



Unemployment Insurance Trust Fund Report

Trust Fund Update February 2022

THE UNEMPLOYMENT INSURANCE TRUST FUND BALANCE

As of January 31, 2022, the preliminary Massachusetts Unemployment Insurance Trust Fund (“UI Trust Fund”) ending balance was \$2.76 billion.

The \$2.76 billion total balance includes \$377 million in employer credits that resulted from downward rate adjustments made in mid-2021 following the passage of legislation resolving the treatment of COVID-related UI claims. These credits reflect payments made by employers early in 2021 at unadjusted rates before the effective date of the legislation. These credits will be used to offset future payment obligations of those employers, which will have the effect of decreasing net assessment revenue in 2022 and beyond.

During the pandemic, the Commonwealth elected to draw Title XII Advances from the federal government. Between June 2020 and April of 2021, Massachusetts borrowed approximately \$2.3 billion in outstanding loan obligations from the federal government under the Title XII Advance program. These loan amounts do not affect the UI Trust Fund balance but are liabilities of the Commonwealth’s UI system. The entire \$2.3 billion of borrowed funds were interest-free through September 6, 2021. From September 7, 2021, through January 31, 2022, interest owed on federal advances totaled approximately \$16.4 million.

The UI Trust Fund balance reflects several adjustments that were effectuated in calendar year 2021 in coordination with the federal government, which had the cumulative effect of returning approximately \$678 million to the fund balance, as described in the [November Unemployment Insurance Trust Fund Report](#) dated December 31, 2021.

In late 2021, the Commonwealth identified an issue with respect to approximately \$318 million in benefit payments that were returned to the Commonwealth due to bank returns to the Benefit Payment Account, as described in the [November Unemployment Insurance Trust Fund Report](#) dated December 31, 2021. The Commonwealth engaged an independent consultant to assist in the review of these transactions and to recommend corrective actions. The review is still ongoing as of the date of this report. The reconciliation is expected to result in up to \$300 million to be repaid to the federal government.

The UI Trust Fund Balance reported as of January 31, 2022 does not reflect \$500 million transfer of funds approved by the Legislature in Chapter 102 of the Acts of 2021, enacted on December 13, 2021. The Commonwealth expects to apply the \$500 million to reduce its outstanding Title XII Advance loan balance in Q1 of calendar year 2022.

2022 ACTIVITY TO DATE

January 2022 employer contributions of \$135.6 million are higher than the comparable month of January 2021, which was \$56.1 million. Included in the January 2022 employer contributions is \$10.2 million of COVID assessments collected through January 2022 month-to-date. The COVID-19 Recovery Assessment was established in May 2021 through legislation which included a new COVID specific employer charge, to begin to recover the charges to the COVID-19 Employer Relief Account. The COVID-19 Recovery Assessment is intended to reduce the impact of COVID-related charges to employers’ UI rates by recovering these costs over time.

In calendar year 2021, DUA paid \$12.2 billion in benefits to over 1.7 million claimants. For the month of January 2022, the DUA paid \$146 million in benefits to 76 thousand claimants.

DUA will release an updated report on the status of the UI Trust Fund through February 2022 on March 15, 2022.

The amounts in this report are preliminary, unaudited, and subject to change.