

# UNEMPLOYMENT INSURANCE

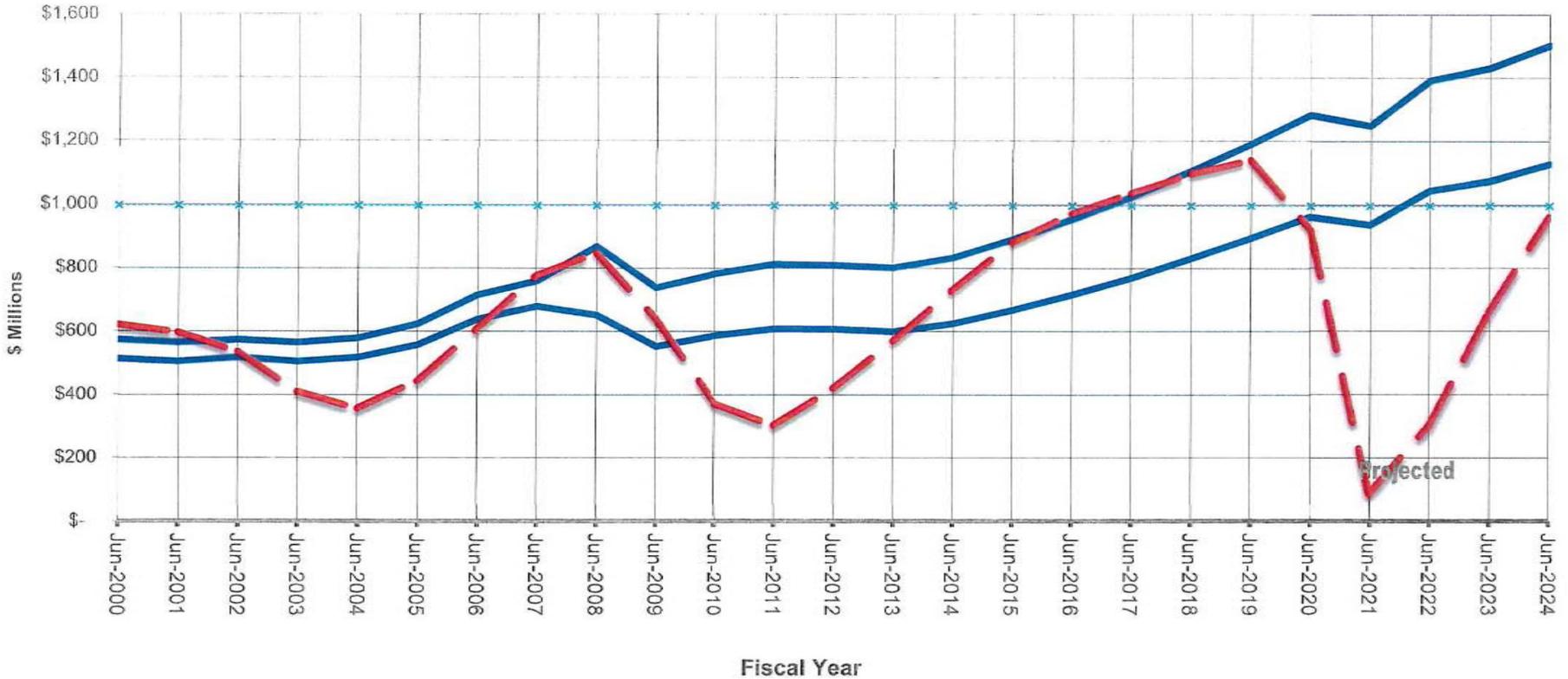
The Unemployment Insurance Trust Fund is funded by employer contributions and can only be used to pay out benefits to individuals found eligible for unemployment benefits. The primary drivers of the unemployment insurance tax rate calculation are:

- Trust Fund Balance
- The Employers Experience with Unemployment Insurance
- Social Cost

