

# Unemployment Insurance Trust Fund Report

Outlook Report May 2017

## HIGHLIGHTS

This Outlook Report provides the status of the Unemployment Insurance Trust Fund and updated projections for the 2017 through 2021 outlook period.

As required by MGL Chapter 151A, Section 14F, DUA publishes quarterly outlooks for the Trust Fund based on forecasts for total unemployment rate, annual wage and salary growth rate, and annual labor force. DUA also provides monthly reports updating the status of the Trust Fund.

New economic assumptions from Moody's economy.com used in these projections show higher average annual unemployment rates in the outlook period for all years, except 2021, as compared to the assumptions used in the February 2017 Outlook Report. For 2017, the average annual unemployment rate is up from 3.3 percent to 3.5 percent followed by a 3.9 percent annual rate in 2018, which is also two-tenths of a percentage point higher than the rate used in the February report. Total labor force increases in 2017 to 2021 have an average annual increase of 10,726. The annual wage and salary growth rate is higher in 2017 but lower in 2018 to 2021 than previous projections.

The outlook presented is for the regular UI program based on 2017 employer experience rates and benefit payments and employer contributions through the first quarter of 2017.

The revised 2017 year-end projections indicate employer contributions, based on rate schedule C and a \$15,000 taxable wage base, will be \$1.359 billion in-line with the previous estimate of \$1.363 billion. Estimated benefit payments of \$1.370 billion are \$55 million more than the previous estimate of \$1.315 billion first released in the February 2017 Outlook Report. The difference is due to a projected increases in weeks compensated and the average weekly benefit amounts. As a result, the private contributory account year-end balance estimated at \$845 million is \$61 million lower than the previous estimate of \$906 million. The projected 2017 ending balance is just \$9 million more than last year's ending balance of \$836 million.

In 2018 tax rate schedule F is projected to trigger for employer contributions and with a \$15,000 wage base generate estimated employer contributions estimated of \$1.924 billion. Employer contributions are \$253 million

higher than the previous estimate of \$1.671 billion on a lower tax schedule. Benefit payments are projected at \$1.560 billion. The 2018 year-end private contributory account balance is now estimated at \$1.235 billion, \$225 million more than the balance of \$1.010 billion released in February.

Tax rate schedule E is again projected to trigger for 2019 employer payrolls and also on a \$15,000 taxable wage base. Employer contributions are projected to be \$1.634 billion and benefit payments estimated at \$1.670 billion. The year-end private contributory account balance is projected at \$1.231 billion.

Similarly, for 2020 tax rate schedule E is projected to trigger for employer contributions. With a \$15,000 taxable wage base, employer contributions are projected to be \$1.601 billion and benefit payments estimated at \$1.793 billion. Year-end 2020 private contributory account balance is projected at \$1.065 billion.

Tax rate schedule E is also projected to trigger for 2021 employer payrolls. Employer contributions are projected at \$1.632 billion with benefit payments estimated at \$1.872 billion and a year-end balance at \$847 million.

Based on the current economic assumptions and statutory provisions, no borrowing from the federal unemployment account is anticipated in 2017 through 2021.

**ECONOMIC ASSUMPTIONS**

DUA utilizes independent economic forecasts as the basis for its estimates of income and expenditure for the Massachusetts Unemployment Insurance program. Moody's Economy.com April 2017 forecasts were used in the benefit financing simulations for this report. The current assumptions, along with assumptions used to produce the simulation estimates published in the October 2016 and February 2017 Outlook Trust Fund Reports are provided in Table 1.

The April 2017 Moody's Economy.com Annual Wage and Salary Growth Rate forecast for 2017 increased from 4.6 percent to 5.3 percent. The rates for 2018 to 2021 were all revised down. The 2018 wage and salary growth rate was revised down to 5.6 percent from 6.1 percent, 2019 rate from 6.5 percent to 5.9 percent and the 2020 rate decreased from 5.1 percent to 4.6 percent.

