

Unemployment Insurance Trust Fund Report

ANNUAL OUTLOOK REPORT - OCTOBER 15, 2022

INTRODUCTION

About the Massachusetts Unemployment Insurance Program

Unemployment Insurance (UI) is an economic stabilization program implemented under federal and state law that provides a safety net for workers who become separated from employment due to no fault of their own. The UI program provides temporary benefits to unemployed workers from the Massachusetts Department of Unemployment Assistance's (DUA) Unemployment Insurance Trust Fund (UI Trust Fund). Employer-paid state unemployment taxes and reimbursements fund the UI Trust Fund and pay for benefits. The United States Department of Labor (USDOL) allocates funds from the Federal Unemployment Tax Act (FUTA) to the state to pay for DUA administrative and operational costs.

The Massachusetts UI Trust Fund balance is the combination of two subsidiary components: the private contributory account balance and the governmental account balance.

- **Private Contributory Account:** The private contributory account is the largest component of the UI Trust Fund, representing approximately 90% of total wages covered by UI and over 85% of covered employment in Massachusetts. The private contributory account is principally funded by contributions from private, for-profit employers that are required under Chapter 151A of the Massachusetts General Laws (Chapter 151A) to contribute to the UI Trust Fund. Employer contributions to the private contributory system are payable quarterly and payments are due within one calendar month of the end of each quarter, on April 30 (1st Quarter), July 31 (2nd Quarter), October 31 (3rd Quarter), and January 31 (4th Quarter). An employer's contribution level is informed by the employer's experience history, which refers to both the amount of unemployment benefits paid in prior years and the number of employees laid off. The private contributory system also includes certain governmental employers that elect to contribute to the UI system in the same manner as private, for-profit employers.
- **Governmental Account:** The governmental system covers employees of state and local governmental entities and non-profit employers (organizations holding 501(c)(3) status). In lieu of paying quarterly contributions into the UI system, governmental entities and non-profit employers may choose to reimburse DUA for benefits paid to their former employees. These reimbursements cover benefits paid to employees on a dollar-for-dollar basis. The governmental account balance is funded with payments from governmental and non-profit employers.

Additional information and past reports can be found at <https://mi.dua.eol.mass.gov/LMI/UnemploymentInsuranceTrustFund#>

Those seeking additional information regarding the UI Trust Fund can email economicresearch@mass.gov.

The projections, forecasts, estimates, and other forward-looking statements contained in this Outlook Report are subject to a variety of risks and uncertainties that may cause actual results to differ from the projections set forth. DUA uses information from sources that are believed to be reliable; however, DUA assumes no responsibility for information from sources outside the Commonwealth and its agencies.

Summary

This Outlook Report provides the status of the UI Trust Fund and updated projections for the 2022 through 2026 outlook period.

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

Projections of wage and salary growth, total unemployment rate, and the size of the labor force in Massachusetts for each calendar year of the Outlook Period (2022-2026) are represented in Figure 3 through Figure 6. For purposes of the projection estimates contained in this Outlook Report, the Quarterly Census of Employment and Wages (QCEW) is the

primary source for historical actual data on wages and salaries and size of the labor force. Local Area Unemployment Statistics (LAUS) is the primary source for official unemployment rates. DUA relied on Moody's forecasts dated September 2021, December 2021, and March 2022 to track forecast trends as they change over time. Moody's forecasts were used to project historical QCEW and LAUS data over the Outlook Period for wage and salary growth, total unemployment rate, and size of labor force.

The outlook presented is for the regular UI program based on 2022 employer experience rates and claims activities through the third quarter of 2022. Key findings on the year follow.

- Employer contributions are approximately \$1.39 billion through September 30, 2022, with a projected year-end total estimated to be \$1.55 billion.
- Benefit payments are approximately \$1.11 billion through September 30, 2022, with a projected year-end total estimated to be \$1.44 billion.
- The balance of the UI Trust Fund on September 30, 2022 is \$3.91 billion with a projected year-end fund balance estimated to be \$3.75 billion.

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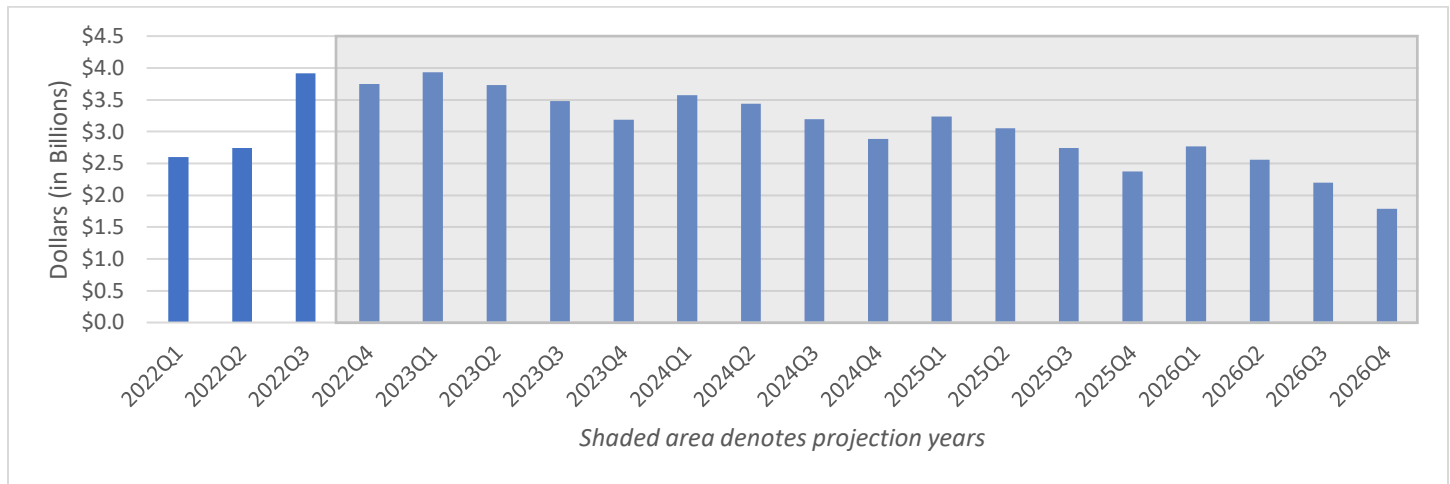
PROJECTION OF BALANCE AND SOLVENCY

