



Testimony for KS House Commerce, Labor & Economic Development Cmte
Business Community Backgrounder RE: Employment Security Law.

February 4, 2013 – Topeka, Kansas

Submitted on behalf of The Kansas State Council of the
Society for Human Resource Management (KS SHRM)

By Phillip M. Hayes, SPHR – 2013 Director, KS SHRM
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Dear Members of the Committee:

My name is Phillip M. Hayes and I am here today on behalf of The Kansas State Council of the Society for Human Resource Management (KS SHRM) to share information regarding the impact of the UI system on Kansas businesses over the past several years. I am Vice President of HR Services and Operations for The Arnold Group, A Human Resource Company in Wichita, Kansas. As an HR professional with 15 years of experience, my focus is on people and employee development with extensive experience in recruiting, employee development and workforce planning. Additionally, I have been a local, state and national SHRM member for more than 15 years and currently serve as KS SHRM Director.

For those unfamiliar with KS SHRM, it is a professional organization comprised of 2,300+ HR professionals in Kansas. KS SHRM serves the needs of HR professionals and advances the interests of the HR profession throughout the state. As HR professionals, our members are responsible for developing and implementing workplace policies and practices that comply with federal, state, and local laws and provide guidance to line managers on fair and effective people management. Our members serve public and private sectors as well as large and small businesses. The focus of the HR professional is to serve as a facilitator between the employer and employee(s) so that a safe and productive work environment is achieved. On a daily basis our members are on the front lines when it comes to important employment issues such as:

- Workforce Planning and Employment
- Human Resource Development
- Compensation and Benefits
- Employee and Labor Relations
- Workers' Compensation
- Unemployment Insurance

KS SHRM has surveyed our membership and met with many organizations over the past four (4) years regarding concerns with the KS unemployment insurance system. The KS UI Reform Committee has presented to over 1,000 businesses from around the state to include presentations to the following organizations:

- American Payroll Association, Wichita Chapter – Wichita, KS
- Central SHRM Chapter – Hutchinson, KS
- Construction Financial Managers Association – Wichita Chapter – Wichita, KS
- Emporia Chamber of Commerce – Emporia, KS
- Haysville Chamber of Commerce – Haysville, KS
- KS Chamber of Commerce – Topeka, KS
- KS SHRM Legislative & Employment Law Conference – Topeka, KS
- KS State SHRM Conference – Overland Park, KS
- McPherson Chamber of Commerce & McPherson SHRM Chapter – McPherson, KS
- Personnel Association of Greater Emporia – Emporia, KS
- Western KS SHRM Chapter – Hays & Garden City, KS
- Wichita Chamber of Commerce – Wichita, KS
- Wichita Independent Business Association – Wichita, KS
- Wichita SHRM Chapter – Wichita, KS

KS UI Trust Fund Balance Summary:

| Rate Year | Trust Fund Balance Date | Trust Fund Balance |
|-----------|-------------------------|--------------------|
| 2013 | 07/31/12 | \$47,127,702 |
| 2012 | 07/31/11 | (\$7,973,318) |
| 2011 | 07/31/10 | \$29,218,341 |
| 2010 | 07/31/09 | \$348,964,208 |
| 2009 | 07/31/08 | \$666,960,942 * |
| 2008 | 07/31/07 | \$654,374,058 * |
| 2007 | 07/31/06 | \$619,927,139 * |
| 2006 | 07/31/05 | \$487,157,612 |
| 2005 | 07/31/04 | \$372,863,939 |
| 2004 | 07/31/03 | \$395,206,621 |
| 2003 | 07/31/02 | \$515,427,631 |
| 2002 | 07/31/01 | \$508,852,961 |

House Commerce & Economic
Development Committee

Date: 2.5.13

Attachment #: 1

| | | |
|------|----------|-----------------|
| 2007 | 07/31/06 | \$619,927,139 * |
| 2006 | 07/31/05 | \$487,157,612 |
| 2005 | 07/31/04 | \$372,863,939 |
| 2004 | 07/31/03 | \$395,206,626 |
| 2003 | 07/31/02 | \$515,427,630 |
| 2002 | 07/31/01 | \$508,852,962 |
| 2001 | 07/31/00 | \$522,130,844 |
| 2000 | 07/31/99 | \$519,654,159 * |
| 1999 | 07/31/98 | \$574,987,475 * |
| 1998 | 07/31/97 | \$621,436,243 * |
| 1997 | 07/31/96 | \$675,364,102 * |
| 1996 | 07/31/95 | \$729,808,088 * |
| 1995 | 07/31/94 | \$724,639,490 |
| 1994 | 07/31/93 | \$666,700,054 |
| 1993 | 07/31/92 | \$623,380,400 |
| 1992 | 07/31/91 | \$581,678,435 |
| 1991 | 07/31/90 | \$534,998,085 |

Source: KDOL, Labor Market Information Services

* State moratoriums adopted to help draw down fund

Following is a brief summary of a few of the concerns we heard:

- Inconsistencies from KS Adjudicators were at the top of the list regarding absenteeism, kicking patients, company property damage, theft, positive drug test (chain of custody), the paper company in Lawrence, Rainbows United, Well Service in Western KS, etc.
- Since 2010, positive balanced employers in 19 (was 29 in original rate table calculation) of the 51 rates groups are being penalized with the maximum tax rate of 5.40%, subsidizing much of the burden for negatively balanced employers who did not maintain employment. There's been no real relief for some of the positively balanced employers who were unduly bumped to the maximum rate, *there is no respectability regarding the experience rating of each employer.*
- Kansas employers understand that returning our fund to solvency is paramount, but also feel that some of the solution should be a reduction of benefits.
- If the solution alone is to tax employers only without looking at the other primary variable in the equation, claimant benefits, KS SHRM fears the long term outlook for Kansas employers will be more of the same: maximum SUTA rates with no regard to experience. The solution has to be balanced from both sides.

Select comments received from disenchanted KS Employers after SB 77 took shape and progressed through 2011 session:

- "Is this really the best we can hope for?"
- "This still doesn't resolve the parity issue between positive and negative eligible employers."
- "It feels like there's more concern about easing the burden on the negative eligible employers. What about employers that have maintained positive status for years and continue doing so... it seems there's no concern about the burden on us. We've been hammered and there's less ability for employers with a positive reserve ratio ranging from 0.01 to 14.15% to reduce rates because positive rate groups 33-51 (19 groups) are capped at 5.40%."

Many employers have become disenchanted over the past 8-10 years by the initial UI determinations and the appeals process as the decisions haven't necessarily aligned with the statutes. Additionally, claims with similar facts and circumstances presented by the same employer(s) result in competing decisions.

Follow are a few questions/concerns that have been brought up consistently by KS employers:

- How much back taxes have not been collected and what efforts are underway to collect?
- What changes have been made to the system since the 2007 Legislative Post Audit was completed citing KS ranked the highest in the US for 2005 at 44.7% in overpayment rates?
 - Arizona ranked 2nd at 34.2%.
 - Federal data showed KS had the highest rate from 2003 – 2005 with 87% of payments to be in error (claimant hadn't met statutory requirement to register for job services)
- How have the technological changes to the KS Unemployment Insurance System impacted the qualifying requirements of the unemployed recipients?
 - Initial KS UI claimants are now automatically registered on the KANSASWORKS.com website, which allows them to search job openings, post online resumes, save job searches and receive email updates.
 - Is this merely a loop hole for claimants to meet the minimum requirement now?
- What recourse do employers have when a KS Unemployment Claimant is offered a job and the conversation goes something like this:
 - Potential Employer: "You appear to be a good fit for our company and X position, can you start Monday?"

- Potential Job Seeker: "How much does the job pay?"
- Potential Employer: "It starts at \$X dollars per hour."
- Potential Job Seeker: **"That's comparable to what I am receiving on unemployment, I think I'll pass at this time, maybe next time."**
- What can employers do to report job refusals and potential fraud to the system?

Today, KS SHRM stands in support of HB 2105 because it proposes to address the following issues that have been concerning to the KS HR community for a number of years:


- Include a provision that all persons and employers are entitled to a neutral interpretation of the employment security law. This remedies the judicial mandate that claimants are entitled to a liberal interpretation of the UI law. (K.S.A. 44-702)
- Eliminate an alternative base period that allows individuals who don't have sufficient base period wages to still qualify for UI benefits. This was enacted to receive federal stimulus funds. Those funds have been spent and there is no need to keep this expansion of the UI program. (K.S.A. 44-703)
- Treat vacation and holiday pay equally as deductible from the amount of benefits a claimant receives. (K.S.A. 44-704)
- Clarify that all three conditions must be met for injured workers to be entitled to the alternative base period. (K.S.A. 44-705)
- Amend K.S.A. 44-706 to accomplish the following:
 - Narrowly define "good cause" in K.S.A. 44-706(a), the subsection dealing with disqualification for individuals who leave work voluntarily.
 - Limit exceptions to disqualification for harassment and violations of the work agreement. Clearly state that the harassment has to be persistent and that would impel the average worker to give up his or her employment. Further, violations of the work agreement have to be substantial; a small reduction in pay or hours is not sufficient to come within exception to disqualification and performance-based demotions are not violations of work agreement.
 - Modernize the misconduct disqualification provisions. Clearly set forth that violation of a work rule is disqualifying misconduct; add suspensions is misconduct as also grounds for disqualification; clarify the attendance provisions to encompass more employers, including those that don't have written attendance policy.
 - **These changes provide clarity to Kansas employers and employees as to what constitutes misconduct.**
 - **Regular attendance and punctuality are part of an employee's job responsibility. Attendance, tardiness and reliability issues are clarified and classified as misconduct if certain factors are met.**
 - Rework the drug and alcohol provisions to include lower standards for testing; allow for disqualifications for violation of a zero-tolerance policy; add test tampering to misconduct; makes a discharge for a drug or alcohol offense gross misconduct.
 - **The use of drugs and alcohol on the job is misconduct, plain and simple. However, past UI decisions have left KS employers dismayed.**
 - **Current application of the law allows claimants to collect benefits for drug/alcohol use while on the job, even with a written company policy.**
- Amend K.S.A. 44-706 to be in line with the 2000 Kansas Court of Appeals case Redline Express, Inc. v. Empl. Sec. Bd. of Review, 27 Kan.App.2d 1067 to show claimants are entitled to benefits from date of discharge through date set forth in the employee's resignation.
- For unemployment fraud, our bill enlarges the period of disqualification from 1 to 5 years and imposes a monetary penalty equal to 25% of benefits paid (in addition to repayment of 100% of benefits received). A minimum 15% penalty is required by federal law.
- Amend K.S.A. 44-709 to allow KDOL to enlarge the time for appeal in cases where the appealing party files an appeal late, but shows excusable neglect for the late appeal.
- Amend K.S.A. 44-710(c) to fix "concurrent" part-time employment loophole that unfairly charges some employers' accounts for pro-rata share of benefits. The bill also includes a provision that would prohibit KDOL from non-charging employers' experience ratings accounts when an overpayment is established due to the employers' failure to provide timely and complete information needed to adjudicate an unemployment claim if the employer has a pattern of failing to provide the information. This is required by federal law to be implemented by October 2013.
- Permit KDOL levy and lien authority to aid in collection of benefit overpayments and allows KDOL to pass federal offset costs onto claimants who have a fraud overpayment.
- Eliminate 26 weeks of additional approved training benefits. (Repeal K.S.A. 44-704c)

In closing, KS SHRM strongly supports the changes outlined in HB 2105 to provide more integrity of the UI trust fund and respectfully requests your YES vote. Your support is very valuable and important to strengthening our competitiveness and making Kansas a great state to work, live and do business in.

Over the past five (5) years, KS businesses has experienced many frustrations with the current UI system and many feel changes are overdue to include structural changes to ensure a healthy/stable KS UI Trust Fund and predictability to the KS employer community.

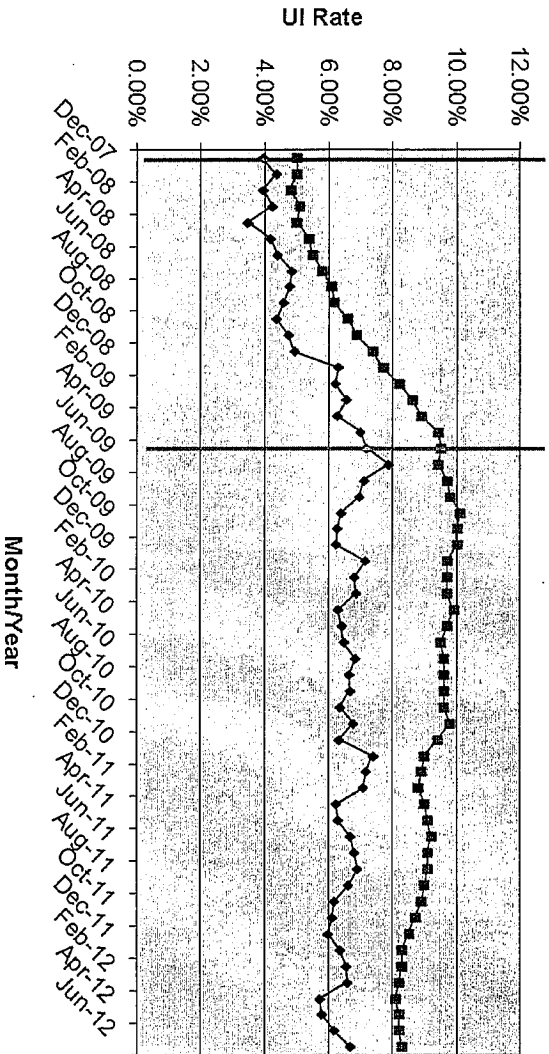
Thank you for service to our great state and also for the opportunity to appear before you. I would be happy to stand for questions now or at the appropriate time. Additionally, I can be contacted at 316.619.7864 or by email at phayes@the-arnold-group.com for questions/concerns.

