



# Maryland Department of Labor

## EMPLOYERS' QUICK REFERENCE GUIDE

Issued by  
Division of Unemployment Insurance  
[labor.maryland.gov](http://labor.maryland.gov)



## Table of Contents

Employer Call Center	3
New Employer Registration	3
Employer Definition	3-5
Employer UI Obligations	5-7
Employee Separation Requirements	7-8
Minimize Unemployment Insurance Costs	8
BEACON for Employers and Third-Party Agents	8-9
New Employer Registration	9
Employer's Liability for Unemployment Insurance Taxes	9-11
Covered Employment and Exemptions	11-13
Professional Employer Organization	13-14
Methods for Filing Contribution Reports	14
Employer Audits	14
Tax Rates	14-15
Reporting Taxable Wages	15-16
Taxable Wage Inclusions and Exclusions	17-18
Payment of Unemployment Insurance Taxes	18-19
Reimbursable Employers (Not-for-Profit and Government Entities)	19-20
Reorganized Employers	20
Withholding/Falsifying Transfer of Experience Rating Information	20-22
SUTA Dumping	22
Federal Unemployment Tax Return (Federal Form 940)	22
Request for Separation Information	22-25
Notice of Benefit Eligibility	25
Benefit Charging	25-26
Reviewing Benefit Charges to Your Account	26-27
Non-Charges and Credits	27

Hearings and Appeals	27-28
Fact-Finding Interviews	28-30
Layoff, Mass Layoff, or Lack of Work	30-31
Report New Hires, Rehires	31
Bankruptcy	31
Fraud	32
Methods to Ensure Proper Payments	32-33
Disqualifications	33-35
Able, Available, and Active Search for Work	35-36
Refusal of Suitable Work	36
Labor Disputes	36
Supplemental Unemployment Benefits (SUB)	37
Work Sharing	37
Trade Adjustment Assistance (TAA)	37
Posters Required by Law	37
Guidelines for Job Interview and Pre-Employment Inquiries	37-41

## Employer Call Center

Contact the Employer Call Center at **410-949-0033** (Monday to Friday, 8:00 a.m. to 4:30 p.m.) with questions about the [Maryland Unemployment Insurance Portal \(BEACON\)](#); UI employer accounts; tax rates; benefit charges; etc. For more, see the [Contact Us](#) webpage.

**NOTE:** [Maryland Relay](#) offers resources for individuals who have difficulty communicating on a standard telephone (due to deafness, DeafBlindness, hearing loss, difficulty speaking, etc.). For Maryland Relay, dial **7-1-1**.

## New Employer Registration

New employers must submit a **Combined Registration Application (CRA)** no later than 20 days after the first day of business (to complete online, select this [link](#)). Please read the instructions, as the information requested and the submission method depends on the type of license/account needed. If you are liable to pay UI taxes, the Division will **establish an UI account** and assign you an **UI employer account number**. Reference the account number in all inquiries and correspondence to the Division.

You can also register for an employer account number in [Maryland Unemployment Insurance Portal \(BEACON\)](#) (for instructions, see the [Employers: Instructions for Using the Maryland Unemployment Insurance Portal \(BEACON\)](#)). However, if you register in BEACON, you must also complete the CRA to register for other state tax accounts or licenses.

## Employer Definition

An employer is a person/government entity who employs at least one person within the state. If your employees perform services in covered employment, you must meet UI obligations.

- **Covered employment** is any service performed for payment (whether full-time or part-time) that is used as the basis for UI benefits. When an individual performs a service for you in return for wages, the individual is likely covered for UI purposes. If your employee is not engaged in covered employment, their wages are not reported to the Division and you do not pay UI taxes on those wages.

**IMPORTANT:** It is **illegal** for an employer to require an employee to release, repay, pay into, or waive UI benefit rights.

One of the most common exemptions from covered employment are independent contractors. When independent contractor status is in question, you must document that the criteria below (Independent Contractor section) are satisfied:

<p><b>Independent Contractor</b></p>	<ul style="list-style-type: none"> <li>• The individual who performs the work is free from control and direction over its performance (in fact and under the contract);</li> <li>• The individual customarily is engaged in an independent business/occupation of the same nature as that involved in the work; and,</li> <li>• The work is: (a) outside of the usual course of business for the person for whom the work is performed; or (b) performed outside of any place of business of the person for whom the work is performed.</li> </ul> <p>An independent contractor should have the appropriate licenses, file business tax returns, and may have a federal identification number and UI employer account number.</p>
<p><b>Sole Proprietors</b></p>	<p>The following individuals (employed by a sole proprietor) are not engaged in covered employment:</p> <ul style="list-style-type: none"> <li>• The sole proprietor;</li> <li>• A spouse of the sole proprietor;</li> <li>• Children of the sole proprietor under the age of 21; and,</li> <li>• Parents of the sole proprietor.</li> </ul>
<p><b>Partnerships</b></p>	<p>A partner in a partnership is not engaged in covered employment. If a partnership consists exclusively of spouses, their children (under 21 years old) who are employed by the partnership are not engaged in covered employment.</p>
<p><b>Corporations</b></p>	<p>All persons (including corporate officers and stockholders) who perform service for the corporation, including subchapter S, are engaged in covered employment.</p> <p>When a corporate charter is forfeited or revoked and the entity continues to operate, the entity is treated as a sole proprietor or a partnership (as determined by the Division). Sole proprietors or partners are not engaged in covered employment. Any other employee of the entity is engaged in covered employment.</p>
<p><b>Limited Liability Company</b></p>	<p>Members of a limited liability company (LLC) are not engaged in covered employment.</p> <p>If an LLC chooses to be taxed as a corporation for federal tax purposes and reports wages on the annual federal unemployment tax return, members are engaged in covered employment.</p>

**The occupations below are exempt from covered employment (under certain criteria):**

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• Barbers and beauticians;</li> </ul> | <ul style="list-style-type: none"> <li>• Owner-operated tractor drivers;</li> </ul> |
|--|---|

<ul style="list-style-type: none"> <li>• Casual workers;</li> <li>• Employees with certain government classifications;</li> <li>• Church employees;</li> <li>• Clergy;</li> <li>• Direct sales;</li> <li>• Election workers;</li> <li>• Family members;</li> <li>• Foreign workers;</li> <li>• Home workers;</li> <li>• Insurance sales;</li> <li>• Maritime employment;</li> <li>• Messenger services;</li> <li>• Newspaper delivery;</li> <li>• Other state UI programs;</li> </ul>	<ul style="list-style-type: none"> <li>• Certain E &amp; F classifications;</li> <li>• Railroad employment;</li> <li>• Real estate sales;</li> <li>• Recreational sports officials;</li> <li>• Services of aliens (students, scholars, trainees, teachers, etc.) who enter the U.S. solely to pursue a full course of study at certain vocational and other non-academic institutions;</li> <li>• Student nurses or interns;</li> <li>• Taxicab drivers;</li> <li>• Work-Relief and Work-Training; and,</li> <li>• Yacht salespersons who work for a licensed trader on solely a commission basis.</li> </ul>
---	---

**Casual Labor** is work performed that is not in the course of the employer’s usual trade or business and which is occasional, incidental, or irregular. If the wages for casual labor are \$50 or more during a calendar quarter, and the casual labor is performed by an individual who is regularly employed by the employer (on some portion of 24 days during the calendar quarter or the preceding calendar quarter), the service is covered employment and remuneration is taxable.

**Employer UI Obligations**

If you are obligated to meet Maryland UI obligations, you are required to:

- **file quarterly contribution reports** (also called wage reports) with the Division.

**NOTE:** If your UI account is open, you must file contribution reports each quarter, even if you paid no wages during that quarter (in this case, report zero for the reported wage amount). The requirement to file contribution reports ends when the Division issues a letter to the employer verifying that the employer’s UI account is closed. Close your account by:

- email ([dluiemployerassistance-labor@maryland.gov](mailto:dluiemployerassistance-labor@maryland.gov));
- phone (410-949-0033); or,
- [Maryland Unemployment Insurance Portal \(BEACON\)](#) (log in and select Account Maintenance from the left menu. Select Inactivate Employer Account and follow the prompts).

**Partial Benefits** - A claimant who was laid off from a full-time job, but is working a part-time job while collecting UI benefits (and earning gross wages that are less than their weekly benefit amount), may receive partial UI benefits. Employers must report these employee wages to the Division on their contribution reports.

When the Division requests wages for an employee during a specific week, an employer should ensure:

- The wages are reported when earned, not when paid;
- The gross amount of wages, before taxes and other deductions, is reported; and,
- The wages are reported for the week requested. For UI purposes, a week begins on Sunday and ends on Saturday. The week may not correspond with an employer's pay period. An employer may need to calculate an employee's daily earnings to submit the requested information properly.

- **pay quarterly UI taxes** (or, if eligible, reimburse the Division for benefit charges. See the [Reimbursable Employers](#) flyer for more).

**NOTE:** For UI tax purposes, wages are reported when paid. However, for UI benefit purposes, wages are reported when earned.

For Maryland UI tax purposes, there are two main types of employers - **contributory and reimbursable**. A **contributory employer** pays quarterly UI taxes, which are based on the employer's benefit charges and taxable wages. A **reimbursable employer** (government entities and certain non-profit organizations) may choose to reimburse the state for benefits charged against their account, instead of paying UI taxes. For more, see the **Reimbursable Employers (Not-for-Profit and Government Entities)** section.

- If you do not file contribution reports and pay taxes (or reimburse the Division) timely, you may be assessed penalties, with interest, and increase your federal UI liability. [Payment plans](#) are available for qualified employers.
- If an employee is not engaged in covered employment, the employee's wages are not reported to the Division and you do not pay UI taxes on those wages.

For more about quarterly contribution reports and UI taxes, see the Methods for Filing Contribution Reports and Reporting Taxable Wages sections.

**NOTE:** A hold may be placed on the renewal of your driver's license, vehicle registration, or professional license if you owe state taxes that are undisputed, including UI taxes. For details, see the [MVA and Professional License Holds](#) webpage.

- **report new hires and rehires** in the [Maryland State Directory of New Hires](#) (within 20 days of an employee's first day of work).

- display **two posters** (Employees' Rights Under Maryland's Unemployment Insurance Law and Health Insurance Coverage) in a highly-visible area of the workplace. Posters are provided when the employer UI account is established.

- For copies of the posters, call **410-949-0033** or download the posters (from the [Employment Related Posters and Notices](#) webpage).

- report **job refusals** and **update return-to-work dates** in the [Maryland Unemployment Insurance Portal \(BEACON\)](#) (select Benefit Services from the left menu. Then, select either Report Return to Work Date or Report Job Refusal and follow the prompts).

