



# Unemployment Insurance Trust Fund Report

## Outlook Report April 2015

### THE UNEMPLOYMENT INSURANCE TRUST FUND BALANCE

As of March 31, 2015 the preliminary Massachusetts Unemployment Insurance Trust Fund ending balance was \$659.4 million. This balance is the sum of the preliminary private contributory account balance of \$551.4 million and the governmental contributory account balance of \$108.0 million.

### THE UNEMPLOYMENT INSURANCE TRUST FUND OUTLOOK FOR 2015

The private contributory account projections for 2015 are based on the following: (1) the 2014 distribution of employer experience rates; (2) the January 2014 Moody's Economy.com economic forecasts; and (3) 2014 unemployment insurance claims and payment activities. The projections remain as published in the February and March 2015 Outlook Reports

Legislation enacted in June 2014, introduced a new experience rating table as well as a slightly higher taxable wage base of \$15,000 for private contributory employers beginning in 2015. In addition, rate schedule C was set for employer contributions for 2015 to 2017 payrolls.

Employer contributions based on rate schedule C and a \$15,000 taxable wage base remain estimated at \$1.496 billion in 2015. Benefit payments remain projected at \$1.511 billion. The 2015 private contributory account year-end balance is estimated to be \$841 million. Under the current economic scenario, federal advances from the federal unemployment account will not be required in 2015.

### 2015 ACTIVITY TO DATE

March's preliminary employer contributions of \$6.2 million generated a year to date total of \$164.8 million, \$0.1 million higher than 2014's first quarter collections but \$8.7 million lower than projected.

Year to date preliminary benefit payments of \$453.7 million through March 2015 were \$40.5 million lower than those paid in the same three months in 2014. Through the first quarter, benefit payments are \$30.4 million lower than the

projection. Weeks compensated in the first quarter were 9.1 percent less than last year's first three months total.

February's ending balance plus March's employer contributions and federal interests less benefit payments generated a preliminary March 31, 2015 private contributory account balance of \$551.4 million, \$22.6 million higher than projected. The 2015 year-end balance projection remains at \$841 million.

### 2016 – 2019 PROJECTIONS

Projections for the private contributory account for the years 2016 to 2019, published in the February and March 2015 Outlook Reports, remain unchanged.

As set by Legislation, employer contributions on 2016 payrolls will be on rate schedule C and a \$15,000 taxable wage base. Employer contributions are estimated to be \$1.530 billion. Benefit payments are projected to be \$1.485 billion. The private contributory account 2016 year-end balance is expected to be \$908 million.

As in the previous two years, rate schedule C and a \$15,000 taxable wage base is set for employer contributions in 2017 generating revenues of \$1.532 billion. Benefit payments are projected to be \$1.464 billion. The December 31, 2017 account balance is now estimated at \$999 billion.

In 2018, tax rate schedule E is projected to trigger for employer contributions. Employer contributions are estimated to be \$1.917 billion and benefit payments projected at \$1.603 billion. By the end of 2018, the private contributory account balance is expected to be \$1.342 billion.

Tax rate schedule E is again projected to trigger for employer contributions on 2019 payrolls. Employer contributions are projected to be \$1.852 billion and benefit payments estimated at \$1.694 billion. The year-end private contributory balance is projected at \$1.536 billion.