



THE COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE OF LABOR AND WORKFORCE DEVELOPMENT
DEPARTMENT OF UNEMPLOYMENT ASSISTANCE

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MEMORANDUM

TO: Senator Michael Rodrigues, Chair, Senate Committee on Ways and Means
Representative Aaron Michlewitz, House Committee on Ways and Means
Senator Patricia D. Jehlen, Chair, Joint Committee on Labor and Workforce Development
Representative Stephen Hay, Vice Chair, Joint Committee on Labor and Workforce Development
Michael D. Hurley, Senate Clerk
Steven T. James, House Clerk

FROM: Richard A. Jeffers

DATE: August 31, 2020

SUBJECT: **AUGUST 2020 UNEMPLOYMENT INSURANCE TRUST FUND REPORT**

The attached August Unemployment Insurance Trust Fund Report provides information on the trust fund status through the end of July 2020 and revised projections for the private contributory account for 2020 to 2024. The projections are based on the July 2020 Moody's Analytics Data Services forecasts, 2020 first and second quarter claims and payment activities and employer experience rates and the effects of the Covid-19 pandemic.

The report highlights include:

The preliminary July month-end private contributory account balance was -\$880.8 billion, \$21.8 million higher than projected caused by more claims and higher than expected benefit payments in June and July due to the Covid-19 pandemic. Through July, employer contributions of \$1.315 billion were \$119 million less and benefit payments of \$4.603 billion were \$3.251 million more as compared to the 2019 same months' employer contributions and benefit payments.

Tax rate schedule E triggered for 2020 employer contributions and the taxable wage base remained at \$15,000.

Employer contributions now projected at \$1.498 billion are \$87 million less while benefit payments at \$6.434 billion are higher by \$42 million. With the addition of the CARES Act reimbursement estimated at \$615 million and UI Trust transfers and emergency UI relief totaling \$224 million in the second quarter, the 2020 the private account year-end balance is now projected at -\$2.483 billion. Advances from the federal UI account were required since late June and further advances will be required for the remainder of 2020. Advances will be interest-free in 2020.

cc: Distribution List