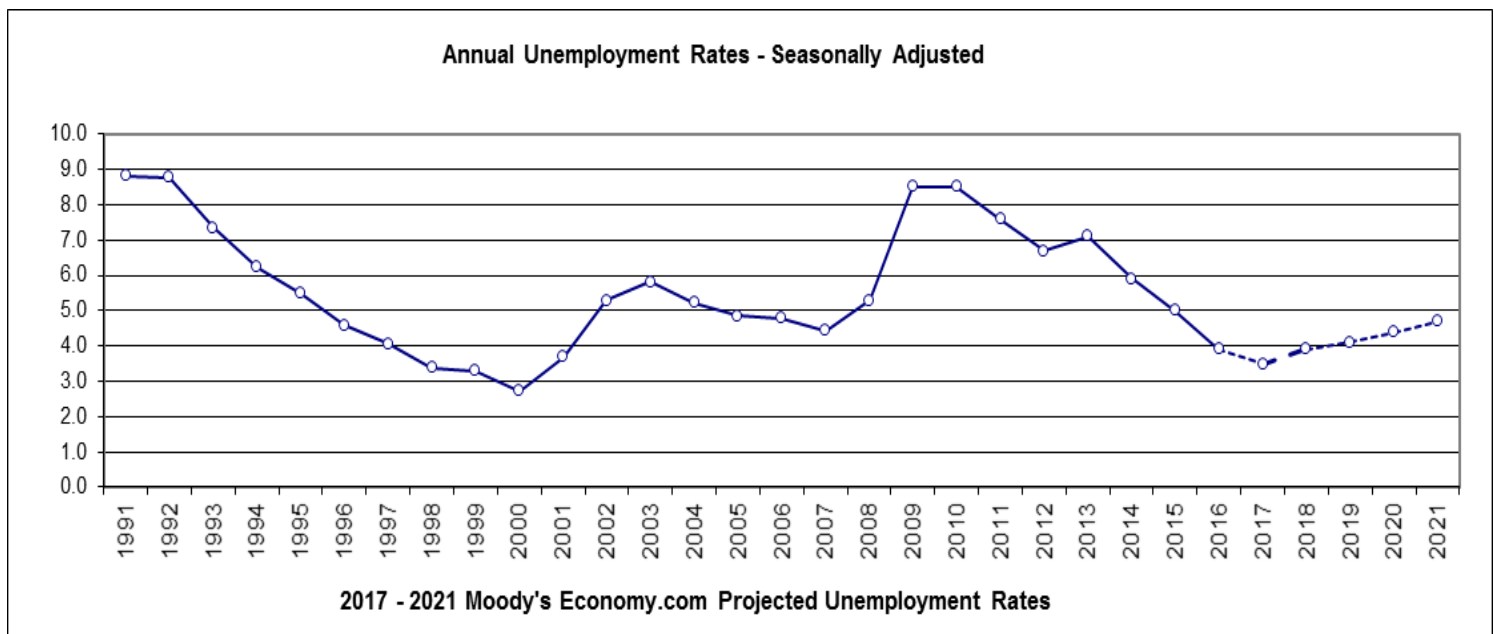
The projected annual average total unemployment rates for 2017 to 2020 are higher than the rates used in the February Outlook Report. An increase of two-tenths of a percentage point are expected in 2017, from 3.3 percent to 3.5 percent, and in 2018, from 3.7 percent to 3.9 percent. For 2019 a three-tenths of a percentage point increase from 3.8 percent to 4.1 percent. The annual average unemployment rate for 2020 is 4.4 percent followed by 4.7 percent rate in 2021.

The annual labor force projections for 2017 to 2021 showed an average annual increase of 10,726 from the Moody's economy.com projections released in January. The 2017 labor force showed the smallest increase of 7,797. The labor force is projected to be 3,732,417 in 2021.

**Table 1: Moody's Economy.com Forecasts, Three Most Recent Reports**

|      | Wage & Salary Growth (%) |        |        | Total Unemployment Rate (%) |        |        | Labor Force |           |           |
|------|--------------------------|--------|--------|-----------------------------|--------|--------|-------------|-----------|-----------|
|      | 16-Sep                   | 17-Jan | 17-Apr | 16-Sep                      | 17-Jan | 17-Apr | 16-Sep      | 17-Jan    | 17-Apr    |
| 2017 | 4.6                      | 4.6    | 5.3    | 4.3                         | 3.3    | 3.5    | 3,648,146   | 3,630,261 | 3,638,058 |
| 2018 | 6.0                      | 6.1    | 5.6    | 4.3                         | 3.7    | 3.9    | 3,684,926   | 3,671,067 | 3,679,088 |
| 2019 | 6.0                      | 6.5    | 5.9    | 4.3                         | 3.8    | 4.1    | 3,712,920   | 3,698,770 | 3,710,714 |
| 2020 | 4.1                      | 5.1    | 4.6    | 4.5                         | 4.2    | 4.4    | 3,729,045   | 3,712,174 | 3,725,916 |
| 2021 | NA                       | 3.4    | 3.3    | NA                          | 4.7    | 4.7    | NA          | 3,720,291 | 3,732,417 |

Source: Moody's Economy.com



**UNEMPLOYMENT INSURANCE TRUST FUND BALANCE**

As of April 30, 2017, the Massachusetts Unemployment Insurance Trust Fund ending balance was \$728.6 million. The private contributory account balance was at \$618.4 million and the governmental contributory account balance was \$110.2 million. The private contributory account balance is \$21.7 million more than projected due mostly to higher than expected employer contributions in April

The private contributory account is projected to have a balance of \$845 million at the end 2017, a reserve of \$1.235 billion in 2018 and a projected balance of \$1.231 billion by the end of 2019.

