



# Quarterly Outlook Report

## Unemployment Insurance Trust Fund

Executive Office of Labor and Workforce Development  
Department of Unemployment Assistance  
April 2024



MASSACHUSETTS EXECUTIVE OFFICE OF  
**LABOR & WORKFORCE DEVELOPMENT**



## Quarterly Outlook – April 2024

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<sup>1</sup> This report includes data illustrated in charts. For an accessible version of the data in all charts, please see the Appendices.

**Introduction**

***About the Massachusetts Unemployment Insurance Program***

Unemployment Insurance (UI) is an economic stabilization program implemented under federal and state law that provides a safety net for workers who become separated from employment due to no fault of their own. The UI program provides temporary benefits to unemployed workers from the Massachusetts Department of Unemployment Assistance's (DUA) Unemployment Insurance Trust Fund (UI Trust Fund). Employer-paid state unemployment taxes and reimbursements fund the UI Trust Fund and pay for benefits. Pursuant to the Federal Unemployment Tax Act (FUTA), the United States Department of Labor (USDOL) allocates funds to the state to pay for DUA administrative and operational costs.

Additional information, including past reports, can be found at <https://mass.gov/uitrustfund>.

Those seeking further information regarding the UI Trust Fund can email [economicresearch@mass.gov](mailto:economicresearch@mass.gov).

The projections, forecasts, estimates, and other forward-looking statements contained in the *April 2024 UI Trust Fund Quarterly Outlook Report* are subject to a variety of risks and uncertainties that may cause actual results to differ from the projections set forth. DUA uses information from sources that are believed to be reliable; however, DUA assumes no responsibility for information from sources outside the Commonwealth and its agencies.

***Summary***

This *Quarterly Outlook Report* provides the status of the UI Trust Fund (UITF) and updated projections for the 2024 through 2028 Outlook period.

As required by MGL Chapter 151A, Section 14F, DUA publishes an *Annual Outlook Report* and *Quarterly Outlooks* for the UI Trust Fund based on forecasts for total unemployment rate, annual wage and salary growth rate, and annual labor force. DUA also provides monthly updates on the status of the UI Trust Fund.

Projections of wage and salary growth, total unemployment rate, and the size of the labor force in Massachusetts for each calendar year of the Outlook Period (2024-2028) are represented in *Figure 2* through *Figure 5*. For purposes of the projection estimates contained in this *Quarterly Outlook Report*, the *Quarterly Census of Employment and Wages (QCEW)* is the primary source for historical actual data on wages and salaries. *Local Area Unemployment Statistics (LAUS)* are the primary source for official unemployment rates and size of the labor force. DUA relied on *Moody's forecasts* dated April 2024 to track forecast trends as they change over time. *Moody's forecasts* were used to project historical QCEW and LAUS data over the Outlook Period for wage and salary growth, total unemployment rate, and size of labor force.

The outlook presented is for the regular UI program based on 2024 employer experience rates and claims activity through the first quarter of 2024, ending March 31, 2024. Key findings on the year include:

- Contributions for 2024Q1 are estimated to be approximately \$884 million, with a 2024 projected year-end total estimated to be \$1.54 billion. These estimates are little changed from those made in the January quarterly report.
- Benefits for 2024Q1 are \$667 million, which is higher than the previous estimate of \$498 million. The year-end total is estimated to be \$2.3 billion, up from \$2.16 billion in January.
- The year began with a UITF balance of \$2.9 billion. The current estimate is for the balance at the end of 2024Q1 to increase to \$3.14 billion due to the typically large first quarter collection of employer contributions. The year-end balance is projected to be \$2.23 billion.

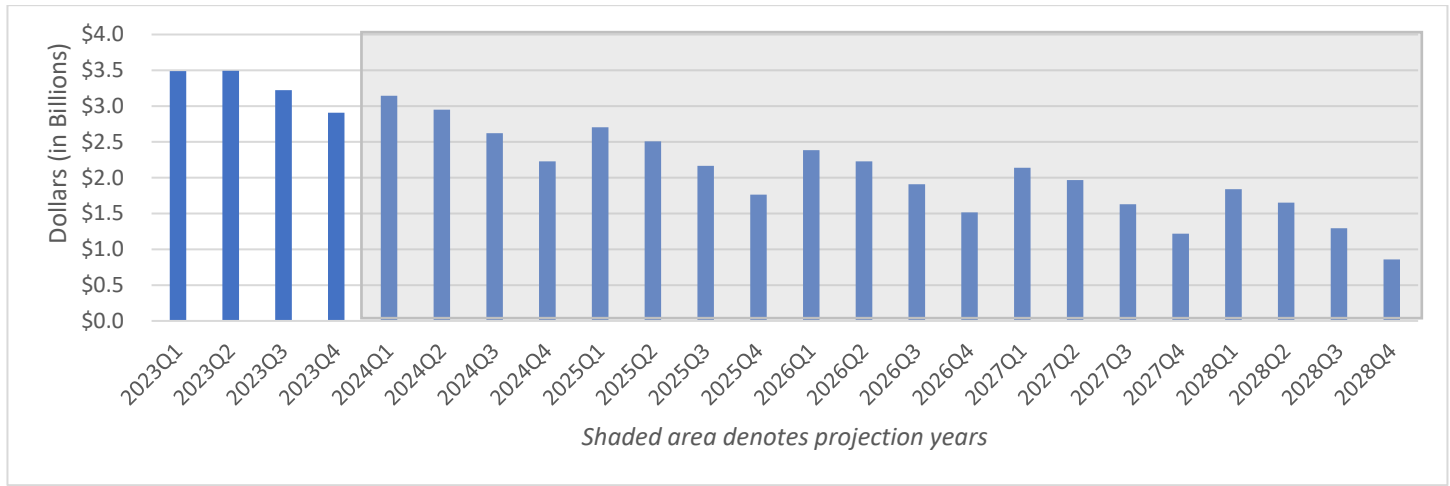
**Projection of Balance and Solvency**

For 2024Q1, the preliminary estimate of the Massachusetts UI Trust Fund ending balance is \$3.14 billion (Figure 1). For an accessible version of the data in all charts, please see Appendix 2: Data Projections Tables.