As of September 30, 2022, the preliminary Massachusetts UI Trust Fund ending balance was \$3.91 billion with a year-end fund balance estimated to be \$3.75 billion (Figure 1). Comparisons to other states' trust fund balances, net of federal advances, is in Figure 2.

Projections

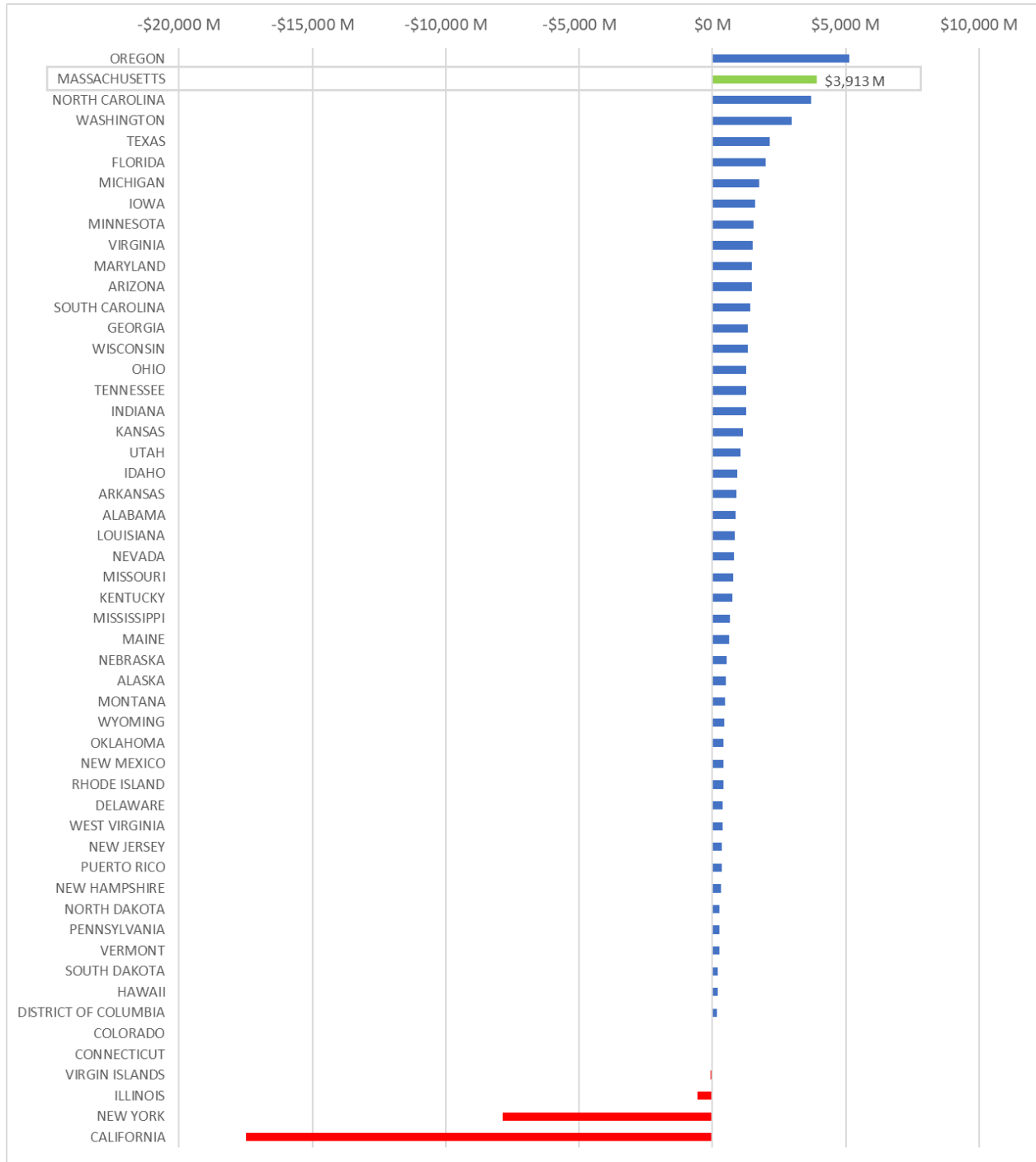
To project future UI Trust Fund solvency, DUA utilizes forecasts prepared by QCEW actuals for the period ending September 30, 2022. The QCEW total private employment is projected forward by taking growth rates from the Moody's total nonagricultural employment series. The forecasts on wage and salary growth, unemployment rate, and size of the labor force for calendar years 2022 through 2026 are shown in Figure 3 through Figure 6.