The 2017 year-end private contributory account balance of \$845 million is \$61 million lower than the previous estimate of \$906 million first published in the February 2017 Outlook Report. The difference in the year-end balance is the result of a projected increase in benefits payments due to higher average weekly benefit amounts and total weeks compensated. Year-end reserves as a percent of total wages are expected to be at 0.45 percent.

The year-end 2018 account balance is expected to be \$1.235 billion, a \$225 million increase from the previous estimate of \$1.010 billion. The difference is due to the triggering of a higher tax schedule F instead of schedule E for employer contributions.

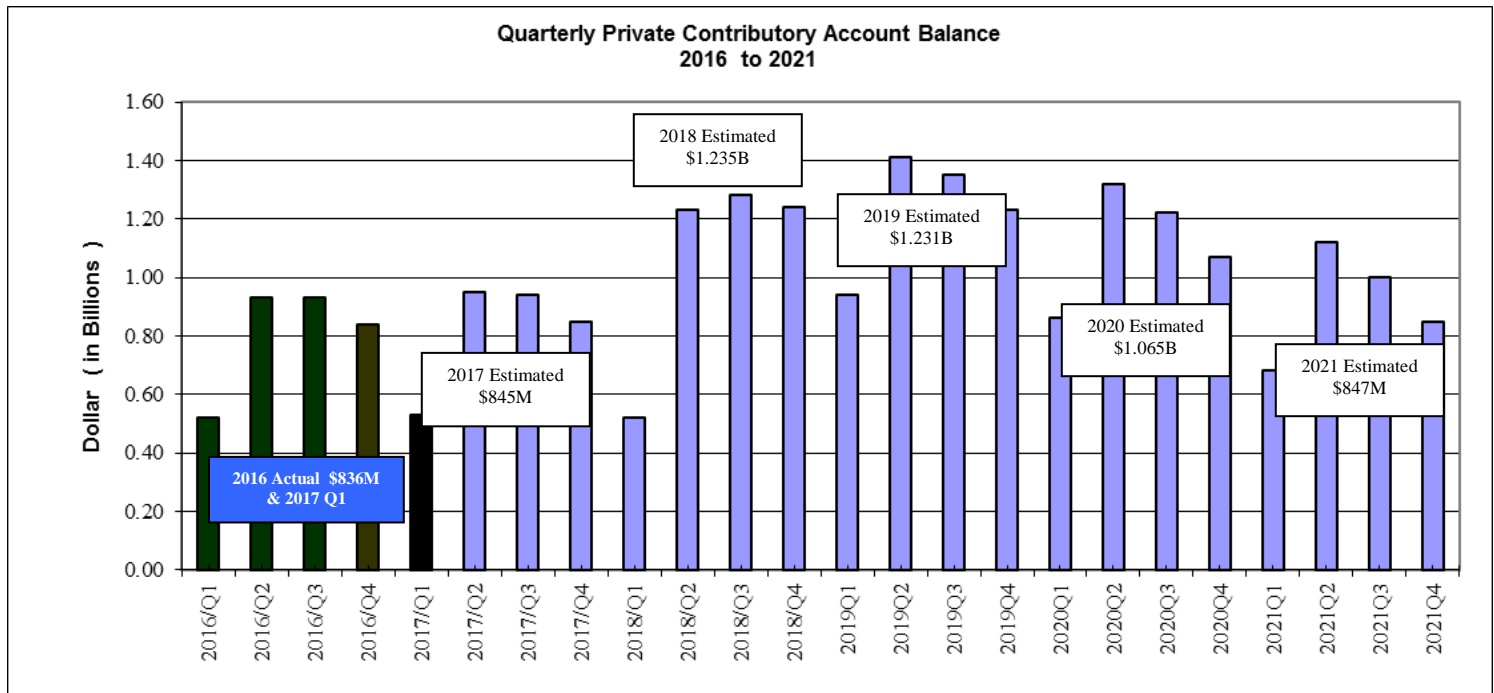
The year-end 2019 account balance is expected to be \$1.231 billion, \$250 million higher than the previous estimate of \$981 million. The difference is a carryover from the higher 2018 year-end fund balance.

The year-end 2020 account balance is estimated at \$1.065 billion, a \$295 million increase from the previously released balance of \$770 million. The difference is the continuing effect of the triggering of a higher tax schedule for employer contributions in 2018.

The 2021 year-end private contributory account balance is estimated at \$847 million, \$226 million more than the previous estimate of \$621 million.

It is anticipated that no borrowing from the federal unemployment account will be required in the outlook period.

The chart below shows the 2016 actual and projected quarterly private UI Fund balance through 2021.