**Projections**

To project future UI Trust Fund solvency, DUA utilizes forecasts prepared using QCEW actuals for the period ending September 30, 2023. The QCEW total private employment is projected forward by taking growth rates from the Moody’s total nonagricultural employment series. The forecasts on wage and salary growth, unemployment rate, and size of the labor force for calendar years 2024 through 2028 are shown in Figure 3 through Figure 5.

**Figure 1: UITF Balance at End of Quarter, 2023-2028**



**Federal Advances, Bond Issuance and COVID-19 Recovery Assessment**

The federal-state unemployment insurance system and the Massachusetts unemployment insurance program played a critical role in delivering economic relief to individuals and families experiencing economic hardship during the COVID-19 pandemic. From June 2020 to April 2021, the Commonwealth borrowed \$2.268 billion of Federal Advances to pay UI benefits. In March 2022, \$500 million of the borrowed amount was repaid from ARPA funds.

In August 2022, \$2.681 billion in special obligation bonds were issued pursuant to the UI Improvement Act (Chapter 9 of the Acts of 2021) and proceeds were used to (i) repay the outstanding Federal Advances as well as the accrued interest on such Federal Advances; (ii) fund a deposit to the UI Trust Fund in the amount of \$867.6 million to pay unemployment compensation benefits to qualifying persons in the Commonwealth; and (iii) pay bond issuance costs.

The UI Improvement Act provided that a Covid-19 Recovery Assessment will be charged to experience-rated, private contributory employers for each year the bonds are outstanding. For 2021 and 2022, the COVID-19 Recovery Assessment was set at \$150 million. For 2023 and until no bonds remain outstanding, the Commonwealth will assess employers a Covid-19 Recovery Assessment which must be at least 125% of the annual debt service on the bonds. The COVID-19 Assessment is in addition to the SUTA tax charged and is a fixed percentage of each employer’s SUTA rate. The COVID-19 Recovery Assessment will be credited to a special contribution fund held by the bond trustee.

Based on assumptions used at the time of issuing the bonds, the projected Covid-19 annual assessment is as follows:

COVID-19 Annual Assessment (\$ Millions)						
Year	2023	2024	2025	2026	2027	2028
Assessment	\$915	\$465	\$349	\$334	\$318	\$301
2025-2028 are estimated and subject to change.						

**Economic Basis for Projections**

Figure 2 shows the summary of the inflows and outflows to the UITF, relevant performance statistics, and cost burden measures over the projection period. Multiple measures are considered in forming the projections (see Appendix for details). Key among those are wage and salary growth, unemployment rate, and the size of the civilian labor force. Charts outlining those estimates follow the figure. For an accessible version of the data in all charts, please see Appendix 2: Data Projections Tables.

- The rate of quarter-to-quarter wage and salary growth is largely unchanged from the previous report though average weekly wage (AWW) itself is slightly lower. The growth rate is expected to settle around 1% by late 2024 and remain at that approximate level for the rest of the forecast period. See Figure 3.
- Unemployment rates are changed in this report due to annual benchmarking by the Bureau of Labor Statistics (BLS).<sup>2</sup> Despite the increases in the previous and near-future quarters, the unemployment rate is expected to stabilize at a rate slightly lower than the previous projection from 2025 onward: down to 3.4% from 3.5%. See Figure 4.
- The civilian labor force also increased after BLS revisions. The labor force is expected to add nearly 45,700 people, starting from approximately 3.74 million in 2024Q1 and ending at 3.78 million by 2028Q4. See Figure 5.

<sup>2</sup> Details on annual benchmarking: [bls.gov/sae/publications/benchmark-article/annual-benchmark-article.htm](https://bls.gov/sae/publications/benchmark-article/annual-benchmark-article.htm)

Figure 2: Model Projections (2024-2028)

Dollars in thousands

Category	2024	2025	2026	2027	2028
<b>Balance Jan. 1</b>	<b>\$2,906,675</b>	<b>\$2,229,119</b>	<b>\$1,763,824</b>	<b>\$1,516,094</b>	<b>\$1,219,587</b>
Contributions	\$1,542,341	\$1,803,478	\$2,095,500	\$2,136,073	\$2,173,783
Trust Fund Interest	\$78,551	\$64,928	\$55,989	\$49,017	\$40,600
Other Inflows and Outflows <sup>3</sup>	\$0	\$0	\$0	\$0	\$0
<b>Inflows Subtotal</b>	<b>\$1,620,892</b>	<b>\$1,868,406</b>	<b>\$2,151,489</b>	<b>\$2,185,090</b>	<b>\$2,214,383</b>
Outlays	(\$2,298,448)	(\$2,333,701)	(\$2,399,219)	(\$2,481,597)	(\$2,574,832)
<b>Outflows Subtotal</b>	<b>(\$2,298,448)</b>	<b>(\$2,333,701)</b>	<b>(\$2,399,219)</b>	<b>(\$2,481,597)</b>	<b>(\$2,574,832)</b>
<b>Balance Dec. 31</b>	<b>\$2,229,119</b>	<b>\$1,763,824</b>	<b>\$1,516,094</b>	<b>\$1,219,587</b>	<b>\$859,138</b>

Category	2024	2025	2026	2027	2028
<b>Total CY Payroll</b>	\$245,046,198	\$255,281,022	\$265,060,068	\$275,076,818	\$285,501,381
<b>Taxable CY Payroll</b>	\$47,132,169	\$47,791,046	\$48,420,583	\$49,065,422	\$49,736,515
<b>Total CY Contributions as a % of Total CY Payroll</b>	0.63%	0.71%	0.79%	0.78%	0.76%
<b>Total CY Benefits as a % of Total CY Payroll</b>	0.94%	0.91%	0.91%	0.90%	0.90%
<b>Wage Base</b>	15,000	15,000	15,000	15,000	15,000
<b>Schedule*</b>	C	D	E	E	E
<b>Total Unemp. Rate*</b>	3.34%	3.42%	3.40%	3.40%	3.43%
<b>Average Contribution Rate*</b>	3.14%	3.62%	4.16%	4.18%	4.20%
<b>Solvency Rate*</b>	0.77%	0.97%	1.04%	1.02%	1.01%
<b>T.F. Bal as a % of Total Payroll*</b>	0.91%	0.69%	0.57%	0.44%	0.30%
<b>AHCM*</b>	0.529	0.402	0.333	0.258	0.175

Note: Items marked with asterisk (\*) show the value in Q4 rather than an annual sum or average.

