



# Reimbursable Employers

## What is a reimbursable employer?

- **Reimbursable employers** (qualifying non-profit organizations and state/local government entities/subdivisions) **may choose to reimburse** the state for unemployment insurance (UI) benefits charged against their accounts, instead of paying quarterly UI taxes.

**Note:** A contributory employer pays UI taxes based on the employer's benefit charges and taxable wages, and is either not eligible or chooses not to be a reimbursable employer.

## How does an employer become a reimbursable employer?

- An eligible non-profit organization or state/local government can **select a reporting type (reimbursable or contributory)** when they **register for a Maryland UI account in BEACON** ([employer.beacon.labor.md.gov/](http://employer.beacon.labor.md.gov/)). Non-profit organizations must provide a 501(c)(3) exemption letter.
- For more, see the Registration video ([labor.maryland.gov/employment/uitaxapps.shtml#empvideos](http://labor.maryland.gov/employment/uitaxapps.shtml#empvideos)).
- Employers may also register for a UI account using the Combined Registration Application (CRA) ([interactive.marylandtaxes.gov/webapps/comptrollercra](http://interactive.marylandtaxes.gov/webapps/comptrollercra)). However, employers who register in BEACON must also complete the CRA to register for additional state tax accounts or licenses.

## How can an employer change the reporting type after registering?

- After registering for a Maryland UI account, an employer may change the reporting type within 30 days.
- After 30 days, a **reimbursable employer** must **wait one year** to change the reporting type. A **contributory employer** (who is eligible to be reimbursable), must **wait two years** to request a change. If approved, the change will take effect on January 1 of the next year.

Employers can request a change via:

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| <ul style="list-style-type: none"><li>○ <b>BEACON</b> (select Account Maintenance, then Change Reporting Method and follow the prompts);</li><li>○ <b>Email:</b> <a href="mailto:dluitaxemployerstatus-labor@maryland.gov">dluitaxemployerstatus-labor@maryland.gov</a>;</li><li>○ <b>Phone:</b> 410-949-0033;</li></ul> | <ul style="list-style-type: none"><li>○ <b>Mail:</b> Contributions Unit - Account Maintenance<br/>100 South Charles Street<br/>Tower 1, Suite 3100<br/>Baltimore, MD 21201.</li></ul> |
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## How are reimbursable employers charged for benefits?

- Reimbursable employers receive a **Statement of Reimbursable Benefits Paid**, which lists the claimants who collected benefits during a particular quarter and the benefit charges owed. Employers can protest charges within 30 days (instructions included on the statement).
- Benefit charges are also displayed in BEACON.

## How does an employer know what their reporting type is?

- Log into **BEACON** and select **Wage Summary** from the left menu. The reporting type is located in the **Employer Information** section.