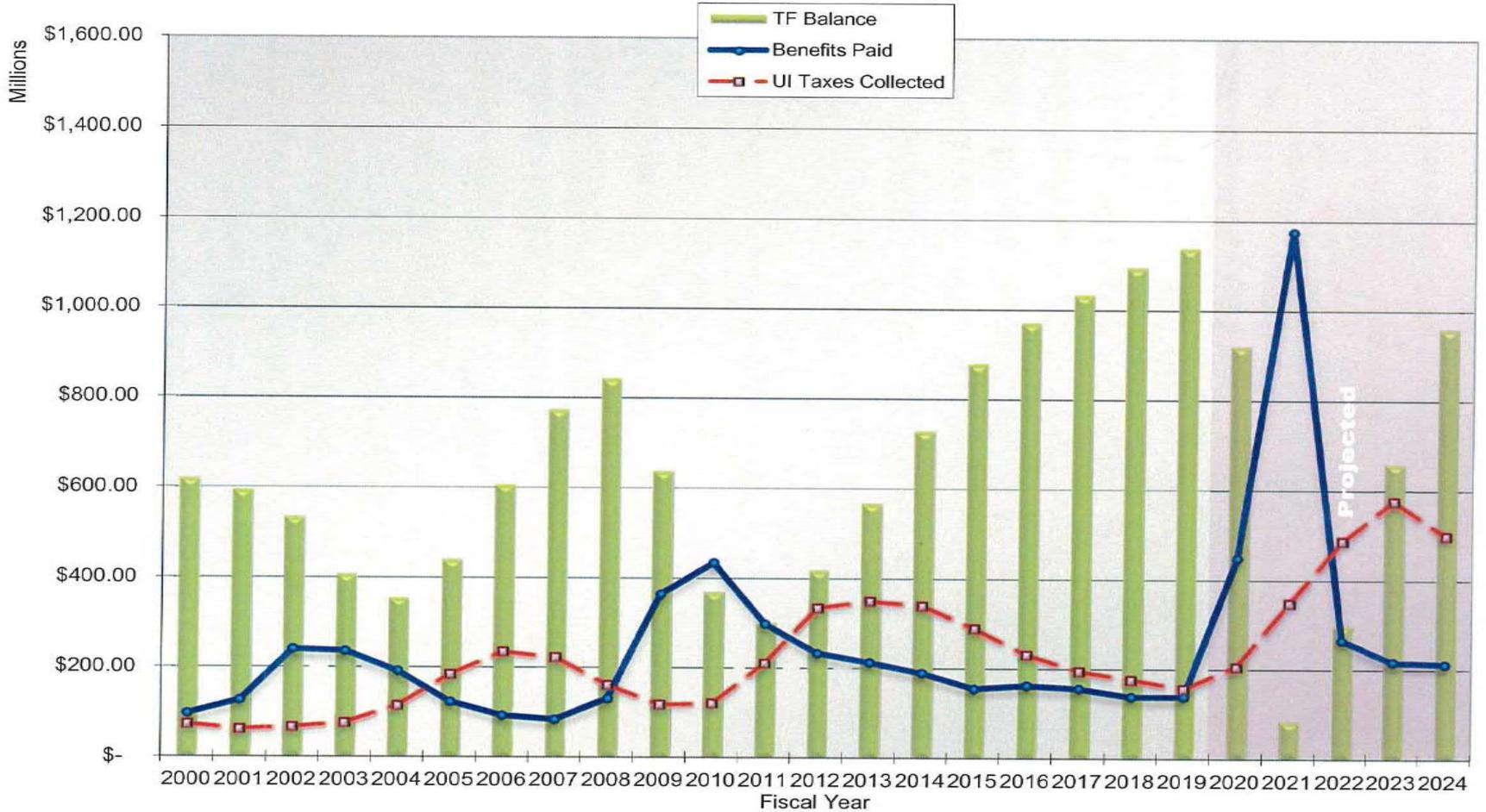


**WORKFORCE  
SERVICES**  
UNEMPLOYMENT  
INSURANCE

# UI Trust Fund Balance Projections



### Contributions vs Benefits Paid



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- During the Great Recession, 35 states trust funds went insolvent, collectively taking on more than \$40 billion of debt to continue to pay benefits
- 9 states have already requested federal funds due to insolvency resulting from the pandemic
- Utah Unemployment has collected less taxes from Utah employers for 7 consecutive years and currently has the 10<sup>th</sup> lowest unemployment tax rate in the nation (1/2 the national average)
- Setting the rates annually intentionally causes a lag in tax rate changes, preserving low rates during economically challenging times, and gradually increasing those rates to replenish the fund during good economic times

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Year	National Rank Trust Fund Solvency	Percent +/- Tax Collected to Previous Year
2016	4 <sup>th</sup>	-19.72%
2017	5 <sup>th</sup>	-11.09%
2018	7 <sup>th</sup>	-11.61%
2019	9 <sup>th</sup>	-6.82%
2020	Unknown	-4.12% (projected)