<sup>3</sup> These amounts are those that are exogenous to the projection methodology. For example, in previous years it has included bond proceeds, employer reimbursements, and the like. In recent reports it has primarily served as an adjustment to reconcile estimated values with the known balances at the end of each quarter and largely represented contributions from government and reimbursable employers. In this report the 2024Q1 balance is still an estimate and thus no adjustments are needed.

Figure 3: Wage and Salary Growth Rate

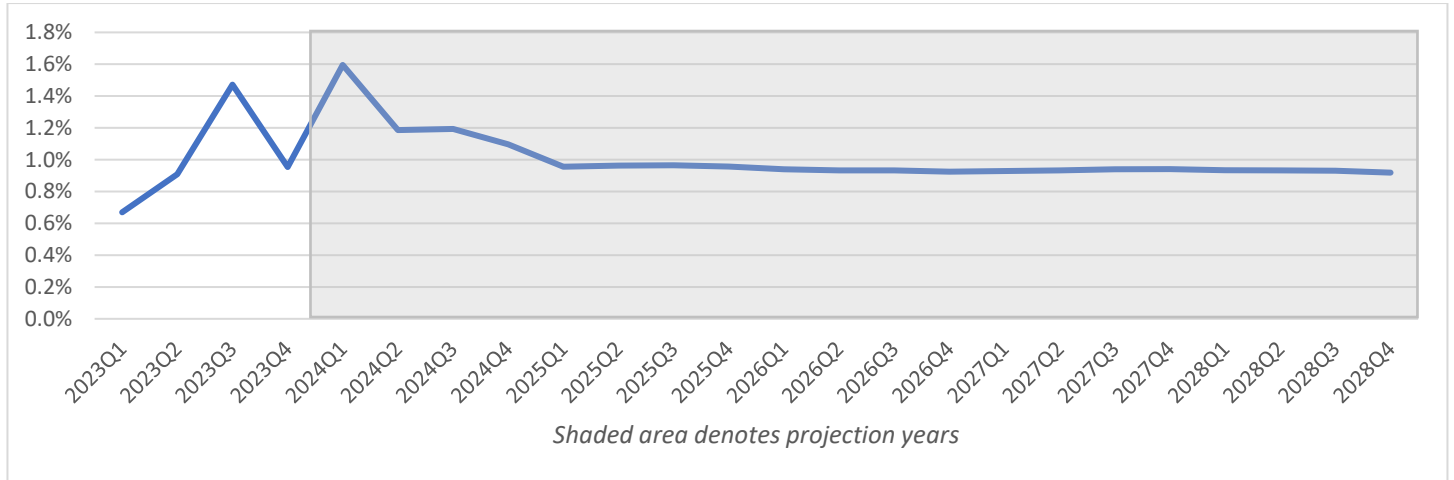


Figure 4: Unemployment Rate

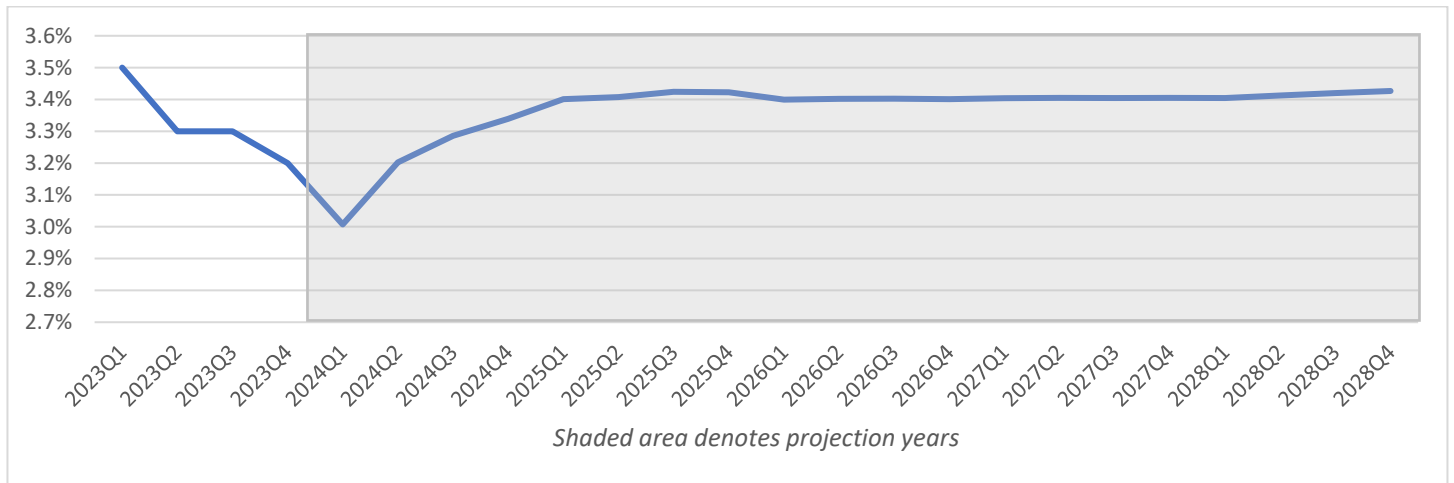
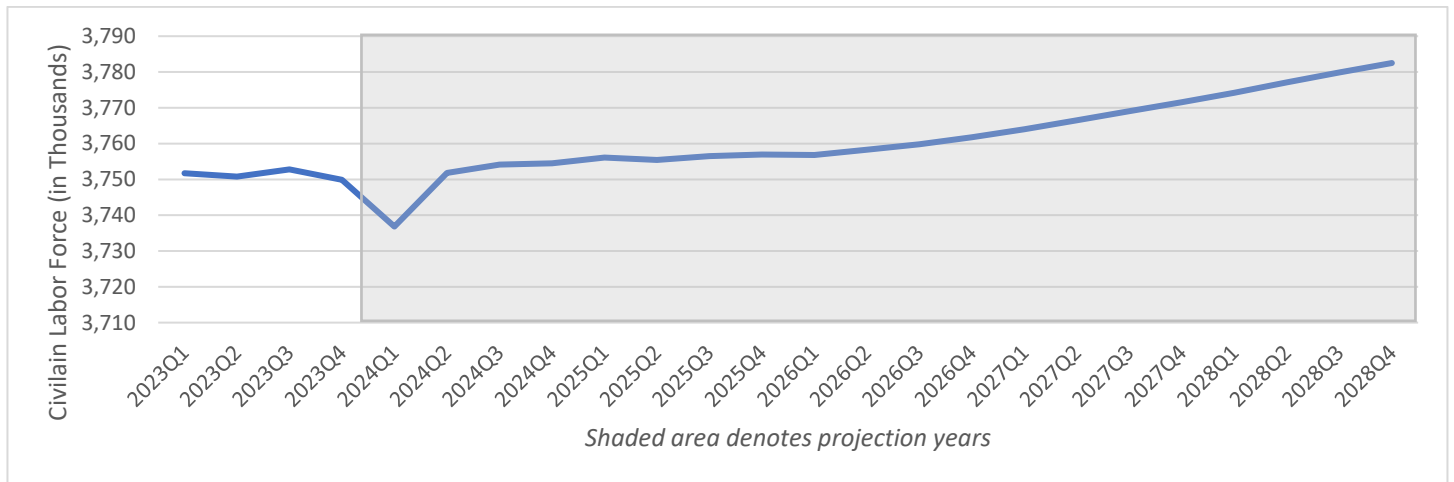