**BENEFIT OUTLAYS**

The updated simulation for the outlook period resulted in an increase in benefit payments in 2017 but decreases in 2018 to 2021.

Benefit payments through April 2017 totaled \$559.6 million, a \$15.9 million increase from the January to April 2016 payment of \$543.7 million but just \$3.9 million lower than the projection of \$563.5 million.

Initial claims through April 2017 were 4.3 percent lower than last year for the same time. The average weekly benefit amount of \$492.65 through April was \$21.40 more than the \$471.25 amount in the same period in 2016.

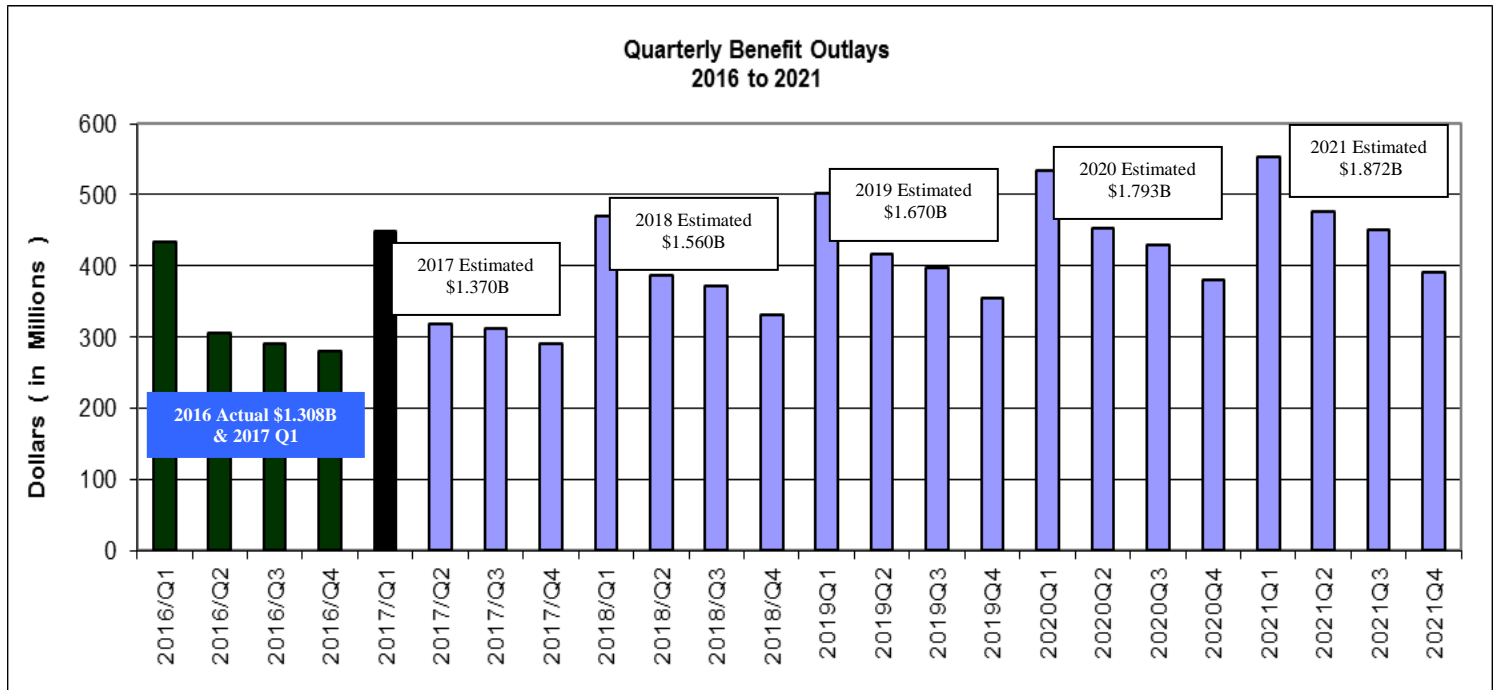
Benefit payments for 2017 are now estimated to be \$1.370 billion, \$55 million more than the previous estimate of \$1.315 billion first released in the February 2017 Outlook Report. The difference is due to a projected increase in total weeks compensated and insured unemployment caused by a higher annual average unemployment rate.

In 2018, benefit payments are projected to be \$1.560 billion, in-line with the previous estimate of \$1.591 billion released in the February to April Outlook Reports.

For 2019, benefit payments are projected to be \$1.670 billion, at just \$30 million less is in-line with the previous estimate of \$1.700 billion.

For 2020, benefit payments are projected to be \$1.793 billion; \$81 million lower than the previous estimate of \$1.874 billion. The difference is due to slightly fewer claims and less total weeks compensated.

In 2021, benefit payments are expected to be \$1.872 billion, \$146 million less than the previous estimate. As in the previous year, insured unemployment and total weeks compensated are projected to be lower.