Respectfully,

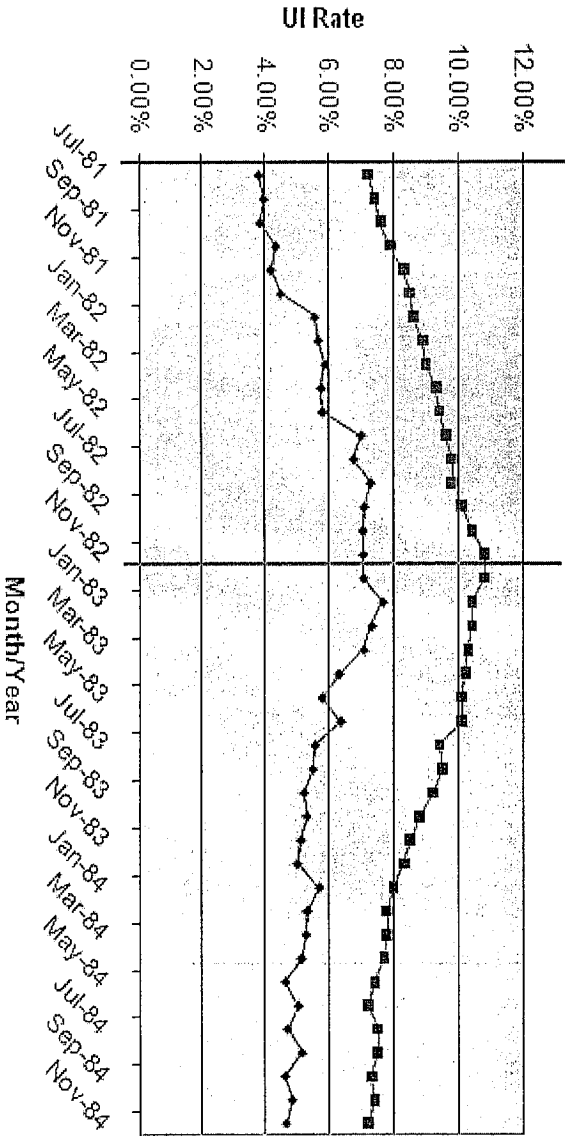


Phillip M. Hayes, SPHR
2013 Director, KS SHRM

Late 2000's Recession US / KS Unemployment Rate Comparison



Early 1980's Recession US / KS Unemployment Rate Comparison



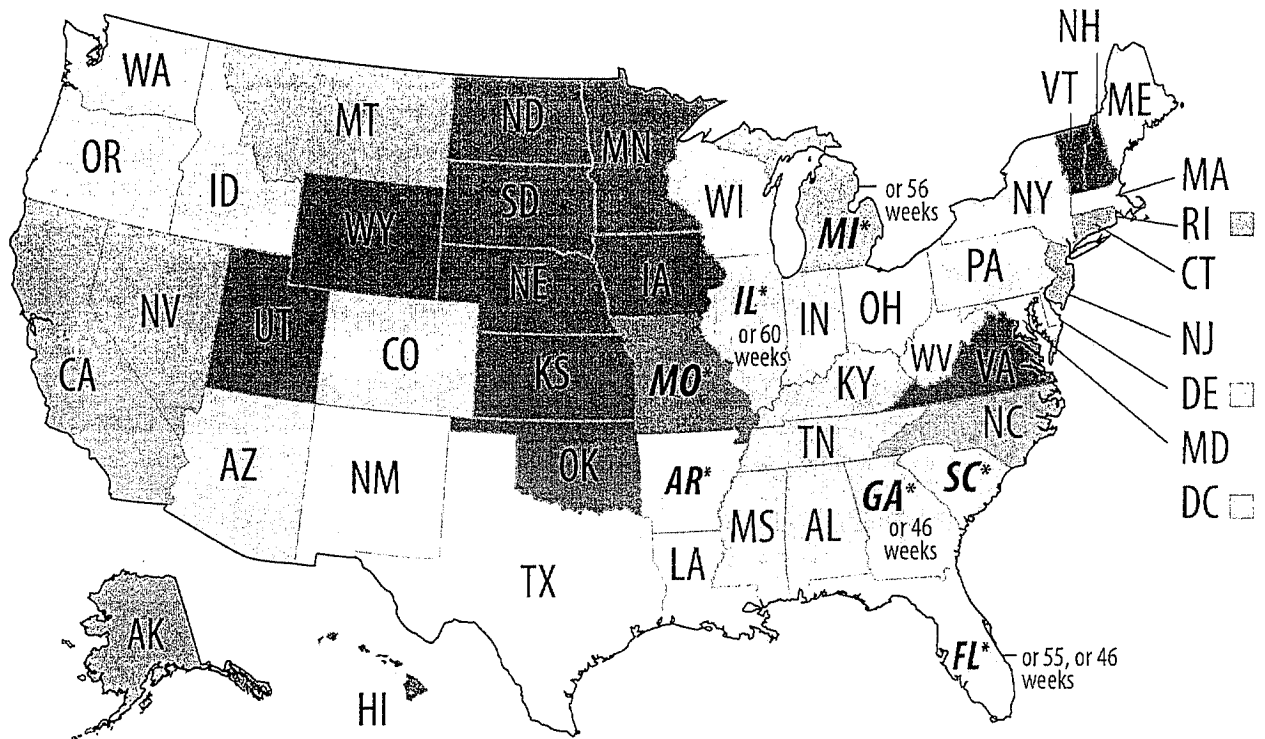
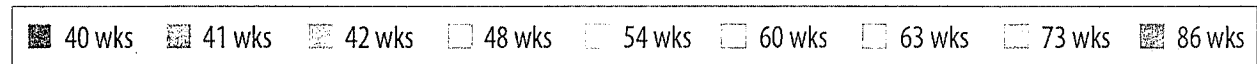
POLICY BASICS

How Many Weeks of Unemployment Compensation Are Available?

Updated February 4, 2013

The unemployment insurance (UI) system helps many people who have lost their jobs by temporarily replacing part of their wages. (See "Introduction to Unemployment Insurance.") The total number of weeks of benefits available in any particular state depends on the unemployment rate and unemployment insurance laws in the state where the person worked. The map below shows the maximum number of weeks of benefits currently available in each state.

Maximum Duration of Unemployment Insurance by State



Note: Map includes regular benefits, all tiers of EUC and EB. The Virgin Islands has 73 weeks of UI and Puerto Rico has 73 weeks.

*States with fewer than 26 weeks of regular benefits have proportionally fewer weeks of federal benefits available for those who file for UI after the reduction took effect. Please see the table on page 3 for a fuller explanation of the benefits available in each state.

Source: CBPP analysis of Department of Labor Employment and Training Administration data. Data effective February 3, 2013.

Center on Budget and Policy Priorities | cbpp.org

Workers are eligible for up to 26 weeks of benefits from the regular state-funded unemployment compensation program in most states. Workers in any state who exhaust their regular UI benefits before they can find a job can currently receive up to 14 additional weeks of benefits through the temporary federal Emergency Unemployment Compensation (EUC) program enacted in 2008. That number rises to 47 weeks in states with especially high unemployment rates. (See chart on next page.)

KS SHRM - KS Unemployment Insurance Reform Supporters

| First Name | Last Name | HR Certified | Title | Organization | Home Address | Home City | Home State | Home Postal Code | Company Address | Company City | Company State | Company Postal Code | Email | Office Phone | Home Phone | Cell Phone | Be listed as a supporter for KS Unemployment Insurance Reform Efforts |
|------------|-----------|--------------|--|--|---|--------------|------------|------------------|---|--------------|---------------|---------------------|----------------------------|----------------------|--------------|------------|---|
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| Kevin | Bogert | PHR | Finance Assistant | Kansas Cosmospire and Space Center | 6821 915 SW Walnut 29 Lakeland Drive | Topoka | KS | 66907 | 1100 North Main 6681 815 SW Walnut 66821 915 SW Tropic Blvd | Topoka | KS | 66907 | kevin@spacecenter.com | 785.272.9999 | 785.272.9999 | | X |
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| Kathy | McMillan | PHR | Human Resources Manager | Human Resources Manager | 1405 W 44th 2274 County Road 4600 | Wichita | KS | 67201 | 3000 New Way | Wichita | KS | 67201 | kathy@mcmillan.com | 785.428.5033 | 785.428.5033 | | X |
| Steve | Miller | PHR | VP of Administrative Services | VP of Administrative Services | 1405 W 44th 2274 County Road 4600 | Wichita | KS | 67201 | 3000 New Way | Wichita | KS | 67201 | steve@miller.com | 785.428.5033 | 785.428.5033 | | X |
| John | Munt | PHR | HR Director | HR Director | 1405 W 44th 2274 County Road 4600 | Wichita | KS | 67201 | 3000 New Way | Wichita | KS | 67201 | john@munt.com | 785.428.5033 | 785.428.5033 | | X |
| Deborah | Nesdelman | PHR | HR Professional | HR Professional | 1405 W 44th 2274 County Road 4600 | Wichita | KS | 67201 | 3000 New Way | Wichita | KS | 67201 | deborah@nesdelman.com | 785.428.5033 | 785.428.5033 | | X |
| Kathy | Oswald | PHR | Human Resources Director | Human Resources Director | 1405 W 44th 2274 County Road 4600 | Wichita | KS | 67201 | 3000 New Way | Wichita | KS | 67201 | kathy@oswald.com | 785.428.5033 | 785.428.5033 | | X |
| Jeff | Page | PHR | Vice-President of Operations | Vice-President of Operations | 1405 W 44th 2274 County Road 4600 | Wichita | KS | 67201 | 3000 New Way | Wichita | KS | 67201 | jeff@page.com | 785.428.5033 | 785.428.5033 | | X |
| Paula | Page | PHR | HR Manager | HR Manager | 1405 W 44th 2274 County Road 4600 | Wichita | KS | 67201 | 3000 New Way | Wichita | KS | 67201 | paula@page.com | 785.428.5033 | 785.428.5033 | | X |
| John | Palton | PHR | VP Human Resources | VP Human Resources | 1405 W 44th 2274 County Road 4600 | Wichita | KS | 67201 | 3000 New Way | Wichita | KS | 67201 | john@palton.com | 785.428.5033 | 785.428.5033 | | X |
| Justina | Paetz | PHR | HR Manager | HR Manager | 1405 W 44th 2274 County Road 4600 | Wichita | KS | 67201 | 3000 New Way | Wichita | KS | 67201 | justina@paetz.com | 785.428.5033 | 785.428.5033 | | X |
| Kim | Peterson | PHR | Human Resources Manager | Human Resources Manager | 1405 W 44th 2274 County Road 4600 | Wichita | KS | 67201 | 3000 New Way | Wichita | KS | 67201 | kim@peterson.com | 785.428.5033 | 785.428.5033 | | X |
| Bethina | Philly | PHR | Risk Consultant | Risk Consultant | 1405 W 44th 2274 County Road 4600 | Wichita | KS | 67201 | 3000 New Way | Wichita | KS | 67201 | bethina@philly.com | 785.428.5033 | 785.428.5033 | | X |
| Scott | Phillips | PHR | Physical Operations Supervisor | Physical Operations Supervisor | 1405 W 44th 2274 County Road 4600 | Wichita | KS | 67201 | 3000 New Way | Wichita | KS | 67201 | scott@phillips.com | 785.428.5033 | 785.428.5033 | | X |
| Susan | Pitt | PHR | Business Manager | Business Manager | 1405 W 44th 2274 County Road 4600 | Wichita | KS | 67201 | 3000 New Way | Wichita | KS | 67201 | susan@pitt.com | 785.428.5033 | 785.428.5033 | | X |
| Terese | Prochaska | PHR | | | | | | | | | | | | | | | |