Figure 5: Civilian Labor Force



**Summary of Projected Inflows**

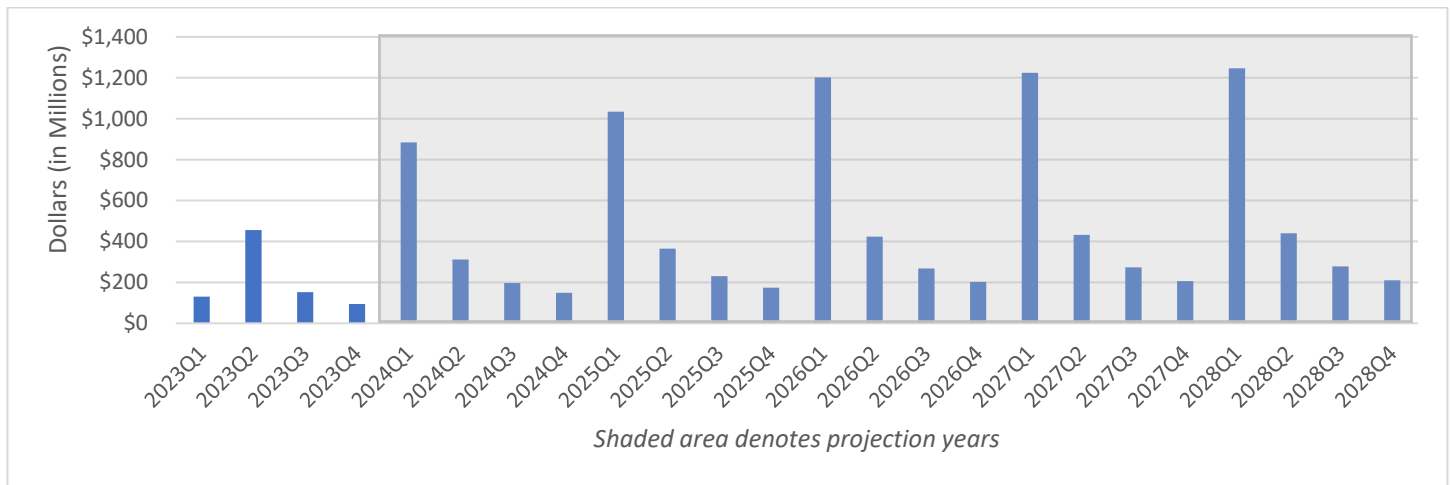
Private, for-profit employers are required under Chapter 151A to contribute to the UI Trust Fund if their business meets each of the following conditions:

1. They have employees working one or more days in 13 weeks during a calendar year (weeks of employment need not be consecutive, nor must the employees remain the same); and
2. They pay wages of \$1,500 or more in any calendar quarter. Under Chapter 151A, governmental and non-profit employers may elect to contribute to the private contributory UI system instead of participating as reimbursable employers.

Employer contributions are based on taxable wages paid to covered employees on a quarterly basis. Wages subject to contributions are the cumulative total of the first \$15,000 paid to each employee in each of the computational rate years. Employer contributions to the private contributory system are payable quarterly and payments are due within one calendar month of the end of each quarter, on April 30 (1st Quarter), July 31 (2nd Quarter), October 31 (3rd Quarter), and January 31 (4th Quarter). Historically, on average, approximately 50% of annual employer contributions are paid in the 1st Quarter. For an accessible version of the data in all charts, please see *Appendix 2: Data Projections Tables*.

Contributions for 2024Q1 are estimated to be approximately \$884 million, with a 2024 projected year-end total estimated to be \$1.54 billion. Both are little changed from the previous quarterly report. Starting this year, the tax schedule has changed from A to C based on the information outlined in the *Annual Outlook Report* released in October 2023. Estimates for taxable payroll for 2024 are similar to those for 2023 while total contributions are expected to grow. These changes are largely attributed to the schedule change.