**Job Refusal** - If you **offer a job** to – an individual (who has filed for or is receiving UI benefits); or **recall a former employee** in layoff status – **and the individual refuses the job** (or fails to return), you must notify the Division within 15 days of the refusal.

**Return-to-Work** - In some circumstances, if you **temporarily shut down operations** and **provide laid-off employees with a return-to-work date** at the start of the layoff – the affected employees are exempt from the UI [work search requirements](#) (during the period specified). You must provide the Division with the return-to-work date.

You are strongly encouraged to review your Benefit Charge Statement to ensure benefits are charged to your employer UI account correctly. This statement shows the benefits charged to your account and is sent at the end of the calendar quarter in which the benefits were paid.

- You will receive this statement via the [Maryland Unemployment Insurance Portal \(BEACON\)](#) and your preferred communication method (selected when you registered for a UI account in BEACON).
  - You may update your communication preferences in BEACON. To do so, log in and select Account Maintenance from the left menu (labeled Your Options). Select Employer Maintenance. Then, navigate to the Communication Preferences tab, where you can update your preferences.
- If you believe a charge is incorrect, you may file a protest within 30 calendar days in BEACON or by mail (address included in the statement). For more, see [Employers: Instructions for Using the Maryland Unemployment Insurance Portal \(BEACON\)](#).

## Employee Separation Requirements

When a former employee files a claim for UI benefits, you are required to meet additional UI obligations, including:

**Completing a Request for Separation Information** by the due date listed on the request. This form informs an employer that a UI claim was filed and requests the reason the employee separated from employment.

- The Division will send you a Request for Separation Information via [Maryland Unemployment Insurance Portal \(BEACON\)](#) and your **preferred communication method**. Submit the form via: **BEACON**; [State Information Data Exchange System \(SIDES\)](#); or mail (to the address included in the request).



- A \$15 fee is assessed if the form is not returned on time. If the Division contacts you for more details, **provide the information**.

**Provide Notice of a Mass Layoff** - If you experience a mass layoff (even temporary) that affects 25 or more workers, you must complete a [Dislocation Event Form](#). The list must be submitted at least 48 hours in advance (order workers alphabetically or by Social Security numbers). If you do not have advance knowledge of the layoff, submit the list within 48 hours of the commencement of the mass layoff.

- Generally, employers (with more than 100 employees) who are conducting a mass layoff or plant closing that affects 50+ employees (at a single site of employment must follow [WARN \(Worker Adjustment and Retraining Notification\) Act](#) provisions.

For more, see the **Layoff, Mass Layoff, or Lack of Work** section of this guide.

You are also **strongly encouraged to:**

- be available to provide information about a former employee who filed a UI claim, when requested.
- participate in appeal hearings that affect a former employee’s eligibility for benefits. If you do not participate in an appeal hearing, a decision will be made solely on the claimant’s testimony. For more, see the [UI Appeals](#) webpage.

If UI benefits are charged, the Division sends the employer a **Benefit Charge Statement** (via the [Maryland Unemployment Insurance Portal \(BEACON\)](#) and the employer’s preferred communication method) at the end of the calendar quarter in which the benefits are paid. For questions, call 410-949-0033.

### Minimize Unemployment Insurance Costs

Employers can reduce UI costs primarily by avoiding layoffs. You may consider:

<ul style="list-style-type: none"> <li>• Reducing an employee’s hours, rather than a complete layoff;</li> <li>• Exercising care when hiring employees, especially for temporary positions;</li> </ul>	<ul style="list-style-type: none"> <li>• Ensuring a new hire is qualified to avoid a potential layoff situation; or,</li> <li>• Hiring a student or a person with a full-time job for a temporary position.</li> </ul>
--	--

Document unsatisfactory performance and the reasons for separation, should you need to contest a claim.

### BEACON for Employers and Third-Party Agents

The Maryland Unemployment Insurance Portal (BEACON) is Maryland’s online unemployment insurance (UI) system, which employers can use to complete tasks and

receive account information. To access BEACON, see the [Employer BEACON portal](#) or [Third Party Agent BEACON portal](#). In BEACON, employers can:

<ol style="list-style-type: none"><li>1. Submit wage reports and adjustments to wage reports;</li><li>2. Pay contributions;</li><li>3. Submit required reports and supporting documents;</li><li>4. Access tax rates and other UI information;</li></ol>	<ol style="list-style-type: none"><li>5. Update account information (address, contact information, and ownership);</li><li>6. File an appeal;</li><li>7. View correspondence; and,</li><li>8. Set up a third-party agent to perform UI tasks on their behalf.</li></ol>
--	---

In BEACON, third-party agents can:

<ol style="list-style-type: none"><li>1. Access a client's account based on power of attorney privileges;</li><li>2. Obtain rate information for clients;</li></ol>	<ol style="list-style-type: none"><li>3. File wage reports and pay UI taxes on behalf of clients;</li><li>4. File appeals on behalf of clients.</li></ol>
---	---

For more, see the [Employers: Instructions for Using the Maryland Unemployment Insurance Portal \(BEACON\)](#) webpage.

### **New Employer Registration**

New employers must submit a **Combined Registration Application (CRA)** (available on the [Comptroller of Maryland](#) website) no later than 20 days after the first day of business. The information requested and the submission method depends on the type of license/account needed. If an employer is liable to meet UI obligations, the Division will establish an UI account and assign an UI employer account number. Employers can also register for an UI employer account number in the [Maryland Unemployment Insurance Portal \(BEACON\)](#). However, employers who register in BEACON must also complete the CRA to register for additional state tax accounts or licenses. For more, see the [Employers: Instructions for Using the Maryland Unemployment Insurance Portal \(BEACON\)](#) webpage.

### **Employer's Liability for Unemployment Insurance Taxes**

The Division asks the following questions to determine an employer's liability for UI taxes:

1. **Does the employer meet the Maryland UI law definition of an employer?** An employer is defined as an individual or employing unit which employs one or more individuals for some portion of a day. The definition includes agricultural employers, domestic employers, and farm crew leaders.

**Agricultural Employer** - An agricultural employer is liable if: during any calendar quarter of the current or preceding year, the employer paid cash remuneration of \$20,000 or more to individuals performing agricultural labor; or employed at any time 10 or more individuals for a portion of a day in any 20 weeks in the current or preceding calendar year.

**Domestic Employer** - A domestic employer is liable if: during any calendar quarter of the current or preceding calendar year, there is a total payroll of \$1,000 or more to an individual(s) performing domestic service.

**Farm Crew Leader** - The farm crew leader is liable if: a crew leader holds a valid certificate of registration under the Farm Labor Contractor Registration Act of 1963; or the crew leader provides mechanized equipment which substantially all the individuals operate or maintain, provided the individuals are not employees of another employer.

If the employer meets the definition, the Division considers the circumstances listed in question 2 below. If the employer does not meet the definition, the employer is not liable to pay UI taxes.

2. **Is the employer liable if the employee performs services in Maryland?** The Division will consider the circumstances listed below to determine liability.

Circumstance	Instructions for Reporting Earnings
No employees perform services in Maryland.	Employer is not liable for UI coverage in Maryland and is not required to report earnings to Maryland.
All/most services are performed in the state where the base of operations is located.	Report earnings to the state where employees' base of operations is located.
Services are <b>not</b> performed in the state where employees' base of operations is located, but some services are performed in the state where the direction or control is received.	Report earnings to the state where the direction or control is received.
Services are <b>not</b> performed in the state where the base of operations is located or where employees' direction or control is received.	Report earnings to the employee's state of residence <b>only</b> if some services are performed in the employee's state of residence.
Employment in multiple states and some service is performed in the state where the base of operations is located.	Earnings are reported to the state where the individual's base of operations is located.

Some services are performed in the state where direction or control is received and no services are performed in the state where the base of operations is located.	Earnings are reported to the state where the individual's direction or control is received.
---	---

If the nature of the employment is not listed above and the employment is not covered in another state, the earnings are reported to Maryland (if the service is directed or controlled from Maryland). Employers may cover an employee through a Reciprocal Coverage Agreement between states (for questions, call **410-949-0033**).

- 3. Do any employer liability exemptions apply?** An employer is not liable for UI taxes if an exemption applies to all workers. If no exemptions apply, the employer is liable to pay Maryland UI taxes. Employers should file a CRA or register in the [Maryland Unemployment Insurance Portal \(BEACON\)](#) (for details, see the **New Employer Registration** section) and the **Division will determine liability**.

A corporation that is not dissolved is presumed to have employees and wages. Any payments to officers and owners for services must be reported to the Division. Employers who **no longer pay remuneration to employees**, regardless of the reason, are **required to notify the Division** (enter a date on line 9 of the Quarterly Contribution Report, by fax at 410-767-2848, or email to [DLUICDEmployerStatusUnit-labor@maryland.gov](mailto:DLUICDEmployerStatusUnit-labor@maryland.gov)). Employers can file a quarterly Contribution Report and pay UI taxes in the [Maryland Unemployment Insurance Portal \(BEACON\)](#) (see [Employers: Instructions for Using the Maryland Unemployment Insurance Portal \(BEACON\)](#)).

**NOTE: Contribution reports** must be filed quarterly, **even if an employer has no employees and no wages are paid in a quarter**. In this case, an employer should report “zero” as the wage amount. The requirement to file contribution reports ends when the Division issues a letter verifying that the employer’s UI account is closed. To close your account, email [dluiemployerassistance-labor@maryland.gov](mailto:dluiemployerassistance-labor@maryland.gov), call 410-949-0033, or use the [Maryland Unemployment Insurance Portal \(BEACON\)](#) (select **Account Maintenance** from the left menu. Then, select **Inactivate Employer Account** and follow the prompts).

### **Covered Employment and Exemptions**

**Covered employment** is any service (full-time or part-time) performed for remuneration (payment) that is used as the basis for UI benefits. A claimant must have sufficient wages in a base period to qualify for benefits. This includes salaries paid to corporate officers who are employees of the corporation (including close and subchapter S corporations).

*When an individual performs service for an employer in return for wages, **the individual is likely covered for UI purposes**.* Therefore, the employer is required to report the wages to the Division, pay UI taxes on those wages (or, if applicable, reimburse the Division for benefits charged) and have an UI employer account. If an employee is not engaged in covered employment, their wages are not reported to the Division, and the employer does not pay UI taxes on those wages. If a former employee (who was engaged in covered employment,

and whom an employer(s) paid wages to during the base period) files for UI, the employer(s) will be charged for UI benefits paid (see the **Benefit Charging** section).

