

U.S. DEPARTMENT OF LABOR

SECRETARY OF LABOR  
WASHINGTON, D.C.

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In the Matter of )

STATE OF MARYLAND )

DEPARTMENT OF HUMAN RESOURCES )

Case No. 81-WPA-4

DECISION

Pursuant to a Notice of Hearing published on September 17, 1982, 47 F.R. 41314, proceedings were instituted with respect to the conformity of the State of Maryland unemployment compensation law with the requirements of sections 3304(a)(15)(B) of the Internal Revenue Code of 1954 (26 U.S.C. Section 3304(a)(15)(B)).

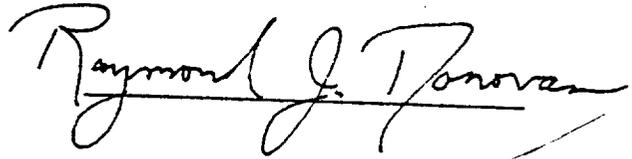
Specifically, the Maryland unemployment compensation law provided a limitation on pension deductions larger in certain circumstances than the ratio of the individual contributions to the total contributions to the pension plan which the Department of Labor considered inconsistent with section 3304(a)(15)(B). The Department had interpreted the limitation in Unemployment Insurance Program Letter (UIPL) 7-81, Change 1 (June 9, 1981).

Subsequent to the commencement of these proceedings, on September 23, 1982, the United States Court of Appeals for the District of Columbia held that a portion of UIPL 7-81, Change 1, was unenforceable because the Department of Labor had failed to comply with the notice and comment provision of the Administrative Procedure Act, 5 U.S.C. Section 553. Calias v. Egger, No 81-2258. The Department of Labor, therefore, moved to dismiss the proceeding.

On October 18, 1982, the Administrative Law Judge granted a recommended order of dismissal.

In concurrence with that order, it is hereby Ordered that the conformity proceedings be terminated.

Dated: OCT 31 1982  
Washington, D.C.

A handwritten signature in cursive script, reading "Raymond J. Donovan". The signature is written in black ink and is positioned to the right of the typed text. A horizontal line is drawn across the middle of the signature.

U.S. DEPARTMENT OF LABOR

SECRETARY OF LABOR  
WASHINGTON, D.C.

OCT 31 1982

Honorable Harry R. Hughes  
Governor of Maryland  
Annapolis, Maryland 21401

Dear Governor Hughes:

I am delighted to inform you that I will certify to the Secretary of the Treasury the State of Maryland for the 12-month period ending October 31, 1982, in accordance with the provisions of section 3304(c) of the Internal Revenue Code of 1954, and the State's unemployment compensation law for the same period in accordance with the provisions of section 3303(b)(1) of the Code. The certifications will authorize the grant of credits against the Federal unemployment tax to the State's employers in accordance with the provisions of section 3302 of the Code.

Enclosed is my formal decision setting forth the details of this determination.

Sincerely,

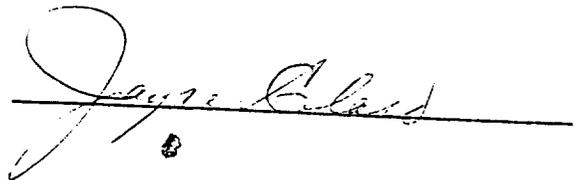
  
Raymond J. Donovan

Enclosure

CERTIFICATE OF SERVICE

Case No.: 81-WPA-4  
Case Name: State of Maryland  
Document: Decision of Secretary

I certify that a copy of the foregoing document was sent to the following individuals on November 2, 1982.

  
\_\_\_\_\_

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