KS SHRM - KS Unemployment Insurance Reform Supporters

| First Name | Last Name | HR Contact | Title | Organization | Home Address | Home City | Home State | Home Postal Code | Company Address | Company City | Company State | Company Postal Code | Email | Office Phone | Home Phone | Cell Phone | Be listed as a supporter for KS Unemployment |
|------------|------------|------------|---------------------------------------|-------------------------------|-----------------------|--------------|------------|------------------|-------------------------------|--------------|---------------|---------------------|------------------------------|-----------------------|--------------|--------------|--|
| Ann | Stapton | SPHR | Training Manager | Capital Federal Savings Bank | 4110 Westwood Circle | Lawrence | KS | 66047 | 4110 Westwood Circle | Lawrence | KS | 66047 | ann.stapton@capitalfed.net | 785-832-1465 | 785-832-1465 | 620-928-4742 | X |
| Sheryl | Stuart | PHR | HR Manager | RSI Home Products | 1014 W. Beach | Independence | KS | 67201 | 901 S. East Avenue | Columbia | KS | 66225 | stuart@rsihomeproducts.com | 620-429-4742 | 620-764-5890 | 620-928-6573 | X |
| Christina | Staves | SPHR | HR Director | Lubate Health | 103 Centennial | Hutchinson | KS | 67250 | 1902 S Hwy 29 | Hutchinson | KS | 67250 | staves@lubatehealth.com | 620-820-5347 | | | X |
| Melissa | Taylor | PHR | Branch Manager | The Arnold Group | 815 E. 38th Ave | Garden City | KS | 67202 | 10 E. 13th Street | Garden City | KS | 67201 | mtaylor@the-arnold-group.com | 620-683-8174 | | | X |
| Crockett | Taylor | PHR | Director of HR | Garden City Community College | 2106 N. Belmont Pl #3 | Garden City | KS | 67201 | 1900 S. Ohio | Garden City | KS | 67201 | crockett.taylor@gcccd.edu | 620-278-9574 | | | X |
| Beth | Walsh | PHR | VP, Finance Officer | BANKVI | 1822 Blinnwood | Salina | KS | 67201 | P.O. Box 77 | Salina | KS | 67202 | bethwalsh@bankvi.com | 785-452-4321 | 785-452-4321 | 785-452-4322 | X |
| Dianne | Walsh | PHR | Director of HR | BANKVI | 808 N. 3rd Ave | Salina | KS | 67201 | 617 E. Elm Street | Salina | KS | 67201 | dwalsh@bankvi.com | 785-452-4321 | 785-452-4321 | 785-452-4322 | X |
| Kelly | Waltrock | PHR | Services and Training Manager | COMCARE PA | 604 Hwy | Manhattan | KS | 67201 | 2299 S. 9th St. | Manhattan | KS | 67201 | kwalrock@comcare.com | 785-443-3451 | | | X |
| Jill | Wase | PHR | VP of Human Resources | Old Navy | 1452 N High Drive | McPherson | KS | 67260 | 1000 Hospital Drive | McPherson | KS | 67260 | jill.wase@oldnavy.com | 620-241-2251 ext. 201 | 620-241-2997 | 620-155-2290 | X |
| Melinda | Wideman | PHR | HR Generalist | Memorial Hospital, Inc. | 1027 N Broadway | Wichita | KS | 67260 | 3110 N Mead | Wichita | KS | 67260 | melinda.wideman@memorial.org | 316-528-2901 | | | X |
| Don | Wideman | PHR | VP, Finance | Power Frame Inc. | 1108 31st Terrace | Parsons | KS | 67257 | 2100 S. 21st St. | Parsons | KS | 67257 | don.wideman@powerframe.com | 620-820-8329 | 620-421-2110 | 620-421-2110 | X |
| Debbie | Williams | PHR | Sec/Treasurer | Williams Automotive Inc. | 1973 Rd G32 | Emporia | KS | 66901 | 3105 W. 5th Ave | Emporia | KS | 66901 | debbiewilliams@power.net | 620-343-0096 | | | X |
| Jo A | Williams | PHR | HR Manager | Hess & Brown Engineers Inc. | 100 Arkansas #19 | Lawrence | KS | 66044 | 4710 Corporate Cir Dr Ste 117 | Lawrence | KS | 66044 | joa.williams@hessbrown.com | 620-241-2251 | 785-832-1105 | 785-832-1105 | X |
| Lakiesha | Williams | PHR | Human Resources - Benefits Specialist | Confident Bank & Trust | 4309 SE Chisum Rd | Topeka | KS | 66609 | 3005 SW Topeka Blvd | Topeka | KS | 66609 | lakiesha.williams@cbk.com | 785-287-4462 | | | X |
| Kelly | Youngblood | PHR | Director of Human Resources | First State Bank & Trust | 3896 Lathle Rd. | Topeka | KS | 66673 | 400 Bury Street | Topeka | KS | 66608 | kallyy@firststatebank.com | 913-845-5102 | 785-597-2307 | | X |



January 26, 2010

Senate Business and Labor Committee
c/o
Natalie Bright
815 S.W. Topeka Blvd., Ste. 2C
Topeka, KS 66612

Dear Natalie:

Valeo Behavioral Health Care, Inc. is one of 27 licensed Community Mental Health Centers (CMHCs) in Kansas who provide home and community-based, as well as outpatient mental health services in all 105 counties in Kansas, with help available via phone 24-hours a day, seven days a week. In Kansas, CMHCs are the local Mental Health Authorities coordinating the delivery of publicly funded community-based mental health services. The CMHC system is state and county funded and locally administered. Consequently, service delivery decisions are made at the community level, closest to the residents that require mental health treatment. Together, this system of 27 licensed CMHCs form an integral part of the total mental health system in Kansas. As part of licensing regulations, CMHCs are required to provide services to all Kansans needing them, regardless of their ability to pay. This makes the community mental health system the "safety net" for Kansans with mental health needs, annually serving over 125,000 Kansans with mental illness.

It is important to note that one in four adults—approximately 57.7 million Americans—experience a mental health disorder in a given year.ⁱ Five of the top ten leading causes of disability worldwide are mental disorders—such as depression, schizophrenia, bipolar disorders, alcohol use and obsessive compulsive disorders.ⁱⁱ Of the non-communicable diseases, neuropsychiatric disorders (which include mental illness and substance use disorders) contribute the most to disease burden worldwide - more than heart disease and cancer.ⁱⁱⁱ

○ 5401 SW Seventh * Topeka, Kansas 66606
Phone 785/273-2252 * Fax 785/273-2736

○ 330 SW Oakley * Topeka, Kansas 66606
Phone 785/233-1730 * Fax 785/233-0085

24 HOUR CRISIS LINE
234-3300

○ 2401 SW Sixth * Topeka, Kansas 66606
Phone 785/357-0580 * Fax 785/233-1450

○ 2010 NW Logan * Topeka, Kansas 66608
Phone 785/357-1183 * Fax 785/357-5170



Behavioral Health Care

Based on severe cuts in State Grant funds and the 10% decrease in Medicaid cuts, Valeo's anticipated loss in funding for 2010 is currently estimated to be \$1.2 million.

Valeo Behavioral Health Care, Inc. was recently notified that its 2010 Unemployment Insurance Contribution Rate increased from 1.55% to 5.40% from 2009 to 2010. This is a projected increase of approximately \$96,000 per year. There were several contributing factors resulting in Valeo's substantial rate increase. Total unemployment claims increased in 2009. In addition, Valeo's payroll has gradually decreased over the last three years. However, according to conversations held with the Kansas Department of Labor, the majority of Valeo's rate increase was due to legislative changes effective January 1st, 2010.

Based on this increase, we will be forced to reduce services to individuals in need throughout the Shawnee County community. We will also be forced to evaluate other options, including self-insurance of our unemployment taxes.

Thank you for your attention to this matter. Please feel free to contact me with any questions or concerns.

Sincerely,

Angie Haggard

Chief Financial Officer

Valeo Behavioral Health Care, Inc.

Phone (785) 228-3077

e-mail: angieh@valeotopeka.org

¹ U.S. Department of Health and Human Services. *Mental Health: A Report of the Surgeon General*. Rockville, MD: U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration, Center for Mental Health Services, 1999, pp. 408, 409, 411.

² *Regional Strategy for Mental Health*, World Health Organization Western Pacific Region, 7 August 2001; Read at <http://www.wpro.who.int/NR/rdonlyres/02421D66-3336-4C76-8D59-6ADA8B53D208/0/RC5214.pdf> on 2-2-09.

³ Prince, M., Patel, V., Saxena, S., Maj, M., Maseko, J., Phillips, M., et al. (2007). No health without mental health. *Lancet*, 370, 859-877.

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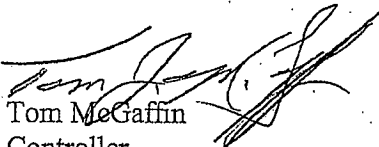
*"Our Quality Reflects a Heritage
of Providing Timely Solutions
for Complex Opportunities Through
Continuous Improvement"*

2237 S. West Ct. • Wichita, Kansas 67213-1100
(316) 263-1318 • Fax (316) 263-0123

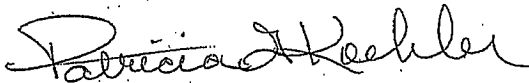
January 26, 2010

Competition is fierce. We not only have to compete in the State of Kansas but across the nation. The formula is simple, put out the highest quality product possible at the lowest cost. We fight daily to cut costs. This is especially true today. We have to pass our cost on to our customers and this is no different when our taxes are raised. But in a manufacturing environment, if we don't win work, we can't keep our doors open and that many more people become unemployed.

Are unemployment taxes necessary? Of course they are. Can we expect rates to go up? Sure. But not to the extent they are and not to the detriment of our company. We, on a company level, have made changes so that we all participate in this economic downturn. We've had to cut our employees hours. Some have taken a 20% cut in their wages to help out. All this may be for not because we can't pass any more costs to our customers. Now is not the time to raise taxes on businesses.



Tom McGaffin
Controller



Patricia G. Koehler
President

HME, Inc. HAAS METAL ENGINEERING

2828 NW Button Rd. – Topeka, KS 66618 – (785) 235-1524 – Fax (785) 235-3167 – hme@hmeinc.net

January 26, 2010

Senate Business & Labor Committee

SUBJECT: UNEMPLOYMENT RATE INCREASE

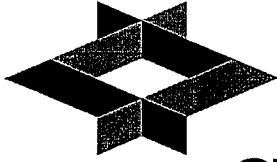
Ladies & Gentlemen:

HME, Inc. received a 117% unemployment rate increase for 2010. During this last fiscal year HME, Inc. only had \$145.51 in benefits charged to its unemployment account and the account balance at June 30, 2009 was approximately \$96,500. We estimate that at the end of the next fiscal year our account balance will continue to grow because our employee turnover is minimal and we haven't been forced to layoff.

During this current tough economic time, we have been doing everything that we can in order to ensure our employees have a place to work. Competition in our business is becoming increasingly intense and the profitability and amount of work we are getting is continuing to decrease. This coupled with a tax rate increase which will result in HME paying an additional \$23,360 in state unemployment taxes will make it even more difficult to remain profitable. Our profitability ultimately ensures that our current work force remains employed in the future. In light of the tough financial situations facing business and individuals, additional tax burdens should be kept to a minimum in order to see people through the tough financial period. We are in hopes that the recent increase in Unemployment Taxes is reconsidered and that we are able to maintain our current workforce in the future.

Sincerely,

Angela Steinbock
Human Resources Manager



GLMV Architecture

Summary Comments on SUE Experience Rating

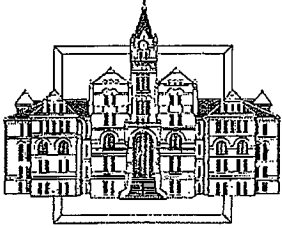
- 1) Insurance is a misnomer—it's a tax.
- 2) Those that contributed the least to the problem appear to be the ones remedying the problem.
- 3) We will experience an estimated 425 percent increase in cost and rate from 2009, before a merger, below.
- 4) We merged with another architectural firm January 1, 2010 that had about the same number of employees, the same excellent employment record, and their increase would have been 860 percent from 2009.
- 5) On a combined basis we will approximate a \$46,000 increase in SUE tax for 2010.
- 6) We believe this increase is not only egregious, but inequitable and unfair.
- 7) We retained employees, and still are, when we could have easily and justifiably let them go. We chose not to, because they are valuable and looked at our action as an investment in the future.
- 8) We will make less money; therefore, pay less federal and state income taxes.
- 9) This increases our cost of doing business, which cannot be passed to clients.
- 10) We are tied to the construction industry, in fact we are in front of it, so we see declines first and rebounds first. We will assure you we have yet to see a rebound.
- 11) Consider that the Governor is proposing to increase state income taxes. If the increase occurs, then again our cost of business increases and our ability to do business will be diminished.
- 12) Putting people back to work, wherever and however we can, is a solution.
- 13) This is an extremely tough time to do business and try to fund government—pretty vicious cycle.
- 14) Suggested resolution would be to revisit the method of increasing the cost and spread it over a longer period to rebuild (and rebuild) the fund. Next time, build in a reserve and leave it for a rainy day.

Larry D. Van Horn, CPA
Senior Vice President/CFO

420 S. Emporia Street Wichita, KS 67202
125 S. Washington Street Wichita, KS 67202

T 316-265-9367 F 316-265-5646
T 316-262-0451 F 316-262-5465

www.glmv.com



FRIENDS UNIVERSITY

Date: January 26, 2010

To: Kansan Legislature

From: Kelley Williams
Associate Vice President, Administration & Finance
Friends University

RE: Unemployment Insurance Rate Increases

We received notice on approximately December 23, 2009 that our unemployment insurance rate would be increasing to 5.4% from 1.39%. This increase amounts to approximately an additional \$200,000 that we obviously did not budget for this fiscal year. To say we were shocked is an understatement. We have a positive account balance of \$677,379.10. We have not laid any employees off since 1992. With a positive account balance we obviously pay more in each year than is paid out.

Having to absorb this increase as a non-profit is difficult, especially in these times. We will not be able to fill any currently vacant positions, add new ones or even giving any salary increases to help our current employees with the inflationary increases. We are also looking at next year and assuming the rate will stay the same or increase, further impacting our ability to increase employment in the near future.

All of this seems incredibly unfair when the employers who continued to have negative balances and were laying-off massive amounts of employees actually are paying less now as their payrolls are smaller.

