5 million for a total of \$313.5 million and \$35.3 million over the base.

Table C: Would be a 20% across the board increase to the rates in Table B. Rates would range from 0.528% to 10.08%. Estimated revenue over Table B is \$63.0 million for a total of \$376.5 million and \$98.3 million over the base.

Table D: Would be a 30% across the board increase to rates in Table C except maximum rate would be capped at 10.6% [vs. actual 13.04]. Rates would range from 0.686 to 10.6%. Est. revenue over Table C is \$71.5M for a total of \$448M and \$169.8M over the base. This is still \$23M short of the required \$192.5M required for CY 2005 – an additional .2 surcharge for 2005
Rates would have been .7% to 10.6% for calendar year 2004.

***If the proposal contained a Table E with a 40% across the board increase to the rates in Table D and retaining the 10.6% cap [versus actual 18.26], rates would range from .96% to 10.6%. Estimated revenue over Table D would be \$137.2M for a total of \$579M and \$307M over the base.

Using the above concepts, the original 77% prorated surcharge, calculated by DLLR, would have modified rates for 2004 [including surcharge] to be .531 to 13.275 to generate the same \$192.5M

Maryland currently ranks 39th in the county on the list of average total UI cost per employee. Maryland citizens' wages are the 5th highest on average in the US, which makes the low cost per employee even more dramatic. **Basic permanent structural changes need to be made to offset "approved leakage".**

As per the discussion at the last UI Task Force meeting, I have “blended” the concepts and stratifications of the Tax Tables submitted by Ron Adler and Tom Saquella. I used the following precepts to arrive at this new table:

1. Take “the best of” each previous table’s ideas/structure
2. Develop rates/tax bases to garner income comparable to current surcharge mechanism
3. Use rate caps & pro-ration concepts based on previous input from task force members
4. No other changes to tax/benefit rates or levels or coverage would be forthcoming.
5. Relying on any new tax table to ensure solvency without fixing the underlying weakness may place the future trust fund solvency in jeopardy.
6. Rate level estimates were based on monies necessary to restore solvency if the trust fund was at the middle of each relative level [e.g. for level C the Trust Fund is between 4.0 and 4.5% of the taxable wages, I used a 4.25% level to determine shortfall and necessary rates to eliminate the shortfall, as the current surcharge does.]

TABLE	TRUST FUND % OF TAXABLE WAGES	RATES	BASE	TABLE RATE INCREMENT	\$\$\$ NEED
A	TF>5%	.3 - 7.5	\$8500	.1	\$00M
B	5 \geq TF>4.5	.6 – 8.5	\$8500	.1	\$53M
C	4.5 \geq TF>4.0	1.0 – 9.5	\$8500	.3	\$142M
D	4.0 \geq TF>3.5	1.4 – 10.5	\$8500	.5	\$230M
E	3.5 \geq TF>3.0	1.7 – 12.5	\$9000	.5	\$319M
F	3.0 \geq TF \leq 3.0	1.7 – 12.5	\$10000	.5	>\$354M

Tables E and F could avoid using a higher tax base but the rates would have to be increased to [for E] 1.8 – 13.3 and [for F] 2.0 – 14.7

Please note that the maximum rates should be compared to today’s max rate of 7.5 and the max surcharge of 2.0 [a 9.5 total]. This table prorates more of the “surcharge” to max rated employers than the current system, but cannot accomplish “true pro-ration” without shifting far higher burden [and thus even hire rates] to the max rated employers.

Lastly, since we would no longer have a true surcharge, we would need table C [on average] to keep us solvent each year because leakage has not been addressed. If we have a year [or years] when benefit payments exceed \$600M, the remaining levels of the table could not compensate for increased expenditures.

Per Tom Wendel

Hopefully, we will review all the issues [on 10/12] we have discussed thusfar and vote on them. If not, here are the things I think we should do as a minimum to help balance the system, forward fund it and provide a minimal increase in the benefit levels.

1. Add .3 to all rates = \$52.5M
2. Change the tax table increments from the current .1 to .3 = \$14.3M
3. Increase the maximum rate to 10.5 = \$9.4M
4. Eliminate the dependent's allowance provision = \$4M
5. Deduct all severance pay from unemployment benefits = \$1.5M
6. Drop the \$25-49 benefit levels [minimum becomes \$50] = \$2.5M
7. Eliminate the "stoppage of work" provision = \$1M
8. Increase the maximum benefit rate to \$340 [2005] \$350 [2006 and \$370 [2007] = -\$13.2M
9. Increase the taxable wage base to (\$10,000 or \$12,000)

NET INCREASE TO FUND = \$72M PER YEAR

IF THESE ARE IMPLEMENTED, **THEN** WE CAN HAVE A SET OF TABLES TO PRORATE THE SURCHARGE MORE EQUITABLY AMONGST ALL EMPLOYERS. IF WE ONLY CHOOSE TO IMPLEMENT TABLES, THEN ALL WE HAVE DONE IS TO IGNORE ALL THE LEAKAGE--NOT FORWARD FUND THE SYSTEM--AND ALLOW THE TABLES TO PRORATE THE SURCHARGE.

Maryland General Assembly Unemployment Insurance Funding Task Force: Proposal of the Maryland Retailers Association & Maryland Chamber of Commerce

This proposal is put forth by the representatives of the Maryland Retailers Association and Maryland Chamber of Commerce to the Maryland General Assembly Unemployment Insurance Funding Task Force ("State Task Force") to serve as the legislative package to be advanced by the State Task Force. Please note that all elements of this proposal are considered a complete legislative package, not to be further severed or altered by subsequent amendment/s.

