

Maryland Division of Unemployment Insurance (DUI) UI Tax Rate Information for Employers

- Employers pay insurance premiums that are deposited into the Maryland Unemployment Insurance Trust Fund. The trust fund is used solely to pay unemployment insurance (UI) benefits to eligible claimants.
- For UI tax purposes, there are two types of employers; **contributory and reimbursable**.

- A **contributory employer** pays quarterly UI taxes, which are based on the benefits charged against the employer's account and the taxable wages the employer reported to DUI.
- A **reimbursable employer** (government entities and certain non-profit organizations) may choose to reimburse the state dollar-for-dollar for benefits charged against their account, instead of paying UI taxes.

- The trust fund is monitored and reviewed annually to determine its solvency.
- UI tax tables are used in assigning tax rates to employers for a particular year.
- The solvency of the trust fund controls which tax table is in effect in a given year.

- DUI has six UI tax tables, ranging from Table A to Table F.
- Table A includes the lowest UI tax rates and Table F includes the highest.
- One tax table is assigned each year.

- Tax rates are higher if it is determined that the trust fund needs additional contributions and are lower if additional contributions are not needed.

Maryland UI Tax Rate Range

- A list of Maryland's UI tax tables, A to F, and the tax rate range for each table, is displayed below.

Tax Table	Tax Rate Range
Table A	0.30% - 7.50%
Table B	0.60% - 9.00%
Table C	1.00% - 10.50%
Table D	1.40% - 11.80%
Table E	1.80% - 12.90%
Table F	2.20% - 13.50%

Contributory Employer Tax Rates

Contributory employers are assigned one of three different types of tax rates listed below.

1. **New Account (also called New Employer) Rate** - This rate is assigned to a new employer and ranges from 1.0% to 2.6%.
 - **Note:** New employers in the construction industry that are headquartered in another state are not assigned a typical new account rate. Instead, they are assigned the average rate for the construction industry in Maryland.
 - For 2021, the new account rate was 2.3%. For new employers in the construction industry (headquartered in another state), the 2021 tax rate was 7.0%.

2. **Experience (also called Earned) Rate** - This rate is assigned after an employer has paid wages to employees in at least two fiscal years (July 1 to June 30) before the computation date.
 - The **computation date** is the July 1 before the calendar year for which the rate is assigned. For example, the computation date for calendar year 2020 was July 1, 2019.

The experience tax rate is calculated based on an employer's benefit charges and taxable wages.

3. **Standard Rate** - This rate is assigned to an employer who is eligible for an earned rate, but has no taxable wages in a year because the employer failed to file quarterly tax and wage reports.

The standard rate is the highest rate from the tax table in effect during that year.

- DUI notifies contributory employers of their annual UI tax rate each January via an **Experience Rate Notice**.
 - The notice is sent through an employer's preferred communication method (selected when a Maryland UI account was established).
- An employer's UI tax rate is also available in [BEACON 2.0](#).
 - To see the rate, log in to [BEACON](#) and view the **Tax Rate column** in the center of the screen.

Calculating Employer Experience Tax Rates

- An employer's **experience tax rate is determined by the employer's benefit ratio** and the **tax table** in effect for the year.

- DUI determines an employer's benefit ratio by dividing the employer's benefit charges by their taxable wages (from the three fiscal years preceding the July 1 computation date).

- The **computation date** is the July 1 before the calendar year for which the rate is assigned.

Example for Calendar Year 2020:

- The computation date was July 1, 2019, for calendar year 2020.
- Fiscal years 2017, 2018, and 2019 were used to determine an employer's 2020 experience tax rate.

- If an employer has only been in business for two fiscal years before the computation date, the benefit charges and taxable wages for those two years are used.

- **Note:** A benefit ratio is not calculated for an employer assigned either a new account or standard tax rate.

- An employer's benefit ratio corresponds with a specific tax rate on a UI tax table. The tax table in effect for a given year determines what the employer's tax rate is.
- **Example:** If Tax Table F was in effect and the employer's benefit ratio was .0028 - .0054, the employer's tax rate (also called the contribution rate) would be 3.40%.

Tax Table	Employer's Benefit Ratio	Tax (Contribution) Rate
F	.0028 - .0054	3.40%

Tax Tables for Calendar Years 2022 and 2021

2022

- **Tax Table C will be in effect for 2022**, as a result of state legislation which appropriated federal funding for the UI trust fund.
- **Table C rates range from 1.00% to 10.50%**, substantially **lower than 2021 tax rates**. The **taxable wage base will remain at \$8,500**.
- For 2022, **Experience Rate Notices** (which DUI uses to notify contributory employers of their UI tax rate) are available in mid to late January.
 - To view all tax tables, including Table C, see [§8 Maryland UI law 612](#).

2021

- **Tax Table F was in effect for 2021 and included tax rates from 2.20% to 13.50%**.
- To provide financial relief during the COVID-19 pandemic, two UI tax rates were calculated for each contributory employer:
 1. A rate based on their experience (taxable wages and benefit charges) in fiscal years 2017-2019, and
 2. A rate based on their experience in fiscal years 2018-2020.
- **Employers received the lower of the two rates**. The 2021 taxable wage base was \$8,500.
- Excluding the 2020 fiscal year prevented contributory employers from having their experience rates negatively impacted if they laid off or furloughed employees (in 2020) due to the economic impact of COVID-19.

Table C - Unemployment Insurance Tax Rate Schedule

Table C is in effect for 2022 and includes rates from 1.0% to 10.50%. An employer's benefit ratio and tax rate are listed on the employer's Experience Rate Notice, sent to employers in January and also available in [BEACON 2.0](#). To view in BEACON, select "Tax Rate Functions" from the left menu, and then select "Rate Notice."

Benefit Ratio	Tax Rate	Benefit Ratio	Tax Rate	Benefit Ratio	Tax Rate	Benefit Ratio	Tax Rate
.0000	1.00%	.0190 - .0216	3.60%	.0406 - .0432	6.00%	.0622 - .0648	8.40%
.0001 - .0027	1.50%	.0217 - .0243	3.90%	.0433 - .0459	6.30%	.0649 - .0675	8.70%
.0028 - .0054	1.80%	.0244 - .0270	4.20%	.0460 - .0486	6.60%	.0676 - .0702	9.00%
.0055 - .0081	2.10%	.0271 - .0297	4.50%	.0487 - .0513	6.90%	.0703 - .0729	9.30%
.0082 - .0108	2.40%	.0298 - .0324	4.80%	.0514 - .0540	7.20%	.0730 - .0756	9.60%
.0109 - .0135	2.70%	.0325 - .0351	5.10%	.0541 - .0567	7.50%	.0757 - .0783	9.90%
.0136 - .0162	3.00%	.0352 - .0378	5.40%	.0568 - .0594	7.80%	.0784 - .0810	10.20%
.0163 - .0189	3.30%	.0379 - .0405	5.70%	.0595 - .0621	8.10%	.0811+	10.50%

Additional Information:

- For 2022: **New Employer Rate** is 2.30%; **Foreign Contractor Rate** is 5.40%; and **Standard Rate** is 10.50%.
- In 2022, interest rates will increase from .5% to 1.5%.
- [Tax Rate and Benefit Charge Statement FAQs](#)
- [Employers' Quick Reference Guide](#)

Additional UI Tax Information Resources



- To learn more, see the following:
 - [Unemployment Insurance Tax Rates FAQs](#)
 - [UI Tax Rates](#)
 - [Employers' General UI Contributions Information and Definitions](#)
 - [Employers' Quick Reference Guide](#)