We did look into moving to a reimbursing employer but we would have had to decide 30 days prior to January 1, 2010 and we didn't even receive the notice until December 23, 2009. Additionally, that choice would have us losing our account balance, having to post a 5.4% bond locked up for six years, and losing the ability to mitigate our costs if employees left us for another employers and ended up unemployed seeking unemployment assistance.

This large impact to us and other non-profits is simply difficult to incorporate into our budgets when our ability to increase revenue is at an all time low. We ask for your help.



Wichita Independent Business Association

THE VOICE OF INDEPENDENT BUSINESS

**Senate Committee on Business and Labor
Testimony regarding SB 474, SB 486 and SB 529**

**By Natalie Bright
February 11, 2010**

Chair Wagle and honorable committee members,

On behalf of the members of the Wichita Independent Business Association (WIBA), thank you for your consideration of the issues confronting Kansas employers and the current state of our unemployment system. You have learned over the last weeks that the issues at hand are both immediate and long-term. Priorities need to be set and systemic changes need to be implemented. Our members, like many other employers in the state, believe the solutions must come not only from increased taxes on employers, but also from a reformation of the current benefit structure in Kansas. Without both of these changes, the system will continue to be inequitable and over burdensome for employers.

The immediate concern for our members is assistance with managing the cost of their 2010 assessments. As such, WIBA opposes SB 474 because it only increases the cost of doing business in Kansas at a time when Kansas employers can afford it least. Raising the taxable wage base will increase costs for all employers, regardless of whether their employees are part-time or full-time. Instead of reducing their already insurmountable costs, SB 474 increases them. I recognize that the ESAC's has recommended this as a means to replenish the trust fund. But in today's economy and in light of all that employers are grappling with to stay in business, WIBA members cannot support SB 474.

However, WIBA supports SB 486 and SB 529 as we believe they are a step in the right direction. SB 486 affords employers the option of deferring up to 50% of a single quarter's payments during the 90 days following the due date without accruing additional penalties or interest during that time. This 90-day "grace period" on quarterly payments will allow many employers an opportunity to better manage their cash flow in the wake of their significant unemployment insurance tax increase.

SB 529, which changes the calculation for maximum weekly benefit for calendar years 2010, 2011 and 2012 by utilizing the lowest amount of either the 2009 rate or 60% of the average weekly wage, addresses another very important component of unemployment compensation equation –benefits. While the members of WIBA recognize this is a difficult time for unemployed Kansans, we fear if benefits are allowed to increase at a time when the fund is being depleted, little can be done to stabilize the fund equitably.

This raises a major concern for our members and one that has not yet been discussed at length by either ESAC or the Kansas Legislature and that is what benefit reforms need to be considered?

Recent discussions with members who conduct business in other states have alluded that Kansas has increasingly become more liberal in its award for benefits. Such exceptions mentioned include the waiting week benefit, the trailing spouse benefit and the indexing of weekly benefits. While each of these have been approved by prior Kansas Legislatures, we believe at this time of trust fund bankruptcy it is time to re-evaluate the viability of these benefits.

In addition, for years we have fielded complaints from employers that there has been an unauthorized liberalization of benefits paid and their belief that there is need for closer scrutiny of the benefits side of the equation. Now that the fund is in a state of bankruptcy and positive balanced employers have been hit with record high rate assessments, Kansas employers will not remain complacent for long. Consider the following two examples where the KDOL has admitted to having paid benefits they were not legally empowered to do so:

1. 2006 Post Audit Study (Executive Summary Attached) cited the U.S. Department of Labor found Kansas to have the highest overpayment error rate of any state in the nation and that Kansas' overpayment error rate increased dramatically since 1997. KDOL's response to the audit was that "it disagreed with some of the recommendations included in the report and that it reiterated its long-standing practice to pay (and not cut-off) benefits to unemployed workers who fail to register as required by law."
2. During hearings last session on HB 2347, Sect. Garner testified in support of a measure to codify the practice of allowing traditional part-time workers to claim part-time unemployment insurance (2374 (Legislative Research Bill Summary Attached) Again, this is an example of where the KDOL admitted it had a standing policy to pay claims not authorized by existing law.

While our members are in no way insinuating the fund is bankrupt because benefits have been paid out more liberally than authorized by law, we do believe this is part of the equation that must be addressed. Our members ask there be greater legislative oversight on what benefits are actually being paid and demand that KDOL follow **existing** benefit laws and that the Kansas Legislature remain the body charged with setting benefit policy.

In conclusion, a 2009 fall survey of WIBA members indicated our members have laid off very few workers in this down economic times, which was not what was expected. Upon further inquiry it was reported members made cuts in every other area to avoid layoffs. Unfortunately, since the assessments were issued in late December, I have gotten less positive feedback. While most members expressed frustration that they were being assessed maximum increases despite no layoffs, all questioned their ability to absorb the cost and many indicated the increases equated to layoffs because they had no where else to cut.

Again, thank you for the opportunity to appear on this important issue.

Testimony for the Kansas Senate Commerce Committee

February 11, 2010

Topeka, Kansas

**By Bill Goodlatte, Senior Vice President, Human Resources, The LDF Companies
2959 North Rock Road, Wichita, KS 67226
P-316-636-5575 / F-316-636-5644**

Dear Members of the Committee:

My name is Bill Goodlatte. I would like to thank you for the opportunity to submit the following testimony as you consider some of the Unemployment Insurance issues currently facing us in the State of Kansas. As a human resources professional, small business manager, Chairman of the Kansas Restaurant & Hospitality Association (KRHA) and Member of the Society for Human Resource Management (SHRM), I urge the legislature to consider the burdens that are being placed on small businesses throughout our great State.

When Larry Fleming opened his first Wendy's in Wichita in 1975, Kansas was a very business friendly state. Larry worked hard as anyone who knows him or has worked in a restaurant can attest. When his first Wendy's became successful, he opened another and another and so on. Larry now has 20 in Kansas, 16 in Oklahoma and 6 in Texas.

Can you imagine our surprise when we were notified on December 16, 2009 that our Kansas SUTA tax rate had been increased by over 500%? Kansas doesn't sound quite so business friendly any more. It will cost us an additional \$132,628 per year, every year, even if we never open another restaurant or hire another employee in Kansas again. And we have never had a layoff! So I guess we are paying for all the companies that have laid off so many of their employees.

Our SUTA rates have gone up in Oklahoma and Texas as well, but by a very small fraction of the Kansas increase. So where do you think we will expand our business, build new stores, create new jobs and hire additional employees? Well the obvious answer is in more business friendly states like Oklahoma and Texas.

When taxes, fees and penalties are raised beyond reason, companies have no choice but to lay off employees, close facilities, move to more business friendly states, or go out of business altogether. Conversely when a state is business friendly, companies move in, grow and create new jobs. Please keep Kansas business friendly!

Thank you for permitting me to testify,

Bill Goodlatte

EAGLE COMMUNICATIONS, INC.
SUTA RATE INCREASE COMPARISON 2009-2010
 January 22, 2010

| KANSAS | | Base Rate at \$8,000.00 | Base Rate at \$8,000.00 |
|-----------------------|----------------------|-------------------------|-------------------------|
| COMPUTED TAXABLE WAGE | CURRENT TAXABLE RATE | 1.090% | 2010 TAXABLE RATE |
| 2010 TAXABLE RATE | 5.12% | | |
| 1Q ACTUAL \$ | 1,164,053.86 | \$ | 12,688.19 |
| 2Q ACTUAL \$ | 166,623.27 | \$ | 1,816.19 |
| 3Q ACTUAL \$ | 53,250.93 | \$ | 580.44 |
| 4Q ACTUAL \$ | 32,052.75 | \$ | 349.37 |
| | | | 1,641.10 |

\$ 1,415,980.81 \$ 15,434.19 \$ 72,498.22

| NEBRASKA | | Base Rate at \$9000.00 | Base Rate at \$9000.00 |
|-----------------------|----------------------|------------------------|------------------------|
| COMPUTED TAXABLE WAGE | CURRENT TAXABLE RATE | .50% | 2010 TAXABLE RATE |
| 2010 TAXABLE RATE | 1.50% | | |
| 1Q ACTUAL \$ | 181,816.01 | \$ | 909.08 |
| 2Q ACTUAL \$ | 43,715.23 | \$ | 218.58 |
| 3Q ACTUAL \$ | 18,280.84 | \$ | 91.40 |
| 4Q ACTUAL \$ | 22,826.67 | \$ | 114.13 |
| | | | 342.40 |

\$ 266,638.75 \$ 1,333.19 \$ 3,999.58

| MISSOURI | | Base Rate at \$12500.00 | Base Rate at \$13000.00 |
|-----------------------|----------------------|-------------------------|-------------------------|
| COMPUTED TAXABLE WAGE | CURRENT TAXABLE RATE | .99% | 2010 TAXABLE RATE |
| 2010 TAXABLE RATE | .47% | | |
| 1Q ACTUAL \$ | 297,086.72 | \$ | 2,941.16 |
| 2Q ACTUAL \$ | 104,717.67 | \$ | 1,036.70 |
| 3Q ACTUAL \$ | 15,481.74 | \$ | 153.27 |
| 4Q ACTUAL \$ | 13,664.72 | \$ | 135.28 |
| | | | 64.22 |

\$ 430,950.85 \$ 4,266.41 \$ 2,025.47

2010 Original Tax Rate Computation

| Rate Group | Experience Factor | Taxable Wages | Contribution Rate | Plan Yield | Rate Group | Experience Factor | Taxable Wages | Contribution Rate | Plan Yield |
|------------|-------------------|---------------|-------------------|-------------|------------|-------------------|---------------|-------------------|----------------------|
| 1 | 0.025 | \$148,528,850 | 0.11 | \$163,382 | 26 | 1.00 | \$150,581,983 | 4.23 | \$6,369,618 |
| 2 | 0.04 | \$148,461,850 | 0.17 | \$252,385 | 27 | 1.04 | \$144,034,789 | 4.40 | \$6,337,531 |
| 3 | 0.08 | \$148,498,310 | 0.34 | \$504,894 | 28 | 1.08 | \$148,358,032 | 4.57 | \$6,779,962 |
| 4 | 0.12 | \$148,530,646 | 0.51 | \$757,506 | 29 | 1.12 | \$147,186,969 | 4.74 | \$6,976,662 |
| 5 | 0.16 | \$149,792,303 | 0.68 | \$1,018,588 | 30 | 1.16 | \$149,051,576 | 4.90 | \$7,303,527 |
| 6 | 0.20 | \$147,335,773 | 0.85 | \$1,252,354 | 31 | 1.20 | \$155,055,579 | 5.07 | \$7,861,318 |
| 7 | 0.24 | \$148,318,322 | 1.01 | \$1,498,015 | 32 | 1.24 | \$144,750,875 | 5.24 | \$7,584,946 |
| 8 | 0.28 | \$148,858,847 | 1.18 | \$1,756,534 | 33 | 1.28 | \$147,102,093 | 5.41 | \$7,958,223 |
| 9 | 0.32 | \$149,840,089 | 1.35 | \$2,022,841 | 34 | 1.32 | \$146,088,151 | 5.58 | \$8,151,719 |
| 10 | 0.36 | \$151,313,817 | 1.52 | \$2,299,970 | 35 | 1.36 | \$148,718,972 | 5.75 | \$8,551,341 |
| 11 | 0.40 | \$144,412,299 | 1.69 | \$2,440,568 | 36 | 1.40 | \$159,235,961 | 5.92 | \$9,426,769 |
| 12 | 0.44 | \$148,612,838 | 1.86 | \$2,764,199 | 37 | 1.44 | \$137,621,515 | 6.09 | \$8,381,150 |
| 13 | 0.48 | \$153,583,591 | 2.03 | \$3,117,747 | 38 | 1.48 | \$148,450,927 | 6.26 | \$9,293,028 |
| 14 | 0.52 | \$170,247,135 | 2.20 | \$3,745,437 | 39 | 1.52 | \$148,498,769 | 6.43 | \$9,548,471 |
| 15 | 0.56 | \$121,144,902 | 2.37 | \$2,871,134 | 40 | 1.56 | \$148,919,679 | 6.60 | \$10,076,712 |
| 16 | 0.60 | \$167,971,232 | 2.54 | \$4,266,469 | 41 | 1.60 | \$149,063,790 | 6.76 | \$10,224,216 |
| 17 | 0.64 | \$129,716,758 | 2.71 | \$3,515,324 | 42 | 1.64 | \$147,535,583 | 6.93 | \$10,590,929 |
| 18 | 0.68 | \$279,300,606 | 2.88 | \$8,043,857 | 43 | 1.68 | \$149,168,016 | 7.10 | \$10,590,929 |
| 19 | 0.72 | \$17,697,899 | 3.04 | \$538,016 | 44 | 1.72 | \$149,207,094 | 7.27 | \$10,847,356 |
| 20 | 0.76 | \$148,010,584 | 3.21 | \$4,751,140 | 45 | 1.76 | \$147,011,453 | 7.44 | \$10,937,652 |
| 21 | 0.80 | \$150,713,781 | 3.38 | \$5,094,126 | 46 | 1.80 | \$148,935,637 | 7.61 | \$11,334,002 |
| 22 | 0.84 | \$146,160,575 | 3.55 | \$5,188,700 | 47 | 1.84 | \$148,130,716 | 7.78 | \$11,524,570 |
| 23 | 0.88 | \$149,159,748 | 3.72 | \$5,548,743 | 48 | 1.88 | \$148,576,480 | 7.95 | \$11,811,830 |
| 24 | 0.92 | \$147,840,511 | 3.89 | \$5,750,996 | 49 | 1.92 | \$148,797,393 | 8.12 | \$12,082,348 |
| 25 | 0.96 | \$152,559,729 | 4.06 | \$6,193,925 | 50 | 1.96 | \$148,664,679 | 8.29 | \$12,324,302 |
| | | | | | 51 | 2.00 | \$150,889,857 | 8.46 | \$12,765,282 |
| | | | | | | | | | <u>\$320,229,014</u> |

