

UI Tax Rate Information for Employers

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

- A **contributory employer** pays quarterly UI taxes (based on the benefits charged against the employer's account and the taxable wages the employer reported to the Division).

An employer's rate is also impacted by the tax table in effect for the year.

- A **reimbursable employer** (government entities and certain non-profit organizations) chooses to reimburse the UI benefits charged to their account, instead of paying UI taxes.

- The trust fund is monitored and reviewed annually to determine its solvency.
 - The trust fund's solvency controls which **tax table is in effect** for the year (tax rates are higher if the fund needs additional contributions and lower if additional contributions are not needed).

Maryland UI Tax Rate Range

The Division has six UI tax tables, ranging from **Table A (lowest rates)** to **Table F (highest rates)**.

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%

Employer Tax Rates

Contributory employers are assigned one of three types of tax rates.

1. **New Account Rate** - assigned to an employer who **does not qualify for an earned rate** (employer did not pay wages in the two fiscal years before the computation date). Each eligible employer receives the same new account rate (1% to 2.6%, depending on the year).

Note: New employers in the construction industry (that are headquartered in another state) are assigned the average rate for the construction industry in Maryland.

- For tax rates, see the [Annual Tax Rate and Benefit Charge Information FAQs](#).

2. **Experience (Earned) Rate** - assigned after an employer **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 2020 was July 1, 2019.

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

The standard rate is the **highest rate** on the tax table.

Experience Rates

Contributory employers receive an Experience Rate Notice each January (via their preferred communication method and [BEACON](#)), which includes their annual tax rate.

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

- An employer's benefit ratio is calculated by dividing the employer's benefit charges by their taxable wages (from the three fiscal years before the computation date).
 - If an employer has only been in business for two fiscal years, the charges and wages for those two years are used.
- The **computation date** is the July 1 before the calendar year for which the rate is assigned.
Example: For 2020, the computation date was July 1, 2019. Fiscal years 2017, 2018, and 2019 were used to determine an employer's 2020 experience rate.

Note: A benefit ratio is not calculated for an employer assigned the new account or standard rate.

An employer's **benefit ratio corresponds with a specific rate** on the tax table in effect for the year.

Example: If Tax Table F was in effect and the employer's benefit ratio was .0028 - .0054, the employer's tax rate would be 3.40%.

Tax Table	Benefit Ratio	Tax Rate
F	.0028 - .0054	3.40%

Additional UI Tax Resources



To learn more, see the following:

- [Unemployment Insurance Tax Rates FAQs](#)
- [Employers' General UI Contributions Information and Definitions](#)
- [Employers' Quick Reference Guide](#)