Figure 1: UITF Balance at End of Quarter, 2022-2026



State Comparisons

Figure 2: Trust Fund Balance Net of Outstanding Federal Advances by State as of 9/30/2022¹



Source: Unemployment Trust Fund and Advances to State Unemployment Funds reports, www.treasurydirect.gov (figures are as of September 30, 2022 as reported on October 14, 2022)

¹ Balances reflect nominal trust fund balances net of outstanding federal advances

Federal Advances, Bond Issuance and Covid-19 Recovery Assessment

The federal-state unemployment insurance system and the Massachusetts unemployment insurance program played a critical role in delivering economic relief to individuals and families experiencing economic hardship during the COVID-19 pandemic. From June 2020 to April 2021, the Commonwealth borrowed \$2.268 billion of Federal Advances. In March 2022, \$500 million of such amount was repaid from ARPA funds and the UI Improvement Act (Chapter 9 of the Acts of 2021) authorized a bonding to repay the remaining \$1.768 billion outstanding balance of Federal Advances.

In August 2022, \$2.681 billion in special obligation bonds were issued and proceeds were used to (i) repay the outstanding Federal Advances as well as the accrued interest on such Federal Advances; (ii) fund a deposit to the UI Trust Fund in the amount of \$867.6 million to pay unemployment compensation benefits to qualifying persons in the Commonwealth; and (iii) pay bond issuance costs.

The UI Improvement Act provided that a COVID-19 Recovery Assessment will be charged to experience-rated, private contributory employers for each year the bonds are outstanding. For 2021 and 2022, the COVID-19 Recovery Assessment was set at \$150 million. For 2023 and until no bonds remain outstanding, the Commonwealth will assess employers a COVID-19 Recovery Assessment which must be at least 125% of the annual debt service on the bonds. The Covid-19 Assessment is in addition to the SUTA tax charged and is a fixed percentage of each employer's SUTA rate. The COVID-19 Recovery Assessment will be credited to a special contribution fund held by the bond trustee.

Based on assumptions used at the time of issuing the bonds, the projected COVID-19 annual assessment is as follows:

- 2023 - \$915 million
- 2024 - \$365 million
- 2025 - \$349 million
- 2026 - \$335 million

Economic Basis for Projections

Figure 3 shows the summary of the inflows and outflows to the UTF, relevant performance statistics, and cost burden measures over the projection period. Multiple measures are considered in forming the projections (see appendix for details). Key among those are wage and salary growth, unemployment rate, and the size of the civilian labor force. Charts outlining those estimates are below.

- The rate of wage and salary growth is expected to slow by the end of 2022 and thereafter stabilize between 1.0% and 1.5% per year for the remainder of the projection period. See Figure 4.
- The unemployment rate is also expected to fall during the early part of the forecast, hitting its minimum of 2.9% during the fourth quarter of 2023. Afterward, the unemployment rate is expected to rise slowly to just over 3.6% at the end of the projection period. See Figure 5.
- The civilian labor force is expected to grow slowly but steadily over the projection period, starting from roughly 3.77 million and ending at 3.85 million. Total growth is estimated to be approximately 75,000 people or 2.0% from the beginning to end of the projection period. See Figure 6.

Figure 3: Model Projections (2022-2026)

Dollars in thousands

Category	2022	2023	2024	2025	2026
Balance Jan. 1	\$2,853,502	\$3,745,934	\$3,189,705	\$2,886,997	\$2,371,246
Contributions ²	\$1,302,272	\$1,023,534	\$1,364,968	\$1,391,557	\$1,600,127
Trust Fund Interest	\$29,993	\$59,166	\$53,247	\$47,359	\$39,326
Bond Proceeds ³	\$867,605	\$0	\$0	\$0	\$0
Other Inflows ⁴	\$131,025	\$0	\$0	\$0	\$0
Inflows Subtotal	\$2,330,894	\$1,082,699	\$1,418,215	\$1,438,916	\$1,639,453
Outlays	(\$1,438,463)	(\$1,638,929)	(\$1,720,923)	(\$1,954,667)	(\$2,226,671)
Outflows Subtotal	(\$1,438,463)	(\$1,638,929)	(\$1,720,923)	(\$1,954,667)	(\$2,226,671)
Balance Dec. 31	\$3,745,934	\$3,189,705	\$2,886,997	\$2,371,246	\$1,784,028

Category	2022	2023	2024	2025	2026
Total CY Payroll	\$270,323,788	\$273,866,133	\$277,162,337	\$280,332,795	\$283,753,328
Taxable CY Payroll	\$45,875,661	\$41,136,171	\$41,240,359	\$41,306,187	\$41,355,878
Total CY Contributions as a % of Total CY Payroll	0.48%	0.37%	0.49%	0.50%	0.56%
Total CY Benefits as a % of Total CY Payroll	0.53%	0.60%	0.62%	0.70%	0.78%
Wage Base	15,000	15,000	15,000	15,000	15,000
Schedule*	E	A	C	C	D
Total Unemp. Rate*	3.34%	2.90%	3.10%	3.39%	3.64%
Average Contribution Rate*	3.80%	2.37%	3.14%	3.19%	3.66%
Solvency Rate*	1.10%	0.37%	0.62%	0.64%	0.67%
T.F. Bal as a % of Total Payroll*	1.39%	1.12%	0.96%	0.75%	0.87%
AHCM*	0.806	0.654	0.561	0.439	0.316

Note: Items marked with asterisk (*) show the value in Q4 rather than an annual sum or average.