**EMPLOYER CONTRIBUTIONS**

Updated projections for employer contributions showed small revisions in 2017, 2019 and 2020. The triggering of different employer tax schedules results in larger variances in 2018 and 2021.

Employer contributions through April 2017 totaled \$337.7 million, an increase of \$19.5 million from the January to April 2016 contributions of \$318.2 million. Employer contributions through April were \$17.8 million higher than the projection due to larger than expected April 2017 employer contributions.

For 2017 employer contributions on rate schedule C and a \$15,000 taxable wage base are estimated at \$1.359 billion, in-line with the previous estimate of \$1.363 billion.

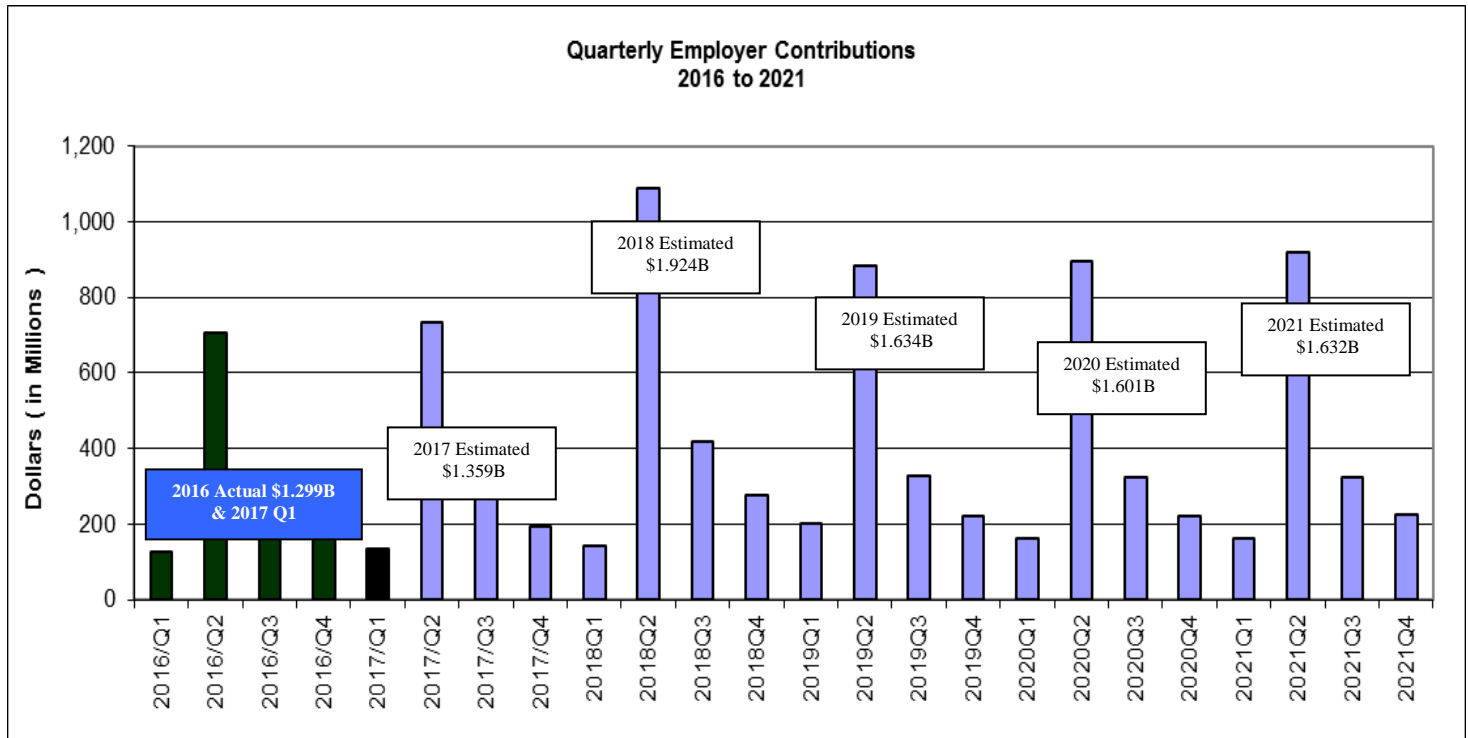
For 2018, tax rate schedule F is projected to trigger for employer payrolls generating \$1.924 billion in contributions, an increase of \$253 million from the previous estimate of \$1.671 billion on a lower tax rate schedule E.

Rate schedule E is projected to trigger for 2019 employer contributions projected at \$1.634 billion in-line with the previous estimate of \$1.646 billion first released in the February Outlook Report.

Tax rate schedule E is again projected to trigger for 2020 payrolls with an estimated employer contributions of \$1.601 billion, a decrease of \$41 million from the previous estimate due to a decrease in the average contribution rate.