**Figure 6: Summary of Inflows to UITF at the End of Quarter, 2023-2028**





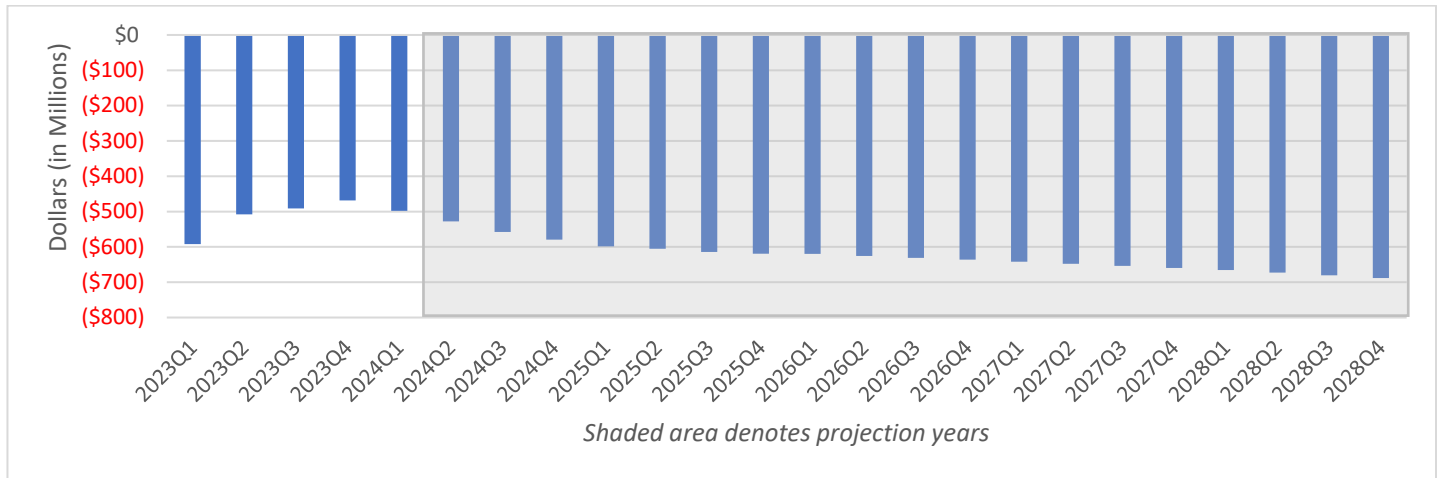
**Summary of Projected Outflows**

UI benefits provide temporary income protection during periods of unemployment and uncertainty for Massachusetts workers who are separated from employment through no fault of their own and are actively seeking new employment. UI benefits are entirely funded through employer contributions.

The trend of year-over-year increases in benefit payments that began in 2022 is expected to continue through the projection period as depicted in *Figure 7*. Though the unemployment rate is expected to stabilize in 2025-2028, a growing labor force and increasing wages will increase the number of unemployed and the average benefit per recipient driving up aggregate outlays. For an accessible version of data in *Figure 7* below, please see *Appendix 2*.

Total benefits for 2024Q1 are \$667 million, which are notably higher than the previous estimate of \$498 million. The year-end total is estimated to be \$2.3 billion, up from \$2.16 billion in January.

**Figure 7: Summary of Outflows from UITF at the End of Quarter, 2023-2028<sup>4</sup>**



<sup>4</sup> Projected outflows of benefits are based on an actuarial methodology and subject to revision as more current information used to determine various assumptions becomes available.

**Appendix 1: Detailed Programmatic Background and Methodology**

Employer contribution rates are based on the experience history of the employer. Experience history refers to the amount of unemployment insurance benefits paid to employees separated from work in prior years and the number of employees laid off. DUA maintains an experience rate account for each contributory employer. An employer’s experience rate account is a record of the contributions paid to the UI Trust Fund and the amount of UI benefits paid to an employer’s workers or former workers. DUA relies on employer experience rate accounts to determine the annual contribution rate for each employer in the private contributory UI system.

Once an experience-based contribution rate is assigned, DUA calculates employer contributions by applying the employer’s annual contribution rate to the taxable wages paid to covered employees for that rate year.

Additional information about Employer Contributions can be found at [mass.gov/doc/the-employers-guide-to-unemployment-insurance-2](https://mass.gov/doc/the-employers-guide-to-unemployment-insurance-2).

**Experience Rate Table**

Figure 8 reflects DUA’s current employer UI contribution rates by employers’ reserve percentages in accordance with Chapter 151A. The reserve percentage is calculated by the ending balance of the fund as of September 30 in a year divided by the average combined annual wages for all contributing employers for the last three years; this percentage determines which schedule is in effect for the following year.<sup>5</sup> The calculated reserve percentage as of September 30, 2023, determined *Schedule C* would be in effect for 2024, moving from *Schedule A* in 2023, as established by Chapter 9 of the Acts of 2021. Changes to the schedule would impact estimates within the model, including employer contributions and benefit outlays.