**NOTE:** One of the most common employment exclusions is an independent contractor. An independent contractor should have the appropriate licenses, file business tax returns, and may have a federal identification number and UI employer account number. The Code of Maryland Regulations (COMAR) and information on the [Division website](#) provide insight for making a determination. When independent contractor status is in question, employers must document that the criteria below are satisfied:

<p><b>Independent Contractor</b></p>	<ul style="list-style-type: none"> <li>● The individual who performs the work is free from control and direction over its performance (in fact and under the contract);</li> <li>● The individual customarily is engaged in an independent business/occupation of the same nature as that involved in the work; and,</li> <li>● The work is: (a) outside of the usual course of business for the person for whom the work is performed; or (b) performed outside any place of business of the person for whom the work is performed.</li> </ul>
<p><b>Sole Proprietors</b></p>	<p>The following persons employed by a sole proprietor are not engaged in covered employment:</p> <ul style="list-style-type: none"> <li>● The sole proprietor;</li> <li>● A spouse of the sole proprietor;</li> <li>● Children of the sole proprietor under the age of 21; and,</li> <li>● Parents of the sole proprietor.</li> </ul>
<p><b>Partnerships</b></p>	<p>A partner in a partnership is not engaged in covered employment. If a partnership consists exclusively of spouses, then their children under 21 years old employed by the partnership are not engaged in covered employment.</p>
<p><b>Corporations</b></p>	<p>All persons, including corporate officers and stockholders who perform service for the corporation, including subchapter S, are engaged in covered employment. When a corporate charter is forfeited or revoked and the entity continues to operate, the Division will determine whether the entity is a sole proprietor or a partnership (these entities are not engaged in covered employment). Other employees of the entity are engaged in covered employment.</p>
<p><b>Limited Liability Company</b></p>	<p>Members of a limited liability company are not engaged in covered employment. However, if a limited liability company elected to be taxed as a corporation for federal tax purposes and reports wages paid to members on the annual federal unemployment tax return, members are engaged in covered employment.</p>

The following positions are exempt from covered employment (under Code of Maryland, Labor and Employment, Article 8) when certain criteria are met:

<ul style="list-style-type: none"> <li>● Barbers and beauticians;</li> <li>● Casual workers;</li> <li>● Employees with certain government classifications;</li> <li>● Church employees;</li> <li>● Clergy;</li> <li>● Direct sales;</li> <li>● Election workers;</li> <li>● Family members;</li> <li>● Foreign workers;</li> <li>● Home workers;</li> <li>● Insurance sales;</li> <li>● Maritime employment;</li> <li>● Messenger services;</li> <li>● Newspaper delivery;</li> <li>● Other state UI programs;</li> </ul>	<ul style="list-style-type: none"> <li>● Owner-operated tractor drivers;</li> <li>● Certain E &amp; F classifications;</li> <li>● Railroad employment;</li> <li>● Real estate sales;</li> <li>● Recreational sports officials;</li> <li>● Services of aliens (students, scholars, trainees, teachers, etc.) who enter the U.S. solely to pursue a full course of study at certain vocational and other non-academic institutions;</li> <li>● Student nurses or interns;</li> <li>● Taxicab drivers;</li> <li>● Work-Relief and Work-Training; and,</li> <li>● Yacht salespersons who work for a licensed trader on solely a commission basis.</li> </ul>
---	--

**Casual Labor** is not in the course of the employer’s trade or business and is occasional, incidental, or irregular. Employers should not confuse casual labor with temporary or part-time employment, which is taxable. However, if during a calendar quarter the wages for casual labor are \$50 or more, and the casual labor is performed by an individual who is regularly employed by the employer (on some portion of 24 days during the calendar quarter or the preceding calendar quarter), the service is covered employment and remuneration is taxable under the law.

### **Professional Employer Organization**

Maryland allows a **professional employer organization (PEO) to be an employing unit** for UI purposes. To qualify as an employing unit, a PEO must:

- Place the client company’s workers on its own payroll and assign them to the client company by written agreement;
- Pay the workers from its own account(s); and,
- Hire and terminate the workers after consultation with the client company.

A PEO can add its clients in the [Maryland Unemployment Insurance Portal \(BEACON\)](#). A PEO must notify the Division within 30 days when it places or removes all or part of a client company’s workers on its payroll. Employers can complete a [Business Transfer Report](#) to inform the Division of the transfer of the workforce or payroll from one business entity

to another. Upon the acquisition of all or part of a client company’s workers, a PEO will be initially classified as a successor employer for purposes of assigning a contribution rate, assessing tax liability, and transferring the taxable wage base of the workers who were placed on the PEO’s payroll. A PEO must file an annual report that details the company’s clients with the Division by Dec. 31.

Return the report via: **mail** (Division of Unemployment Insurance, Contributions Unit – Account Maintenance, 100 South Charles Street, Tower 1, Suite 3100, Baltimore, MD 21201); **email** ([dluicdemployerstatusunit-labor@maryland.gov](mailto:dluicdemployerstatusunit-labor@maryland.gov)); or **fax** (410-462-7927).

### Methods for Filing Contribution Reports

Contribution reports (also called wage reports) may be filed by one of the methods shown:

Filing Method	Filing Method Information
<b>Internet</b>	Employers can file contribution reports in the <a href="#">Maryland Unemployment Insurance Portal (BEACON)</a> (see <a href="#">Employers: Instructions for Using the Maryland Unemployment Insurance Portal (BEACON)</a> ).
<b>File Transfer Protocol (FTP) via BEACON</b>	Employers with large payrolls (more than 5,000 employees) may use this method to transmit wage and contributions files via FTP transmissions. Employers who plan to use FTP must have proper credentials. Email <a href="mailto:ui.employeractivation@maryland.gov">ui.employeractivation@maryland.gov</a> with “FTP Wages” as the subject line to request credentials.

**Important: Contribution reports must be filed quarterly**, even if an employer has no employees and no wages are paid in a quarter. In this case, an employer should report “zero” as the wage amount. The requirement to file contribution reports ends when the Division issues a letter verifying that the employer’s UI account is closed. To close your account, call 410-949-0033, email [dluiemployerassistance-labor@maryland.gov](mailto:dluiemployerassistance-labor@maryland.gov) or use [Maryland Unemployment Insurance Portal \(BEACON\)](#) (select **Account Maintenance** from the left menu, select **Inactivate Employer Account** and follow the prompts).

### Employer Audits

Periodically, the Division will contact an employer directly to schedule an audit. The main purpose of the audit is to verify the accuracy of reports filed. If an employer disagrees with the auditor’s findings, the employer may appeal the determination.

### Tax Rates

A **contributory employer** pays quarterly UI taxes, which are based on the employer’s benefit charges and taxable wages reported to the Division. A **reimbursable employer** (government entities and certain non-profit organizations) may choose to reimburse the state for

benefits charged against their account, instead of paying UI taxes. An employer who is not eligible to be a reimbursable employer will automatically be a contributory employer.

There are three different types of UI tax rates for **contributory employers: experience (earned) rate; new account rate; or the standard rate.** The rate type assigned depends on whether the employer reported taxable wages in each of the three fiscal years (July 1 to June 30) before the computation date. Tax rates are assigned to employers each calendar year. An employer's Experience Rate Notice is issued in January for the tax year (Jan. 1 to Dec. 31). The computation date is the July 1 preceding the calendar year in which the rate is assigned (Example: The computation date for 2020 rate was July 1, 2019). Tax rates are assigned to contributory employers each calendar year.

1. **New Account Rate** - New employer refers to an employing unit that does not qualify for an earned rate because the employer did not pay wages to employees during the two fiscal years prior to the computation date. The new employer rate may range from 1.0% to 2.6%. It is based on the higher of: 1.0%; the state's five-year benefit cost rate; or the rates assigned to employers with no UI experience. There is one exception; new employers in the construction industry that are headquartered in another state are assigned the average rate for the construction industry in Maryland.
2. **Experience (Earned) Rate** - An employer's experience rate is assigned on each calendar year (January to December) but is determined based on a fiscal year (July 1 - June 30). It is determined by finding the ratio between the benefits charged to the employer's account and the taxable wages reported in the previous three fiscal years. If a business has been operational for two fiscal years, the experience rate is determined using those two years. The benefit ratio converts to a rate in the UI Table of Rates. After an employer has paid wages to employees in two fiscal years before the computation date, the employer will be assigned a tax rate reflecting its own experience with layoffs. If the employer's former employees receive benefits regularly which result in benefit charges, the employer will have a higher tax rate. The Table of Rates may change from year to year, depending on the solvency of the UI trust fund.
3. **Standard Rate** - If an employer is eligible for an earned rate, but has no taxable wages in a fiscal year because the employer failed to file quarterly tax and wage reports, the employer is assigned the standard rate. The standard rate is the highest rate from the Table of Rates that is in effect for the calendar year.

### **Reporting Taxable Wages**

Maryland employers must report the **gross wages paid** and the total **taxable wages** on the **quarterly contribution report.** Gross wages include all remuneration for personal services (commissions, bonuses, cash value of compensation in mediums other than cash). Gross wages must be reported when paid, not when earned. For Maryland UI purposes, taxable wages are the first \$8,500 earned by each employee in a calendar year. The difference between gross wages and taxable wages is called excess wages (use the worksheet below to **calculate excess wages**).



1. Taxable Wage Base	\$ 8,500
2. Enter total wages paid to employee in prior quarter(s) of this same calendar year. If this is the first quarter of year or if the employee never received wages in prior quarter(s), enter -0- :	2. _____
3. Subtract line 2 from line 1, enter difference: If difference is zero or negative, stop here. All wages paid this quarter are excess wages and that amount must be entered on the contribution return, line 11. If difference is greater than zero, continue to line 4 of this worksheet:	3. _____
4. Enter wages paid to employee this quarter:	4. _____
5. Enter amount from line 3, above:	5. _____
6. Subtract line 5 from line 4, enter difference: If difference is zero or less, leave line 11 blank of the contribution report. If difference is greater than zero, enter difference on the contribution report, line 11. Ensure that differences for all employees are included on the contribution report, line 11.	6. _____

Employers must report their payroll and pay UI taxes within one month of the end of each quarter. If the due date is a Saturday or Sunday, reports are due the next business day.

Calendar Year Quarters End	Due Date to File Taxes
March 31	April 30
June 30	July 31
September 30	October 31
December 31	January 31

**Reports must be filed on time to:**

- Receive maximum credit for employer’s state payments against Federal Unemployment Tax (FUTA) payments;
- Receive credit for the payroll in “experience rating”;
- Avoid interest charges at a rate of 1.5% per month for late payments; and,
- Avoid a penalty assessment of \$35 for each late report or improper filing.

**NOTE:** Reimbursable employers do not pay quarterly UI taxes, but must reimburse the state for benefit charges. See the **Reimbursable Employers (Not-for-Profit and Government Entities)** section for details.

Wage information and other confidential UI information may be requested and utilized for other governmental purposes including, but not limited to, verification of an individual’s eligibility for other government programs.