For 2021, tax rate schedule E is projected to trigger for employer payrolls generating \$1.632 billion in contributions. This is a decrease of \$221 million from the previously released estimate of \$1.853 billion on a higher tax rate schedule F.

Table 2, on page 7, contains the experience rate table that took effect in 2015.



**TRUST FUND SOLVENCY**

Federal regulations require States to meet several standards for interest free federal advances taken during the first five months of a calendar year and repaid in the fall. The first measure requires that in at least one of the five years prior to the calendar year the advances are taken, the trust fund reserves must be equal to an average high cost multiple (AHCM) solvency measure. The measure is phased in over five years from a multiple of .50 for 2014, .70 in 2016 up to 1.0 for advances in 2019. For 2017, the AHCM must be met based on 2016 performance.

The Average High Cost Multiple (AHCM) computations are based on the average benefit cost rate for the three highest years in the last twenty or the last three recessions whichever is higher.

Benefit costs are measured as a percent of the total UI wages, the total liability of the UI system, is the second measure. Using this measure indexes the benefit costs to

total wages. The measure is designed to encourage States to build sufficient reserves to finance an economic downturn similar to ones in the past. The Massachusetts measures are for the overall trust fund that includes both the private and governmental contributory accounts. The ratio of the average tax rate and the benefit costs rate over the previous five years must be at least 75 percent.

The chart below arrays the new federal regulations, the actual and projected year-end all contributory account AHCMs, the ratios of average tax rate and total wages (federal standard at 80 percent of previous year) and the average tax rate and the benefit cost rate over the preceding five years (federal standard at 75 percent).

If federal advances are necessary in 2017 through 2021, Massachusetts will not meet the federal standard for AHCM and therefore be subject to federal interest for all federal loans.