² Employer contributions year to date through September 30, 2022 are estimated to be \$1.39 billion, with a projected year-end balance of \$1.53 billion. During 2021, employers who made contribution payments at higher unadjusted rates that were in effect prior to the passage of Chapter 16 of the Acts of 2021, which was enacted in May 2021, were credited the difference between their actual payment and their new, adjusted rate. Employers retained these credits to be applied against future payments. It is estimated that \$251 million in credits were applied in 2022 and are reflected in the contribution numbers. For 2021 and 2022 a COVID-19 Recovery Assessment was set at \$150 million for each year. The COVID-19 Assessment amounts collected January 1, 2022 through April 24, 2022, totaled \$20 million and were deposited to the UI Trust Fund and reflected in the contributions amount above. Post this date, all COVID-19 Assessment amounts collected were deposited to a special contribution fund held by the bond trustee.

³ In August 2022, \$2.681 billion in special obligation bonds were issued and proceeds were used to (i) repay the outstanding Federal Advances as well as the accrued interest on such Federal Advances; (ii) fund a deposit to the UI Trust Fund in the amount of \$867.6 million to pay unemployment compensation benefits to qualifying persons in the Commonwealth; and (iii) pay bond issuance costs.

⁴ Includes a one-time transfer of \$91 million from the Benefits Account to the UI Trust Fund as part of an ongoing reconciliation of cash account balances. Also includes a wait week reimbursement in the amount of \$40 million.

