



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 Josh Cutler, Chair, Joint Committee on Labor and Workforce Development
Michael D. Hurley, Senate Clerk
Steven T. James, House Clerk

FROM: Richard A. Jeffers

DATE: April 7, 2021

SUBJECT: FEBRUARY 2021 UNEMPLOYMENT INSURANCE TRUST FUND REPORT

The attached February Unemployment Insurance Trust Fund Report provides information on the trust fund status through the end of January 2021 and revised projections for the private contributory account for 2021 to 2024 and new projections for 2025. The projections are based on the January 2021 Moody's Analytics Data Services forecasts, 2020 claims and payment activities and preliminary employer experience rates and the continuing effects of the Covid-19 pandemic.

The report highlights include:

The preliminary January month-end private contributory account balance was -\$2.645 billion, \$43 million less than the projection of -\$2.602 billion. Preliminary employer contributions of \$56.1 million were \$30.4 million less and benefit payments of \$345.3 million were \$24.9 million more than projected for January.

Employer contributions, as set by legislation on tax schedule E and a \$15,000 taxable wage base, are projected at \$2.037 billion while benefit payments estimated at \$3.735 billion. The 2021 private account year-end balance is now projected at -\$4.066 billion. Advances from the federal UI account will be required throughout 2021. Advances will be interest-free through September 6, 2021. Interest on federal advances from September 7 through September 30, 2021, totaling \$6 million must be paid by September 30, 2021.

Trust fund solvency is estimated to be restored by issuing bonds estimated at \$6 billion prior to November 9, 2022.

cc: Distribution List