- 1) Replace the current single schedule of experience rates and flat-rated surtax system with a more **experience rated** system through a table of multiple tax rate schedules or other means that experience rate the surtax. These tax rate schedules would become effective on January 1, 2006.
- 2) (a) Raise the maximum weekly benefit amount ("WBA") under the following schedule: \$30.00 to be effective on July 1, 2005 or January 1, 2006, depending on when DLLR can implement the proposed changes to the UI financing system; and
 - (b) Raise the maximum WBA when *all* of the changes in #3 below are made:
 - (i) \$10.00 to be effective on July 1, 2006 or January 1, 2007;
 - (ii) \$5.00 to be effective on July 1, 2007 or January 1, 2008;
 - (iii) \$5.00 to be effective on July 1, 2008 or January 1, 2009; and
 - (iv) \$10.00 to be effective on July 1, 2009 or January 1, 2010.
- 3) Implement the following additional amendments to Maryland's unemployment insurance law:
 - (a) Establish a **variable duration** of benefits schedule based on the number of quarters worked;
 - (b) Extend the present **new employer** rate from two to three years to deal with closed accounts leakage. In addition, we propose that DBED's Secretary be permitted to request a period of two years for newly located firms receiving state or local government assistance if those firms have experience rates in other states that are less than Maryland's new employer rate;
 - (c) Increase **partial benefit** amount from \$90.00 to \$100.00;
 - (d) Raise the **minimum weekly benefit** to \$50.00;
 - (e) Eliminate the **stoppage of work** provision;

(f) Deduct all **severance pay** from unemployment insurance benefits; and

(g) Change the disqualification for **aggravated misconduct** to the removal of wage credits.

Appendix F

Facts and Figures

Trust Fund table Requirements are as follows:

Table A: Trust Fund greater (>)than 5% of Taxable Wages (TW)

Table B: Trust Fund greater than 4.5% of TW, but less than or equal to 5.0% of TW

Table C: Trust Fund greater than 4.0% of TW, but less than or equal to 4.5% of TW

Table D: Trust Fund greater than 3.5% of TW, but less than or equal to 4.0% of TW

Table E: Trust Fund greater than 3.0% of TW, but less than or equal to 3.5% of TW

Table F: Trust Fund less than or equal to 3.0% of TW

Table A rates range from .3% to 7.5% on the first \$8500

Table B rates range from .6% to 9.0% on the first \$8500

Table C rates range from 1.0% to 10.5% on the first \$8500

Table D rates range from 1.4% to 11.8% on the first \$8500

Table E rates are the same as Table D [1.4% to 11.8%] on the first \$10,000

Table F rates are the same as Table D [1.4% to 11.8%] on the first \$11,500

All tables are at .3 rate increments.

All tables exclude UI payments/wages/charges and taxes related to ex-Federal workers, ex-military workers, Trade Act UI payments, Disaster UI payments and the 2001-2003 extended benefit program—all of these are 100% federally funded or reimbursed and have no impact on the UI Trust Fund or taxes.

All tables add in new employer taxes to the total income, but are not shown in the individual rate tables or in taxable wages/charges due to the nature of the fixed new employer rate and billing process.

All tables depict [at bottom] a “Need/Get” figure to show that the listed tax rate levels generate the average income needed by the Trust Fund to eliminate the shortfall that required each respective table. “Need” is determined by Trust Fund shortfall at the midpoint of each range [table level] measured each September 30th.

The level between each table’s requirement/tax receipt is approximately \$89M [.5% of the previous year’s taxable wages—currently \$17.8B X .5% = \$89M]

Note: Table E and F will not generate [for example] the 17.6% increase in revenue that you would expect [in Table E] from the percentage change in the tax base [10000 divided by 8500 = a 17.6% increase]. The reason for this is that many claimants do not earn over \$8500 per year. Also claimants have an average of 2.7 employers, so even those that earn over \$8500 a year may not earn over \$8500 from any one employer... so someone with an annual income of say \$23,000 may not have over \$8500 from any employer. This would lessen the impact of changing the wage base, because those employers would pay no additional tax under Table E or F where their workers stop short of \$10,000 or \$11,500. This is especially prevalent in the restaurant and service industries – a rapidly growing portion of Maryland’s economy. Part-time workers in all occupations would also lessen the revenue for a tax base increase alone.

For the actual legislation, the language concerning the new employers' rate would have to be restructured because the current law uses a 5 year average of employer tax rates [excluding any surcharges]. Since the new law will not technically have a surcharge, we need to address that, as well as placing some cap on the potential new employer rate [possibly 3.0] so that the rate does not inhibit new business from starting or relocating in Maryland.

Also, the law should include an adjustment to the percentage required for each level of the tax table should we ever get to an "E" or "F" level. The solvency level is based on the Trust Fund's percentage of taxable wages and would rise as the taxable wage is changed to \$10,000 or \$11,500. The language would indicate that the percentages used to arrive at table A-F would be adjusted downward for the year following the implementation of either a Table E or a Table F by the percentage increase in the taxable wage base.

TABLE A Table A would be in use when the Trust Fund [as measured on September 30th] exceeds 5% of the taxable wages for the most recently completed Fiscal Year

Rate	Ratios:	
	Min	Max
0.30%	0	0
0.60%	0.0001	0.0027
0.90%	0.0028	0.0054
1.20%	0.0055	0.0081
1.50%	0.0082	0.0108
1.80%	0.0109	0.0135
2.10%	0.0136	0.0162
2.40%	0.0163	0.0189
2.70%	0.019	0.0216
3.00%	0.0217	0.0243
3.30%	0.0244	0.027
3.60%	0.0271	0.0297
3.90%	0.0298	0.0324
4.20%	0.0325	0.0351
4.50%	0.0352	0.0378
4.80%	0.0379	0.0405
5.10%	0.0406	0.0432
5.40%	0.0433	0.0459
5.70%	0.046	0.0486
6.00%	0.0487	0.0513
6.30%	0.0514	0.054
6.60%	0.0541	0.0567
6.90%	0.0568	0.0594
7.20%	0.0595	0.0621
7.50%	0.0622	0.1098
7.50%	0.1099	1.000
7.50%	1.0001	9.9999