**Figure 8: Experience Rate Table**

		A	B	C	D	E	F	G
		UITF Reserve Percentage						
<i>Minimum:</i>		1.65%	1.50%	1.20%	0.90%	0.60%	0.30%	
<i>Maximum:</i>			1.65	1.50	1.20	0.90	0.60	0.29%
Employer Account Reserve Percentage	Positive Percentage							
	17.0 or more	0.56	0.64	0.73	0.83	0.94	1.07	1.21
	16.0 but less than 17.0	0.64	0.73	0.83	0.95	1.08	1.22	1.39
	15.0 but less than 16.0	0.73	0.83	0.94	1.07	1.21	1.38	1.57
	14.0 but less than 15.0	0.81	0.92	1.04	1.18	1.34	1.53	1.73
	13.5 but less than 14.0	0.97	1.10	1.25	1.42	1.61	1.83	2.08
	13.0 but less than 13.5	1.05	1.19	1.35	1.54	1.75	1.99	2.26
	12.5 but less than 13.0	1.13	1.28	1.46	1.66	1.89	2.14	2.43
	12.0 but less than 12.5	1.21	1.37	1.56	1.77	2.01	2.29	2.60
	11.5 but less than 12.0	1.29	1.46	1.67	1.89	2.15	2.45	2.78
	11.0 but less than 11.5	1.37	1.56	1.77	2.01	2.29	2.60	2.96
	10.5 but less than 11.0	1.45	1.65	1.87	2.13	2.42	2.75	3.12
	10.0 but less than 10.5	1.53	1.74	1.98	2.25	2.56	2.91	3.30
	9.5 but less than 10.0	1.61	1.83	2.08	2.36	2.69	3.05	3.47
	9.0 but less than 9.5	1.70	1.93	2.19	2.49	2.82	3.21	3.65
	8.5 but less than 9.0	1.78	2.02	2.29	2.61	2.96	3.37	3.82
	8.0 but less than 8.5	1.85	2.10	2.39	2.72	3.09	3.51	3.99
	7.5 but less than 8.0	1.94	2.20	2.50	2.84	3.23	3.67	4.17
	7.0 but less than 7.5	2.02	2.30	2.61	2.96	3.37	3.82	4.35
	6.5 but less than 7.0	2.09	2.38	2.71	3.08	3.50	3.97	4.51
6.0 but less than 6.5	2.17	2.47	2.81	3.20	3.63	4.13	4.69	
5.5 but less than 6.0	2.25	2.56	2.91	3.31	3.76	4.28	4.86	
5.0 but less than 5.5	2.34	2.66	3.02	3.43	3.90	4.43	5.04	
4.5 but less than 5.0	2.42	2.75	3.13	3.55	4.04	4.59	5.21	
4.0 but less than 4.5	2.50	2.84	3.23	3.67	4.17	4.74	5.38	
3.5 but less than 4.0	2.58	2.93	3.33	3.79	4.30	4.89	5.56	
3.0 but less than 3.5	2.67	3.03	3.44	3.91	4.44	5.05	5.74	
2.5 but less than 3.0	2.75	3.12	3.54	4.02	4.57	5.20	5.90	
2.0 but less than 2.5	2.82	3.21	3.65	4.14	4.71	5.35	6.08	

<sup>5</sup> [Experience Rate Schedule](#)

	1.5 but less than 2.0	2.90	3.30	3.75	4.26	4.84	5.50	6.25
	1.0 but less than 1.5	2.98	3.39	3.85	4.38	4.98	5.65	6.43
	0.5 but less than 1.0	3.06	3.48	3.96	4.50	5.11	5.81	6.60
	0.0 but less than 0.5	3.14	3.57	4.06	4.61	5.24	5.96	6.77
	<b>Negative Percentage</b>							
	0.0 but less than 1.0	4.22	4.79	5.45	6.19	7.03	7.99	9.08
	1.0 but less than 3.0	4.58	5.21	5.92	6.72	7.64	8.68	9.86
	3.0 but less than 5.0	4.95	5.63	6.39	7.27	8.26	9.38	10.66
	5.0 but less than 7.0	5.32	6.04	6.86	7.80	8.86	10.07	11.44
	7.0 but less than 9.0	5.68	6.46	7.34	8.34	9.48	10.77	12.23
	9.0 but less than 11.0	6.05	6.87	7.81	8.88	10.09	11.46	13.02
	11.0 but less than 13.0	6.42	7.29	8.29	9.42	10.70	12.16	13.81
	13.0 but less than 15.0	6.78	7.71	8.76	9.95	11.31	12.85	14.60
	15.0 but less than 17.0	7.15	8.13	9.24	10.49	11.93	13.55	15.39
	17.0 but less than 19.0	7.52	8.54	9.71	11.03	12.53	14.24	16.18
	19.0 but less than 21.0	7.88	8.96	10.18	11.57	13.15	14.94	16.97
	21.0 but less than 23.0	8.25	9.37	10.65	12.11	13.76	15.63	17.79
	23.0 or more	8.62	9.79	11.13	12.65	14.37	16.33	18.55

**Economic Projections Methodology**

**Overview**

By statute, the *UI Trust Fund Outlook Report* is required to include a five-year projection for the UI system’s private contributory system (General Law Chapter 118, Section 53). Specifically, the *Outlook Report* must project the dollar amount of contributions, benefit payments, and the UI Trust Fund balance for each calendar year. When federal loans are outstanding, Chapter 118 further requires the projection of the estimated interest owed to the federal government as of September 30th of the current calendar year, any interest to be collected from employers through a surcharge, and the aggregate dollar amount of any employer FUTA credit reduction that will be applicable in the calendar year. To forecast these figures, DUA relies on outside data sources, estimates, projections, and assumptions. The assumptions, economic forecasts, and source data used in this *Outlook Report* are described below.

**Notice**

In response to the COVID-19 pandemic, the federal government enacted laws and developed programs to provide expanded and enhanced federal unemployment insurance benefits to affected individuals. Such federal programs were administered by the Commonwealth primarily through the Executive Office of Labor and Workforce Development (EOLWD). In connection with the Commonwealth’s fiscal 2022 audit, EOLWD undertook a reconciliation of federal funding received during fiscal years 2020 through 2023 with respect to these expanded and enhanced unemployment insurance programs developed and required by the federal government. Such reconciliation identified \$2.491 billion drawn by the Commonwealth from federal funding sources in fiscal years 2020 through 2022 in error. The amount that may be due to the federal government, and the timing, method, and source of such reimbursement, are currently unknown. The Commonwealth is engaged in discussions with USDOL to resolve this matter. The beginning balance of the Unemployment Compensation Trust Fund in the fiscal year 2022 ACFR was restated and reduced to account for the results of this reconciliation for fiscal years 2020 and 2021.<sup>6</sup>

<sup>6</sup> See Exhibit C – [Annual Comprehensive Financial Report](#) for the year ended June 30, 2022; Pages 26-27 and Note 1T to the Basic Financial Statements.