19 Rate Groups > Statutory Max Rate

2010 Adjusted Tax Rate Computation

| Rate Group | Experience Factor | Taxable Wages | Contribution Rate | Plan Yield | Rate Group | Experience Factor | Taxable Wages | Contribution Rate | Plan Yield | |
|------------|-------------------|---------------|-------------------|--------------|------------|-------------------|---------------|-------------------|----------------------|--|
| 1 | 0.025 | \$148,528,850 | 0.16 | \$237,646 | 26 | 1.00 | \$150,581,983 | 5.40 | \$8,131,427 | |
| 2 | 0.04 | \$148,461,850 | 0.26 | \$386,001 | 27 | 1.04 | \$144,034,789 | 5.40 | \$7,777,879 | |
| 3 | 0.08 | \$148,498,310 | 0.51 | \$757,341 | 28 | 1.08 | \$148,358,032 | 5.40 | \$8,011,334 | |
| 4 | 0.12 | \$148,530,646 | 0.77 | \$1,143,686 | 29 | 1.12 | \$147,186,969 | 5.40 | \$7,948,096 | |
| 5 | 0.16 | \$149,792,303 | 1.02 | \$1,527,881 | 30 | 1.16 | \$149,051,576 | 5.40 | \$8,048,785 | |
| 6 | 0.20 | \$147,335,773 | 1.28 | \$1,885,898 | 31 | 1.20 | \$155,055,579 | 5.40 | \$8,373,001 | |
| 7 | 0.24 | \$148,318,322 | 1.54 | \$2,284,102 | 32 | 1.24 | \$144,750,875 | 5.40 | \$7,816,547 | |
| 8 | 0.28 | \$148,858,847 | 1.79 | \$2,664,573 | 33 | 1.28 | \$147,102,093 | 5.40 | \$7,943,513 | |
| 9 | 0.32 | \$149,840,089 | 2.05 | \$3,071,722 | 34 | 1.32 | \$146,088,151 | 5.40 | \$7,888,760 | |
| 10 | 0.36 | \$151,313,817 | 2.30 | \$3,480,218 | 35 | 1.36 | \$148,718,972 | 5.40 | \$8,030,824 | |
| 11 | 0.40 | \$144,412,299 | 2.56 | \$3,696,955 | 36 | 1.40 | \$159,235,961 | 5.40 | \$8,598,742 | |
| 12 | 0.44 | \$148,612,838 | 2.82 | \$4,190,882 | 37 | 1.44 | \$137,621,515 | 5.40 | \$7,431,562 | |
| 13 | 0.48 | \$153,583,591 | 3.07 | \$4,715,016 | 38 | 1.48 | \$148,450,927 | 5.40 | \$8,016,350 | |
| 14 | 0.52 | \$170,247,135 | 3.33 | \$5,669,230 | 39 | 1.52 | \$148,498,769 | 5.40 | \$8,018,934 | |
| 15 | 0.56 | \$121,144,902 | 3.58 | \$4,336,987 | 40 | 1.56 | \$148,919,679 | 5.40 | \$8,041,663 | |
| 16 | 0.60 | \$167,971,232 | 3.84 | \$6,450,095 | 41 | 1.60 | \$149,063,790 | 5.40 | \$8,049,445 | |
| 17 | 0.64 | \$129,716,758 | 4.10 | \$5,318,387 | 42 | 1.64 | \$147,535,583 | 5.40 | \$7,966,921 | |
| 18 | 0.68 | \$279,300,606 | 4.35 | \$12,149,576 | 43 | 1.68 | \$149,168,016 | 5.40 | \$8,055,073 | |
| 19 | 0.72 | \$17,697,899 | 4.61 | \$815,873 | 44 | 1.72 | \$149,207,094 | 5.40 | \$8,057,183 | |
| 20 | 0.76 | \$148,010,584 | 4.86 | \$7,193,314 | 45 | 1.76 | \$147,011,453 | 5.40 | \$7,938,618 | |
| 21 | 0.80 | \$150,713,781 | 5.12 | \$7,716,546 | 46 | 1.80 | \$148,935,637 | 5.40 | \$8,042,524 | |
| 22 | 0.84 | \$146,160,575 | 5.38 | \$7,863,439 | 47 | 1.84 | \$148,130,716 | 5.40 | \$7,999,059 | |
| 23 | 0.88 | \$149,159,748 | 5.40 | \$8,054,626 | 48 | 1.88 | \$148,576,480 | 5.40 | \$8,023,130 | |
| 24 | 0.92 | \$147,840,511 | 5.40 | \$7,983,388 | 49 | 1.92 | \$148,797,393 | 5.40 | \$8,035,059 | |
| 25 | 0.96 | \$152,559,729 | 5.40 | \$8,238,225 | 50 | 1.96 | \$148,664,679 | 5.40 | \$8,027,893 | |
| | | | | | 51 | 2.00 | \$150,889,857 | 5.40 | \$8,148,052 | |
| | | | | | | | | | \$320,251,984 | |

32 Rate Groups = Rate Compression

2010 Original Tax Rate Computation
 2010 Adjusted Tax Rate Computation
 2010 Projected Add'l UI Tax for KS Businesses

| |
|-----------------|
| \$320,229,014 |
| \$320,251,984 |
| \$22,970 |

2010-2011 Final Tax Rates (HB 2676)

| Rate Group | Experience Factor | Taxable Wages | Contribution Rate | Plan Yield | Rate Group | Experience Factor | Taxable Wages | Contribution Rate | Plan Yield |
|------------|-------------------|---------------|-------------------|-------------|------------|-------------------|---------------|-------------------|-------------|
| 1 | 0.025 | \$148,528,850 | 0.11 | \$163,382 | 26 | 1.00 | \$150,581,983 | 4.23 | \$6,369,618 |
| 2 | 0.04 | \$148,461,850 | 0.17 | \$252,385 | 27 | 1.04 | \$144,034,789 | 4.40 | \$6,337,531 |
| 3 | 0.08 | \$148,498,310 | 0.34 | \$504,894 | 28 | 1.08 | \$148,358,032 | 4.57 | \$6,779,962 |
| 4 | 0.12 | \$148,530,646 | 0.51 | \$757,506 | 29 | 1.12 | \$147,186,969 | 4.74 | \$6,976,662 |
| 5 | 0.16 | \$149,792,303 | 0.68 | \$1,018,588 | 30 | 1.16 | \$149,051,576 | 4.90 | \$7,303,527 |
| 6 | 0.20 | \$147,335,773 | 0.85 | \$1,252,354 | 31 | 1.20 | \$155,055,579 | 5.07 | \$7,861,318 |
| 7 | 0.24 | \$148,318,322 | 1.01 | \$1,498,015 | 32 | 1.24 | \$144,750,875 | 5.24 | \$7,584,946 |
| 8 | 0.28 | \$148,858,847 | 1.18 | \$1,756,534 | 33 | 1.28 | \$147,102,093 | 5.40 | \$7,943,513 |
| 9 | 0.32 | \$149,840,089 | 1.35 | \$2,022,841 | 34 | 1.32 | \$146,088,151 | 5.40 | \$7,888,760 |
| 10 | 0.36 | \$151,313,817 | 1.52 | \$2,299,970 | 35 | 1.36 | \$148,718,972 | 5.40 | \$8,030,824 |
| 11 | 0.40 | \$144,412,299 | 1.69 | \$2,440,568 | 36 | 1.40 | \$159,235,961 | 5.40 | \$8,598,742 |
| 12 | 0.44 | \$148,612,838 | 1.86 | \$2,764,199 | 37 | 1.44 | \$137,621,515 | 5.40 | \$7,431,562 |
| 13 | 0.48 | \$153,583,591 | 2.03 | \$3,117,747 | 38 | 1.48 | \$148,450,927 | 5.40 | \$8,016,350 |
| 14 | 0.52 | \$170,247,135 | 2.20 | \$3,745,437 | 39 | 1.52 | \$148,498,769 | 5.40 | \$8,018,934 |
| 15 | 0.56 | \$121,144,902 | 2.37 | \$2,871,134 | 40 | 1.56 | \$148,919,679 | 5.40 | \$8,041,663 |
| 16 | 0.60 | \$167,971,232 | 2.54 | \$4,266,469 | 41 | 1.60 | \$149,063,790 | 5.40 | \$8,049,445 |
| 17 | 0.64 | \$129,716,758 | 2.71 | \$3,515,324 | 42 | 1.64 | \$147,535,563 | 5.40 | \$7,966,921 |
| 18 | 0.68 | \$279,300,606 | 2.88 | \$8,043,857 | 43 | 1.68 | \$149,168,016 | 5.40 | \$8,055,073 |
| 19 | 0.72 | \$17,897,899 | 3.04 | \$538,016 | 44 | 1.72 | \$149,207,094 | 5.40 | \$8,057,183 |
| 20 | 0.76 | \$148,010,584 | 3.21 | \$4,751,140 | 45 | 1.76 | \$147,011,453 | 5.40 | \$7,938,618 |
| 21 | 0.80 | \$150,713,781 | 3.38 | \$5,094,126 | 46 | 1.80 | \$148,935,637 | 5.40 | \$8,042,524 |
| 22 | 0.84 | \$146,160,575 | 3.55 | \$5,188,700 | 47 | 1.84 | \$148,130,716 | 5.40 | \$7,999,059 |
| 23 | 0.88 | \$149,159,748 | 3.72 | \$5,548,743 | 48 | 1.88 | \$148,576,480 | 5.40 | \$8,023,130 |
| 24 | 0.92 | \$147,840,511 | 3.89 | \$5,750,996 | 49 | 1.92 | \$148,797,393 | 5.40 | \$8,035,059 |
| 25 | 0.96 | \$152,559,729 | 4.06 | \$6,193,925 | 50 | 1.96 | \$148,664,679 | 5.40 | \$8,027,893 |
| | | | | | 51 | 2.00 | \$150,889,857 | 5.40 | \$8,148,052 |

\$276,883,720

19 Rate Groups = Statutory Max Rates

2010 Original Tax Rate Computation
 2010 Final Tax Rate Computation
 2010 Projected Add'l UI Tax for KS Businesses

\$320,229,014
 \$276,883,720
\$43,345,294

So... How Does this Really Apply to Employers?

