

Contributory Employers

What is a contributory employer?

- A **contributory employer** pays **quarterly unemployment insurance (UI) taxes**, which are based on the employer's benefit charges and the taxable wages the employer reported to DUI.
- **Note:** 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.

How does an employer become a contributory employer?

- An employer who is not eligible to be a reimbursable employer will automatically be a contributory employer. Employers must register for a Maryland UI account to receive a reporting type (reimbursable or contributory.)
- New employers can register for a UI account either:
 - in **BEACON 2.0** (<https://employer.beacon.labor.md.gov/>) or
 - by completing a **Combined Registration Application (CRA)** (marylandtaxes.gov/forms/21_forms/CRA.pdf).
- For more information about registering for a UI account in BEACON, see:
 - **Employer Registration Video** - labor.maryland.gov/employment/uitaxapps.shtml#empvideos, or
 - **Registration Instructions** - labor.maryland.gov/employment/ui beacon employer account registration.pdf.
- **Note:** Employers who register using BEACON 2.0 must complete the CRA to register for additional state tax accounts or licenses.

How are UI tax rates determined?

- Maryland employers are assigned one of three different types of tax rates: the new account rate, the standard rate, or the experience (also called earned) rate.
 - **New Account** - rate assigned for a new employer.
 - **Experience** - rate an employer receives after reporting taxable wages for at least three rating (fiscal) years (July 1 to June 30) before the computation date (July 1st prior to the current rating year). The experience rate is based on the employer's benefit charges and the taxable wages the employer reported to DUI.
 - **Standard** - rate assigned to an employer who is eligible for an earned rate, but has no taxable wages in a rating year because the employer failed to file quarterly tax and wage reports.
- To learn more, see labor.maryland.gov/employment/empfaq.shtml.

What are contributory employers required to do each quarter?

- In addition to paying UI taxes, each quarter, contributory employers are required to:
 - file a **Quarterly Contribution Report** (provide total gross wages the employer paid, taxable wages paid, excess wages, and etc.) and,
 - file an **Employment Report** (provide each employee's name, gross wages paid to each employee, and etc.).
- An employer can file these reports in [BEACON 2.0](https://labor.maryland.gov/employment/empfaq.shtml).

How can an employer learn more?

- For additional information, see:
 - **UI Tax Rates** (labor.maryland.gov/employment/uitrustfundpoints.shtml)
 - **Rating and Benefit Charge Statement FAQs** (labor.maryland.gov/employment/uitaxexpratfaq.shtml), or
 - Contact the **Employer Call Center at 410-949-0033**.