## Sources

DUA makes economic projections using data sourced from *Moody's Analytics (Moody's)*, the *Quarterly Census of Employment and Wages (QCEW)*,<sup>7</sup> *Local Area Unemployment Statistics (LAUS)*,<sup>8</sup> the *American Community Survey (ACS)*,<sup>9</sup> and the *Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W)*.<sup>10</sup>

- DUA projected the dollar amount of contributions and benefits to Massachusetts' UI programs using *Moody's* most recent economic forecasts. See *Figure 2* through *Figure 5* for a summary of the projections.
- DUA projected unemployment rate, wage and salary growth, and the size of labor force over a 10-year timespan using data from *QCEW*, *LAUS*, and *Moody's*.
- DUA tested and calibrated assumptions using data from *ACS* and *CPI-W*, in addition to internal DUA data.
- In making projections, DUA used the following direct data inputs:
  - **Covered employment:** the total number of employees covered by Massachusetts' UI program that are reported to the state by employers.
  - **Total covered payroll:** the total amount of all wages for employment covered by UI, including both taxable payroll and payroll of those employers not subject to UI contributions.
  - **Taxable payroll:** taxable wages paid to employees by employers that are subject to UI contributions.
  - **Chapter 151A effective tax rate on taxable wages:** the rate assessed against eligible employer taxable wages that an employer subject to UI contributions is required to contribute pursuant to Chapter 151A.
  - **Solvency assessment:** the annual factor assessed to an employer's taxable wages to cover the net balance of charges and credits not directly assigned to individual employers, including dependency allowances or approvable voluntary separations. Note that the solvency assessment is not a separate contribution but rather an amount used to determine an employer's Chapter 151A effective tax rate.
  - **Taxable wage proportion:** the ratio of employer's taxable wages (taxable payroll) to total wages (total covered payroll).
  - **Total unemployment rate:** the rate computed by dividing total unemployment by the civilian labor force.
  - **Total insured unemployment rate:** the rate computed by dividing the number of Insured Unemployed for the current quarter by the average covered employment for the first four of the last six completed quarters.

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<sup>7</sup> The [Quarterly Census of Employment and Wages \(QCEW\)](#) program publishes a quarterly count of employment and wages reported by employers covering more than 95 percent of U.S. jobs, available at the county, MSA, state and national levels by industry. Source: *U.S. Bureau of Labor Statistics*.

<sup>8</sup> The [Local Area Unemployment Statistics \(LAUS\)](#) program produces monthly and annual employment, unemployment, and labor force data for Census regions and divisions, States, counties, metropolitan areas, and many cities, by place of residence. Source: *U.S. Bureau of Labor Statistics*.

<sup>9</sup> The [American Community Survey](#) is an ongoing survey that provides vital information on a yearly basis about the United States and its people. Source: *U.S. Census Bureau*.

<sup>10</sup> [The Consumer Price Index for Urban Wage Earners and Clerical Workers \(CPI-W\)](#) is a monthly measure of the average change over time in the prices paid by urban wage earners and clerical workers for a market basket of consumer goods and services. Source: *U.S. Bureau of Labor Statistics*.

## **Unemployment Insurance Definitions**

### **Average High-Cost Multiple (AHCM)**

The ratio of the year-end trust fund balance as a percent of total wages divided by the Average High-Cost Rate.

### **Average High-Cost Rate**

The average of the three highest calendar benefit cost rates in the last 20 years (or a period including three recessions, if longer).

### **Benefit Cost Rate**

The benefit cost rates are private UI contributory employers' benefits paid (including the state's share of extended benefits when applicable) as a percent of their total wages.

### **Benefits Paid**

The unemployment insurance benefits paid to individuals funded through the state program. This includes all weeks compensated including partial payments.

### **Civilian Labor Force**

The estimated average number of Massachusetts residents who are either employed or unemployed in the week of the 12th for the three months of the quarter.

### **Covered Employment**

The number of employees covered by Unemployment Insurance reported to the state by employers. The numbers represent the count of all employees for the payroll period that includes the 12<sup>th</sup> of the month.

### **Covid-19 Recovery Assessment**

The COVID-19 Recovery Assessment is a new COVID-specific employer charge that was established by legislation in 2021.<sup>11</sup> It was designed to stabilize employer contribution rates that otherwise would have dramatically increased through normal DUA rate-setting mechanisms as a result of the extraordinarily high benefit payouts during the COVID-19 pandemic. The COVID-19 Recovery Assessment is intended to stabilize employer contribution rates in the near term by recovering the costs of COVID-period benefit outflows over a longer time period.

### **Federal Advances**

Advances acquired by the state under Title XII of the Social Security Act which allows states to use repayable advances from the federal UI account.

### **Initial Claims**

Any notice of unemployment filed by an individual (1) to request a new determination of entitlement to and eligibility for unemployment compensation or (2) to begin a second or subsequent period of eligibility within a benefit year or period of eligibility following an additional separation from employment.

### **Insured Unemployment**

Insured unemployment, also referred to as continued claims, is the number of people who have already filed an initial claim and who have experienced a week of unemployment and then filed a continued claim to claim benefits for that week of unemployment.

### **Insured Unemployment Rate (IUR)**

The rate computed by dividing Insured Unemployed for the current quarter by the average Covered Employment for the first four of the last six completed quarters.

### **Solvency Assessment**

The annual factor assessed to employer taxable payrolls to cover the net balance of charges and credits not directly assigned to individual employers.

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<sup>11</sup> [Chapter 16](#).

**Taxable Wages or Taxable Payroll**

Wages paid to covered employees that are subject to State Unemployment Insurance taxes. For Massachusetts, the first \$15,000 in wages per employee is covered by UI.

**Taxable Wage Base**

For each State, the maximum amount of wages paid to an employee by an employer during a year in which their employment is subject to UI taxes. Wages above this amount are not subject to UI tax.

**Total Unemployed**

The estimated average number of residents, 16 years of age or older, who do not have a job but are available for work and actively seeking work in the week of the 12th for the three months of the quarter. This includes individuals on layoff and waiting to report to a new job within 30 days.

**Total Unemployment Rate (TUR)**

The rate computed by dividing Total Unemployed by the Civilian Labor Force.