Trust Fund Table A Requirements are as follows:

Table A: Trust Fund greater (>)than 5% of Taxable Wages (TW)

Table A rates range from .3% to 7.5% on the first \$8500

TABLE B Table B would be in use when the Trust Fund [as measured on September 30th] is greater than 4.5%, but less than or equal to 5% of the taxable wages for the most recently completed Fiscal Year

Rate	Ratios:	
	Min	Max
0.60%	0	0
0.90%	0.0001	0.0027
1.20%	0.0028	0.0054
1.50%	0.0055	0.0081
1.80%	0.0082	0.0108
2.10%	0.0109	0.0135
2.40%	0.0136	0.0162
2.70%	0.0163	0.0189
3.00%	0.019	0.0216
3.30%	0.0217	0.0243
3.60%	0.0244	0.027
3.90%	0.0271	0.0297
4.20%	0.0298	0.0324
4.50%	0.0325	0.0351
4.80%	0.0352	0.0378
5.10%	0.0379	0.0405
5.40%	0.0406	0.0432
5.70%	0.0433	0.0459
6.00%	0.046	0.0486
6.30%	0.0487	0.0513
6.60%	0.0514	0.054
6.90%	0.0541	0.0567
7.20%	0.0568	0.0594
7.50%	0.0595	0.0621
7.80%	0.0622	0.0648
8.10%	0.0649	0.0675
8.40%	0.0676	0.0702
8.70%	0.0703	0.0729
9.00%	0.073	0.1098
9.00%	0.1099	1
9.00%	1.0001	9.9999

Trust Fund table Requirements are as follows:

Table B: Trust Fund greater than 4.5% of TW, but less than or equal to 5.0% of TW

Table B rates range from .6% to 9.0% on the first \$8500

All rates in Table A were increased by .3 and range expanded to raise maximum to 9.0%

TABLE C Table C would be in use when the Trust Fund [as measured on September 30th] is greater than 4.0%, but less than or equal to 4.5% of the taxable wages for the most recently completed Fiscal Year

Rate	Ratios:	
	Min	Max
1.00%	0	0
1.50%	0.0001	0.0027
1.80%	0.0028	0.0054
2.10%	0.0055	0.0081
2.40%	0.0082	0.0108
2.70%	0.0109	0.0135
3.00%	0.0136	0.0162
3.30%	0.0163	0.0189
3.60%	0.019	0.0216
3.90%	0.0217	0.0243
4.20%	0.0244	0.027
4.50%	0.0271	0.0297
4.80%	0.0298	0.0324
5.10%	0.0325	0.0351
5.40%	0.0352	0.0378
5.70%	0.0379	0.0405
6.00%	0.0406	0.0432
6.30%	0.0433	0.0459
6.60%	0.046	0.0486
6.90%	0.0487	0.0513
7.20%	0.0514	0.054
7.50%	0.0541	0.0567
7.80%	0.0568	0.0594
8.10%	0.0595	0.0621
8.40%	0.0622	0.0648
8.70%	0.0649	0.0675
9.00%	0.0676	0.0702
9.30%	0.0703	0.0729
9.60%	0.073	0.0756
9.90%	0.0757	0.0783
10.20%	0.0784	0.081
10.50%	0.0811	0.1098
10.50%	0.1099	1.000
10.50%	1.0001	9.9999

Trust Fund table Requirements are as follows:

Table C: Trust Fund greater than 4.0% of TW, but less than or equal to 4.5% of TW

Table C rates range from 1.0% to 10.5% on the first \$8500

.4% added to minimum rate and .6% added to all other rate. Table expanded to allow for 10.5% maximum

TABLE D Table D Would be in use when the Trust Fund [as measured on September 30th] is greater than 3.5%, but less than or equal to 4% of the taxable wages for the most recently completed Fiscal Year

Rate	Ratios:	
	Min	Max
1.40%	0	0
2.10%	0.0001	0.0027
2.40%	0.0028	0.0054
2.70%	0.0055	0.0081
3.00%	0.0082	0.0108
3.30%	0.0109	0.0135
3.60%	0.0136	0.0162
3.90%	0.0163	0.0189
4.20%	0.019	0.0216
4.50%	0.0217	0.0243
4.80%	0.0244	0.027
5.10%	0.0271	0.0297
5.40%	0.0298	0.0324
5.70%	0.0325	0.0351
6.00%	0.0352	0.0378
6.30%	0.0379	0.0405
6.60%	0.0406	0.0432
6.90%	0.0433	0.0459
7.20%	0.046	0.0486
7.50%	0.0487	0.0513
7.80%	0.0514	0.054
8.10%	0.0541	0.0567
8.40%	0.0568	0.0594
8.70%	0.0595	0.0621
9.00%	0.0622	0.0648
9.30%	0.0649	0.0675
9.60%	0.0676	0.0702
9.90%	0.0703	0.0729
10.20%	0.073	0.0756
10.50%	0.0757	0.0783
10.80%	0.0784	0.081
11.10%	0.0811	0.0837
11.40%	0.0838	0.0864
11.70%	0.0865	0.0891
11.80%	0.0892	0.1098
11.80%	0.1099	1.000
11.80%	1.0001	9.9999

Trust Fund table Requirements are as follows:

Table D: Trust Fund greater than 3.5% of TW, but less than or equal to 4.0% of TW

Table D rates range from 1.4% to 11.8% on the first \$8500

.4% added to minimum rate and .6% added to all other rates. Table expanded to allow for 11.8% maximum rate

TABLE E Table E would be in use when the Trust Fund [as measured on September 30th] is greater than 3%, but less than or equal to 3.5% of the taxable wages for the most recently completed Fiscal Yr.

