

CHAPTER 590

(House Bill 1195)

AN ACT concerning

Unemployment Insurance – Lump Sum Retirement Payments

FOR the purpose of providing that a retirement benefit in the form of a lump sum payment is not deductible from unemployment insurance benefits if, prior to filing an initial claim for benefits, the claimant places the lump sum payment in a qualified retirement plan; requiring an employer to provide a certain notice on the effect of a lump sum payment at a certain time; and generally relating to the effect of lump sum retirement payments on unemployment insurance benefits under certain circumstances.

BY repealing and reenacting, with amendments,

Article – Labor and Employment

Section 8-1008

Annotated Code of Maryland

(1991 Volume and 1992 Supplement)

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

Article – Labor and Employment

8-1008.

(a) In this section, “retirement payment”:

(1) means an amount in the form of a pension, annuity, or retirement or retired pay from a trust, annuity, profit sharing plan, insurance fund, annuity or insurance contract, or any other similar lump sum or periodic payment that is based on any previous covered employment for a base period employer under a plan paid for wholly or partly by a base period employer; and

(2) does not include a payment from a state or federal workers’ compensation program.

(b) (1) For each week in which the Secretary finds that an individual who otherwise is eligible for benefits receives a retirement payment:

(i) if the weekly amount of the retirement payment computed under subsection (c) of this section at least equals the individual’s weekly benefit amount, the individual is disqualified from receiving benefits for that week; and

(ii) if the weekly amount of the retirement payment computed under subsection (c) of this section is less than the individual’s weekly benefit amount, the individual may receive benefits reduced by the amount of the retirement payment.