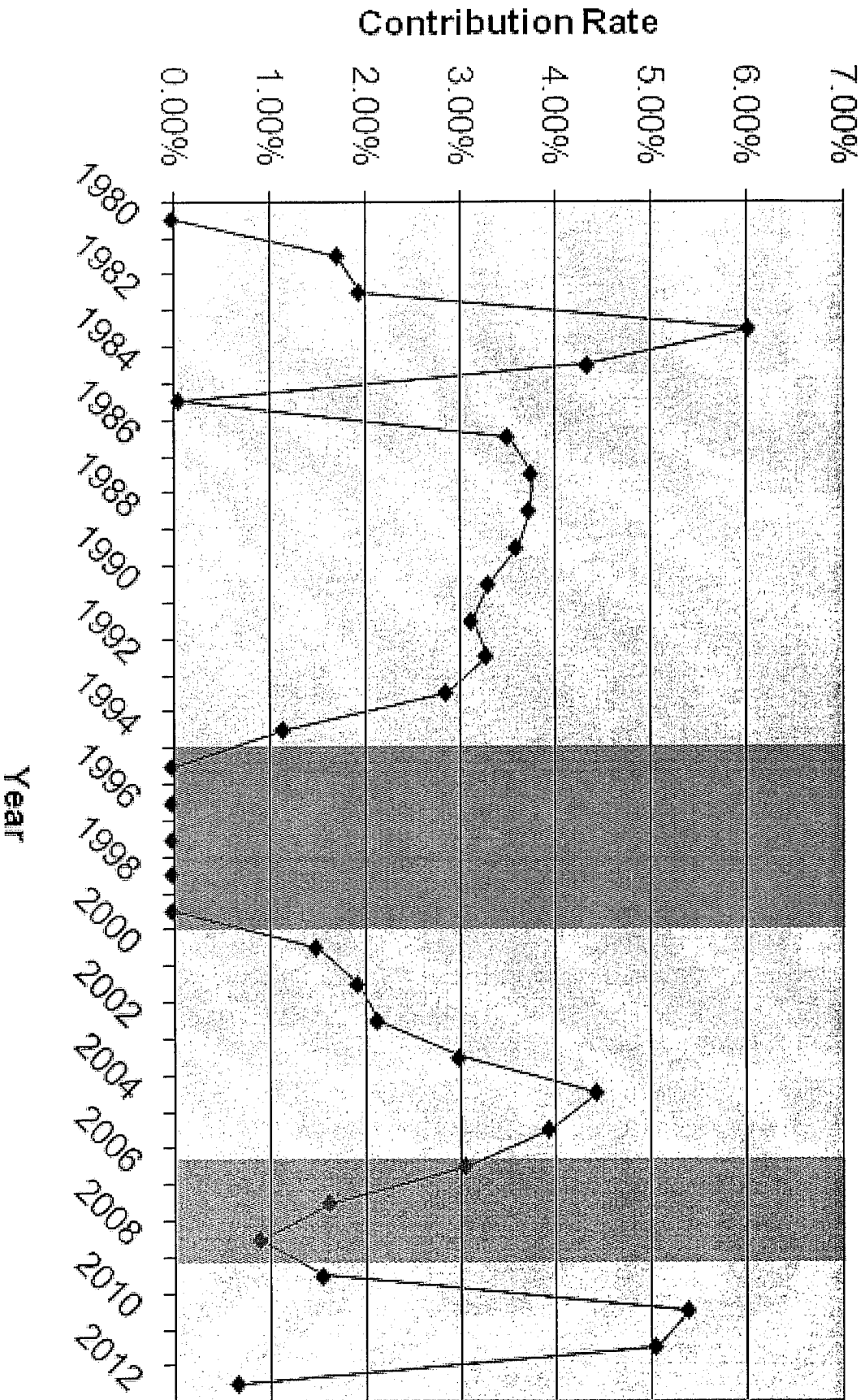


1980 - 2013 Historical Summary

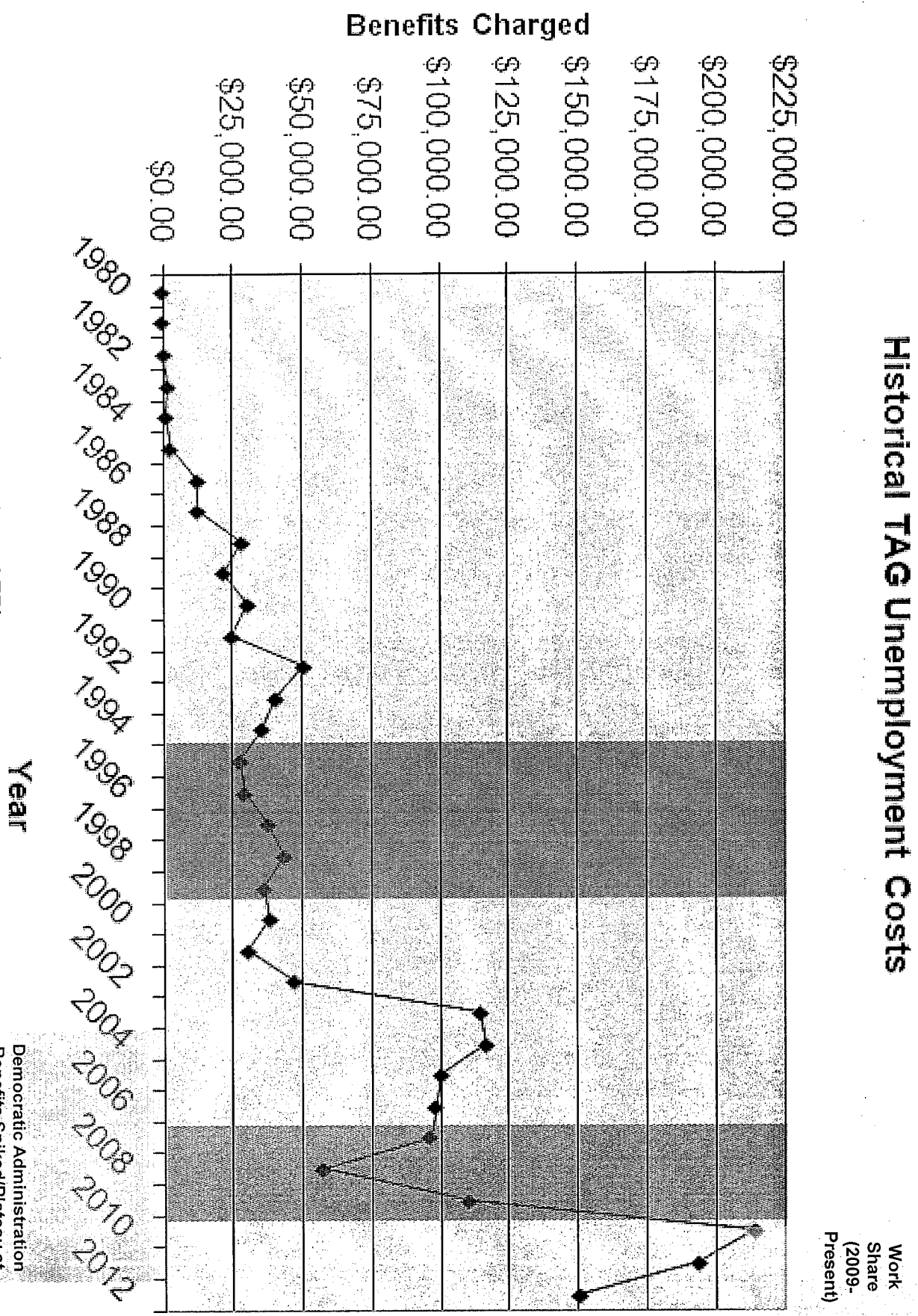
| | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 |
|------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 1980 - 1989 | | | | | | | | | | |
| Contribution Rate | 0.00% | 1.71% | 1.94% | 5.00% | 4.36% | 0.06% | 3.52% | 3.76% | 3.74% | 3.60% |
| Benefits Charged (Prev Year) | \$0.00 | \$0.00 | \$116.26 | \$1,928.95 | \$1,236.97 | \$2,882.11 | \$12,503.35 | \$12,537.25 | \$28,167.28 | \$21,781.81 |
| Contributions Paid | \$0.00 | \$3,000.47 | \$3,010.86 | \$20,809.23 | \$49,271.16 | \$24,040.67 | \$25,633.74 | \$61,842.19 | \$70,012.52 | \$85,076.57 |
| Average Taxable Payroll | \$0.00 | \$0.00 | \$308,181.54 | \$219,772.42 | \$308,181.54 | \$434,715.93 | \$719,283.71 | \$970,235.35 | \$1,244,026.84 | \$1,463,453.03 |
| Account Balance | \$0.00 | \$0.00 | \$8,753.00 | \$12,634.00 | \$32,207.00 | \$78,596.00 | \$90,133.00 | \$103,229.00 | \$136,904.00 | \$185,135.00 |
| 1990 - 1999 | | | | | | | | | | |
| Contribution Rate | 3.31% | 3.13% | 3.28% | 2.85% | 1.16% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Benefits Charged (Prev Year) | \$30,372.87 | \$24,702.45 | \$30,634.34 | \$40,844.48 | \$35,547.39 | \$27,828.60 | \$29,573.64 | \$38,022.28 | \$43,626.47 | \$36,238.01 |
| Contributions Paid | \$86,439.79 | \$67,424.75 | \$82,520.52 | \$110,093.61 | \$93,602.63 | \$36,722.81 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Average Taxable Payroll | \$1,777,407.21 | \$2,110,279.68 | \$2,271,349.76 | \$2,324,388.06 | \$2,370,700.54 | \$3,084,738.90 | \$4,535,482.43 | \$6,554,789.10 | \$7,958,099.01 | \$8,476,500.33 |
| Account Balance | \$239,839.00 | \$301,576.00 | \$318,367.00 | \$360,043.00 | \$434,589.00 | \$500,363.00 | \$507,512.00 | \$489,490.00 | \$425,863.00 | \$389,625.00 |
| 2000 - 2009 | | | | | | | | | | |
| Contribution Rate | 1.49% | 1.93% | 2.13% | 2.99% | 4.44% | 3.94% | 3.06% | 1.64% | 0.91% | 1.55% |
| Benefits Charged (Prev Year) | \$38,496.21 | \$30,331.43 | \$47,571.23 | \$114,492.57 | \$117,183.26 | \$100,388.37 | \$98,577.88 | \$96,414.18 | \$57,577.38 | \$110,262.43 |
| Contributions Paid | \$65,287.72 | \$152,653.21 | \$127,439.24 | \$138,159.35 | \$243,200.97 | \$218,883.43 | \$286,244.81 | \$146,983.99 | \$56,419.90 | \$48,591.54 |
| Average Taxable Payroll | \$8,615,235.24 | \$8,194,593.28 | \$8,418,685.84 | \$8,035,986.90 | \$7,427,564.52 | \$6,404,314.45 | \$6,019,893.73 | \$6,233,065.43 | \$6,710,369.60 | \$7,166,555.15 |
| Account Balance | \$351,129.00 | \$386,133.00 | \$491,215.00 | \$504,162.00 | \$525,136.00 | \$667,950.00 | \$788,256.00 | \$978,087.17 | \$1,067,493.78 | \$1,013,651.25 |
| 2010 - 2013 | | | | | | | | | | |
| Contribution Rate | 5.40% | 5.07% | 0.68% | 3.89% | | | | | | |
| Benefits Charged (Prev Year) | \$214,182.20 | \$194,057.59 | \$151,014.91 | \$133,808.89 | | | | | | |
| Contributions Paid | \$164,706.09 | \$366,369.20 | \$188,258.19 | | | | | | | |
| Average Taxable Payroll | \$6,854,632.74 | \$5,629,643.23 | \$4,761,246.30 | \$5,415,012.90 | | | | | | |
| Account Balance | \$648,060.59 | \$818,709.09 | \$1,034,063.38 | \$1,092,651.00 | | | | | | |



Historical TAG Unemployment Rates



Historical TAG Unemployment Costs

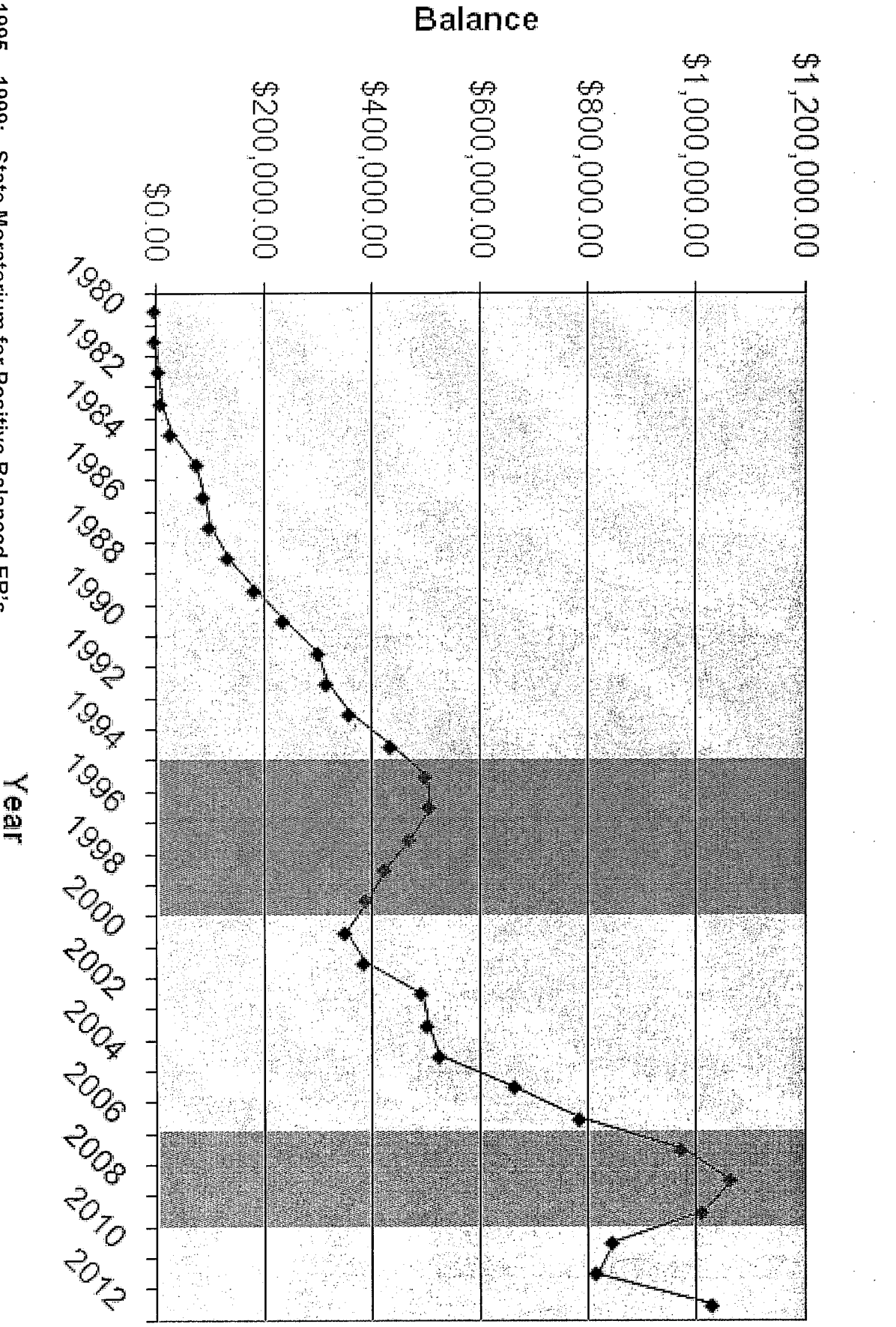


1995 - 1999: State Moratorium for Positive Balanced ER's
 2007 - 2009: Reserve Ratio Triggered Rate Decrease

