

Contributory Employers

What is a contributory employer?

- A **contributory employer pays quarterly unemployment insurance (UI) taxes**, which are based on the employer's benefit charges and the taxable wages the employer reported to the Maryland Division of Unemployment Insurance (the Division).
- **Note:** A **reimbursable employer (government entities and certain non-profit organizations)** may choose to reimburse the state for benefits charged against their account, instead of paying UI taxes.

How does an employer become a contributory employer?

- An employer who is not eligible to be a reimbursable employer will automatically be a contributory employer. Employers must register for a Maryland UI account to receive a reporting type (reimbursable or contributory).
- New employers can register for a UI account either:
 - in **BEACON** (<https://employer.beacon.labor.md.gov/>); or,
 - by completing a **Combined Registration Application (CRA)** (interactive.marylandtaxes.gov/webapps/comptrollercra/).
- For more information about registering in BEACON, see:
 - **Employer Registration Video** - labor.maryland.gov/employment/uitaxapps.shtml#empvideos, or
 - **Registration Instructions** - labor.maryland.gov/employment/ui beacon employer account registration.pdf.
- **Note:** Employers who register in BEACON must complete the CRA to register for other state tax accounts/licenses.

How are UI tax rates determined?

- In Maryland, contributory employers are assigned one of three different types of tax rates: the new account rate, the standard rate, or the experience (also called earned) rate.
 - **New Account** - rate assigned for a new employer.
 - **Experience** - rate an employer receives after reporting taxable wages for at least three rating (fiscal) years (July 1 to June 30) before the computation date (July 1st prior to the current rating year). The experience rate is based on the employer's benefit charges and the taxable wages the employer reported to the Division.
 - **Standard** - rate assigned to an employer who is eligible for an earned rate, but has no taxable wages in a rating year because the employer failed to file quarterly contribution and employment reports.
- To learn more, see labor.maryland.gov/employment/empfaq.shtml.

What are contributory employers required to do each quarter?

- Contributory employers are required to:
 - file a **quarterly contribution and employment report** (also called a wage report). For the appropriate calendar quarter, include the total wages paid, employee names, gross wages paid to each employee, etc.).
 - pay quarterly UI taxes.
- BEACON is the easiest way for employers to pay UI taxes and submit reports. See the **Submit Wage Report and Payment Submission** videos (labor.maryland.gov/employment/uitaxapps.shtml#empvideos) to learn more.

How can an employer learn more?

- For additional information, see:
 - **UI Tax Rates** (labor.maryland.gov/employment/uitrustfundpoints.shtml)
 - **Tax Rate and Benefit Charge FAQs** (labor.maryland.gov/employment/uitaxexpratefaqs.shtml), or
 - Contact the **Employer Call Center** at 410-949-0033.