**Funding Standard for Interest-Free Loans Started in 2014  
All Contributory Accounts (Estimated 2017 to 2021)**



Table 2: Experience Rate Table

| Employer Account Reserve Percentages | Unemployment Compensation Fund Reserve Percentage |                              |                             |                             |                             |                             |                |
|--------------------------------------|---|------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|----------------|
|                                      | A   | B                            | C                           | D                           | E                           | F                           | G              |
|                                      | 1.65% and over                                    | 1.5% or more less than 1.65% | 1.2% or more less than 1.5% | 0.9% or more less than 1.2% | 0.6% or more less than 0.9% | 0.3% or more less than 0.6% | less than 0.3% |
| Negative Percentage                  | Employer Contribution Rate*                       |                              |                             |                             |                             |                             |                |
| 23 or more                           | 8.62  | 9.79                         | 11.13                       | 12.65                       | 14.37                       | 16.33                       | 18.55          |
| 21.0 but less than 23.0              | 8.25  | 9.37                         | 10.65                       | 12.11                       | 13.76                       | 15.63                       | 17.76          |
| 19.0 but less than 21.0              | 7.88  | 8.96                         | 10.18                       | 11.57                       | 13.15                       | 14.94                       | 16.97          |
| 17.0 but less than 19.0              | 7.52  | 8.54                         | 9.71                        | 11.03                       | 12.53                       | 14.24                       | 16.18          |
| 15.0 but less than 17.0              | 7.15  | 8.13                         | 9.24                        | 10.49                       | 11.93                       | 13.55                       | 15.39          |
| 13.0 but less than 15.0              | 6.78  | 7.71                         | 8.76                        | 9.95                        | 11.31                       | 12.85                       | 14.60          |
| 11.0 but less than 13.0              | 6.42  | 7.29                         | 8.29                        | 9.42                        | 10.70                       | 12.16                       | 13.81          |
| 9.0 but less than 11.0               | 6.05  | 6.87                         | 7.81                        | 8.88                        | 10.09                       | 11.46                       | 13.02          |
| 7.0 but less than 9.0                | 5.68  | 6.46                         | 7.34                        | 8.34                        | 9.48                        | 10.77                       | 12.23          |
| 5.0 but less than 7.0                | 5.32  | 6.04                         | 6.86                        | 7.80                        | 8.86                        | 10.07                       | 11.44          |
| 3.0 but less than 5.0                | 4.95  | 5.63                         | 6.39                        | 7.27                        | 8.26                        | 9.38                        | 10.66          |
| 1.0 but less than 3.0                | 4.58  | 5.21                         | 5.92                        | 6.72                        | 7.64                        | 8.68                        | 9.86           |
| 0.0 but less than 1.0                | 4.22  | 4.79                         | 5.45                        | 6.19                        | 7.03                        | 7.99                        | 9.08           |
| Positive Percentage                  |   |                              |                             |                             |                             |                             |                |
| 0.0 but less than 0.5                | 3.14  | 3.57                         | 4.06                        | 4.61                        | 5.24                        | 5.96                        | 6.77           |
| 0.5 but less than 1.0                | 3.06  | 3.48                         | 3.96                        | 4.50                        | 5.11                        | 5.81                        | 6.60           |
| 1.0 but less than 1.5                | 2.98  | 3.39                         | 3.85                        | 4.38                        | 4.98                        | 5.65                        | 6.43           |
| 1.5 but less than 2.0                | 2.90  | 3.30                         | 3.75                        | 4.26                        | 4.84                        | 5.50                        | 6.25           |
| 2.0 but less than 2.5                | 2.82  | 3.21                         | 3.65                        | 4.14                        | 4.71                        | 5.35                        | 6.08           |
| 2.5 but less than 3.0                | 2.75  | 3.12                         | 3.54                        | 4.02                        | 4.57                        | 5.20                        | 5.90           |
| 3.0 but less than 3.5                | 2.67  | 3.03                         | 3.44                        | 3.91                        | 4.44                        | 5.05                        | 5.74           |
| 3.5 but less than 4.0                | 2.58  | 2.93                         | 3.33                        | 3.79                        | 4.30                        | 4.89                        | 5.56           |
| 4.0 but less than 4.5                | 2.50  | 2.84                         | 3.23                        | 3.67                        | 4.17                        | 4.74                        | 5.38           |
| 4.5 but less than 5.0                | 2.42  | 2.75                         | 3.13                        | 3.55                        | 4.04                        | 4.59                        | 5.21           |
| 5.0 but less than 5.5                | 2.34  | 2.66                         | 3.02                        | 3.43                        | 3.90                        | 4.43                        | 5.04           |
| 5.5 but less than 6.0                | 2.25  | 2.56                         | 2.91                        | 3.31                        | 3.76                        | 4.28                        | 4.86           |
| 6.0 but less than 6.5                | 2.17  | 2.47                         | 2.81                        | 3.20                        | 3.63                        | 4.13                        | 4.69           |
| 6.5 but less than 7.0                | 2.09  | 2.38                         | 2.71                        | 3.08                        | 3.50                        | 3.97                        | 4.51           |
| 7.0 but less than 7.5                | 2.02  | 2.30                         | 2.61                        | 2.96                        | 3.37                        | 3.82                        | 4.35           |
| 7.5 but less than 8.0                | 1.94  | 2.20                         | 2.50                        | 2.84                        | 3.23                        | 3.67                        | 4.17           |
| 8.0 but less than 8.5                | 1.85  | 2.10                         | 2.39                        | 2.72                        | 3.09                        | 3.51                        | 3.99           |
| 8.5 but less than 9.0                | 1.78  | 2.02                         | 2.29                        | 2.61                        | 2.96                        | 3.37                        | 3.82           |
| 9.0 but less than 9.5                | 1.70  | 1.93                         | 2.19                        | 2.49                        | 2.82                        | 3.21                        | 3.65           |
| 9.5 but less than 10.0               | 1.61  | 1.83                         | 2.08                        | 2.36                        | 2.69                        | 3.05                        | 3.47           |
| 10.0 but less than 10.5              | 1.53  | 1.74                         | 1.98                        | 2.25                        | 2.56                        | 2.91                        | 3.30           |
| 10.5 but less than 11.0              | 1.45  | 1.65                         | 1.87                        | 2.13                        | 2.42                        | 2.75                        | 3.12           |
| 11.0 but less than 11.5              | 1.37  | 1.56                         | 1.77                        | 2.01                        | 2.29                        | 2.60                        | 2.96           |
| 11.5 but less than 12.0              | 1.29  | 1.47                         | 1.67                        | 1.89                        | 2.15                        | 2.45                        | 2.78           |
| 12.0 but less than 12.5              | 1.21  | 1.37                         | 1.56                        | 1.77                        | 2.01                        | 2.29                        | 2.60           |
| 12.5 but less than 13.0              | 1.13  | 1.28                         | 1.46                        | 1.66                        | 1.89                        | 2.14                        | 2.43           |
| 13.0 but less than 13.5              | 1.05  | 1.19                         | 1.35                        | 1.54                        | 1.75                        | 1.99                        | 2.26           |
| 13.5 but less than 14.0              | 0.97  | 1.10                         | 1.25                        | 1.42                        | 1.61                        | 1.83                        | 2.08           |
| 14.0 but less than 15.0              | 0.81  | 0.92                         | 1.04                        | 1.18                        | 1.34                        | 1.53                        | 1.73           |
| 15.0 but less than 16.0              | 0.73  | 0.83                         | 0.94                        | 1.07                        | 1.21                        | 1.38                        | 1.57           |
| 16.0 but less than 17.0              | 0.64  | 0.73                         | 0.83                        | 0.95                        | 1.08                        | 1.22                        | 1.39           |
| 17.0 or more                         | 0.56  | 0.64                         | 0.73                        | 0.83                        | 0.94                        | 1.07                        | 1.21           |

Employer Contribution Rate is applied to the first \$15,000 of wages per employee.