Figure 4: Wage and Salary Growth Rate

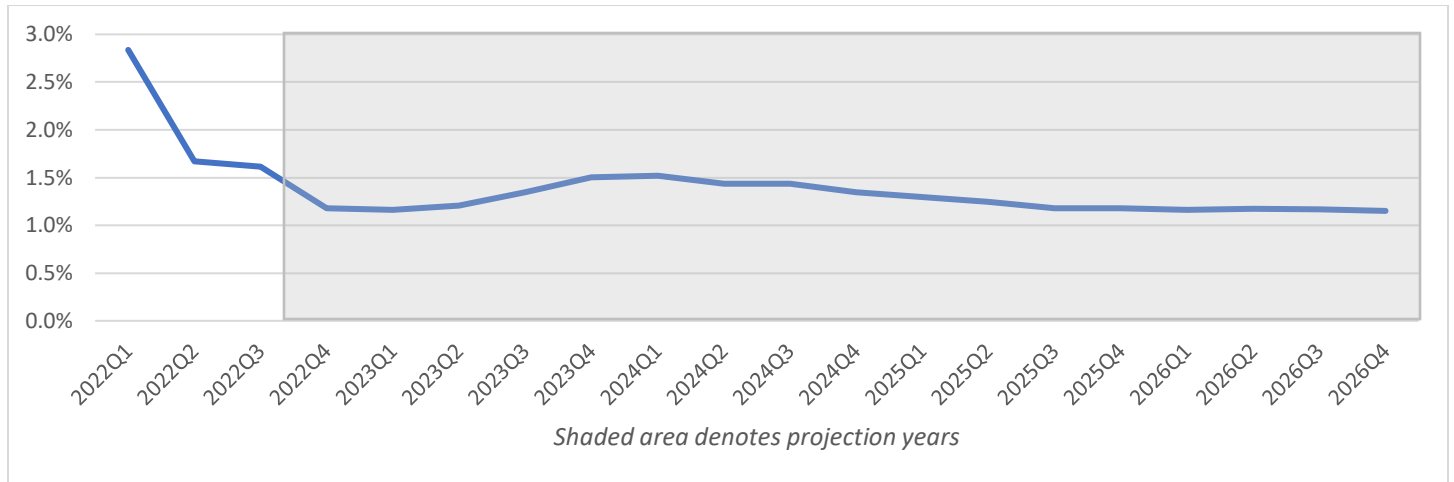


Figure 5: Unemployment Rate

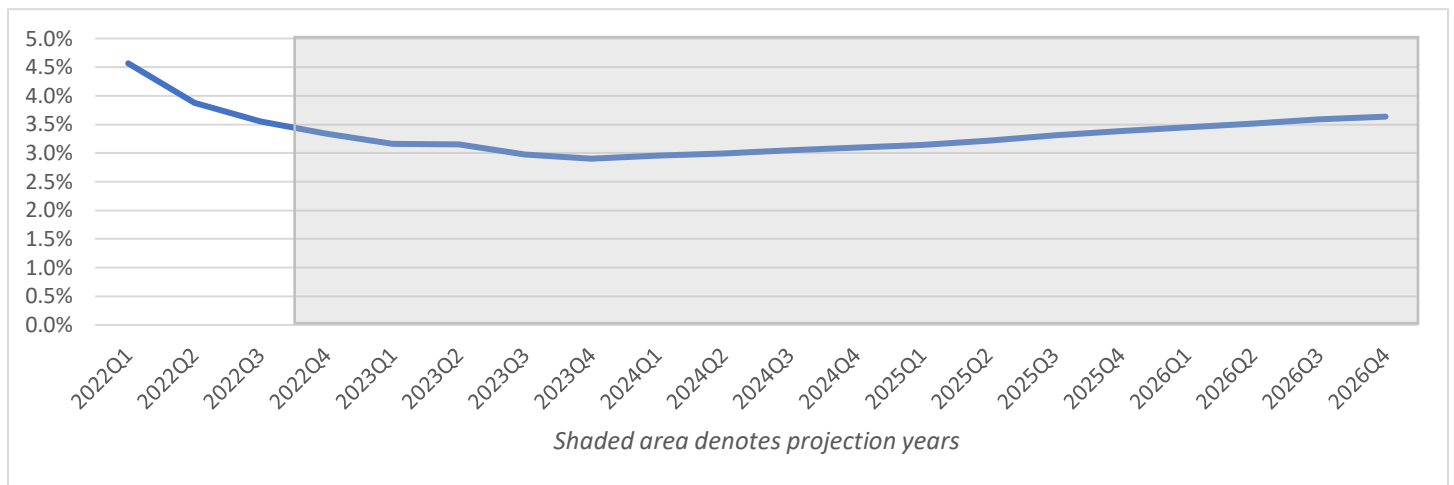
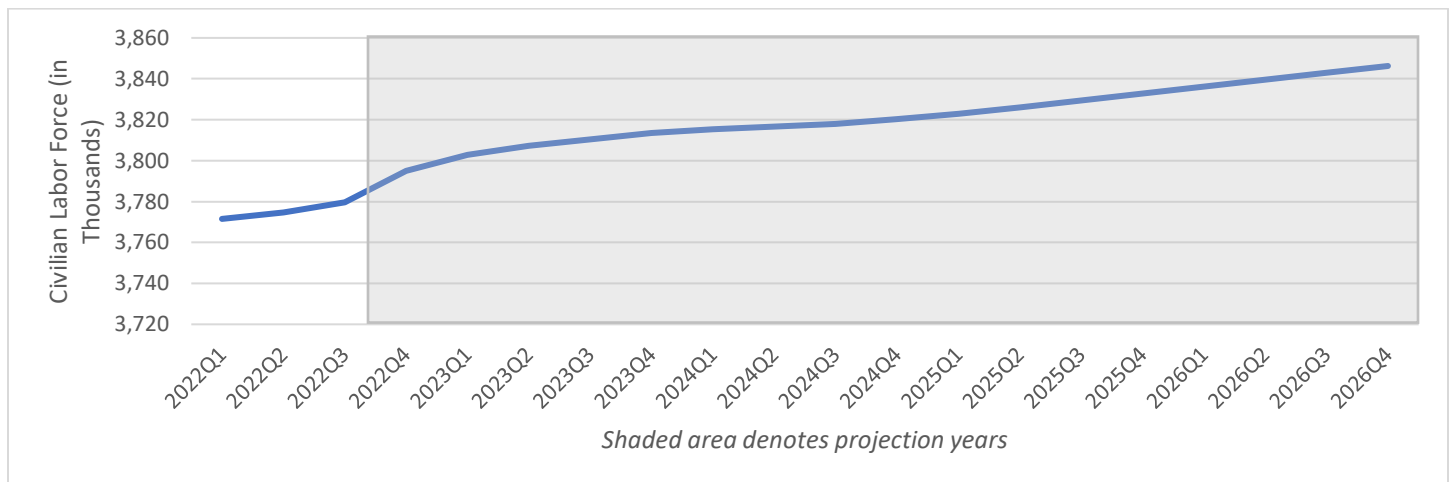


Figure 6: Civilian Labor Force



SUMMARY OF PROJECTED INFLOWS

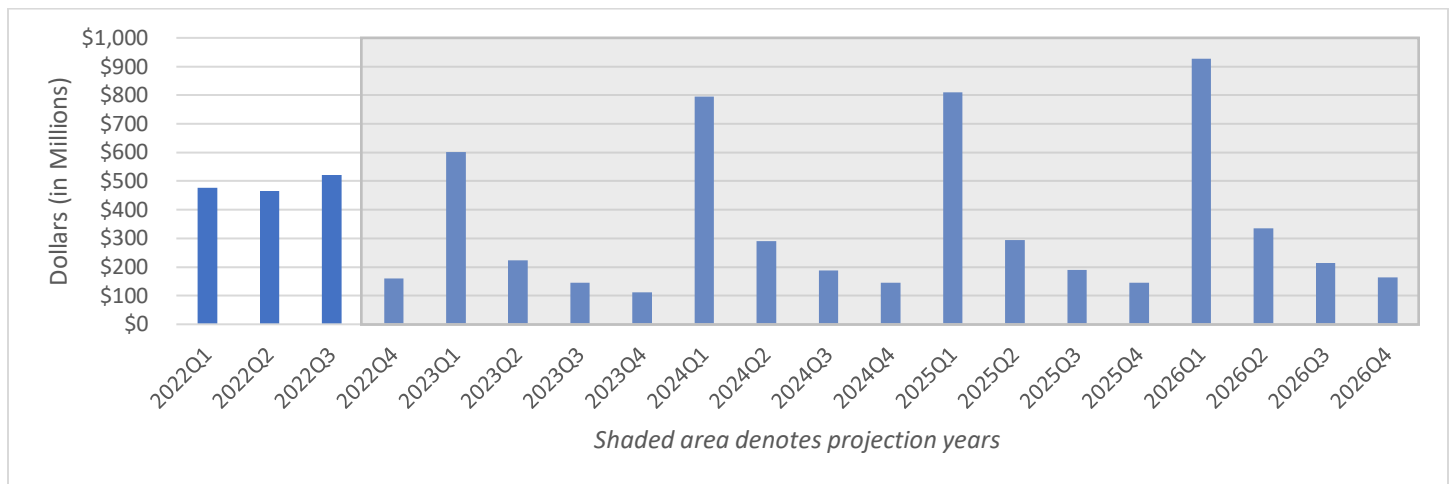
Private, for-profit employers are required under Chapter 151A to contribute to the UI Trust Fund if their business meets each of the following conditions:

1. They have employees working one or more days in 13 weeks during a calendar year (weeks of employment need not be consecutive, nor must the employees remain the same); and
2. They pay wages of \$1,500 or more in any calendar quarter. Under Chapter 151A, governmental and non-profit employers may elect to contribute to the private contributory UI system instead of participating as reimbursable employers.