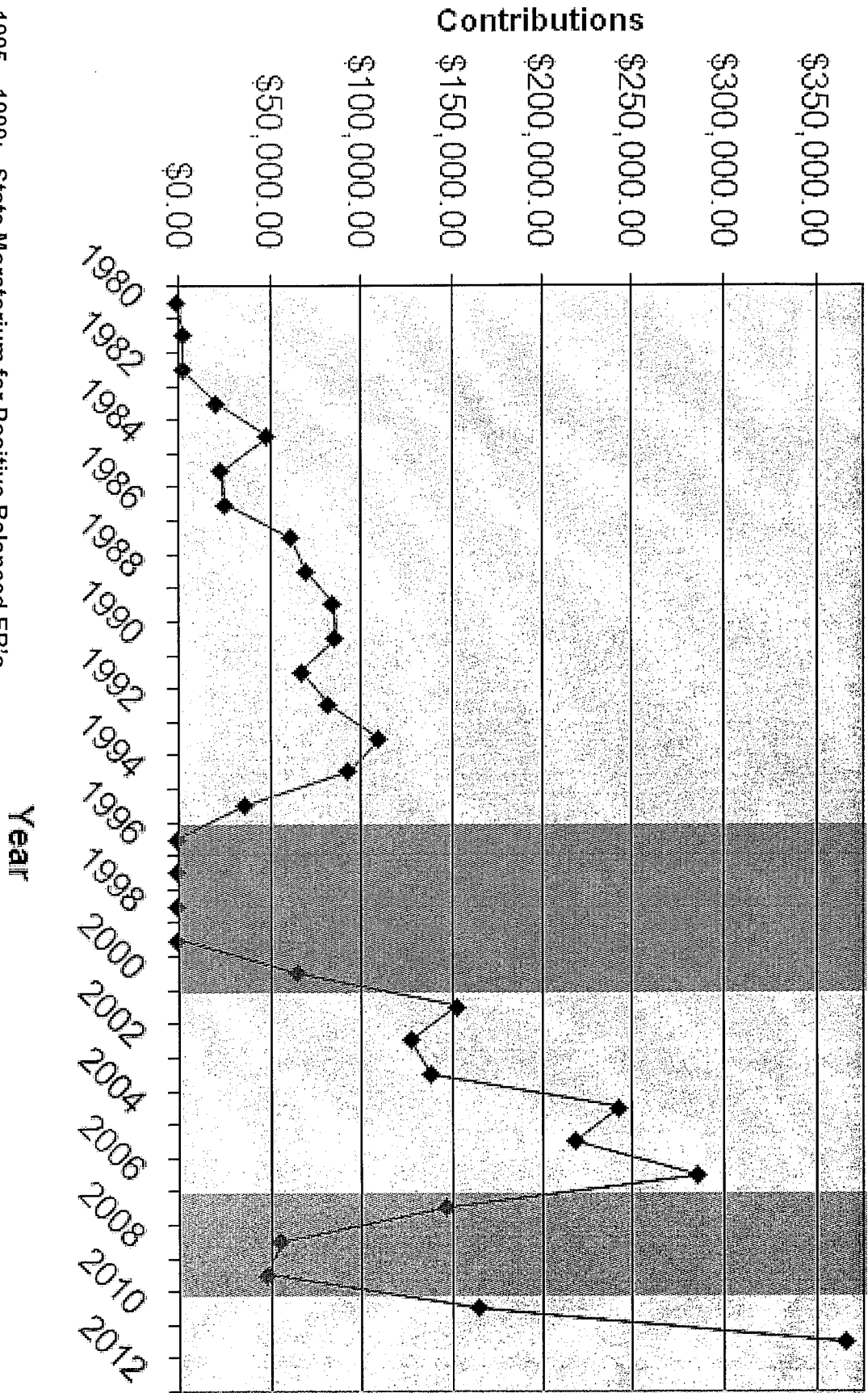
Democratic Administration
 Benefits Spiked/Plateau at
 substantially higher level

Historical TAG Unemployment Balances

1995 - 1999: State Moratorium for Positive Balanced ER's
2007 - 2009: Reserve Ratio Triggered Rate Decrease

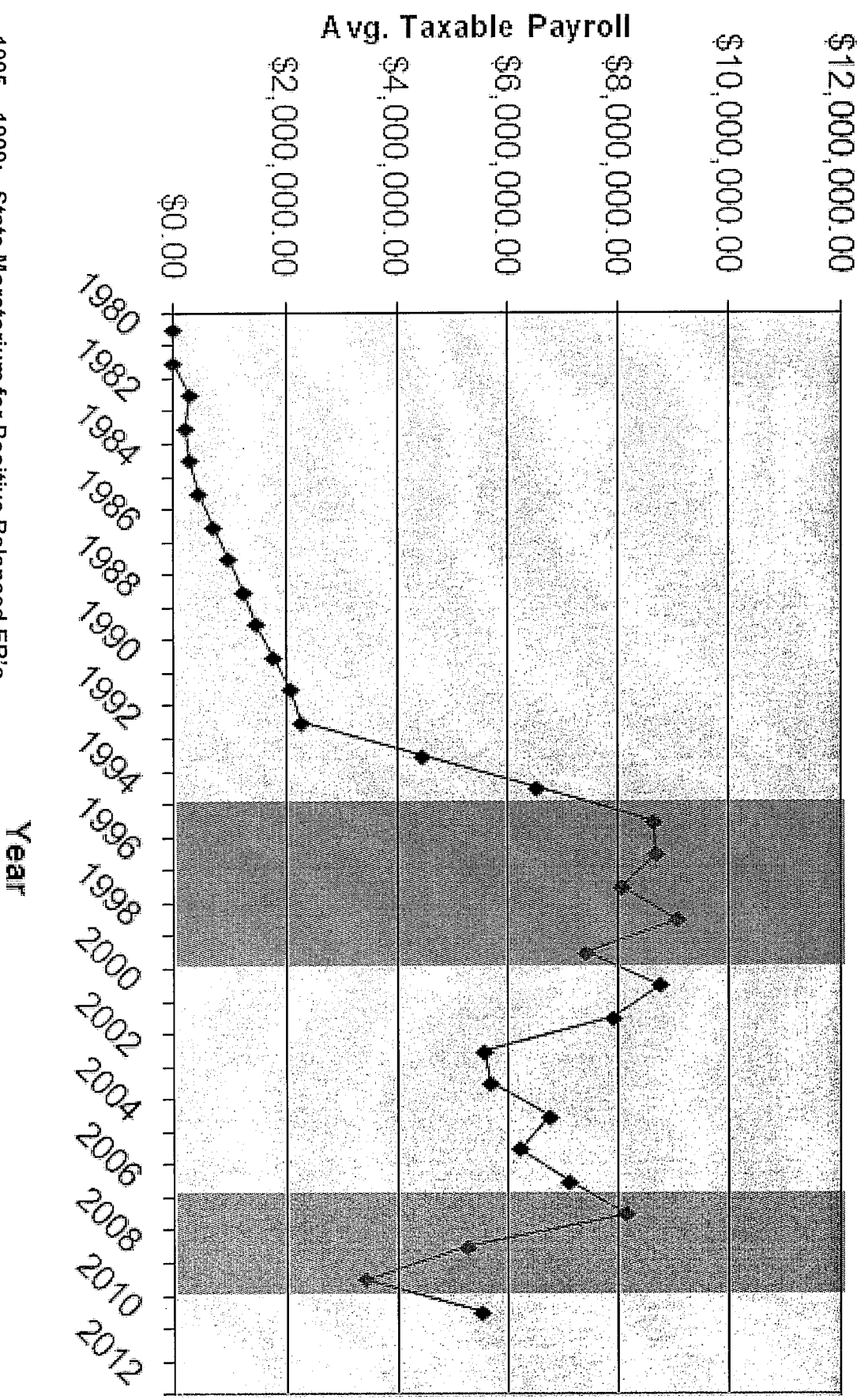


Historical TAG Unemployment Contributions



1995 - 1999: State Moratorium for Positive Balanced ER's
 2007 - 2009: Reserve Ratio Triggered Rate Decrease

Historical TAG Average Taxable Payroll



1995 – 1999: State Moratorium for Positive Balanced ER's
 2007 – 2009: Reserve Ratio Triggered Rate Decrease

Update: March, 2012

Tax Intelligence – 2012 SUI Tax Rate Schedule

Situation

Each year, states adjust and release their unemployment tax rate schedules. Factors such as trust fund balances, economic conditions, and state legislation impact employer tax rate assignments. There have been significant increases in the 2012 rates as compared to 2011.

Solution

It is important for employers to closely monitor state unemployment insurance ("SUI") tax rates, as these rates directly impact financial decisions. TALX expects states will continue to increase tax rates over the next several years due to the need to restore Trust Fund solvency. Below is a current list of 2012 minimum and maximum SUI tax rates.

| State | Minimum Rate | Maximum Rate | State | Minimum Rate | Maximum Rate |
|-------|--------------|--------------|-----------|--------------|--------------|
| AK | 1.31% | 5.40% | NC | 0.00% | 6.84% |
| AL | 1.25% | 7.40% | ND | 0.20% | 9.91% |
| AR | 1.20% | 11.10% | NE | 0.00% | 6.49% |
| AZ* | 0.62% | 6.98% | NH | 1.10% | 9.50% |
| CA | 1.60% | 6.20% | NJ | 0.60% | 6.40% |
| CO | 1.00% | 11.02% | NM | 0.05% | 5.40% |
| CT | 1.90% | 6.80% | NV | 0.30% | 5.40% |
| DC | 1.80% | 7.20% | NY | 1.50% | 9.90% |
| DE | 0.30% | 8.20% | OH* | 0.70% | 9.10% |
| FL* | 1.51% | 5.40% | OK | 0.30% | 9.20% |
| GA | 0.04% | 8.10% | OR | 2.20% | 5.40% |
| HI | 1.20% | 5.40% | PA* | 2.437% | 10.5836% |
| IA | 0.00% | 9.00% | PR | 3.50% | 5.40% |
| ID | 0.96% | 6.80% | RI | 2.20% | 10.30% |
| IL | 0.55% | 9.45% | SC | 0.098% | 8.686% |
| IN* | 0.54% | 7.992% | SD | 0.00% | 10.03% |
| KS | 0.11% | 9.40% | TN | 1.10% | 10.60% |
| KY | 1.00% | 10.00% | TX | 0.52% | 7.58% |
| LA | 0.10% | 6.20% | UT* | 0.40% | 7.40% |
| MA | 1.32% | 12.33% | VA | 0.83% | 6.93% |
| MD | 2.20% | 13.50% | VI (Est.) | 0.30% | 6.0% |
| ME | 0.94% | 8.16% | VT | 1.30% | 8.40% |
| MI* | 0.51% | 11.58% | WA* | 0.17% | 5.84% |
| MN | 0.67285% | 10.86958% | WI** | 0.27% | 9.80% |
| MO* | 0.00% | 9.75% | WV | 1.50% | 8.50% |
| MS | 0.95% | 5.40% | WY | 0.65% | 10.00% |
| MT* | 1.00% | 6.30% | FUTA | 0.60% | 5.40% |

NOTE: The minimum and maximum tax rates above include all taxes and surcharges paid via quarterly contribution reports. They do not include taxes or other surcharges assessed through a separate billing from the state.

* These states have additional penalty or workshare rates (not included in above schedule) that exceed the maximum rate

** WI minimum rate is 0.27% if taxable payroll is less than \$500,000 and 0.70% if taxable payroll is \$500,000 or greater

Value

Currently, there is no pending legislation which would impact the state factors used in calculating unemployment tax rates. However, employer factors such as changes in taxable payroll or high benefit charges could dramatically change future unemployment tax rates, and states can initiate legislation which may have a retroactive impact on tax rates.

To obtain more information on *unemployment budget planning and rate forecasting for 2013*, please contact Pete Krieshok at (314) 214-7325 or via email at pkrieshok@talx.com or visit our corporate blog at <http://blog.talx.com>.

Update: December 2012

State Unemployment Taxable Wage Bases - 2013

Situation

A "taxable wage base" is the annual amount of wages paid by an employer to an employee that are subject to state unemployment insurance ("SUI") taxes. SUI taxes are primarily employer paid taxes and the amount of wages subject to tax varies by state. Employers must consider wage base changes as they budget for 2013 employment tax costs.