## Taxable Wage Inclusions and Exclusions

Taxable wages include the total compensation paid, up to the taxable wage base limit of \$8,500 (before any deductions are made). The following wages **are taxable**:

- |  |
|--|
| 1. Meals and lodging provided by an employer to an employee (unless the meals and lodging are provided on the employer's premises for the employer's convenience);   |
| 2. Tips which are reported (pursuant to Section 6053 of the Internal Revenue Code);  |
| 3. Payments to workers for: (a) dismissal; (b) vacations; (c) sick leave (if made within the first six months after the last calendar month in which the employee worked); and (d) payments to employees for travel or other expenses for which no accounting or reporting to the employer is required; (e) sick payments provided from a third-party insurer financed by employer paid premiums are taxable to the employer, not the insurance company (if made within the first six months after the last calendar month in which the employee worked); and, |
| 4. Payments by the employer of the employee's share of Social Security (except for payments made by domestic and agricultural employers).  |

The following wages **are not** to be reported:

- |  |
|--|
| 1. Value of any special discount allowed to a worker on goods or services purchased from/supplied by the employer, where such purchase is optional for the worker;   |
| 2. Payments toward retirement or a death benefit if the employee has no right to: receive cash instead or to assign their right therein; or to receive a cash payment in lieu of, on withdrawal from, or on termination of such insurance plan or upon termination of their employment;                            |
| 3. Facilities or privileges (such as entertainment, cafeterias, restaurants, medical services, or so-called "courtesy discounts" on purchases) furnished or offered by an employer merely as a convenience to the worker or as a means of promoting the health, goodwill, or efficiency of the employer's workers; |
| 4. Discounts on property or security purchases;  |
| 5. Customary and reasonable directors' fees;   |
| 6. Supper money given to a worker to compensate the worker for the additional cost of a meal made necessary by working overtime;   |
| 7. Payments by the employer to, or on behalf of, an employee for sickness or accident disability after the expiration of six calendar months;  |
| 8. Wages of a sole proprietor, their parents, their spouse, and children of the sole proprietor under 21 years of age;   |

- |   |
|---|
| 9. Wages of partners. Wages of others who work for the partnership, including relatives of the partners, are reportable. The only exception to this coverage is children under the age of 21 who are employed by a partnership composed exclusively of spouses; |
| 10. Wages earned by an individual who is enrolled in a full-time educational program that combines academic instruction with work experience, which is an integral part of the educational program;   |
| 11. Wages paid to the members of a limited liability company (LLC), unless the LLC elected to be taxed as a corporation for federal tax purposes and reports wages paid to members on the annual federal unemployment tax return; and,                          |
| 12. Any payment to employees of cafeteria plan benefits and/or dependent care assistance benefits as defined in the Federal Unemployment Tax Act (FUTA), if the payments would not be treated as wages outside of the cafeteria plan.                           |

**Taxable Contributions under IRS Section 125 Cafeteria Plans and 401K plans:**

- |  |
|--|
| Cash received by the employee, instead of purchasing a benefit under a cafeteria plan, is taxable;   |
| The value of additional vacation days purchased under a cafeteria plan is taxable when used;   |
| The value of “cashed out” vacation days purchased under a cafeteria plan is taxable;   |
| Employee pre-tax contributions, salary reductions, or deductions to purchase: accident and health insurance; life insurance; or dependent care assistance; are not taxable under under IRS Section 125 plans; and, |
| Elective employee contributions and deferrals under IRS section 401k plans are taxable.  |

**Payment of Unemployment Insurance Taxes**

UI taxes may be paid by one of the following methods:

1. **Online** - Employers can pay in the [Maryland Unemployment Insurance Portal \(BEACON\)](#). To do so , log in, select Payments from the left menu, and follow the prompts).
2. **Check** - Make checks payable to the **Maryland Unemployment Insurance Fund**. A check returned due to insufficient funds is subject to a \$25 penalty. Please submit a voucher, found in the [Maryland Unemployment Insurance Portal \(BEACON\)](#), with your check (select Payments from the left menu. Then select Make Payments. Select the check payment option. Then, select the “Print Voucher”). Mail the voucher and check to:

<p><b>Maryland Division of Unemployment Insurance</b>  <b>P.O. Box 17291</b>  <b>Baltimore, MD 21297-0365</b></p>
---

3. **Electronic Funds Transfer (EFT)** - EFT is available to employers using an ACH credit transaction. Employers must have a signed agreement with the Division to use an ACH credit transaction. For more, see the [Electronic Funds Transfer Guide](#).

Employers can request to pay unemployment insurance contributions through a payment plan (see the [Payment Plans webpage](#)).

**NOTE:** The amount of an employer's payment must equal the amount on line 19 of the quarterly contribution report. Insufficient payments will result in added taxes and interest.

### **Reimbursable Employers (Not-for-Profit and Government Entities)**

**Not-for-profit organizations** (classified under Section 501(c)(3) and exempt from income tax under Section 501(a) of the Internal Revenue Code) and state and local government entities and subdivisions, may choose to reimburse the state for benefits charged against their accounts, instead of paying quarterly UI taxes. Not-for-profit organizations must post a bond of a specific dollar amount. Government entities and subdivisions will automatically be reimbursable employers. New not-for-profit organizations may select a reimbursement method (within 30 days of coverage) either:

- on the [Combined Registration Application \(CRA\)](#); or,
- when registering for a Maryland UI account in the [Maryland Unemployment Insurance Portal \(BEACON\)](#).

After creating a Maryland UI account, an employer has 30 days to change the reporting type, if the employer feels they choose the wrong type initially. After 30 days, a **reimbursable employer** must **wait one year** to change the reporting type. A **contributory employer** (who is eligible to be reimbursable), must **wait two years** to request a change. If approved, the change will take effect on January 1 of the next year. Employers can request a change via:

- [Maryland Unemployment Insurance Portal \(BEACON\)](#) (select Account Maintenance from the left menu in BEACON. Then, select Change Reporting Method and follow the prompts);
- **Email:** [dluitaxemployerstatus-labor@maryland.gov](mailto:dluitaxemployerstatus-labor@maryland.gov);
- **Phone:** 410-949-0033;
- **Mail:** Maryland Division of Unemployment Insurance, Contributions Unit-Account Maintenance, 100 South Charles Street, Tower 1, Suite 3100, Baltimore, MD 21201.

Billing for benefits chargeable to reimbursable employers is made via the **Statement of Reimbursable Benefits Paid**. Organizations receiving this form have 30 days from the Date of Invoice to file a written protest. Interest is charged for late payments. Reimbursable employers can make payments in the [Maryland Unemployment Insurance Portal \(BEACON\)](#) **by ACH credit or ACH debit** (log in to BEACON and select Payments from the left menu. Then, select Make Payments and follow the prompts).

Employers can also **mail a check** to:

**Maryland Division of Unemployment Insurance  
P.O. Box 84  
Baltimore, MD 21203-0084**

When making check payments, the employer should include a voucher with the check. To obtain the voucher, an employer may log in to [Maryland Unemployment Insurance Portal \(BEACON\)](#), select the Payments option from the left menu, and then select Make Payments. Select the check payment option, and then select “Print Voucher.”

### **Reorganized Employers**

A **reorganized employer** is an employing unit that alters its legal status, such as changing from a sole proprietor to a corporation. The reorganized employer will pay the same contribution rate that the employing unit did prior to the reorganization through the end of the calendar year, Dec. 31. On Jan. 1 of the new calendar year after the reorganization, the contribution rate will be based on a combination of the reorganized employer’s experience with payrolls and benefit charges, and the employing unit’s experience with payrolls and benefit charges before the reorganization.

**Taxable Wage Calculation** - When calculating the taxable wages for a contribution report in the year of the reorganization, a reorganized employer makes the calculation for each employee based on wages paid to the employee before and after the reorganization.

**Out-of-State Transfers** - Employers transferring all/part of their business from another state to Maryland may be eligible to transfer their experience rate. Call 410-949-0033 for more information.

**NOTE:** When calculating taxable wages in the year of the transfer, an employer should use the wages paid to each employee before and after the transfer.

### **Withholding/Falsifying Transfer of Experience Rating Information**

An employer who knowingly withholds or provides false information regarding the transfer of experience rating may be penalized by being assigned the highest tax rate in the year of the violation and in each of the next three years. If the employer is already at the highest tax rate for any year, or if the increase is less than 2% for that year, a 2% penalty is assigned. An employer who knowingly violates the law regarding successorship may also be subject to imprisonment for up to one year, a fine up to \$10,000, or both. The law also provides for civil and criminal penalties against a person who is not the employer if the person violates, attempts to violate, or knowingly advises an employer in a manner that causes the employer to withhold or provide false information regarding the transfer of experience rating.

**Transfer of Experience Rates** - An employer will often acquire its business from a previous owner or reorganize a business. The effect of these transactions on the employer's contribution rate is summarized below.

1. **New Employing Unit Acquired Business** - When a new business entity is formed and it acquires assets, employees, a business, an organization, or trade from another employer, the new business entity is classified as a successor employer. If there is any common ownership, management, or control between the successor employer and the former employer (predecessor), the predecessor's tax rate and experience rating is transferred to the successor. If there is no common ownership, management, or control with the predecessor employer, the experience rating is not transferred and the new business entity is assigned a new account rate.

2. **Common Ownership** - Common ownership, management, or control exists when a predecessor employer/successor employer serves in the following positions:

<ul style="list-style-type: none"> <li>● Sole proprietor (includes spouse, children, and parents of sole proprietor);</li> <li>● Partner of a partnership;</li> </ul>	<ul style="list-style-type: none"> <li>● Chief Executive Officer;</li> <li>● Member of a limited liability company;</li> <li>● Chief Financial Officer;</li> </ul>	<ul style="list-style-type: none"> <li>● Any corporate officer;</li> <li>● Any shareholder owning, directly or indirectly, more than 50% of a corporation's stock.</li> </ul>
---	--	---

3. **Taxable Wage Calculation** - When calculating the amount of taxable wages for the quarterly contribution report in the year of the acquisition, a successor employer (that assumed the experience rating of a predecessor) should make the calculation for each employee based on wages paid to the employee by the predecessor and successor. If a successor employer does not assume the experience rating of the predecessor because there is no common ownership, management, or control with the predecessor, the successor may not compute taxable wages based on wages paid by the predecessor.

4. **Existing Employing Unit Acquired Business** - When an existing business entity acquires assets, employees, a business, an organization, or trade from another employer, the existing business entity is classified as a successor employer. The successor continues to pay contributions at the previously-assigned rate from the date of transfer through the next Dec. 31. For the year following the acquisition, the successor's tax rate is a blended rate that includes the predecessor's experience.