Employer contributions are based on taxable wages paid to covered employees on a quarterly basis. Wages subject to contributions are the cumulative total of the first \$15,000 paid to each employee in each of the computational rate years. Employer contributions to the private contributory system are payable quarterly and payments are due within one calendar month of the end of each quarter, on April 30 (1st Quarter), July 31 (2nd Quarter), October 31 (3rd Quarter), and January 31 (4th Quarter). Historically, on average approximately 50% of annual employer contributions are paid in the 1st Quarter.

Year-to-date employer contributions through the month of September 2022 totaled \$1.39 billion. Year-to-date September 2022 contributions were lower than the comparable period ending September 2021, which were \$1.98 billion. These figures exclude the \$867.61 million deposit of bond proceeds discussed above.

Figure 7: Summary of Inflows to UITF at the End of Quarter, 2022-2026



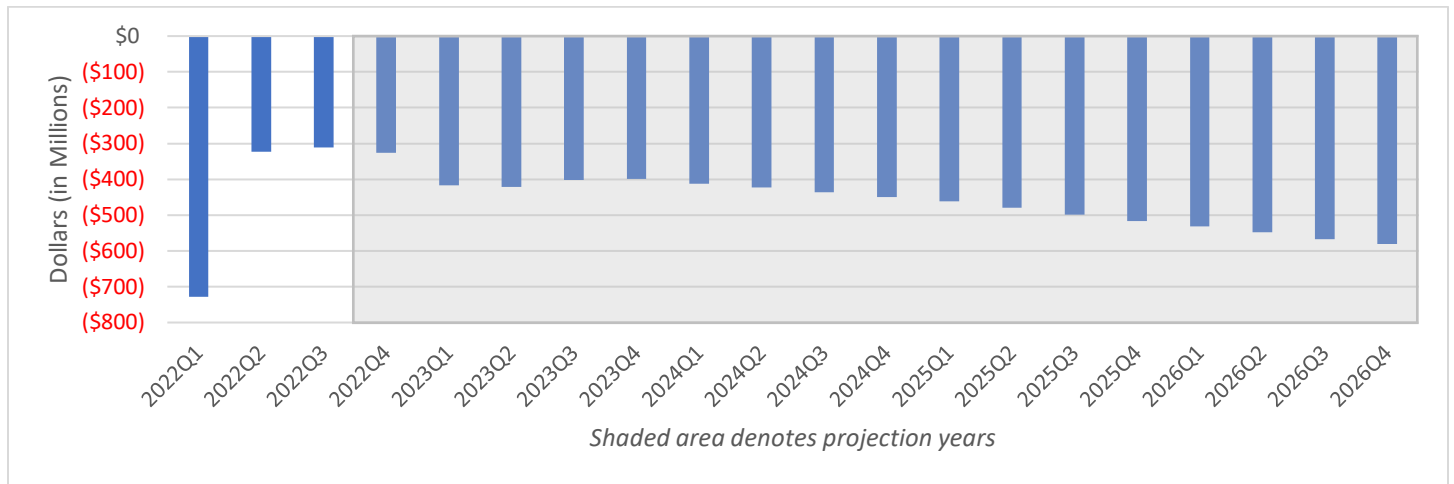
SUMMARY OF PROJECTED OUTFLOWS

UI benefits provide temporary income protection during periods of unemployment and uncertainty for Massachusetts employees who are separated from employment through no fault of their own and are actively seeking new work. UI benefits are entirely funded through employer contributions.

The updated projections for the outlook period shows decreases in 2022 to 2024 as Massachusetts continues to recover from the Covid-19 pandemic. As shown in Figure 5, a steady increase in unemployment between 2024 and 2026 causes a corresponding increase in outflows as depicted in Figure 8.

Preliminary benefit payments of \$311.07 million for the quarter ending September 2022 with the year-to-date payments totaling to \$1.11 billion.

Figure 8: Summary of Outflows from UITF at the End of Quarter, 2022-2026⁵



⁵ Projected outflows of benefits are based on an actuarial methodology and subject to revision as more current information used to determine various assumptions becomes available.

APPENDIX: DETAILED PROGRAMMATIC BACKGROUND AND METHODOLOGY

Employer contribution rates are based on the experience history of the employer. Experience history refers to the amount of unemployment insurance benefits paid to employees separated from work in prior years and the number of employees laid off. DUA maintains an experience rate account for each contributory employer. An employer’s experience rate account is a record of the contributions paid to the UI Trust Fund and the amount of UI benefits paid to an employer’s workers or former workers. DUA relies on employer experience rate accounts to determine the annual contribution rate for each employer in the private contributory UI system.

