

The State of Maryland
Executive Department

ORDER
OF THE
GOVERNOR OF THE STATE OF MARYLAND
NUMBER 20-12-10-01

RELATING TO UNEMPLOYMENT INSURANCE CONTRIBUTIONS

- WHEREAS, A state of emergency and catastrophic health emergency was proclaimed on March 5, 2020, and renewed on March 17, April 10, May 6, June 3, July 1, July 31, August 10, September 8, October 6, October 30, and November 25, 2020, to control and prevent the spread of COVID-19 within the state, and the state of emergency and catastrophic health emergency still exists;
- WHEREAS, COVID-19, a respiratory disease that spreads easily from person to person and may result in serious illness or death, is a public health catastrophe and has been confirmed throughout Maryland;
- WHEREAS, COVID-19 has had a significant negative impact on businesses in Maryland;
- WHEREAS, The unemployment insurance program established pursuant to Title 8 of the Labor and Employment Article of the Maryland Code provides for the systematic accumulation of funds from employers, based in part on the history of chargeable unemployment benefits attributed to contributory employers;
- WHEREAS, The Secretary of Labor exercises administrative and regulatory authority for determining the rates of contribution to the Unemployment Insurance Fund.
- WHEREAS, COVID-19 has caused, and continues to cause, an abnormally high volume of unemployment insurance claims in Maryland during the state of emergency and catastrophic health emergency;
- WHEREAS, Contributory employers cannot fairly be held responsible for the abnormally high volume of unemployment insurance claims caused by

COVID-19 during the state of emergency and catastrophic health emergency;

WHEREAS, It is necessary, in order to protect the public health, welfare, or safety, to suspend the effect of certain statutes that would otherwise cause contributory employers' unemployment insurance earned rating records to be charged with unemployment insurance claims caused by COVID-19 during the state of emergency and catastrophic health emergency; and

WHEREAS, Reimbursable employers, while similarly affected as contributory employers, have received relief and assistance under the federal Coronavirus Aid, Relief, and Economic Security Act;

NOW, THEREFORE, I, LAWRENCE J. HOGAN, JR., GOVERNOR OF THE STATE OF MARYLAND, BY VIRTUE OF THE AUTHORITY VESTED IN ME BY THE CONSTITUTION AND LAWS OF MARYLAND, INCLUDING BUT NOT LIMITED TO TITLE 14 OF THE PUBLIC SAFETY ARTICLE, AND IN AN EFFORT TO CONTROL AND PREVENT THE SPREAD OF COVID-19 WITHIN THE STATE, DO HEREBY ORDER:

I. Definition of "Rating Year".

a. Sections 8-606(d) and (e) of the Labor and Employment Article of the Maryland Code ("L&E") are hereby suspended.

b. For purposes of L&E Title 8, Subtitle 6, Part II:

- i. the term "computation date" means the July 1 immediately preceding the calendar year for which a rate of contribution is assigned; *provided, however*, that the term "computation date" shall be designated as July 1, 2019; and
- ii. the term "rating year" means the 12-month period beginning July 1 and ending June 30 immediately preceding the computation date; *provided, however*, that the term "rating year" excludes the 12-month period beginning July 1, 2019 and ending June 30, 2020.

II. General Provisions.

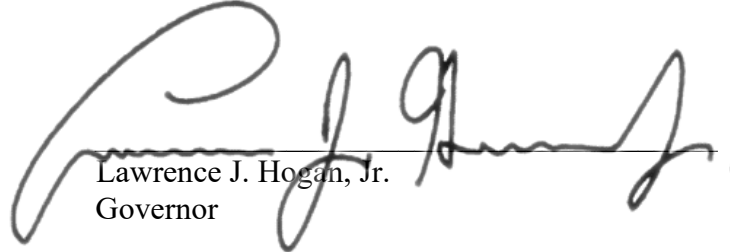
a. This Order remains effective until after termination of the state of emergency and the proclamation of the catastrophic health emergency has been rescinded, or until rescinded, superseded, amended, or revised by additional orders.

b. The effect of any statute, rule, or regulation of an agency of the State or a political subdivision inconsistent with this order is hereby suspended to the extent of the inconsistency.

c. The underlined paragraph headings in this Order are for convenience of reference only and shall not affect the interpretation of this Order.

d. If any provision of this Order or its application to any person, entity, or circumstance is held invalid by any court of competent jurisdiction, all other provisions or applications of the Order shall remain in effect to the extent possible without the invalid provision or application. To achieve this purpose, the provisions of this Order are severable.

ISSUED UNDER MY HAND THIS 10TH DAY OF DECEMBER, 2020,
AND EFFECTIVE IMMEDIATELY.



Lawrence J. Hogan, Jr.
Governor