5. **A New Employer or Existing Employer is not a Successor if:**

- the employer acquires less than 50% of the predecessor's employees;
- the predecessor continues to pay wages to the remaining employees in the quarter following the acquisition of employees by the employer; and,
- other than the transfer of workforce, the employer does not acquire any tangible or intangible assets from the predecessor employer.

**NOTE:** When calculating the taxable wages for the contribution report, employers, with the exception of successor employers, must compute taxable wages for each employee based on wages that the employer paid (not on wages paid by any previous employer).

### SUTA Dumping

<input type="checkbox"/> <b>State Unemployment Tax Act (SUTA)</b> SUTA dumping refers to unlawful actions taken by an employer to obtain a lower UI tax rate.	<input type="checkbox"/> Instead of paying UI taxes at a rate based on its experience with layoffs and payrolls, an employer attempts to avoid a higher rate by dumping its experience. <input type="checkbox"/> Often involves merger, acquisition, or restructuring schemes, such as shifting workforce/payroll from one business entity to another.
--	---

Penalties range from a higher UI tax rate, monetary fines, and imprisonment. When workforce/payroll is shifted from one business entity to another, complete the [Business Transfer Report](#) and provide any additional requested information to the Division.

### Federal Unemployment Tax Return (Federal Form 940)

Most employers are subject to federal (authorized by the Federal Unemployment Tax Act) and state unemployment taxes. Employers subject to federal unemployment tax must file Form 940 and pay FUTA taxes annually. For more, see the [Federal Unemployment \(FUTA\) Tax Return](#) webpage and the [Internal Revenue Service website](#). If discrepancies arise, a discrepancy letter is sent to the employer from a federal or state agency.

### Request for Separation Information

A **Request for Separation Information** is sent to an employer when a former employee files a claim for benefits. The Request for Separation Information notifies the employer that a claim was filed and requests that the employer provide the reason for separation from employment. The Division will use the information provided on the form to, in part, determine whether the individual is eligible for unemployment insurance benefits. Employers must complete and return the Request for Separation Information by the due date (eight calendar days after the form is generated) to avoid a \$15 penalty. **Submit this information via:**

- [Maryland Unemployment Insurance Portal \(BEACON\)](#). Once completed, a confirmation number will be provided; or,
- [State Information Data Exchange System \(SIDES\)](#); or,
- By mail (to the address appearing on the Request for Separation Information).

To prevent improper employer charges, it is important that the employer responds to the Request for Separation Information in a timely manner and responds to phone calls requesting more information.

**NOTE:** An employer who is using an UI cost control agency is responsible for providing that agency with complete and timely information regarding separation from employment. The Division will send separation notices directly to the representing agent.

Employers providing false information for the purpose of disqualifying a claimant may be subject to criminal and civil penalties. The following issues should be addressed when reporting separation information:

1. **No Record of Employment** - The employer should check the claimant by Social Security number, since names often change due to marriage, divorce, or other legal reasons. If the employer can not identify the claimant, the employer should return the Request for Separation Information and indicate that the employer has no record of employment for this claimant.
2. **Claimant Still Employed** - Even if a claimant is working for an employer, the employer should check whether the claimant's hours of work were reduced. An employee may be entitled to partial benefits if their hours were cut through no fault of their own. Did the employee file a claim during a temporary layoff or shutdown? Did the claimant return to work? If so, the employer should include the date of layoff and the date the claimant returned to work or was recalled.
3. **Leave of Absence** - If the claimant is on an approved leave of absence, the employer must provide to the Division:

<ul style="list-style-type: none"><li>● effective date of the employee's leave;</li><li>● reason(s) for the leave;</li><li>● expected date of return; and,</li></ul>	<ul style="list-style-type: none"><li>● whether the claimant notified their supervisor that they are now able and willing to return to work. If yes, is work available?</li></ul>
--	---

In most cases, a claimant is ineligible for benefits if the claimant is on a leave of absence (because the claimant is not able or available to work, and is not actively seeking work). It is important for an employer to report whether the claimant is on a paid leave or unpaid leave. If paid, provide the weekly payment. If the claimant is on a paid leave and receiving UI benefits, the payments will be deducted from the claimant's weekly benefit amount. It is also important to report whether the leave is indefinite or definite and whether a return-to-work date has been established. If definite, provide the return-to-work date.

4. **Retirement** - Some claimants may receive retirement payments while collecting UI benefits. If a claimant is receiving a periodic payment or lump sum payment allocated to weeks the claimant is filing for UI benefits, then the amount of the payment is deductible if it was contributed to, or paid for, by a base period employer. If only part of



the retirement plan was paid for by the base period employer, 50% of the payment will be considered. If the payment is less than the claimant's weekly benefit amount, the claimant may receive partial benefits. If the payment is from a non-base period employer, it is not deductible. Maryland UI Law requires that employers provide written notice to employees displaced from work about the effect a lump sum payment has on the receipt of UI benefits. A lump sum paid as a result of a layoff or shutdown is not deductible. If the former employee places the entire lump retirement payment into a qualified retirement account within 30 days of receipt, it is not deductible. A lump sum paid at the time a claimant is fired, quits, or retires is deductible and is allocated to the weeks following separation at the claimant's last wage rate.

5. **Voluntary Resignations** - A claimant may be disqualified from receiving UI benefits if the claimant is unemployed because the claimant voluntarily quit employment without good cause. For details, see the Disqualifications section of this guide.
  - If the reason for quitting is not job-connected, the claimant will be disqualified from receiving UI benefits.
  - If a claimant voluntarily quits employment for reasons determined to be good cause directly attributable to the employment, no penalty is warranted and benefits are chargeable. For example, if an employee quits because the job conditions caused the employee to become ill and this is verified by a physician, no penalty applies.
6. **Voluntary Quit Because of Medical Reasons** - If a claimant is unable to work in their normal occupation and became unemployed for medical reasons (not attributed to the job) and presents medical documentation (ill, injured, or pregnant), the claimant will receive a weekly denial and the employer will not be charged for subsequent payments.
7. **Voluntary Quit in Lieu of Discharge** - If an employer informs the claimant they will be discharged and gives them the option to resign, or the claimant chooses to resign in the face of the imminent discharge, it is not considered a voluntary quit. A resignation in lieu of discharge is treated as a discharge.
8. **Discharges** - An employer should select "discharge" on the Request for Separation Information form if the employee was separated for one of the following reasons:

<ul style="list-style-type: none"> <li>● Absenteeism/tardiness;</li> <li>● Rule violation;</li> <li>● Insubordination;</li> <li>● Conviction for criminal offense;</li> </ul>	<ul style="list-style-type: none"> <li>● Suspension; and,</li> <li>● Not qualified for the job, but worked to the best of ability.</li> </ul>
---	---

**NOTE:** If the reason for separation is "not qualified for the job, but worked to the best of ability," and no other issues are blocking payment, UI benefits are payable.

9. **Temporary Help Firms (Located in Maryland Only)** - A temporary help firm is an entity that assigns its own employees to perform services for clients on a non-permanent basis. A claimant who works for a temporary help firm and is removed from an

assignment will not be considered discharged unless the claimant is also removed from the temporary help firm's rolls. A claimant, whose last employer was a temporary help firm, is not actively seeking work if the claimant (at the end of the current assignment) does not request another assignment. Temporary help firms are responsible for notifying their employees of this requirement and to keep documentation. A temporary help firm should state on the Request for Separation Information when the claimant has completed an assignment. After this statement, the employer will be asked whether the claimant requested another assignment. The claimant will be allowed benefits if: the claimant shows that another assignment was requested; the claimant had good cause for failing to request another assignment (e.g., a natural occurrence such as flooding, hurricane, etc.); the temporary help firm consistently offered the claimant assignments that were not within their job classification; or the assignment did not meet the conditions under which the claimant was hired.

### **Notice of Benefit Eligibility**

The **Notification of Benefit Eligibility of a Former Employee** is sent to an employer (via the employer's preferred communication method and available in the [Maryland Unemployment Insurance Portal \(BEACON\)](#)) when a claimant receives their first benefit payment. For more about a claimant's base period, see the **Benefit Charging** section. **This notice is for informational purposes only.** Employers should review this notice to ensure they understand whether they are being charged for a former employee's UI benefits.

### **Benefit Charging**

An employer's account is charged for UI benefits because the employer paid wages to an eligible claimant during the base period. Benefits charged to an employer account often increase the employer's tax rate and result in higher tax payments.

- The base period is a one-year period that occurred during the last 18 months. The standard base period is the first four of the last five completed calendar quarters. The alternate base period (used if the claimant does not qualify under the standard) is the four most recently-completed calendar quarters.

The amount charged depends on the proportion of wages you paid to the claimant, in relation to the claimant's total wages (paid by you or any other employers). Example: If a claimant has only one employer in the base period, that employer's account is charged for 100% of any benefits paid. This percentage, multiplied by the benefits received by the claimant, equals your benefit charges. You are notified of the charges at the end of each calendar quarter (see the **Reviewing Benefit Charges to Your Account** section for more).

### **Claimant UI Benefit Time Period**

Eligible claimants may collect up to 26 weeks of UI benefits during their benefit year (52-week period beginning on the Sunday of the week in which the claimant applied for benefits). If an extension program is in place (such as the Extended Benefits program),

**claimants may be paid additional weeks.** If a claimant works part-time while collecting UI benefits, a claimant's benefits may last longer than 26 weeks (however, a claimant will not receive more than the equivalent of 26 weeks' of their weekly benefit amount).

**NOTE:** An alternate base period will generate the Employer Alternate Base Period Wage Affidavit. This form requests gross wage information from the most recently-completed calendar quarter. Submit this form by the due date shown on the form (failure to do so may result in a \$15 fine) in the [Maryland Unemployment Insurance Portal \(BEACON\)](#), by fax to 410-333-5142, or by mail to:

**Maryland Division of Unemployment Insurance  
Wage Assistance Unit  
P.O. Box 17559  
Baltimore, MD 21297**

**Weekly Benefit Amount** - In Maryland, the weekly benefit amount (WBA) is a fixed payment ranging from \$50 (minimum) to \$430 (maximum). The gross wages paid to a claimant by all employers in the base period are used to determine a claimant's WBA. A claimant may receive up to 26 weeks of regular UI benefits during a benefit year.

- **Dependents' Allowance** - A claimant may receive an additional \$8 per week for each dependent child (up to a maximum of five children). A dependent child is a son, daughter, stepson, stepdaughter, or legally adopted child (not grandchild or foster children) whom the claimant supports, who is under age 16 when the claim is filed. A claimant's weekly benefit amount, including dependents' allowance, can not exceed \$430. Only one parent can claim dependents' allowance for an individual child. Dependents' allowances are charged to employers' accounts.
- **Part-Time Workers** - A part-time worker is an individual whose availability for work is restricted to part-time work and who worked predominantly on a part-time basis during the base period (at least 20 hours per week). A part-time worker will be eligible for UI benefits if the worker meets all UI requirements.