Rate	Ratios:	
	Min	Max
1.80%	0	0
2.60%	0.0001	0.0027
2.90%	0.0028	0.0054
3.20%	0.0055	0.0081
3.50%	0.0082	0.0108
3.80%	0.0109	0.0135
4.10%	0.0136	0.0162
4.40%	0.0163	0.0189
4.70%	0.019	0.0216
5.00%	0.0217	0.0243
5.30%	0.0244	0.027
5.60%	0.0271	0.0297
5.90%	0.0298	0.0324
6.20%	0.0325	0.0351
6.50%	0.0352	0.0378
6.80%	0.0379	0.0405
7.10%	0.0406	0.0432
7.40%	0.0433	0.0459
7.70%	0.046	0.0486
8.00%	0.0487	0.0513
8.30%	0.0514	0.054
8.60%	0.0541	0.0567
8.90%	0.0568	0.0594
9.20%	0.0595	0.0621
9.50%	0.0622	0.0648
9.80%	0.0649	0.0675
10.10%	0.0676	0.0702
10.40%	0.0703	0.0729
10.70%	0.073	0.0756
11.00%	0.0757	0.0783
11.30%	0.0784	0.081
11.60%	0.0811	0.0837
11.90%	0.0838	0.0864
12.20%	0.0865	0.0891
12.50%	0.0892	0.0918
12.80%	0.0919	0.0945
12.90%	0.0946	0.1098
12.90%	0.1099	1.000
12.90%	1.0001	9.9999

Trust Fund table Requirements are as follows:

Table E: Trust Fund greater than 3% of TW, but less than or equal to 3.5% of TW

Table E rates range from 1.8% to 12.9% on the first \$8,500

TABLE F: Table F would be in use when the Trust Fund [as measured on September 30th] is greater than 3%, but less than or equal to 3.5% of the taxable wages for the most recently completed Fiscal Year

Rate	Ratios:	
	Min	Max
2.20%	0	0
3.10%	0.0001	0.0027
3.40%	0.0028	0.0054
3.70%	0.0055	0.0081
4.00%	0.0082	0.0108
4.30%	0.0109	0.0135
4.60%	0.0136	0.0162
4.90%	0.0163	0.0189
5.20%	0.019	0.0216
5.50%	0.0217	0.0243
5.80%	0.0244	0.027
6.10%	0.0271	0.0297
6.40%	0.0298	0.0324
6.70%	0.0325	0.0351
7.00%	0.0352	0.0378
7.30%	0.0379	0.0405
7.60%	0.0406	0.0432
7.90%	0.0433	0.0459
8.20%	0.046	0.0486
8.50%	0.0487	0.0513
8.80%	0.0514	0.054
9.10%	0.0541	0.0567
9.40%	0.0568	0.0594
9.70%	0.0595	0.0621
10.00%	0.0622	0.0648
10.30%	0.0649	0.0675
10.60%	0.0676	0.0702
10.90%	0.0703	0.0729
11.20%	0.073	0.0756
11.50%	0.0757	0.0783
11.80%	0.0784	0.081
12.10%	0.0811	0.0837
12.40%	0.0838	0.0864
12.70%	0.0865	0.0891
13.00%	0.0892	0.0918
13.30%	0.0919	0.0945
13.50%	0.0946	0.110
13.50%	0.1099	1
13.50%	1.0001	9.9999

Trust Fund table Requirements are as follows:

Table F: Trust Fund less than or equal to 3% of TW

Table F: Rates range from 2.2% to 13.5% on the first \$8,500

1/20/2005 Rate	Ratios: Min Max		NEW A	B	C	D RATES				Tot Taxable Wage: tax A (new) tax B tax C tax D				rates at E & \$8500 base	tax at new rates	rates at F & \$8500 base	tax at new rates
			Number of Accounts	RATES	RATES												
0.30%	0	0	69,908	0.3	0.6	1	1.4	\$2,775,990,270	\$8,327,971	\$16,655,942	\$27,759,903	\$38,863,864	1.8	\$49,967,825	2.2	\$61,071,786	
0.40%	0.0001	0.0009	2,543	0.6	0.9	1.5	2.1	540,465,935	3,242,796	4,864,193	8,106,989	11,349,785	2.6	14,052,114	3.1	16,754,444	
0.50%	0.001	0.0018	1,698	0.6	0.9	1.5	2.1	465,083,898	2,790,503	4,185,755	6,976,258	9,766,762	2.6	12,092,181	3.1	14,417,601	
0.60%	0.0019	0.0027	1,401	0.6	0.9	1.5	2.1	518,137,534	3,108,825	4,663,238	7,772,063	10,880,888	2.6	13,471,576	3.1	16,062,264	
0.70%	0.0028	0.0036	1,322	0.9	1.2	1.8	2.4	510,914,221	4,598,228	6,130,971	9,196,456	12,261,941	2.9	14,816,512	3.4	17,371,084	
0.80%	0.0037	0.0045	1,177	0.9	1.2	1.8	2.4	649,642,025	5,846,778	7,795,704	11,693,556	15,591,409	2.9	18,839,619	3.4	22,087,829	
0.90%	0.0046	0.0054	1,124	0.9	1.2	1.8	2.4	715,873,135	6,442,858	8,590,478	12,885,716	17,180,955	2.9	20,760,321	3.4	24,339,687	
1.00%	0.0055	0.0063	1,025	1.2	1.5	2.1	2.7	678,043,189	8,136,518	10,170,648	14,238,907	18,307,166	3.2	21,697,382	3.7	25,087,598	
1.10%	0.0064	0.0072	914	1.2	1.5	2.1	2.7	564,344,108	6,772,129	8,465,162	11,851,226	15,237,291	3.2	18,059,011	3.7	20,880,732	
1.20%	0.0073	0.0081	887	1.2	1.5	2.1	2.7	611,604,033	7,339,248	9,174,060	12,843,685	16,513,309	3.2	19,571,329	3.7	22,629,349	
1.30%	0.0082	0.009	855	1.5	1.8	2.4	3.0	494,010,206	7,410,153	8,892,184	11,856,245	14,820,306	3.5	17,290,357	4.0	19,760,408	
1.40%	0.0091	0.0099	802	1.5	1.8	2.4	3.0	471,361,015	7,070,415	8,484,498	11,312,664	14,140,830	3.5	16,497,636	4.0	18,854,441	
1.50%	0.01	0.0108	764	1.5	1.8	2.4	3.0	425,619,466	6,384,292	7,661,150	10,214,867	12,768,584	3.5	14,896,681	4.0	17,024,779	
1.60%	0.0109	0.0117	764	1.8	2.1	2.7	3.3	557,405,181	10,033,293	11,705,509	15,049,940	18,394,371	3.8	21,181,397	4.3	23,968,423	
1.70%	0.0118	0.0126	694	1.8	2.1	2.7	3.3	339,779,493	6,116,031	7,135,369	9,174,046	11,212,723	3.8	12,911,621	4.3	14,610,518	
1.80%	0.0127	0.0135	677	1.8	2.1	2.7	3.3	414,156,984	7,454,826	8,697,297	11,182,239	13,667,180	3.8	15,737,965	4.3	17,808,750	
1.90%	0.0136	0.0144	660	2.1	2.4	3	3.6	343,147,993	7,206,108	8,235,552	10,294,440	12,353,328	4.1	14,069,068	4.6	15,784,808	
2.00%	0.0145	0.0153	568	2.1	2.4	3	3.6	317,608,274	6,669,774	7,622,599	9,528,248	11,433,898	4.1	13,021,939	4.6	14,609,981	
2.10%	0.0154	0.0162	542	2.1	2.4	3	3.6	223,181,136	4,686,804	5,356,347	6,695,434	8,034,521	4.1	9,150,427	4.6	10,266,332	
2.20%	0.0163	0.0171	534	2.4	2.7	3.3	3.9	367,763,424	8,826,322	9,929,612	12,136,193	14,342,774	4.4	16,181,591	4.9	18,200,408	
2.30%	0.0172	0.018	499	2.4	2.7	3.3	3.9	214,110,074	5,138,642	5,780,972	7,065,632	8,350,293	4.4	9,420,843	4.9	10,491,394	
2.40%	0.0181	0.0189	486	2.4	2.7	3.3	3.9	238,343,207	7,020,237	7,865,267	9,535,326	11,247,104	4.4	10,487,101	4.9	11,678,717	
2.50%	0.019	0.0198	512	2.7	3	3.6	4.2	221,857,469	5,990,152	6,655,724	7,986,869	9,318,014	4.7	10,427,301	5.2	11,536,588	
2.60%	0.0199	0.0207	415	2.7	3	3.6	4.2	207,372,309	5,599,052	6,221,169	7,465,403	8,709,637	4.7	9,745,499	5.2	10,783,360	
2.70%	0.0208	0.0216	397	2.7	3	3.6	4.2	119,509,376	5,926,753	6,585,281	7,902,338	9,219,394	4.7	10,316,941	5.2	11,414,488	
2.80%	0.0217	0.0225	411	3	3.3	3.9	4.5	181,774,969	5,453,249	5,998,574	7,089,224	8,179,874	5.0	9,088,748	5.5	9,997,623	
2.90%	0.0226	0.0234	382	3	3.3	3.9	4.5	161,906,549	4,857,196	5,342,916	6,314,355	7,285,795	5.0	8,095,327	5.5	8,904,860	
3.00%	0.0235	0.0243	348	3	3.3	3.9	4.5	137,002,821	4,110,085	4,521,093	5,343,110	6,165,127	5.0	6,850,141	5.5	7,535,155	
3.10%	0.0244	0.0252	358	3.3	3.6	4.2	4.8	171,228,795	5,650,550	6,164,237	7,191,609	8,218,982	5.3	9,075,126	5.8	9,931,270	
