

# **Unemployment Insurance in Maryland:** **Facts on the System & the Policy Outlook**

## **Who is Eligible for UI Benefits?**

- In FY 2009, 211,955 Marylanders received UI
- In general, a worker must have been laid off (eligibility restricted if you quit without good cause, or is you were fired due to misconduct)
- Must be actively seeking a new job
- Due to eligibility restrictions, only 41 percent of unemployed workers receive benefits

## **How Much Can Unemployed Workers Receive?**

- Average Benefit Amount: \$310 per week
- Maximum Benefit Amount: \$410 per week (up to \$430 in October 2010)
- Benefit equals 54% of previous wages, up to the maximum (workers making more than about \$41,000 all receive the maximum)
- Unemployed Marylanders received over \$1 billion in UI benefits in 2009
- Regular UI benefits can last for up to 26 weeks
- In 2009, the average Maryland UI recipient collected benefits for 18.8 weeks

## **Strengthening the UI Safety Net: Recent Policy Changes**

- 2009 Policy Changes
  - Eligibility expanded to cover people seeking part-time work, as long as they have a history of part-time work
  - Maximum benefit increased from \$380 to \$410 in 2009, and set to increase from \$410 to \$430 in 2010
- 2010 Policy Changes: UI Modernization Package
  - Alternative Base Period expands eligibility to those with more recent work history (Effective March 2011)
  - Workers in state-approved training may receive an additional 26 weeks of benefits (Effective March 2011)
  - Requires study of cost-neutral plan to raise the maximum benefit above \$430
  - Bill included tradeoffs to reduce cost of expanded benefits: minimum benefit increased from \$25 to \$50, penalties for misconduct increased, sick claims eliminated, and income disregard decreased from \$100 to \$50
- Policy Focus for 2011 and Beyond?
  - Uphold strengths of the current system: uniform duration of 26 weeks, dependent benefit of \$8/week, and no waiting week
  - Increase maximum benefit to ensure workers earning the state median receive at least 54% of previous wages
  - Make it easier for workers upgrade their skills while receiving UI

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