### **Reviewing Benefit Charges to Your Account**

**Reviewing benefit charges is an important step in the UI management process.** Contributory employers are notified of any benefits charged during the previous calendar quarter through the Benefit Payments Charge Statement. These charges affect a contributory employer's experience rating. The **Benefit Payments Charge Statement** is not a bill. Contributory employers pay UI contributions (taxes) by the quarterly due date.

**Reimbursable employers (not-for-profit employers and government entities)** are notified of benefits charged during the previous calendar quarter via the Statement of Reimbursable Benefits Paid correspondence. This statement **is** a bill.

- An employer's Benefit Payments Charge Statement or Statement of Reimbursable Benefits Paid is available in the [Maryland Unemployment Insurance Portal \(BEACON\)](#)

and sent via an employer's preferred communication method. To view in BEACON, select the Correspondence option from the left menu, then select the Search Button to view all correspondence.

Employers may **protest improper or incorrect benefit charges** (on either the Benefit Payments Charge Statement or the Statement of Reimbursable Benefits Paid) **within 30 days** of the notice/statement date. This is the employer's last chance to protest these charges. Instructions for requesting reviews of charges an employer believes are incorrect are listed at the bottom of the statement.

### **Non-Charges and Credits**

Maryland UI law provides for relief from benefit charging and credits for repayments in certain circumstances. However, non-charging does not affect entitlement or eligibility, and eligible claimants may still collect benefits. The non-charging provisions are not applicable for reimbursing employers, except for continuous part-time employment. Reasons for non-charging and credit provisions are included below:

- Voluntary quit without good cause;
- Voluntary quit for a better job;
- Quit to attend approved training;
- Discharge for reasons which constitute gross misconduct in connection with the work;
- Discharge for reasons which constitute aggravated misconduct in connection with the work;
- If the claimant is originally granted and paid benefits, but upon appeal is later disqualified, a credit will be given for benefits paid. Credits are only given to reimbursing employers when the claimant repays any benefits improperly paid. Subsequent benefits will only be charged if the claimant resolves the disqualification and the benefits are otherwise payable; and,
- If a claimant has both full-time and part-time employment, loses a full-time job, but continues to work a part-time job, partial benefits will not be charged to the part-time employer's account if the claimant remains employed. Employers who receive a Request for Separation Information for claimants who are employed part-time should note the claimant's continued part-time status.

### **Hearings and Appeals**

If an employer disagrees with a determination, the employer may file an appeal (within 15 days of the mailing date of the determination). Ensure that the appeal is submitted (postmarked, if mailing) on or before the filing deadline, as stated on the determination. It is helpful to include a copy of the determination. Appeal instructions are included on the determination and on the [UI Appeals webpage](#). The most efficient way to file is to use the [Maryland Unemployment Insurance Portal \(BEACON\)](#) (select Correspondence from the left menu, then select the search button. If you have an appealable determination, there will be a "File Appeal" link in the same row as the determination. Select the link and follow the prompts). Third-party agents may also file appeals on behalf of their clients.

Include the following on the appeal:	
<input type="checkbox"/> Claimant's name; <input type="checkbox"/> Social Security number; <input type="checkbox"/> Employer's business name;	<input type="checkbox"/> Employer account number; and, <input type="checkbox"/> Reason for appeal.
<p>Submit the appeal by the filing deadline listed on the determination. If submitting through mail, ensure that appeal is postmarked by the filing deadline.</p> <p>★ It is helpful to attach a copy of the determination you are appealing with your appeal letter.</p>	

If an appeal is granted, a hearing will be held. When you receive notice of the hearing, you should make copies of pertinent documentation, such as the notice of termination, letter of resignation, and written warnings, etc. Additionally, you should ensure that the claimant's supervisor and any witnesses are available to attend the hearing. If you do not attend an appeal hearing, the determination may remain unchanged or a decision being made only on the claimant's testimony. Although hearsay testimony is admissible in administrative hearings, it may not be given the same weight as sworn, first-hand testimony. Postponements can be requested in writing at least three business days in advance to the Lower Appeals Division. However, requesting a postponement does not guarantee a postponement will be granted. If an employer disagrees with a Lower Appeals decision, the employer may request an appeal to the Board of Appeals. The decision contains specific directions for requesting an appeal. Questions concerning Lower Appeals should be directed to (410) 767-2421 or [uilowerappeals.labor@maryland.gov](mailto:uilowerappeals.labor@maryland.gov); questions concerning the Board of Appeals should be directed to 410-767-2781 or [dluiboardappeals-labor@maryland.gov](mailto:dluiboardappeals-labor@maryland.gov).

### Fact-Finding Interviews

If the reason for separation given by the employer on the Request for Separation Information notice is something other than layoff or lack of work, the employer may be contacted to provide additional information when the claimant's telephone fact-finding interview is held. It is important for an employer to respond to any telephone message and/or request for information within 48 hours. If the employer does not, a determination will be made based on the information provided by the claimant. The employer may be contacted to discuss some of the issues below:

1. **Culminating Event** - What event brought about the termination of an employee? This is the most important information the Division will use to make the non-monetary determination of eligibility. If the culminating event was not within the claimant's control, the claimant may be allowed benefits. While the details regarding the culminating event are important, employers should be able to provide dates and types of disciplinary action taken previously.

2. **Absenteeism/Tardiness** - An employer should provide the dates of warnings, specify whether they were oral or written warnings, and distinguish between excused and unexcused absenteeism and lateness. Did the employer require a medical slip to justify the claimant's absences? Were there any patterns of absence or tardiness, such as on Mondays and Fridays or before and after holidays? Failure to call in should be noted in attendance records and be discussed with the employee during counseling/warning sessions. The reason for separation should include rule violations.
3. **Rule Violation** - Employers should state the rule violated and provide details. Employers should describe any warnings, the warning dates, and note if the rule is in an employee handbook. Employers should also describe the consequences of the rule violation and indicate how the employee was made aware of the rule(s).
4. **Insubordination** - Explain exactly what was said and done in detail. When did the incident occur? Were there witnesses? Were threats or abusive language used? Did the employee refuse to perform duties which were part of their job description? What were the consequences of their insubordination?
5. **Conviction for Criminal Offense** - If the employer pressed charges but the matter is unresolved, the employer should include this information in the telephone interview. A criminal offense that is not directly against the employer may not be disqualifying (it is disqualifying if the offense was in connection with employment). To determine if the actions are in connection with employment, the Division considers:

<ul style="list-style-type: none"> <li>● Was there a breach of duty to the employer?</li> <li>● Did the act occur during work hours?</li> <li>● Did the act occur while the employee was engaged in their work?</li> </ul>	<ul style="list-style-type: none"> <li>● Did the act occur on the employer's premises?</li> <li>● Did the employee take advantage of the employment relationship to commit the act?</li> </ul>
--	--

6. **Discrepancy** - If discrepancies exist and cannot be resolved, the claimant and the employer will be scheduled at a specific date and time to participate in a conference call with a Division representative to resolve the issue(s). This type of hearing is called a predetermination or predetermination hearing. This hearing allows both parties the opportunity to provide and offer rebuttals during the conference call. Both the claimant and the employer have the right to appeal this determination within 30 days. The last day to file an appeal and instructions about how to proceed are noted on the form.

Once a determination is made, either from a fact-finding interview or a hearing, a Notice of Benefit Determination is sent (via [Maryland Unemployment Insurance Portal \(BEACON\)](#) and the individual's preferred communication method) to the claimant and the employer. The Notice of Benefit Determination will include the following:

- Issue(s) adjudicated;
- Reason for decision to allow or deny benefits;

- ❑ If benefits are denied, it will indicate the penalty that must be served before benefits may be paid;
- ❑ If benefits are denied and the claimant is already receiving benefits, the Notice of Benefit Determination will show the overpayment due because of improperly paid benefits.

**NOTE:** In a circumstance where the determination to pay a claimant benefits is reversed and a claimant is overpaid benefits, an employer will be charged for any benefits paid if the employer did not provide timely or adequate information during the fact-finding interview and determination. If the employer did provide adequate and timely information, the employer will be relieved of the charges for the overpaid benefits.

### **Layoff, Mass Layoff, or Lack of Work**

If a layoff affects 24 or fewer workers, the employer must complete a separate Request for Separation Information form for each laid-off worker who files a claim for UI benefits. All requested information must be entered on this form, including the return-to-work date, if any. If a laid-off claimant fails to return to work, the Division should be notified (see the **Employer UI Obligations** section of this guide). An employer experiencing a mass layoff (affecting 25 or more workers) that is permanent, indefinite, or for seven days or more, is required to inform the Division at least 48 hours in advance.

Employers can report a mass layoff in the [Maryland Unemployment Insurance Portal \(BEACON\)](#) (select **Benefit Services** from the left menu, then select **Report Mass Layoff** and follow the prompts). If an employer does not have advance knowledge of the layoff, the list of affected workers must be submitted within 48 hours after the commencement of the layoff. The list must be ordered alphabetically or by Social Security numbers and include:

Employees' names and Social Security numbers;	Each employee's last weekly or hourly pay/rate;
Additional information concerning bonus pay, vacation or holiday pay, and/or severance pay;	Indicate every worker who receives pension or retirement pay, the amount received, and whether or not the worker contributed to it;
Expected date of recall, if known;	Last day of work and reason for layoff.

Upon notification, the Secretary of Labor may adopt a plan modifying reporting requirements for these employees. Under this plan, the Division may distribute applications or establish dedicated call times for the laid off workers at claim centers or a designated job site.

**NOTE:** The federal [Worker Adjustment and Retraining Notification \(WARN\) Act](#) requires employers of 100 or more workers, in certain instances, to provide 60 days' notice of any mass layoff or plant closure. Employers are potentially liable for failure to provide notice.

The **Dislocated Workers Unit** is required to provide Rapid Response assistance to workers impacted by a plant closure or mass layoff. These services, which may be provided on-site, include assessment, testing, job search assistance, educational remediation and training. Employers may fill out a [Dislocation Event Form](#) to notify the unit of impending layoffs or business closures. When required, notice must be given to the workers, the state, and to local elected officials. Failure to provide notice could result in full back pay to the workers and a fine of \$500 per day. We recommend employers contact legal counsel. For more, contact the Maryland Department of Labor Dislocated Workers Unit at **410-767-2833**.

### Report New Hires, Rehires

1. **The Maryland New Hire Registry** - The Maryland New Hire Registry is a tool to protect against UI overpayments and fraud, public assistance fraud, and assist in the enforcement of child support. Employers who are covered under the Maryland UI Law must report all new employees, re-hires, or recalled employees to the registry.

