



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 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: June 5, 2020

SUBJECT: **MAY 2020 UNEMPLOYMENT INSURANCE TRUST FUND REPORT**

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

The report highlights include:

The preliminary April year-end private contributory account balance was \$1.257 billion, \$845 million lower than projected caused by more claims and higher benefit payments in April due to the Covid-19 pandemic. Through April, employer contributions of \$1.020 billion were \$3.0 million less than projected and benefit payments of \$1.374 billion were \$841 million more as compared to the projections released in the February 2020 Outlook Report.

Tax rate schedule E triggered for 2020 employer contributions and the taxable wage base remained at \$15,000.

The Covid-19 pandemic resulted in significant revisions to the 2020 outlook from the February 2020 Outlook Report. Employer contributions projected at \$1.585 billion are \$153 million less while benefit payments at \$6.392 billion are higher by \$5.121 billion. As a result of the significant increase in benefit payments, the 2020 year-end private contributory account balance is projected to be insolvent at -\$3.194 billion. Advances from the federal UI account will be needed as early as mid-June.

cc: Distribution List