

January, 2012

Dear Employer,

Enclosed is your calendar year **2012 EXPERIENCE RATE NOTICE**. This rate applies to the quarterly unemployment insurance contribution reports due April 30, 2012, July 31, 2012, October 31, 2012 and January 31, 2013. The tax rate will be printed on each of your quarterly reports.

Maryland Unemployment Insurance Law requires DLLR to perform a solvency determination of the Unemployment Insurance Trust Fund each September 30th. On September 30, 2011 the calculation was completed, and the 460 million balance requires the current tax rate table for 2011 to remain in effect for calendar year 2012. This is a Maryland statutory requirement that cannot be altered by this Department or the Governor.

As a result of the solvency calculation, the Division of Unemployment Insurance has determined that the **range of rates for calendar year 2012 is 2.2% to 13.5%**. The rate for new employers in 2012 is 2.6%. An exception is that the rate for new construction employers headquartered in another state is 13.5%.

Employer tax rates are based on the ratio of the individual employer's experience with benefit charges and taxable payroll over the last three fiscal years ended on June 30. Your 2012 assigned rate, **in the range of 2.2% to 13.5%**, depends on your experience over that time. Additional account details, including your quarterly benefit charge and taxable wage summaries, are available at: WWW.MDUNEMPLOYMENT.COM.

The taxable wage base for 2012 will remain at \$8,500. Taxes are due on the first \$8,500 of wages paid to each employee during calendar year of 2012. Quarterly reports for the first quarter of 2012 will be mailed to you on or about April 1, 2012.

Your tax rate may be appealed within 15 days from the Date of Notice as shown on the enclosed rate notice. An appeal of your rate should be submitted in writing to the address shown on the rate notice. However, if you simply have a question concerning your rate, please contact the Experience Rate Unit at the telephone number, fax number, or e-mail address listed above.

In this economic time, the Division of Unemployment Insurance has implemented an initiative to assist employers that may find themselves in a position of financial hardship. The Division seeks to assist employers in paying quarterly unemployment insurance taxes for calendar year 2012. Listed below are the Payment Plan options that are available for all four quarterly unemployment insurance returns. Requests for Payment Plans should be made by the quarterly due dates of April 30, 2012, July 31, 2012, October 31, 2012 and January 31, 2013.

In order to establish a payment plan, please contact the Skip Trace and Investigations Unit at 410-767-2525 or send an e-mail to the unit at: uitaxskip@dllr.state.md.us. At the end of the payment installments, interest will be waived as long as all payments were made according to the payment plan.

Plan #1:

- Quarterly Tax Return and Wage Report filed timely;
- 50% of Tax paid when the Quarterly return is filed;
- Remaining tax due is spread over three equal monthly installments, due on the last day of the next three months;
- Note that the last installment of this plan coincides with the due date of the next quarter, and unless another payment plan is in place, the reports and tax must be filed by the due date;

Plan #2:

- Quarterly Tax Return and Wage Report filed timely;
- Tax due is spread over 6 equal monthly installments, with the first installment due on the Quarterly due date;
- Note that this plan overlaps the due date of the next quarter, and unless another payment plan is in place, the reports and tax for the overlapped quarter must be filed and paid by the due date;

Plan #3:

- Quarterly Tax Return and Wage Report filed timely;
- Tax due is spread over 9 equal monthly installments, with the first installment due on the Quarterly due date;
- Note that this plan overlaps the due date of the next two quarters, and unless another payment plan is in place, the reports and tax for the overlapped quarters must be filed and paid by the due date;

Plan #4

- An individual plan as established with the Division of Unemployment Insurance.

Sincerely,

Dennis C. Morton
Director, Contributions Division
Maryland Unemployment Insurance