2. **Within 20 days of an employee's first day of work, employers must report:**

<ul style="list-style-type: none"> <li>• Employee's name, Social Security number, and home address;</li> <li>• First day of work;</li> <li>• Maryland UI 10-digit account number;</li> </ul>	<ul style="list-style-type: none"> <li>• Whether health insurance is available;</li> <li>• Employer's name and address;</li> <li>• Federal Employer Identification Number.</li> </ul>
--	---

Additional information is requested on a voluntary basis. For details, contact the Maryland New Hire Registry Help Desk by phone at 410-281-6000 or 1-(888) MDHIRES, fax at (410) 281-6004, or see [mdnewhire.com](http://mdnewhire.com).

### Bankruptcy

Employers with questions about bankruptcy can call the Employer Call Center at 410-949-0033. An employer should notify the Division if the employer's business is in bankruptcy by fax at **410-333-5059**, email to [ui.litpros@maryland.gov](mailto:ui.litpros@maryland.gov), or mail to:

**Maryland Division of Unemployment Insurance  
Legal Services and Collection  
100 South Charles Street  
Tower 1, Suite 3100  
Baltimore, MD 21201**

**In the notice, include:** date of bankruptcy filing; state of bankruptcy filing; chapter number and case number, if known; attorney's name and telephone number, if represented by an attorney; and, date the business will close (if applicable).



## Fraud

It is considered fraud if a person files for UI benefits while employed without reporting wages, or provides false or insufficient information to obtain or increase benefits. To report suspected UI fraud to the Division, submit a [Request for Investigation of Unemployment Insurance Fraud](#) by e-mail to [ui.fraud@maryland.gov](mailto:ui.fraud@maryland.gov), fax to 410-767-2610, or mail to:

**Benefit Payment Control,  
100 South Charles Street  
Tower 1, Suite 3100  
Baltimore, MD 21201**

### Methods to Ensure Proper Payments

Effective claims management procedures by employers are essential to controlling the number, and severity, of UI claims. Tips for effective management include:

Social Security Numbers	<ul style="list-style-type: none"><li>• Verify Social Security numbers at the time of hire;</li><li>• Ask to see employees' Social Security cards. If they do not have cards, they should be instructed to apply for them;</li><li>• Verify the claimant's name and Social Security number. Provide complete and accurate dates of employment, wage information, and any other payments (severance pay, pension, vacation pay).</li></ul>
Internal Processes	<ul style="list-style-type: none"><li>• Establish a central location for claims handling;</li><li>• Assign responsibility and control of claims processing to one person (and a back-up) or department;</li><li>• Emphasize the consequences and impact on your account of untimely, inaccurate, or incomplete responses.</li><li>• Require personnel to forward UI forms promptly to the central location for claims processing;</li></ul>
Employer Practices	<ul style="list-style-type: none"><li>• Sign and date all correspondence, including any forms, for proper documentation. Include contact information (phone number and e-mail) on forms in case the Division needs additional information.</li><li>• Failure to respond to Requests for Separation Information or provide wage information by the due date can result in a \$15 penalty.</li></ul>

The Division uses numerous methods to prevent improper benefit payments, which are costly to employers, including the techniques listed below.

1. **Post Audit** - The Post Audit is a computerized crossmatch that compares benefits paid to claimants with employer wage reports. The purpose is to detect improper payments to claimants who were employed while receiving UI benefits. When a match occurs, the employer is sent an Audit Form (DUI 330-M). Employers must complete the form and return it to the Division by the due date.
2. **Benefit Accuracy Measurement (BAM)** - The BAM program aims to ensure UI benefit payment accuracy, reduce fraud and errors, and improve UI program efficiency. BAM investigators audit randomly-selected claims to determine whether the claimant was eligible to receive payment for that week. During an audit, employers are asked to substantiate information, including wages, work search contacts reported by the claimant and the reasons for a claimant's separation or reduced hours.

BAM investigations are conducted by phone, e-mail, postal mail, or fax, and certain items may require an employer's signature. If the audit uncovers an improper payment, the Division determines if the improper payment resulted from an action by a claimant, the Division, employer, or any combination of these.

3. **Tax Performance Systems** - The Tax Performance Systems program enables the Division to determine the cause of tax-related errors. The Division continuously informs employers about ways to reduce costly errors that result in improper experience rating charges and improper UI benefit payments.

**NOTE:** Please cooperate in answering investigators' inquiries. Eliminating fraud and errors saves employers money and helps ensure the integrity of the UI program.

### **Disqualifications**

Claimants may be disqualified for benefits if they cannot satisfy the requirement that the job loss was through no fault of their own. The possible disqualifications are as follows:

1. **Voluntary Resignation** - When an individual voluntarily leaves their job, the burden of proof is on the claimant to show that the quit was "with good cause or valid circumstances." If a claimant quits for reasons that are directly attributable to the employment (conditions of employment or actions of the employing unit), it may be determined to be for good cause. In that circumstance, the employer's account is charged. If a claimant quits for reasons not directly attributable to the claimant's employer, but made reasonable efforts to remain employed and quit for valid circumstances, a claimant may not receive benefits for a five to 10 time period. When the penalty ends, benefits are payable, but the employer's account is not charged. If the individual quits without good cause or valid circumstances, the claimant will not receive UI benefits until they become reemployed; meet certain earnings requirements; and then lose a job through no fault of their own.

An individual is not disqualified from receiving benefits if the individual quit a part-time job before losing a full-time job. Voluntarily quitting employment to attend

school, follow a spouse to a new location (if the transfer is not mandatory) or to become self-employed is held to be without good cause or valid circumstances and the maximum penalty is imposed. However, a five to 10-week penalty is imposed for a claimant who quits a job to: **(a)** follow a military/military-related spouse due to the spouse's mandatory transfer; or, **(b)** to follow a spouse to a new location if the spouse's employer mandates the transfer.

2. **Discharges and Suspensions** - Discharges and suspensions are separations initiated by the employer. The employer is responsible for showing that the claimant's behavior constituted misconduct in connection with the work. The employee's behavior must clearly be a willful disregard for the employer's interest, have a direct adverse effect on the employer's business, and must be reasonably related in time to the act causing the separation. Employers must outline the expected behavior of the employees either verbally or in writing. Employers should document all warnings, including who gave the warnings, why they were given, and the dates they were given. The Division explores the following in imposing a disqualification:
  - What happened on the last day of work that caused the separation?
  - How soon after the alleged misconduct did the discharge or suspension occur?

**There are three discharge disqualification categories under Maryland's UI law: simple misconduct, gross misconduct, and aggravated misconduct.**

1. **Simple Misconduct** - Simple misconduct means a violation of some established rule or policy of the employer, a disregard of the employer's best interests, a dereliction of duty, or a course of wrongful conduct. The penalty for simple misconduct is the delay of receipt of benefits for 10 to 15 weeks from the Sunday prior to the last day of work. When the penalty ends, benefits are payable and the employer's account is charged for any benefits paid after the penalty has been served. Simple negligence with no harmful intent is not misconduct, nor is inefficiency, unsatisfactory conduct that is beyond the claimant's control, or good faith error of judgment or discretion. Under these situations, no penalty is assessed, benefits are payable, and the employer's account is charged.
2. **Gross Misconduct** - Gross misconduct means conduct that is either:
  - a deliberate and willful disregard of standards of behavior that an employing unit rightfully expects and which shows gross indifference to the employing unit's interests; or,
  - repeated violations of employment rules that prove a regular and wanton disregard of the employee's obligations.

The penalty for gross misconduct is the denial of the claimant's benefits until the claimant becomes reemployed, earns 25 times their weekly benefit amount (WBA), and thereafter becomes unemployed through no fault of their own. The employer is not charged for any benefits paid after the penalty is satisfied.

3. **Aggravated Misconduct** - Aggravated misconduct is defined as behavior of the claimant that consists of physical assault, property loss, or property damage so serious that neither simple nor gross misconduct penalties would apply. The claimant's act must have been committed with actual malice and a deliberate disregard for the property, safety, and lives of others, including the employer and those associated with the employer as defined in the law. Malice is the intent to cause physical harm, property loss, or property damage.
  - If the action was accidental, aggravated misconduct does not exist.
  - If the action was intentional but not meant to cause any harm, loss or damage, aggravated misconduct does not exist. The penalty for aggravated misconduct is the denial of the claimant's benefits until the claimant becomes re-employed, earns 30 times their WBA, and thereafter becomes unemployed through no fault of their own.
  - If a claimant's reason for separation from the employer is determined to be aggravated misconduct, the claimant is disqualified and serves the penalty. Any benefits eventually paid will not be charged to the employer's account.

Benefits are denied until the individual becomes reemployed and earns 30 times their weekly benefit amount in covered employment income. Any future benefits paid to the employee will not be charged to the employer against whom the aggravated assault was committed. The wages the claimant earned under this employer are deleted.

**NOTE:** A penalty is self-served when an individual satisfies all penalties. A claimant may be paid UI benefits if the claimant has self-served a penalty, and the claimant's previous employer may be charged for benefits.

### **Able, Available, and Active Search for Work**

To be eligible for UI benefits, a claimant must be able to work, available for work, and actively seeking full-time work (unless designated as a part-time worker) without any unreasonable restrictions on the hours/days that the claimant will work. For more, see the [Knowing Your Job Search Requirements](#) webpage.

- The Division randomly audits claims, including work search contacts. It is important that employers **keep records of who contacted them for employment**, the contact method, date of contact, type of work applied for, and the result of the job contact.

There are some exemptions to the work search requirements:

1. **Work Search Exemptions** - If an employer shuts down operations for up to 10 weeks and provides employees with a definite return-to-work date at the beginning of the layoff, claimants are exempt from actively seeking work. The employer must provide the Division with the return to work date.
2. **Extended Work Search Exemption** - If an employer shuts down operations for up to 26 weeks, claimants are exempt from the active work search requirements if:

- The shutdown is for a certain and definable period not exceeding 26 weeks;
- The work search exemption is jointly requested by the employer and the affected employees;
- The employer provides that all of the employees included in the exemption shall return to work for the employer; and,
- The Division determines that the work search exemption during the shutdown will promote productivity and economic stability within the state.

3. **Approved Training** - Claimants enrolled in a training program approved by the Division are exempt from work search requirements.

