

# SERVICE BULLETIN

**TO:** T&T Clients  
**FROM:** Josh Kendall  
**RE:** Higher UI Tax Rates Expected for Maryland Employers  
**DATE:** October 23, 2009

Substantially higher unemployment tax rates are in store for most Maryland employers for 2010. Tax Rate Table F will take effect, which is the highest tax rate table in the statutes. Tax rates for experience-rated employers will range from 2.20% to 13.50%. There will be no change in the taxable wage base, which remains at \$8,500.

Following are examples of the impact of the higher tax rate table:

Current Tax Rate (Table B)	Corresponding Tax Rate on Table F	Tax Due Per Full-Time Worker (2009)	Tax Due Per Full-Time Worker (2010)	Percent Increase from 2009 to 2010
0.60%	2.20%	\$51.00	\$187.00	267%
2.10%	4.30%	\$178.00	\$365.50	105%
4.20%	6.40%	\$357.00	\$544.00	52%
6.60%	8.80%	\$561.00	\$748.00	33%
9.00%	13.5% *	\$765.00	\$1,147.50	50%

As you can see, if your company's experience is unchanged, so that you remain in the exact same rate bracket, your tax rate will nevertheless increase by a third at the very least.

Of course your own experience, in terms of unemployment benefit charges compared to your taxable payroll, is still the most important determinant of your tax rate.

Only twenty-eight states have avoided borrowing federal funds to pay regular unemployment benefits, and Maryland is one of these states. In fact, Maryland has never had to borrow federal funds for this purpose, but this admirable track record will probably come to an end early next year because of the unprecedented amount of benefit payouts.

If there are any questions please contact us. Bulletins may be viewed on our website at [www.thomasandthorngren.com](http://www.thomasandthorngren.com).

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