The current law simulation estimates for 2017 through 2021 are displayed in Tables 3 and 4, below.

**Table 3: Unemployment Trust Fund Projections for the Private Contributory Account, 2017 - 2021**

(All \$ in Millions except Average Cost/Employee)

|                             | 2016    | 2017    | 2018    | 2019    | 2020    | 2021    |
|-----------------------------|---------|---------|---------|---------|---------|---------|
| <b>Balance, January 1</b>   | \$827   | \$836   | \$845   | \$1,235 | \$1,231 | \$1,065 |
| <b>Income</b>               | \$1,299 | \$1,359 | \$1,924 | \$1,634 | \$1,601 | \$1,632 |
| Trust Fund Interest         | \$19    | \$21    | \$26    | \$31    | \$28    | \$23    |
| <b>Benefit Outlays</b>      | \$1,308 | \$1,370 | \$1,560 | \$1,670 | \$1,793 | \$1,872 |
| Federal Loan Interests      |         |         |         |         |         |         |
| <b>Balance, December 31</b> | \$836   | \$845   | \$1,235 | \$1,231 | \$1,065 | \$847   |
| Schedule*                   | "C"     | "C"     | "F"     | "E"     | "E"     | "E"     |
| Average Cost/Employee       | \$484   | \$503   | \$705   | \$595   | \$580   | \$591   |

\* 2016 to 2017 rate schedules set by Legislation, 2018 to 2021 rate schedule projected based on current statutory triggers, calculated with the previous three years average total wages. Taxable Wage Base of \$15,000 effective beginning 2015.

Source: Massachusetts Department of Unemployment Assistance benefit financing simulation

Figures may not add up due to rounding.

**Table 4: Benefit Financing Simulation Output**

|  | 2016    | 2017    | 2018    | 2019    | 2020    | 2021    |
|--|---------|---------|---------|---------|---------|---------|
| Total Covered Payroll (\$Billions)       | \$177.3 | \$186.5 | \$199.7 | \$213.2 | \$223.8 | \$231.4 |
| Contributory Payroll (\$Billions)        | \$42.2  | \$42.6  | \$43.5  | \$44.2  | \$44.5  | \$44.7  |
| Contributory Wage Proportion             | 23.8%   | 22.8%   | 21.8%   | 20.7%   | 19.9%   | 19.3%   |
| Nominal Contribution Rate                | 3.1%    | 3.2%    | 4.6%    | 3.6%    | 3.6%    | 3.7%    |
| Contributions as % of Total Payroll      | 0.73%   | 0.73%   | 0.96%   | 0.77%   | 0.72%   | 0.71%   |
| Benefits as a % of Total Payroll         | 0.74%   | 0.73%   | 0.78%   | 0.78%   | 0.80%   | 0.81%   |
| Trust Fund Balance as % of Total Payroll | 0.47%   | 0.45%   | 0.62%   | 0.58%   | 0.48%   | 0.37%   |
| Solvency Assessment                      | 0.81%   | 0.73%   | 0.97    | 1.02%   | 1.08%   | 1.14%   |
| AHCM                                     | 0.27    | 0.26    | 0.36    | 0.34    | 0.28    | 0.21    |
| Covered Employment (Thousands)           | 3,438   | 3,456   | 3,491   | 3,519   | 3,531   | 3,535   |
| Total Unemployment Rate                  | 3.9%    | 3.5%    | 3.9%    | 4.1%    | 4.4%    | 4.7%    |
| Insured Unemployment Rate                | 2.0%    | 2.0%    | 2.3%    | 2.4%    | 2.4%    | 2.5%    |

Source: Economic assumptions are based on Moody's Economy.com forecasts and Massachusetts benefit financing simulation.

Figures may not add up due to rounding.



## APPENDIX UNEMPLOYMENT INSURANCE DEFINITIONS

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

**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.

**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.

**HIGH-COST MULTIPLE (HCM):**

The ratio of the Trust Fund balance as a percent of total wages divided by the High Cost Rate. The High Cost Rate is the highest historical ratio of benefits paid to total wages for a 12-month period.

**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 UNEMPLOYED:**

The average number of weeks claimed for the three months of the quarter.

**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.

**OUTSTANDING LOAN BALANCES:**

Balance, as of the end of the quarter, of 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.

**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.

**TAXABLE WAGES:**

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 AS % OF TAXABLE WAGES:**

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

**UNEMPLOYMENT TRUST FUND (UTF):**

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.