

Unemployment Insurance Advisory Council Meeting



September 24, 2013

Opening Remarks

Enhanced Wage Record Project

Trust Fund Snapshot

<i>2nd Week</i>	September 2008	September 2010	September 2013
UI Claimants	1,380 <i>State 1,010</i>	3,610 <i>State 2,193</i>	1,233 <i>State 1,009</i>
Amount of Benefits Paid	\$326,798 <i>State \$212,853</i>	\$928,383 <i>State \$447,094</i>	\$322,166 <i>State \$240,589</i>
Average Weeks Claimed (August)	10.9 weeks	14.9 weeks	14.7 weeks
Trust Fund Balance (Aug. 31)	\$28.8 million	\$27.9 million	\$63.5 million

UI Trust Fund Totals

UNEMPLOYMENT INSURANCE (UI) TOTALS

(in millions)

Year	Total Income	Benefits	Trust Fund
2000	17.5	15.2	51.1
2001	16.9	22.8	45.1
2002	17.0	29.8	51.2
2003	17.5	31.0	37.4
2004	18.0	28.1	27.3
2005	18.9	25.8	20.4
2006	19.5	20.8	19.3
2007	26.3	20.8	24.1
2008	26.5	25.1	25.5
2009	31.6	63.6	-7.7
2010	84.2	49.6	26.1
2011	48.8	38.7	36.5
2012	45.9	33.3	51.3

UI Trust Fund Projection – 2013 & 2014 as of September 23, 2013

UI Financial Projections - Quarterly Summary (in Millions)

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
2013*					
Contributions/Interest In	\$4.8	\$19.3	\$12.5	\$8.2	\$44.7
Benefits Out	\$12.9	\$6.6	\$6.4	\$7.3	\$33.2
Trust Fund	\$43.0	\$55.8	\$63.0	\$63.9	\$63.9
2014					
Contributions/Interest In	\$5.1	\$20.6	\$12.5	\$7.9	\$46.1
Benefits Out	\$13.7	\$7.3	\$5.9	\$7.0	\$33.9
Trust Fund	\$55.3	\$68.6	\$75.2	\$76.1	\$76.1

* 2013 financial projections include actual data from January through August

UI Trust Fund Projection – 2015 as of September 23, 2013

UI Financial Projections - Quarterly Summary (in Millions)

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
2015					
Contributions/Interest In	\$5.2	\$20.9	\$13.1	\$8.5	\$47.6
Benefits Out	\$13.6	\$7.1	\$6.3	\$7.3	\$34.4
Trust Fund	\$67.7	\$81.4	\$88.1	\$89.3	\$89.3

- Current
 - Tax rate: 0.0% - 9.5%
 - Account balance/employee for zero rate in 2013: \$825, average three weeks of benefits
 - 2013 Zero-rated employers: 2,282 (or 10.9%) of 20,874 employers
 - Tax rate for zero reserve ratio balance/employee: 1.5%
 - CY 2015 projected accumulated revenue: \$13.2 million

UI Trust Fund Projection – 2015

Proposal 1 – Reduced Tax Rates/Reserve Ratio for Positive Balance Employers

UI Financial Projections - Quarterly Summary (in Millions)

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
2015					
Contributions/Interest In	\$5.2	\$14.7	\$9.3	\$6.0	\$35.2
Benefits Out	\$13.6	\$7.1	\$6.3	\$7.3	\$34.4
Trust Fund	\$67.7	\$75.2	\$78.2	\$76.9	\$76.9

- Proposed
 - Tax rate: 0.0% - 9.5%
 - Account balance/employee for zero rate in 2013: \$742.50, average 2.7 weeks of benefits
 - 2013 zero-rated employers: 2,659 (or 12.7%) of 20,874 employers
 - Tax rate for zero reserve ratio balance/employee: 1.5%
 - CY 2015 projected accumulated revenue : \$0.8 million

UI Trust Fund Projection – 2015

Proposal 2 – Reduced Reserve Ratio for Positive Balance Employers

UI Financial Projections - Quarterly Summary (in Millions)

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
2015					
Contributions/Interest In	\$5.2	\$14.9	\$9.4	\$6.1	\$35.6
Benefits Out	\$13.6	\$7.1	\$6.3	\$7.3	\$34.4
Trust Fund	\$67.7	\$75.5	\$78.5	\$77.3	\$77.3

- Proposed
 - Tax rate: 0.0% - 9.5%
 - Account balance/employee for zero rate in 2013: \$742.50, average 2.7 weeks of benefits
 - 2013 zero-rated employers : 2,659 (or 12.7%) of 20,874 employers
 - Tax rate for zero reserve ratio balance/employee: 1.5%
 - CY 2015 projected accumulated revenue : \$1.2 million

UI Trust Fund Projection – 2015

Proposal 3 – Cap Taxable Wage Base at \$14,000

UI Financial Projections - Quarterly Summary

(in Millions)

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
2015					
Contributions/Interest In	\$5.2	\$20.5	\$12.9	\$8.3	\$46.9
Benefits Out	\$13.6	\$7.1	\$6.3	\$7.3	\$34.4
Trust Fund	\$67.7	\$81.0	\$87.6	\$88.6	\$88.6

- Proposed
 - Tax rate: 0.0% - 9.5%
 - Account balance/employee for zero rate in 2013: \$825, average 3 weeks of benefits
 - 2013 zero-rated employers: 2,282 (or 10.9%) of 20,874 employers
 - Tax rate for zero reserve ratio balance/employee: 1.5%
 - CY 2015 projected accumulated revenue: \$12.5 million

UI Trust Fund Projection – 2015

Proposal 4 – 2009 Tax Rates/Reserve Ratio

UI Financial Projections - Quarterly Summary (in Millions)

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
2015					
Contributions/Interest In	\$5.2	\$13.5	\$8.5	\$5.6	\$32.8
Benefits Out	\$13.6	\$7.1	\$6.3	\$7.3	\$34.4
Trust Fund	\$67.7	\$74.1	\$76.3	\$74.5	\$74.5

- Proposed
 - Tax rate: 0.0% - 8.5%
 - Account balance/employee for zero rate in 2013: \$528, average 1.9 weeks of benefits
 - 2013 zero-rated employers: 4,659 (or 22.3%) of 20,874 employers
 - Tax rate for zero reserve ratio balance/employee: 1.0%
 - CY 2015 projected accumulated revenue : **-\$1.6 million**

Discussion

2013 Annual Report

Other Items