3.20%	0.0253	0.0261	364	3.3	3.6	4.2	4.8	127,733,494	4,215,205	4,598,406	5,364,807	6,131,208	5.3	6,769,875	5.8	7,408,543	
3.30%	0.0262	0.027	315	3.3	3.6	4.2	4.8	100,959,336	3,331,658	3,634,536	4,240,292	4,846,048	5.3	5,260,845	5.8	5,855,641	
3.40%	0.0271	0.0279	297	3.6	3.9	4.5	5.1	104,428,075	3,759,411	4,072,695	4,699,263	5,325,832	5.6	5,847,972	6.1	6,370,113	
3.50%	0.028	0.0288	322	3.6	3.9	4.5	5.1	109,160,549	3,929,780	4,257,261	4,912,225	5,567,188	5.6	6,112,991	6.1	6,658,793	
3.60%	0.0289	0.0297	296	3.6	3.9	4.5	5.1	99,728,302	3,590,219	3,889,404	4,487,774	5,086,143	5.6	5,584,785	6.1	6,083,426	
3.70%	0.0298	0.0306	270	3.9	4.2	4.8	5.4	61,927,851	2,415,186	2,600,970	2,972,537	3,344,104	5.9	3,653,743	6.4	3,963,382	
3.80%	0.0307	0.0315	246	3.9	4.2	4.8	5.4	62,921,735	2,453,948	2,642,713	3,020,243	3,397,774	5.9	3,712,382	6.4	4,026,991	
3.90%	0.0316	0.0324	239	3.9	4.2	4.8	5.4	93,283,314	3,638,049	3,917,899	4,477,599	5,037,299	5.9	5,503,716	6.4	5,970,132	
4.00%	0.0325	0.0333	242	4.2	4.5	5.1	5.7	118,947,269	4,995,785	5,352,627	6,066,311	6,779,994	6.2	7,374,731	6.7	7,969,467	
4.10%	0.0334	0.0342	221	4.2	4.5	5.1	5.7	73,438,924	3,084,435	3,304,752	3,745,385	4,188,019	6.2	4,553,213	6.7	4,920,408	
4.20%	0.0343	0.0351	219	4.2	4.5	5.1	5.7	53,627,373	2,252,350	2,413,232	2,734,996	3,056,760	6.2	3,324,897	6.7	3,593,034	
4.30%	0.0352	0.036	210	4.5	4.8	5.4	6.0	76,791,620	3,455,623	3,685,998	4,146,747	4,607,497	6.5	4,991,455	7.0	5,375,413	
4.40%	0.0361	0.0369	213	4.5	4.8	5.4	6.0	68,513,986	3,083,129	3,288,671	3,699,755	4,110,839	6.5	4,453,409	7.0	4,795,979	
4.50%	0.037	0.0378	206	4.5	4.8	5.4	6.0	59,078,425	2,658,529	2,835,764	3,190,235	3,544,706	6.5	3,840,098	7.0	4,135,490	
4.60%	0.0379	0.0387	198	4.8	5.1	5.7	6.3	53,419,995	2,564,160	2,724,420	3,044,940	3,365,460	6.8	3,632,560	7.3	3,899,660	
4.70%	0.0388	0.0396	190	4.8	5.1	5.7	6.3	62,631,358	3,006,305	3,194,199	3,569,987	3,954,776	6.8	4,258,932	7.3	4,572,089	
4.80%	0.0397	0.0405	186	4.8	5.1	5.7	6.3	69,914,608	3,355,901	3,565,645	3,985,133	4,404,620	6.8	4,754,193	7.3	5,103,766	
4.90%	0.0406	0.0414	180	5.1	5.4	6	6.6	38,126,704	1,944,462	2,058,842	2,287,602	2,516,362	7.1	2,706,996	7.6	2,897,630	
5.00%	0.0415	0.0423	194	5.1	5.4	6	6.6	42,497,547	2,167,375	2,294,868	2,549,853	2,804,838	7.1	3,017,326	7.6	3,229,814	
5.10%	0.0424	0.0432	154	5.1	5.4	6	6.6	40,371,111	2,058,927	2,180,040	2,422,267	2,664,493	7.1	2,866,349	7.6	3,068,204	
5.20%	0.0433	0.0441	173	5.4	5.7	6.3	6.9	37,454,058	2,022,519	2,134,881	2,359,606	2,584,330	7.4	2,771,600	7.9	2,958,871	
5.30%	0.0442	0.045	145	5.4	5.7	6.3	6.9	51,247,381	2,767,359	2,921,101	3,228,585	3,536,069	7.4	3,792,306	7.9	4,048,543	
5.40%	0.0451	0.0459	16	5.4	5.7	6.3	6.9	50,286,835	2,715,489	2,866,350	3,168,071	3,469,792	7.4	3,721,226	7.9	3,972,660	
5.50%	0.046	0.0468	145	5.7	6	6.6	7.2	35,912,213	2,046,996	2,154,733	2,370,206	2,585,679	7.7	2,765,240	8.2	2,944,801	
5.60%	0.0469	0.0477	143	5.7	6	6.6	7.2	36,226,895	2,064,933	2,173,614	2,390,975	2,608,336	7.7	2,789,471	8.2	2,970,605	
5.70%	0.0478	0.0486	136	5.7	6	6.6	7.2	39,200,351	2,234,420	2,352,021	2,587,223	2,822,425	7.7	3,018,427	8.2	3,214,429	
5.80%	0.0487	0.0495	147	6	6.3	6.9	7.5	39,327,596	2,359,656	2,477,639	2,713,604	2,949,570	8.0	3,146,208	8.5	3,342,846	
5.90%	0.0496	0.0504	125	6	6.3	6.9	7.5	22,787,244	1,367,235	1,435,596	1,572,320	1,709,403	8.0	1,822,980	8.5	1,936,916	
6.00%	0.0505	0.0513	105	6	6.3	6.9	7.5	29,905,090	1,554,305	1,632,021	1,787,451	1,942,882	8.0	2,072,407	8.5	2,201,933	
6.10%	0.0514	0.0522	135	6.3	6.6	7.2	7.8	38,124,294	2,401,831	2,516,203	2,744,949	2,973,695	8.3	3,164,316	8.8	3,354,938	
6.20%	0.0523	0.0531	124	6.3	6.6	7.2	7.8	22,504,201	1,417,765	1,485,277	1,620,302	1,755,328	8.3	1,867,849	8.8	1,980,370	
6.30%	0.0532	0.054	99	6.3	6.6	7.2	7.8	15,889,371	1,001,030	1,048,698	1,144,035	1,239,371	8.3	1,318,818	8.8	1,398,265	
6.40%	0.0541	0.0549	115	6.6	6.9	7.5	8.1	30,731,783	2,028,298	2,120,493	2,304,884	2,489,274	8.6	2,642,933	9.1	2,796,592	
6.50%	0.055	0.0558	105	6.6	6.9	7.5	8.1	40,114,242	2,647,540	2,767,883	3,008,568	3,249,254	8.6				

