
August 3, 2020

Dear Reimbursable Employer:

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act was signed into law. The CARES Act responded to the economic effects of the COVID-19 pandemic and authorized emergency unemployment relief for reimbursable employers by providing a 50 percent credit for payments made by reimbursable employers on benefit claims from March 13, 2020 through December 31, 2020. The United States Department of Labor issued guidance, however, that required reimbursable employers to pay their benefit charge amount in full to qualify for the 50 percent reimbursement.

To combat the resulting economic burden placed on reimbursable employers, the United States Senate and House of Representatives passed an amendment to the CARES Act entitled the Protecting Nonprofits from Catastrophic Cash Flow Strain Act (“Amendment”) which was signed into law on August 3, 2020. This Amendment offers the 50 percent credit to reimbursable employers automatically without requiring reimbursable employers to pay their benefit charge amount in full. Because this Amendment was signed into law well into the 3rd quarter of 2020, the Division of Unemployment Insurance (“Division”) was unable to update the 2nd quarter 2020 benefit charge statements to reflect the new 50 percent credit reimbursable employers will automatically receive.

However, the Division recognizes the incredible strain reimbursable employers are facing as resources continue to diminish while demand for services increases. **In order to provide the maximum relief to reimbursable employers allowed under the amended CARES Act, the Division asks that reimbursable employers only pay half of the amount owed as identified in the Statement of Reimbursable Benefits Paid for quarter ending 6/30/20. For example, if the amount owed for quarter ending 6/30/20 is \$5,000, the Division is only requiring the reimbursable employer to pay \$2,500, which is half of the amount owed. The Division will have the Amendment in place for the 3rd and 4th quarters of 2020 meaning the benefit charge statements for the 3rd and 4th quarters of 2020 will accurately reflect the 50 percent reimbursement.**

We recognize the unprecedented strain Maryland employers face due to the COVID-19 pandemic and the efforts taken to reduce the spread and lethality of the disease. We look forward to continue working with Maryland reimbursable employers as we navigate our way through the COVID-19 pandemic. Please do not hesitate to contact us with any questions or concerns you may have by phone 410-767-2418 or by email dluitaxreimbursable-dllr@maryland.gov.