

Attendees:

Chair Josh Cutler  
Chair Patricia Jehlen  
Brooke Thompson  
Jon Hurst  
Dan Wolf  
Carolyn Ryan  
John Drinkwater  
Doug Howgate (For Eileen McAnney)  
Rosalin Acosta  
Rick Jeffers  
Evan Horowitz  
Diana Estime  
Karen Andreas  
Matt Blackbourn (For Chris Anderson)  
Chris Carlozzi  
Kelsey Cintolo  
Rich Marlin  
Stephanie Herron Rice  
Hannah Tanabe  
Sam Gebru  
Steve Clark

Guests:

Zach Herman (National Conference on State Legislatures)  
Ben Gitis (Bipartisan policy Center)  
Stephan Wandner (National Association of Social Insurance)

Opening:

Chair Jehlen took attendance by roll call

Presentation 1: Zach Herman

- An overview of how states think about managing and overseeing unemployment programs
- 19 States and the Virgin Islands currently have loans from the US Department of Labor to support their UI system
- UI State Tax Systems
  - Federal Taxes
    - FUTA tax of 6% on wages up to \$7,000 per year. Credits of up to 5.4% for employers that pay state UI contributions on a timely basis
  - State taxes
    - Enables employers to obtain credits against federal tax
  - Employee Contributions

- Three states (Alaska, New Jersey, Pennsylvania) deduct contributions from employees, as well as employers
- Taxable Wage Base
  - Almost all states have a higher taxable wage base than the Federal Government's \$7,000
  - Multiple states have indexed taxable wage bases, while others have wage bases that are adjusted based on trust fund balance
- Experience Rating
  - Most states use reserve ratio system, second most common is Benefit ratio
  - Experience ratings meant to encourage employers to stabilize employment

Presentation was followed by a short question and answer period

Presentation 2: Ben Gitis and Steve Wandner

New Jersey and Washington: Alternative Financing Methods to Support Trust Fund Solvency

Rate Schedule

- Massachusetts has higher payroll tax rates on employers, including higher top rate and higher rate for lowest experience rating
  - Washington also has a 0% rate on employers with lowest experience ratings

Taxable Wage Base

- Mass taxable wage base is \$15,000, NJ is \$36,200 and WA is \$56,500
- WA indexed TWB to wages, NJ indexed to inflation

Additional fund sources

- New Jersey includes an employee Payroll Tax
- Washington applies a Social Cost Factor, which is used to pay for unemployment benefits not charged to an employer account

Presentation was followed by a short question and answer period

Senator Jehlen asked for a motion to take a roll call on the minutes from the previous meeting

Rich Marlin Motioned

Karen Andreas second

Chair Josh Cutler - Y

Chair Patricia Jehlen - Y

Brooke Thompson - Y

Jon Hurst - Y

Dan Wolf - Y

Carolyn Ryan - Y

John Drinkwater - Y

Rosalin Acosta - Y

Rick Jeffers - Y

Evan Horowitz - Y

Diana Estime - Y  
Karen Andreas - Y  
Chris Carlozzi - Y  
Kelsey Cintolo - Y  
Rich Marlin - Y  
Stephanie Herron Rice - Y  
Hannah Tanabe - Y  
Sam Gebru -  
Steve Clark - Y

Next meeting will June 25<sup>th</sup> at 1, commissioners will be able to invite speakers. Please email Emily Reynolds if you have any suggestions by June 9<sup>th</sup>.

We will be holding our public hearing on Thursday July 22<sup>nd</sup>, at 5PM. Any member of the public can testify. With the potential expiration of the virtual meeting rules, we have not yet determined whether these hearings will be in person or virtual. We will update you when we have made that determination.