9.40%	0.0811	0.0819	49	7.5	9	10.5	11.1	6,370,406	477,780	573,337	668,893	707,115	11.6	738,967	12.1	770,819
9.50%	0.082	0.0828	48	7.5	9	10.5	11.1	23,302,839	1,747,713	2,097,256	2,446,798	2,586,615	11.6	2,703,129	12.1	2,819,644
9.60%	0.0829	0.0837	46	7.5	9	10.5	11.1	11,715,602	878,670	1,054,404	1,230,138	1,300,432	11.6	1,359,010	12.1	1,417,588
9.70%	0.0838	0.0846	51	7.5	9	10.5	11.4	9,639,977	722,998	867,598	1,012,198	1,098,957	11.9	1,147,157	12.4	1,195,357
9.80%	0.0847	0.0855	36	7.5	9	10.5	11.4	6,803,783	510,284	612,340	714,397	775,631	11.9	809,650	12.4	843,669
9.90%	0.0856	0.0864	54	7.5	9	10.5	11.4	11,772,298	882,922	1,059,507	1,236,091	1,342,042	11.9	1,400,903	12.4	1,459,765
10.00%	0.0865	0.0873	47	7.5	9	10.5	11.7	10,815,253	811,144	973,373	1,135,602	1,265,385	12.2	1,319,461	12.7	1,373,537
10.10%	0.0874	0.0882	49	7.5	9	10.5	11.7	5,775,242	433,143	519,772	606,400	675,703	12.2	704,579	12.7	733,456
10.20%	0.0883	0.0891	45	7.5	9	10.5	11.7	13,251,524	993,864	1,192,637	1,391,410	1,550,428	12.2	1,616,686	12.7	1,682,944
10.30%	0.0892	0.09	45	7.5	9	10.5	11.8	6,624,040	496,803	596,164	695,524	781,637	12.5	828,005	13.0	861,125
10.40%	0.0901	0.0909	41	7.5	9	10.5	11.8	8,740,407	655,531	786,637	917,743	1,031,368	12.5	1,092,551	13.0	1,136,253
10.50%	0.091	0.0918	55	7.5	9	10.5	11.8	13,417,574	1,006,318	1,207,582	1,408,845	1,583,274	12.5	1,677,197	13.0	1,744,285
10.60%	0.0919	0.0927	25	7.5	9	10.5	11.8	1,837,020	137,777	165,332	192,887	216,768	12.8	235,139	13.3	244,324
10.70%	0.0928	0.0936	47	7.5	9	10.5	11.8	6,326,312	474,473	569,368	664,263	746,505	12.8	809,768	13.3	841,400
10.80%	0.0937	0.0945	33	7.5	9	10.5	11.8	6,738,027	505,352	606,422	707,493	795,087	12.8	862,467	13.3	896,158
10.90%	0.0946	0.0954	37	7.5	9	10.5	11.8	2,190,305	164,273	197,127	229,982	258,456	12.9	282,549	13.5	295,691
11.00%	0.0955	0.0963	34	7.5	9	10.5	11.8	10,344,906	775,868	931,042	1,086,215	1,220,699	12.9	1,334,493	13.5	1,396,562
11.10%	0.0964	0.0972	33	7.5	9	10.5	11.8	3,365,866	252,440	302,928	353,416	397,172	12.9	434,197	13.5	454,392
11.20%	0.0973	0.0981	35	7.5	9	10.5	11.8	3,811,284	285,846	343,016	400,185	449,732	12.9	491,656	13.5	514,523
11.30%	0.0982	0.099	32	7.5	9	10.5	11.8	2,156,204	161,715	194,058	226,401	254,432	12.9	278,150	13.5	291,088
11.40%	0.0991	0.0999	28	7.5	9	10.5	11.8	3,183,730	238,780	286,536	334,292	375,680	12.9	410,701	13.5	429,804
11.50%	0.1	0.1008	36	7.5	9	10.5	11.8	3,595,204	269,640	323,568	377,496	424,234	12.9	463,781	13.5	485,353
11.60%	0.1009	0.1017	22	7.5	9	10.5	11.8	7,714,752	578,606	694,328	810,049	910,341	12.9	995,203	13.5	1,041,492
11.70%	0.1018	0.1026	26	7.5	9	10.5	11.8	5,928,055	444,604	533,525	622,446	699,511	12.9	764,719	13.5	800,287
11.80%	0.1027	0.1035	31	7.5	9	10.5	11.8	3,504,090	262,807	315,368	367,929	413,483	12.9	452,028	13.5	473,052
11.90%	0.1036	0.1044	32	7.5	9	10.5	11.8	4,325,311	324,398	389,278	454,158	510,387	12.9	557,965	13.5	583,917
12.00%	0.1045	0.1053	36	7.5	9	10.5	11.8	2,945,656	220,924	265,109	309,294	347,587	12.9	379,990	13.5	397,664
12.10%	0.1054	0.1062	22	7.5	9	10.5	11.8	2,376,399	178,230	213,876	249,522	280,415	12.9	306,555	13.5	320,814
12.20%	0.1063	0.1071	36	7.5	9	10.5	11.8	10,364,123	777,309	932,771	1,088,233	1,222,967	12.9	1,336,972	13.5	1,399,157
12.30%	0.1072	0.108	36	7.5	9	10.5	11.8	4,910,311	368,273	441,928	515,583	579,417	12.9	633,430	13.5	662,892
12.40%	0.1081	0.1089	28	7.5	9	10.5	11.8	2,192,757	164,457	197,348	230,239	258,745	12.9	282,866	13.5	296,022
12.50%	0.109	0.1098	36	7.5	9	10.5	11.8	8,801,527	660,115	792,137	924,160	1,038,580	12.9	1,135,397	13.5	1,188,206
12.50%	0.1099	1.000	2,739	7.5	9	10.5	11.8	308,652,361	23,148,927	27,778,712	32,408,498	36,420,979	12.9	39,816,155	13.5	41,668,069
12.50%	1.0001	9.9999	8	7.5	9	10.5	11.8	42,986	3,224	3,869	4,514	5,072	12.9	5,545	13.5	5,803