Once an experience-based contribution rate is assigned, DUA calculates employer contributions by applying the employer’s annual contribution rate to the taxable wages paid to covered employees for that rate year.

Additional information about Employer Contributions can be found at <https://www.mass.gov/doc/the-employers-guide-to-unemployment-insurance-2/download>.

Experience Rate Table

Figure 9 reflects DUA’s current employer UI contribution rates by employers’ reserve percentages in accordance with Chapter 151A. The reserve percentage is calculated by the ending balance of the fund as of September 30 in a year divided by the average combined annual wages for all contributing employers for the last three years; this percentage determines which schedule is in effect for the following year.⁶ The calculated reserve percentage as of September 30, 2022 determined Schedule A would be in effect for 2023. Schedule E is currently in effect for calendar 2022, as established by Chapter 9 of the Acts of 2021. Changes to the schedule would impact estimates within the model, including employer contributions and benefit outlays.

Figure 9: Experience Rate Table

		A	B	C	D	E	F	G
		UITF Reserve Percentage						
<i>Minimum:</i>		1.65%	1.50%	1.20%	0.90%	0.60%	0.30%	
<i>Maximum:</i>			1.65	1.50	1.20	0.90	0.60	0.29%
Positive Percentage								
17.0 or more		0.56	0.64	0.73	0.83	0.94	1.07	1.21
16.0 but less than 17.0		0.64	0.73	0.83	0.95	1.08	1.22	1.39
15.0 but less than 16.0		0.73	0.83	0.94	1.07	1.21	1.38	1.57
14.0 but less than 15.0		0.81	0.92	1.04	1.18	1.34	1.53	1.73
13.5 but less than 14.0		0.97	1.10	1.25	1.42	1.61	1.83	2.08
13.0 but less than 13.5		1.05	1.19	1.35	1.54	1.75	1.99	2.26
12.5 but less than 13.0		1.13	1.28	1.46	1.66	1.89	2.14	2.43
12.0 but less than 12.5		1.21	1.37	1.56	1.77	2.01	2.29	2.60
11.5 but less than 12.0		1.29	1.46	1.67	1.89	2.15	2.45	2.78
11.0 but less than 11.5		1.37	1.56	1.77	2.01	2.29	2.60	2.96
10.5 but less than 11.0		1.45	1.65	1.87	2.13	2.42	2.75	3.12
10.0 but less than 10.5		1.53	1.74	1.98	2.25	2.56	2.91	3.30
9.5 but less than 10.0		1.61	1.83	2.08	2.36	2.69	3.05	3.47
9.0 but less than 9.5		1.70	1.93	2.19	2.49	2.82	3.21	3.65
8.5 but less than 9.0		1.78	2.02	2.29	2.61	2.96	3.37	3.82

⁶ [Experience Rate Schedule](#)

	8.0 but less than 8.5	1.85	2.10	2.39	2.72	3.09	3.51	3.99
	7.5 but less than 8.0	1.94	2.20	2.50	2.84	3.23	3.67	4.17
	7.0 but less than 7.5	2.02	2.30	2.61	2.96	3.37	3.82	4.35
	6.5 but less than 7.0	2.09	2.38	2.71	3.08	3.50	3.97	4.51
	6.0 but less than 6.5	2.17	2.47	2.81	3.20	3.63	4.13	4.69
	5.5 but less than 6.0	2.25	2.56	2.91	3.31	3.76	4.28	4.86
	5.0 but less than 5.5	2.34	2.66	3.02	3.43	3.90	4.43	5.04
	4.5 but less than 5.0	2.42	2.75	3.13	3.55	4.04	4.59	5.21
	4.0 but less than 4.5	2.50	2.84	3.23	3.67	4.17	4.74	5.38
	3.5 but less than 4.0	2.58	2.93	3.33	3.79	4.30	4.89	5.56
	3.0 but less than 3.5	2.67	3.03	3.44	3.91	4.44	5.05	5.74
	2.5 but less than 3.0	2.75	3.12	3.54	4.02	4.57	5.20	5.90
	2.0 but less than 2.5	2.82	3.21	3.65	4.14	4.71	5.35	6.08
	1.5 but less than 2.0	2.90	3.30	3.75	4.26	4.84	5.50	6.25
	1.0 but less than 1.5	2.98	3.39	3.85	4.38	4.98	5.65	6.43
	0.5 but less than 1.0	3.06	3.48	3.96	4.50	5.11	5.81	6.60
	0.0 but less than 0.5	3.14	3.57	4.06	4.61	5.24	5.96	6.77
	Negative Percentage							
	0.0 but less than 1.0	4.22	4.79	5.45	6.19	7.03	7.99	9.08
	1.0 but less than 3.0	4.58	5.21	5.92	6.72	7.64	8.68	9.86
	3.0 but less than 5.0	4.95	5.63	6.39	7.27	8.26	9.38	10.66
	5.0 but less than 7.0	5.32	6.04	6.86	7.80	8.86	10.07	11.44
	7.0 but less than 9.0	5.68	6.46	7.34	8.34	9.48	10.77	12.23
	9.0 but less than 11.0	6.05	6.87	7.81	8.88	10.09	11.46	13.02
	11.0 but less than 13.0	6.42	7.29	8.29	9.42	10.70	12.16	13.81
	13.0 but less than 15.0	6.78	7.71	8.76	9.95	11.31	12.85	14.60
	15.0 but less than 17.0	7.15	8.13	9.24	10.49	11.93	13.55	15.39
	17.0 but less than 19.0	7.52	8.54	9.71	11.03	12.53	14.24	16.18
	19.0 but less than 21.0	7.88	8.96	10.18	11.57	13.15	14.94	16.97
	21.0 but less than 23.0	8.25	9.37	10.65	12.11	13.76	15.63	17.79
	23.0 or more	8.62	9.79	11.13	12.65	14.37	16.33	18.55

