

Reimbursable Employers

What is a reimbursable employer?

- **Reimbursable employers choose to reimburse the state dollar-for-dollar for benefits** charged against their accounts. **Qualifying employers include:**
 - **certain non-profit organizations** (classified under Section 501(c)(3) and exempt from income tax under Section 501(a) of the Internal Revenue Code), or
 - **state and local government entities and subdivisions.**
- **Note:** A contributory employer is either not eligible, or does not choose to be a reimbursable employer, and generally pays quarterly UI taxes based on the employer's experience (i.e., benefit charges and taxable wages).

How does an employer become a reimbursable employer?

- **A qualifying employer can request to be a reimbursable employer when they register for a Maryland UI account in BEACON 2.0** (<https://employer.beacon.labor.md.gov/>).
 - For registration instructions, see the Employer Registration video: (labor.maryland.gov/employment/uitaxapps.shtml#empvideos).
 - Qualifying employers **must select a reporting type (reimbursable or contributory) when they register.** Non-profit organizations **must provide a 501(c)(3) exemption letter** to be considered for reimbursing status.
- Employers may also register for a UI account using the Combined Registration Application (CRA), available online at marylandtaxes.gov/forms/21_forms/CRA.pdf. However, employers who register for a UI account in BEACON must also complete the CRA to register for additional state tax accounts or licenses.
- After creating a Maryland UI account, an employer has 30 days to change the reporting type, if the employer felt they choose the wrong type initially.

How can a reimbursable employer change the reporting type after registering?

- Once the 30-day time period (following the employer's UI account registration) ends, an employer must wait two years to change the reporting type. Qualifying employers can request a change:
 - in **BEACON 2.0**, or
 - by sending a request to the **DUI Account Maintenance Unit: dluitaxemployerstatus-labor@maryland.gov** or 1100 North Eutaw Street, Room 415, Baltimore, MD, 21201.
- If approved, a requested change will take effect on January 1 of the next year.

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 benefit charges within 30 days of receiving the statement. The statement will include instructions for protesting the charges.
- Benefit charges are also displayed in the employer's BEACON 2.0 portal.

How does an employer know what their reporting type is?

- **To view the reporting type, an employer can log into BEACON 2.0 and select "Wage Summary" from the portal's left menu.** The reporting type is located in the **Employer Information** section.