### Refusal of Suitable Work

When an employer offers a job to a claimant who is receiving UI benefits or recalls a former employee in layoff status and the individual refuses the job/fails to return, the employer must **notify the Division within 15 days** of refusal through [Maryland Unemployment Insurance Portal \(BEACON\)](#). The Division will determine if the claimant is eligible and if the work is suitable. To determine suitability, the Division considers:

<ul style="list-style-type: none"> <li>● training (occupation);</li> <li>● work experience;</li> <li>● prior wages;</li> <li>● commuting distance;</li> </ul>	<ul style="list-style-type: none"> <li>● prospect of securing work in claimant's customary occupation; and,</li> <li>● length of time claimant has been unemployed.</li> </ul>
---	--

**A job is not suitable if:** it is vacant as a direct result of a labor dispute; the wages, hours, or other conditions are less favorable than for similar jobs in the local area; if there is an unreasonable degree of risk to the individual; or a claimant is required to either join a company union, resign from a union, or be required to refrain from joining a labor union. If a claimant refuses suitable work without good cause, the individual will be disqualified from receiving UI benefits for either:

- five to 10 weeks; or,
- until the claimant becomes re-employed, earns 10 times the weekly benefit amount, and thereafter becomes unemployed through no fault of their own.

### Labor Disputes

Claims for benefits by individuals participating in a labor dispute are adjudicated by the Board of Appeals, once it has assumed jurisdiction, or by a special examiner. Employers must inform the Division in [Maryland Unemployment Insurance Portal \(BEACON\)](#) when a labor dispute begins (selecting Benefit Services from the left menu. Then, select Report Labor Dispute and follow the prompts). Employers must provide notice of the dispute within 48 hours (include the names and Social Security numbers of the affected workers).

If striking employees file for UI benefits during a labor dispute, an offer to return to work under the conditions that existed prior to the labor dispute may be a suitable offer of work.

## Supplemental Unemployment Benefits (SUB)

**Supplemental Unemployment Benefits (SUB)** are private plans that provide additional, non-governmental benefits to unemployed workers. Common SUB plan features include:

<ul style="list-style-type: none"><li>• A contractual agreement between an employer and employees (often a union);</li><li>• Employer financing. Typically, an employer pays an established amount into a separate fund. Employer contributions continue until a predetermined funding level is reached;</li></ul>	<ul style="list-style-type: none"><li>• An independent trustee administers the fund; and,</li><li>• To qualify for SUB, an individual must separate from a job and be eligible for regular UI benefits. Under Maryland law, SUB plans do not affect a claimant's weekly benefit amount.</li></ul>
--	---

## Work Sharing

Under the Work Sharing program, employers facing a temporary, non-cyclical decline in business (due to lower economic activity) can temporarily reduce employees' hours, as opposed to laying off workers. Employees receive partial UI benefits based on their reduction in work hours and pay. For more, see the [Work Sharing](#) webpage or contact [ui.worksharing@maryland.gov](mailto:ui.worksharing@maryland.gov).

## Trade Adjustment Assistance (TAA)

The federal **TAA program** provides benefits to workers who are unemployed or on reduced work schedules due to the impact of foreign competition. For more, see the [TAA](#) webpage.

## Posters Required by Law

Employers must display two posters ([Employees Rights Under Maryland's Unemployment Insurance Law](#) and [Health Insurance Coverage](#)) in a highly visible area of the workplace. Employers will receive these posters when they register as a Maryland employer. For copies, call 410-949-0033 or download them from the [Employment Related Posters and Notices webpage](#).

## GUIDELINES FOR JOB INTERVIEW AND PRE-EMPLOYMENT INQUIRIES

Employers wanting to conduct fair and lawful recruitment and selection processes are sometimes confused about the legality or appropriateness of some pre-employment inquiries. Listed below are guidelines for determining appropriate and nondiscriminatory questions for job applications/pre-employment interviews found in state and federal equal employment opportunity laws and guidelines (primarily Title VII of the Civil Rights Act of 1964, as amended, the Equal Employment Opportunity Commission's (EEOC) 1981 Pre-Employment Inquiries Guidelines, the Americans with Disabilities Act of 1990 (ADA)

and Article 49B of the Annotated Code of Maryland). For more guidance, see the Maryland Human Relations Commission's Guidelines on Employee Selection Procedures and the EEOC's Technical Assistance Guide on the Employment Provisions of Title I of ADA. **This information is Not A Substitute For Legal Advice.**

**Employers should:**

- Standardize and structure the selection process;
- Determine essential requirements of the job before recruiting and interviewing;
- Develop written, job-related position descriptions which detail these essential requirements;
- Prepare written questions;
- Ask only those questions necessary to determine qualifications and suitability, and ask all questions of all applicants/candidates; and,
- Maintain job-related documentation.

**General Questions Employers Should Ask Themselves:**

- Will the answers to this question, if used in making a selection, have a disparate effect in screening out minorities or members of one sex?
- Will the response to this question screen out qualified candidates because of their disability before their actual ability to do the job is evaluated?
- Is this information necessary to judge an applicant's competence/qualifications?
- Is this question permitted on the basis of a bona fide occupational qualification?
- Is the employer a federal contractor or a participant in a program subject to special employment/selection guidelines?

**SUBJECT: AGE**

**Lawful Inquiries/Requirements**

- Whether applicant meets the minimum age requirement set by law, if required as a Bona Fide Occupational Qualification (BFOQ), or after hire, if inquiry serves a legitimate record-keeping purpose.

**Unlawful Inquiries/Requirements**

- That applicant states age or date of birth. That applicant provides proof of age (birth certificate). Specifications such as: "young," "college student," "recent college graduate," or "retired."

**SUBJECT: ARREST AND CONVICTIONS**

**Lawful Inquiries/Requirements**

- Inquiries about convictions that bear a direct relationship to the job and have not been expunged or sealed by the courts. Consideration should be given to the nature, recentness, and rehabilitation.

**Unlawful Inquiries/Requirements**

- Inquiries about a candidate's general arrest and conviction record.

**SUBJECT: CITIZENSHIP, BIRTHPLACE**

**Lawful Inquiries/Requirements**

- After employment, verification of legal right to work (all new hires).

**Unlawful Inquiries/Requirements**

- Whether applicant, parents or spouse are naturalized or native-born U.S. citizens. Birthplace of applicant, parents, or spouse. Requirement that applicant produces naturalization papers.

**SUBJECT: DEPENDENTS**

**Lawful Inquiries/Requirements**

- Non-applicable.

**Unlawful Inquiries/Requirements**

- Inquiries regarding: the number and ages of children; what child care arrangements have been made; family planning.

**SUBJECT: DISABILITY**

**Lawful Inquiries/Requirements**

- Whether the applicant can perform the essential functions of the job with or without reasonable accommodation. That applicant can demonstrate how they would perform the job and with what accommodation(s). After a job offer, but before hire, require medical examination for all similarly-situated entering employees.

**Unlawful Inquiries/Requirements**

- Requirement that applicant provide information about workers' compensation claim(s) before a job offer. General inquiries into the applicant's state of health or the nature and severity of a disability.

**SUBJECT: DRIVER'S LICENSE**

**Lawful Inquiries/Requirements**

- Inquiry if driving is necessary to the job.

**Unlawful Inquiries/Requirements**

- Inquiring if all applicants have a valid driver's license, regardless of job.

**SUBJECT: MARITAL STATUS**

**Lawful Inquiries/Requirements**

- Non-applicable.

**Unlawful Inquiries/Requirements**

- Whether applicant is: single, married, divorced, widowed, etc.; Mr., Mrs., Miss, Ms. Inquiries regarding the names and ages of spouse or children.

**SUBJECT: MILITARY SERVICE**

**Lawful Inquiries/Requirements**

Job related inquiries into military experience in the U.S. Armed Forces or state militia (e.g. branch, occupational specialty).

**Unlawful Inquiries/Requirements**

- Inquiries regarding foreign military experience. Whether honorably discharged.

**SUBJECT: NAME**



**Lawful Inquiries/Requirements**

- Whether the applicant has used another name (to verify past work record).

**Unlawful Inquiries/Requirements**

- Inquiries or comments about the name which would reveal applicant's lineage, national origin, marital status, etc. (e.g., maiden name? Mr., Mrs., Miss, Ms.?).

**SUBJECT: NATIONAL ORIGIN****Lawful Inquiries/Requirements**

- What languages an applicant reads, speaks, or writes fluently, if relevant to the job or if required as a Bona Fide Occupational Qualification.

**Unlawful Inquiries/Requirements**

- Inquiries regarding: applicant's nationality; ancestry; lineage or parentage; nationality of applicant's parents or spouse; maiden name of applicant, wife, or mother.

**SUBJECT: PHOTOGRAPH****Lawful Inquiries/Requirements**

- May be requested after hire (for identification).

**Unlawful Inquiries/Requirements**

- Request before hire.

**SUBJECT: POLYGRAPH, LIE DETECTOR****Lawful Inquiries/Requirements**

- Non-applicable.

**Unlawful Inquiries/Requirements**

- Require test be taken as a condition of employment.

**SUBJECT: PROFESSIONAL ASSOCIATIONS****Lawful Inquiries/Requirements**

- Inquiries regarding memberships in job-related clubs and organizations. Applicants may omit those which reveal the race, religion, age, sex, disability, etc., of applicant.

**Unlawful Inquiries/Requirements**

- Requesting the names of all organizations, clubs, associations, to which the applicant belongs. Inquiries regarding how the applicant spends their spare time.

**SUBJECT: RACE, COLOR****Lawful Inquiries/Requirements**

- Non-applicable.

**Unlawful Inquiries/Requirements**

- Inquiries regarding: applicant's race; color of applicant's skin, eyes, hair or other questions directly or indirectly indicating race or color; applicant's height (unless a Bona Fide Occupational Qualification).

**SUBJECT: REFERENCES****Lawful Inquiries/Requirements**

- Inquiring by whom the applicant was referred. Requesting names of persons willing to provide professional or character references. Making job-related inquiries of references.

**Unlawful Inquiries/Requirements**

- Requiring the submission of religious references. Inquiries of references which would elicit information on applicant's race, color, national origin, age, marital status, disability, or sexual orientation.

**SUBJECT: RELIGION**

**Lawful Inquiries/Requirements**

- Inquiries regarding the normal hours of work. After hire, inquiries regarding religious accommodations.

**Unlawful Inquiries/Requirements**

- Inquiries regarding applicant's religious denomination/affiliation or religious holidays observed. Any inquiry which would indicate or identify religious customs or holidays observed.

**SUBJECT: SEX**

**Lawful Inquiries/Requirements**

- Inquiry only if required as a Bona Fide Occupational Qualification.

**Unlawful Inquiries/Requirements**

- Inquiries regarding: applicant's sex; Mr., Mrs., Miss, Ms.; if applicant is expecting, planning a family, or uses birth control.

**SUBJECT: SEXUAL ORIENTATION**

**Lawful Inquiries/Requirements**

- Non-applicable.

**Unlawful Inquiries/Requirements**

- Any inquiry concerning an applicant's heterosexuality, homosexuality or bisexuality.



Learn more about the Maryland Division of Unemployment Insurance and the resources available to employers on the [Division website](#).