105,231

\$17,770,679,715 \$282,143,606 \$329,106,884 \$428,166,913 \$510,036,184

\$594,580,896.23

\$682,508,657

need 45 [328] need 420 need 505
get 46 [329] get 428 get 510

need 594

need 683

Trust Fund table Requirements are as follows:

Table A: Trust Fund greater (>)than 5% of Taxable Wages (TW)

Table B: Trust Fund greater than 4.5% of TW, but less than or equal to 5.0% of TW

Table C: Trust Fund greater than 4.0% of TW, but less than or equal to 4.5% of TW

Table D: Trust Fund greater than 3.5% of TW, but less than or equal to 4.0% of TW

Table E: Trust Fund greater than 3.0% of TW, but less than or equal to 3.5% of TW

Table F: Trust Fund less than or equal to 3.0% of TW

All tables are at .3 rate increments.

All tables exclude UI payments/wages/charges and taxes related to ex-Federal workers, ex-military workers, Trade Act UI payments,

All tables add in new employer taxes to the total income, but are not shown in the individual rate tables or in taxable wages/charges due to the nature of the fixed new employer rate and billing process.

Disaster UI payments and the 2001-2003 extended benefit program—all of these are 100% federally funded or reimbursed and have no impact on the UI Trust Fund or taxes.

All tables depict [at bottom] a "Need/Get" figure to show that the listed tax rate levels generate the average income needed by the Trust Fund to eliminate the shortfall that required each respective table. "Need" is determined by Trust Fund shortfall at the midpoint of each range [table level] measured each September 30th.

The level between each table's requirement/tax receipt is approximately \$89M [.5% of the previous year's taxable wages—currently \$17.8B X .5% = \$89M]

Note: Table E and F will not generate [for example] the 17.6% increase in revenue that you would expect [in Table E] from the percentage change in the tax base [10000 divided by 8500 = a 17.6% increase].

The reason for this is that many claimants do not earn over \$8500 per year. Also claimants have an average of 2.7 employers, so even those that earn over \$8500 a year may not earn over \$8500 from any one employer. Someone with an annual income of say \$23,000 may not have over \$8500 from any employer. This would lessen the impact of changing the wage base, because those employers would pay no additional tax under Table E or F where their workers stop short of \$10,000 or \$11,500. This is especially prevalent in the restaurant and service industries—a rapidly growing portion of Maryland's economy. Part-time workers in all occupations would also lessen the revenue for a tax base increase alone.

Prepared by: Department of Labor, Licensing, and Regulation

TRUST FUND BALANCES & TAXABLE WAGES USED IN SURCHARGE CALCULATION
1985 Through 2005

Rates Assigned For:		Trust Fund Balance [TF]		Taxable Wages [TW]		ratio of	Table
Period	Year	Measurement Date	Amount	Period	Amount	TF:TW	Required
Fiscal Year	1985	5/31/1984	\$335,213,797	Calendar Year	1983	3.98%	D
Fiscal Year	1986	5/31/1985	\$177,991,740	Calendar Year	1984	1.95%	F
Fiscal Year	1987	5/31/1986	\$494,522,113	Calendar Year	1985	5.05%	A
Fiscal Year	1988	5/31/1987	\$555,778,570	Calendar Year	1986	5.34%	A
Fiscal Year	1989	5/31/1988	\$578,711,572	Calendar Year	1987	5.20%	A
Fiscal Year	1990	5/31/1989	\$605,788,894	Calendar Year	1988	5.16%	A
Fiscal Year	1991	5/31/1990	\$562,660,704	Calendar Year	1989	4.65%	B
Fiscal Year	1992	5/31/1991	\$372,252,279	Calendar Year	1990	3.05%	E
SPECIAL RATE 10/1/91 - 6/30/92		9/30/1991	\$276,177,061	Not a factor in the Rate Calculation (UTF < \$350,000,000)			
Calendar Year	1993	9/30/1992	\$186,781,449	Fiscal Year	1992	1.62%	F
Calendar Year	1994	9/30/1993	\$231,226,597	Fiscal Year	1993	1.70%	F
Calendar Year	1995	9/30/1994	\$394,136,986	Fiscal Year	1994	2.85%	F
Calendar Year	1996	9/30/1995	\$604,467,853	Fiscal Year	1995	4.17%	C
Calendar Year	1997	9/30/1996	\$692,446,962	Fiscal Year	1996	4.73%	B
Calendar Year	1998	9/30/1997	\$735,683,310	Fiscal Year	1997	4.77%	B
Calendar Year	1999	9/30/1998	\$758,336,220	Fiscal Year	1998	4.75%	B
Calendar Year	2000	9/30/1999	\$816,452,980	Fiscal Year	1999	4.94%	B
Calendar Year	2001	9/30/2000	\$883,148,792	Fiscal Year	2000	5.04%	A
Calendar Year	2002	9/30/2001	\$867,696,057	Fiscal Year	2001	4.87%	B
Calendar Year	2003	9/30/2002	\$832,093,969	Fiscal Year	2002	4.73%	B
Calendar Year	2004	9/30/2003	\$646,111,239	Fiscal Year	2003	3.69%	D
Calendar Year	2005	9/30/2004	\$705,421,439	Fiscal Year	2004	3.97%	D
			AVERAGE	AVERAGE		4.16%	C
			\$12,036,923,522				
				TABLE A		5/21	23.8%
				TABLE B		1/3	33.3%
				TABLE C		1/21	4.8%
				TABLE D		1/7	14.3%
				TABLE E		1/21	4.8%
				TABLE F		4/21	19.0%
				AVERAGE		IS	TABLE C

Note: Fiscal Year 1993 Taxable Wages reflect increase to \$8,500 from \$7,000