Economic Projections Methodology

Overview

By statute, the UI Trust Fund Outlook Report is required to include a five-year projection for the UI system’s private contributory system (Chapter 118, Section 53). Specifically, the Outlook Report must project the dollar amount of contributions, benefit payments, and the UI Trust Fund balance for each calendar year. When federal loans are outstanding, Chapter 118 further requires the projection of the estimated interest owed to the federal government as of September 30th of the current calendar year, any interest to be collected from employers through a surcharge, and the aggregate dollar amount of any employer FUTA credit reduction that will be applicable in the calendar year. To forecast these figures, DUA relies on outside data sources, estimates, projections, and assumptions. The assumptions, economic forecasts, and source data used in this Outlook Report are described below.

Notice

All estimates, projections, and assumptions included in this Outlook Report are based on information currently available to DUA. While DUA believes the sources consulted are reliable, it does not claim that such estimates, projections, and assumptions are correct or complete. Because of the inherent limitations of data, in addition to the inability to predict all factors that may affect the future, including but not limited to events, economic conditions, changes of law and policy, actions, decisions, business conditions, financial circumstances, actual developments may differ from the projections provided in this Outlook Report.

Sources

DUA makes economic projections using data sourced from Moody's Analytics (Moody's), the Quarterly Census of Employment and Wages (QCEW),⁷ Local Area Unemployment Statistics (LAUS),⁸ the American Community Survey (ACS),⁹ and the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).¹⁰

- DUA projected the dollar amount of contributions and benefits to Massachusetts' UI programs using Moody's most recent (September 2022) economic forecasts. See Figure 3 through Figure 6 for a summary of the September 2022 projections.
- DUA projected unemployment rate, wage and salary growth, and the size of labor force over a 10-year timespan using data from QCEW, LAUS, and Moody's.
- DUA tested and calibrated assumptions using data from ACS and CPI-W, in addition to internal DUA data.
- In making projections, DUA used the following direct data inputs:
 - **Covered employment:** the total number of employees covered by Massachusetts' UI program that are reported to the state by employers.
 - **Total covered payroll:** the total amount of all wages for employment covered by UI, including both taxable payroll and payroll of those employers not subject to UI contributions.
 - **Taxable payroll:** taxable wages paid to employees by employers that are subject to UI contributions.
 - **Chapter 151A effective tax rate on taxable wages:** the rate assessed against eligible employer taxable wages that an employer subject to UI contributions is required to contribute pursuant to Chapter 151A.
 - **Solvency assessment:** the annual factor assessed to an employer's taxable wages to cover the net balance of charges and credits not directly assigned to individual employers, including dependency allowances or approvable voluntary separations. Note that the solvency assessment is not a separate contribution but rather an amount used to determine an employer's Chapter 151A effective tax rate.
 - **Taxable wage proportion:** the ratio of employer's taxable wages (taxable payroll) to total wages (total covered payroll).
 - **Total unemployment rate:** the rate computed by dividing total unemployment by the civilian labor force.
 - **Total insured unemployment rate:** the rate computed by dividing the number of Insured Unemployed for the current quarter by the average covered employment for the first four of the last six completed quarters.

⁷ The [Quarterly Census of Employment and Wages \(QCEW\)](#) program publishes a quarterly count of employment and wages reported by employers covering more than 95 percent of U.S. jobs, available at the county, MSA, state and national levels by industry. Source: US Bureau of Labor Statistics.

⁸ The [Local Area Unemployment Statistics \(LAUS\)](#) program produces monthly and annual employment, unemployment, and labor force data for Census regions and divisions, States, counties, metropolitan areas, and many cities, by place of residence. Source: U.S. Bureau of Labor Statistics.

⁹ The [American Community Survey](#) is an ongoing survey that provides vital information on a yearly basis about the United States and its people. Source: U.S. Census Bureau.

¹⁰ The [Consumer Price Index for Urban Wage Earners and Clerical Workers \(CPI-W\)](#) is a monthly measure of the average change over time in the prices paid by urban wage earners and clerical workers for a market basket of consumer goods and services. Source: US Bureau of Labor Statistics.

Unemployment Insurance Definitions

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.

Benefit Cost Rate

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

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 12th of the month.

Covid-19 Recovery Assessment

The COVID-19 Recovery Assessment is a new COVID-specific employer charge that was established by legislation in 2021.¹¹ It was designed to stabilize employer contribution rates that otherwise would have dramatically increased through normal DUA rate-setting mechanisms as a result of the extraordinarily high benefit payouts during the COVID-19 pandemic. The COVID-19 Recovery Assessment is intended to stabilize employer contribution rates in the near term by recovering the costs of COVID-period benefit outflows over a longer time 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 Unemployment

Insured unemployment, also referred to as continued claims, is the number of people who have already filed an initial claim and who have experienced a week of unemployment and then filed a continued claim to claim benefits for that week of unemployment.

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 or Taxable Payroll

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.

¹¹ [Chapter 16](#).

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.

Reserve Ratio or Trust Fund Balance 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

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.