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: March 5, 2020

SUBJECT: **FEBRUARY 2020 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 2020, revised projections for the private contributory account for 2020 through 2023 and new projections for 2024. The projections are based on the January 2020 Moody's Analytics Data Services forecasts, 2019 claims and payments activities and 2020 employer experience rates.

The report highlights include:

The January 2020 preliminary private contributory account balance was $1.602 billion, $16 million more than previously projected as employer contributions were larger than expected.

Employer contribution projections for 2020 are based on a $15,000 taxable wage base and as triggered on rate schedule E.

The revised 2020 outlook for benefit payments is $1.271 billion; employer contributions are estimated at $1.738 billion and the year-end private contributory account balance is expected to be $2.106 billion.

Revised economic assumptions include lower annual average unemployment rates that result in benefit payments exceeding employer contributions in 2022 through 2024.

Under the current economic assumptions the projections indicate that no borrowing from the federal unemployment account will be required through the 2024 outlook period.

cc: Distribution List