



Maryland Unemployment Insurance Tax Rates to Drop in 2014

Maryland employers will see a decrease in unemployment insurance tax rates beginning in January. For calendar year 2014, unemployment insurance tax rates will drop from Table C to Table A, the lowest range of tax rates.

State law requires the Department of Labor, Licensing and Regulation (DLLR) to review the Unemployment Insurance Trust Fund each September 30. Employers pay unemployment insurance tax on the first \$8,500 of each worker's wages. Rates are based on six tax tables, ranging from the lowest (A) to the highest (F), and the rate is adjusted annually based on the balance of the Trust Fund. As a result of the economic downturn, Maryland employers faced the highest range of UI tax rates (Table F) in 2012. Last year, the rates shifted from Table F to Table C. In 2014, Maryland employers will see another decrease. Table A rates range from 0.3 to 7.5 percent of the first \$8,500 of annual wages.

The Maryland Chamber of Commerce has worked with the Department of Labor, Licensing and Regulation (DLLR) to manage the UI costs. Employers in the state were able to avoid having to resort to bonds or special surtaxes to pay interest, and were able manage the debt that arose from the Great recession.

According to data from the US Department of Labor, the overall average UI tax on total wages for employers in Maryland last year was about 21st in the country at 1.08%, slightly above the national average. The state maintains a balance in its UI trust fund of approximately \$985 million.

The UI tax rate reduction for 2014 comes as good news to employers in managing payroll costs related to unemployment insurance. More specifics are available through the Maryland Chamber of Commerce at <http://www.chamberactionnetwork.com/2013/10/maryland-unemployment-insurance-rates-to-drop-in-2014/>