**Total Wages**

All wages or remuneration paid to workers on all payrolls covered by Unemployment Insurance.

**Trust Fund Balance (TF)**

The balance in the individual state account in the Unemployment Trust Fund. Outlook estimates are for the private contributory account within the Trust Fund.

**Trust Fund Balance as % of Total Wages**

Year-end Trust Fund Balance as a percent of estimated wages for the most recent 12 months. Estimated wages are based on the latest growth rate in the 12-month moving average (MA).

**Unemployment Trust Fund**

A fund established in the Treasury of United States which contains all monies deposited by state agencies to the credit of their unemployment fund accounts.

**Weeks Claimed**

The number of weeks claimed for UI benefits, including weeks for which a waiting period or fixed disqualification period is being served. Interstate claims are counted in the state of residence.

**Weeks Compensated**

The number of weeks claimed for which UI benefits are paid. Weeks compensated for partial unemployment are included. Interstate claims are counted in the paying state.

## Appendix 2: Data Projections Tables

Figure 1: UITF Balance at End of Quarter, 2023-2028

<b>Date</b>	<b>Balance at the End of Quarter (\$M)</b>
2023Q1	\$3,489
2023Q2	\$3,492
2023Q3	\$3,222
2023Q4	\$2,907
2024Q1	\$3,143
2024Q2	\$2,950
2024Q3	\$2,622
2024Q4	\$2,229
2025Q1	\$2,704
2025Q2	\$2,507
2025Q3	\$2,167
2025Q4	\$1,764
2026Q1	\$2,385
2026Q2	\$2,227
2026Q3	\$1,908
2026Q4	\$1,516
2027Q1	\$2,139
2027Q2	\$1,967
2027Q3	\$1,631
2027Q4	\$1,220
2028Q1	\$1,841
2028Q2	\$1,653
2028Q3	\$1,294
2028Q4	\$859

Figure 3: Wage and Salary Growth Rate

Date	Wage and Salary Growth Rate (%)
2023Q1	0.67%
2023Q2	0.91%
2023Q3	1.47%
2023Q4	0.95%
2024Q1	1.60%
2024Q2	1.19%
2024Q3	1.19%
2024Q4	1.10%
2025Q1	0.96%
2025Q2	0.96%
2025Q3	0.97%
2025Q4	0.96%
2026Q1	0.94%
2026Q2	0.93%
2026Q3	0.93%
2026Q4	0.92%
2027Q1	0.93%
2027Q2	0.93%
2027Q3	0.94%
2027Q4	0.94%
2028Q1	0.93%
2028Q2	0.93%
2028Q3	0.93%
2028Q4	0.92%



Figure 4: Unemployment Rate

Date	Unemployment Rate (%)
2023Q1	3.50%
2023Q2	3.30%
2023Q3	3.30%
2023Q4	3.20%
2024Q1	3.01%
2024Q2	3.20%
2024Q3	3.29%
2024Q4	3.34%
2025Q1	3.40%
2025Q2	3.41%
2025Q3	3.42%
2025Q4	3.42%
2026Q1	3.40%
2026Q2	3.40%
2026Q3	3.40%
2026Q4	3.40%
2027Q1	3.40%
2027Q2	3.41%
2027Q3	3.40%
2027Q4	3.40%
2028Q1	3.40%
2028Q2	3.41%
2028Q3	3.42%
2028Q4	3.43%

Figure 5: Civilian Labor Force

Date	Civilian Labor Force (Thousands)
2023Q1	3,752
2023Q2	3,751
2023Q3	3,753
2023Q4	3,750
2024Q1	3,737
2024Q2	3,752
2024Q3	3,754
2024Q4	3,754
2025Q1	3,756
2025Q2	3,755
2025Q3	3,756
2025Q4	3,757
2026Q1	3,757
2026Q2	3,758
2026Q3	3,760
2026Q4	3,762
2027Q1	3,764
2027Q2	3,767
2027Q3	3,769
2027Q4	3,772
2028Q1	3,774
2028Q2	3,777
2028Q3	3,780
2028Q4	3,783

Figure 6: Summary of Inflows to UITF at the End of Quarter, 2023-2028

<b>Date</b>	<b>Employer Contributions (\$M)</b>
2023Q1	\$130.3
2023Q2	\$455.9
2023Q3	\$152.1
2023Q4	\$94.4
2024Q1	\$884.3
2024Q2	\$312.1
2024Q3	\$197.2
2024Q4	\$148.8
2025Q1	\$1,034.0
2025Q2	\$364.9
2025Q3	\$230.5
2025Q4	\$174.0
2026Q1	\$1,201.5
2026Q2	\$424.0
2026Q3	\$267.9
2026Q4	\$202.2
2027Q1	\$1,224.7
2027Q2	\$432.2
2027Q3	\$273.1
2027Q4	\$206.1
2028Q1	\$1,246.3
2028Q2	\$439.8
2028Q3	\$277.9
2028Q4	\$209.8

Figure 7: Summary of Outflows from UITF at the End of Quarter, 2023-2028<sup>12</sup>

<b>Date</b>	<b>Benefits Payments (\$M)</b>
2023Q1	-\$592.4
2023Q2	-\$507.9
2023Q3	-\$491.0
2023Q4	-\$468.5
2024Q1	-\$667.1
2024Q2	-\$526.4
2024Q3	-\$545.6
2024Q4	-\$559.4
2025Q1	-\$574.4
2025Q2	-\$579.9
2025Q3	-\$587.5
2025Q4	-\$591.8
2026Q1	-\$592.3
2026Q2	-\$597.5
2026Q3	-\$602.4
2026Q4	-\$607.0
2027Q1	-\$612.5
2027Q2	-\$617.9
2027Q3	-\$622.9
2027Q4	-\$628.3
2028Q1	-\$633.5
2028Q2	-\$640.4
2028Q3	-\$647.2
2028Q4	-\$653.8

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<sup>12</sup> Projected outflows of benefits are based on an actuarial methodology and subject to revision as more current information used to determine various assumptions becomes available.