Solution

It is important for employers to closely monitor SUI wage bases as many states will continue to increase taxable wage bases over the next several years in an attempt to restore UI Trust Fund solvency. The table below contains the most recent information available to our Government Relations Team relating to state taxable wage bases.*

| State | 2012 Wage Base | 2013 Wage Base | State | 2012 Wage Base | 2013 Wage Base | State | 2012 Wage Base | 2013 Wage Base |
|-------|----------------|-----------------|-------|----------------|----------------|-------|----------------|-----------------|
| AK | \$35,800 | \$36,900 | LA | \$7,700 | \$7,700 | OK | \$19,100 | \$20,100 |
| AL | \$8,000 | \$8,000 | MA | \$14,000 | \$14,000 | OR | \$33,000 | \$34,100 |
| AR | \$12,000 | \$12,000 | MD | \$8,500 | \$8,500 | PA | \$8,000 | \$8,500 |
| AZ | \$7,000 | \$7,000 | ME | \$12,000 | \$12,000 | PR | \$7,000 | \$7,000 |
| CA | \$7,000 | \$7,000 | MI | \$9,500 | \$9,500 | RI** | \$19,600 | \$20,200 |
| CO | \$11,000 | \$11,300 | MN | \$28,000 | \$29,000 | SC | \$21,100 | \$21,700 |
| CT | \$15,000 | \$15,000 | MO | \$13,000 | \$13,000 | SD | \$12,000 | \$12,000 |
| DC | \$9,000 | \$9,000 | MS | \$14,000 | \$14,000 | TN | \$12,000 | \$13,000 |
| DE | \$10,500 | \$10,500 | MT | \$27,000 | \$27,900 | TX | \$9,000 | \$9,000 |
| FL | \$8,000 | \$8,000 | NC | \$20,400 | \$20,900 | UT | \$9,000 | \$9,000 |
| GA | \$8,500 | \$9,500 | ND | \$27,900 | \$31,800 | VA | \$29,500 | \$30,300 |
| HI | \$38,800 | \$39,600 (est.) | NE | \$27,900 | \$31,800 | WA | \$8,000 | \$8,000 |
| IA | \$25,300 | \$26,000 | NH | \$9,000 | \$9,000 | VI | \$23,700 | \$24,800 (est.) |
| ID | \$34,100 | \$34,800 | NJ | \$14,000 | \$14,000 | VT | \$16,000 | \$16,000 |
| IL | \$13,560 | \$12,900 | NM | \$30,300 | \$30,900 | WA | \$38,200 | \$39,800 |
| IN | \$9,500 | \$9,500 | NV | \$22,400 | \$22,900 | WI | \$13,000 | \$14,000 |
| KS | \$8,000 | \$8,000 | NY | \$26,400 | \$26,900 | WV | \$12,000 | \$12,000 |
| KY | \$9,000 | \$9,300 | OH | \$8,500 | \$8,500 | WY | \$23,000 | \$23,800 |
| | | | | | | FUTA | \$7,000 | \$7,000 |

* All wage bases are actual unless otherwise indicated.

** A higher wage base, \$21,100 for 2012 and \$21,700 for 2013, applies to RI employers assigned the maximum UI tax rate.

Value

Because of state UI Trust Fund insolvency challenges, a law change to increase a taxable wage base is possible for any state. There are still two states that have yet to establish their 2013 taxable wage base; some states even finalize their 2013 taxable wage base well after the start of the first quarter. Employers must monitor these changes to make certain the appropriate amount of tax is accrued based on the appropriate taxable wage base.

On December 12, 2012, Equifax Workforce Solutions will be hosting a webcast titled: "Mergers & Acquisitions: Employment Tax Compliance Issues." To register, please use the following [LINK](#). Please contact Pete Krieshok at (314) 214-7325 or via email at pete.krieshok@equifax.com for additional information on the subject matter discussed herein. You can also visit our corporate blog at <http://blog.equifaxworkforce.com> for information on other SUI tax issues.

Update: January, 2013

Unemployment Update: EUC Benefits Extension

Emergency Unemployment Compensation Benefits Extended

Originally legislated in 2008, availability of these benefits was most recently extended in February, 2012, as part of the Middle Class Tax Relief and Job Creation Act of 2012 (HR 3630). Once scheduled to expire at the end of December, passage of the **American Taxpayer Relief Act of 2012** has now resulted in these benefits being extended for another year, through the close of 2013.

Without this extension, an estimated 2.1 million individuals would have been cut off from access to unemployment compensation benefits at the beginning of the year, which may have had a negative impact on what is considered to be a fragile economic recovery.

The good news for employers is EUC benefits will continue to be 100 percent funded by the federal government. No employers are being asked to pick up any portion of the cost related to these benefits and the net impact on already depleted state unemployment trust funds will be minimal.

Current Duration of Benefits

In most states, regular unemployment benefits consist of a maximum of 26 weeks of benefit payments funded, in one manner or another, by the employer. Extended Unemployment Compensation benefits are paid out in tiers and, depending upon when each level of benefits is exhausted, individuals may currently receive up to a maximum of 37 weeks of federally funded EUC benefits.

Combining both employer and federally funded benefits, individuals who are unemployed through no fault of their own are currently able to receive a maximum of 63 weeks of unemployment compensation benefits.

Increases in State Taxable Wage Bases

Although the extension of EUC benefits will offer the states some short term assistance in controlling rising unemployment costs, many states will continue to look at increasing their taxable wage bases as a means of replenishing unemployment trust funds.

Twenty-three states have increased their taxable wage bases in 2013. The average increase in these states is \$874. For a merit rated employer with an unemployment tax rate of 4.0%, this would translate into a tax increase of \$35.16 per employee, even if that employer was able to maintain the same tax rate assignment from one year to another.

For an employer who is not managing contestable claims and experiences an increase in their state unemployment tax rate, the increase in costs would be even more significant.

The experience and expertise available from Equifax helps employers navigate the uncertainty of the unemployment insurance system. For additional information regarding this topic or other proactive unemployment cost management techniques, please contact Pete Krieshok at 314-214-7325, or by e-mail at pete.krieshok@equifax.com.

Update - April, 2012

Unemployment Update - Severance Pay

Allocating Benefits to a Specific Period of Time Can Reduce Costs

Severance payments are employer related benefits often paid to employees as part of their termination of employment. Although severance payments are by no means mandatory, employers can elect to make payments under a number of circumstances, based on their established employment policies. The level of severance payments available to a former employee are often determined by the duration of their employment.

When an individual files a claim for unemployment compensation, the state will always ask if any severance pay was received as part of the terms of separation from their employer. The amount of severance pay reported, and most importantly, the time frames to which the payments were allocated can have a significant impact on the benefits charged to the employer. In fact, in many states, severance pay is deductible from unemployment benefits only if it is allocated.

Although regulations vary from state to state, allocating severance payments over a specific number of weeks can delay the start of benefits and may ultimately reduce the duration of benefits received by an individual. In states where severance can be allocated, the amount of the severance payment is deducted from any unemployment benefits available during the corresponding weeks of eligibility. Should a former employee receive six weeks of severance pay as part of their termination agreement, allocating those severance payments over the six weeks immediately following the date of termination will result in their not receiving unemployment benefits until those six weeks of severance have been exhausted.

Making the Decision to Allocate Severance Payments – Yes or No?

Example 1: Severance Not Allocated: In the situation described above, if severance payments were not allocated and the individual remained unemployed for twelve weeks, they would receive 6 weeks of full pay via their severance payments and 12 weeks of unemployment benefits from the state that would be charged to the employer.

Example 2: Severance Is Allocated: If severance was allocated, the individual would receive 6 weeks of full pay, but would then receive only 6 weeks of unemployment benefits, following the exhaustion of the 6 weeks of severance pay.

In this scenario, the former employee would still be receiving payments of some type throughout the entire duration of their unemployment. However, your organization would be charged for 6 fewer weeks of benefits. Multiply this figure by the average weekly benefit amount of \$296 dollars and you can easily quantify the savings that can be generated.

Allocating Severance Does Not Impact Eligibility

Remember, allocation of severance has no impact on an individual's eligibility to receive unemployment benefits or the amount of benefits available. As always, eligibility for benefits is based on an individual's reason for separation from their place of employment. Allocation of severance simply helps the state determine when those benefits will begin to be received.

TALX's experience, expertise, and proven results help employers navigate the uncertainty of the unemployment insurance system. For additional information regarding this article or other proactive unemployment cost management techniques, please contact Pete Krieshok at 314-214-7325, or by e-mail at pkrieshok@talx.com or visit our corporate blog at <http://blog.talx.com>.

**SIGNIFICANT PROVISIONS OF STATE UNEMPLOYMENT INSURANCE LAWS
EFFECTIVE JANUARY 2012**

| | BENEFITS | | | | | | COVERAGE | TAXES | | |
|----|---|---|--------------------------|--------------------------------------|---|---|---|--|------------------------------------|---|
| | Earnings/ Employment Needed in Base Period to Qualify | Computation of Weekly Benefit Amount | Weekly Benefit Amount | | Weekly Earnings Disregarded | Calculation of Number of Benefit Weeks | Number of Benefit Weeks ⁵ | Size of Payroll (Length of Employment/ Wages Paid) ⁸ | 2012 Wages Subject to Tax | 2011 Minimum & Maximum Rates New Employer Rate ⁶ |
| | | | Mini- mum | Maxi- mum | | | | | | |
| AL | 1½ x HQW; qualify for at least minimum WBA | 1/26 avg of 2 highest qtrs | \$45 | \$265 | \$15 | Lesser of 1/3 BPW or 26 x WBA | 15-26 | 20 weeks or \$1,500 in any qtr | \$8,000 | 0.59% 6.74% 2.70% |
| AK | \$2,500; wages in 2 qtrs | 0.9-4.4% of annual wages + \$24 per dep up to \$72 | \$56- 128 | \$370- 442 | \$50 and ¼ wages over \$50 | Weighted schedule of BPW to HQW | 16-26 | Any size | \$34,600 | 1.00% 5.40% 3.40% |
| AZ | 1½ x HQW and \$1,500 in 1 qtr; or wages in 2 qtrs with wages in 1 qtr sufficient to qualify for maximum WBA, and total BPW ≥ taxable wage base | 1/25 HQW | \$60 | \$240 | \$30 | Lesser of 1/3 BPW or 26 WBA | 12-26 | 20 weeks or \$1,500 in any qtr | \$7,000 | 0.02% 5.86% 2.00% |
| AR | 35 x WBA; wages in 2 qtrs | 1/26 HQW | \$82 | \$457 | 40% WBA | Lesser of 25 x WBA or 1/3 BPW | 9-25 | One employee for 10 or more days in a CY | \$12,000 | 1.00% 6.90% 3.80% |
| CA | \$1,300 in HQ, or \$900 in HQ with BPW = 1¼ x HQ | 1/23 to 1/26 HQW | \$40 | \$450 | Greater of \$25 or 1/4 wages | Lesser of 26 x WBA or ½ BPW | 14-26 | Over \$100 in any qtr | \$7,000 | 1.50% 6.20% 3.40% |
| CO | 40 x WBA or \$2,500, whichever is greater | Higher of 60% of 1/26 of 2 consecu- tive HQW, capped by 50% of State avg weekly earn- ings or 50% of 1/52 BP earnings capped by 55% of State avg weekly earnings | \$25 | \$454 or \$500 | ¼ WBA | Lesser of 26 x WBA or 1/3 BPW | 13-26 | 20 weeks or \$1,500 in any qtr | \$11,000 | 1.00% 5.40% 1.70% |
| CT | 40 x WBA | 1/26 avg of 2 highest qtrs + \$15 per dep, up to 5; DA capped at WBA (For construction workers, 1/26 HQ) | \$15-30 | \$573- 648 Eff. 10/2/ 11 | 1/3 wages | Uniform duration | 26 | 20 weeks or \$1,500 in any qtr | \$15,000 | 1.90% 6.80% 3.70% |
| DE | 36 x WBA | 1/46 total wages in 2 highest qtrs | \$20 | \$330 | Greater of \$10 or 50% WBA | ½ BPW | 24-26 | 20 weeks or \$1,500 in any qtr | \$10,500 | 0.10% 8.00% 2.60% |
| DC | 1½ x HQW or within \$70; not less than \$1,950 in 2 qtrs; \$1,300 in 1 qtr | 1/26 HQW | \$50 | \$359 | 1/5 of wages plus \$20 | Lesser of 26 x WBA or ½ BPW | 19-26 | Any size | \$9,000 | 1.60% 7.00% 2.70% |
| FL | 1½ x HQW; minimum \$3,400; wages in 2 qtrs | 1/26 HQW | \$32 | \$275 | 8 x federal hourly mini- mum wage | 25% BPW | 9-23 | 20 weeks or \$1,500 in any qtr | \$8,500 | 1.03% 5.40% 2.70% |
| GA | Wages in 2 qtrs & 150% x HQW or HQW divided by 21 for WBA w/ total earnings at least 40 x WBA | 1/42 of wages in highest 2 qtrs or 1/21 HQW | \$44 | \$330 | \$50 | Lesser of 26 x WBA or ¼ BPW | 6-26 | 20 weeks or \$1,500 in any qtr | \$8,500 | 0.025% 5.40% 2.62% |
| HI | 26 x WBA; wages in 2 qtrs | 1/21 HQW | \$5 | \$523 | \$150 | Uniform duration | 26 | Any size | \$38,800 | 1.20% 5.40% 4.00% |

| | BENEFITS | | | | | | COVERAGE | TAXES | | |
|----|--|---|--------------------------------|--------------|---|---|----------------------------------|---|------------------------------------|---|
| | Earnings/ Employment Needed in Base Period to Qualify | Computation of Weekly Benefit Amount | Weekly Benefit Amount | | Weekly Earnings Disregarded | Calculation of Number of Benefit Weeks | Number of Benefit Weeks | Size of Payroll (Length of Employment/ Wages Paid) | 2012 Wages Subject to Tax | 2011 Minimum & Maximum Rates New Employer Rate ⁹ |
| | | | Mini- mum | Maxi- mum | | | | | | |
| ID | 1½ x HQW; not less than the minimum qualifying wages in 1 qtr \$1,872 | 1/26 HQW | \$72 | \$343 | ½ WBA | Weighted schedule of BPW to HQW | 10-26 | 20 weeks or \$1,500 in any qtr | \$34,100 | 0.96% 6.80% 3.36% |
| IL | \$1,600; \$440 outside HQ | 47% of claimant's AWW in 2 highest qtrs | \$51-77 | \$403-549 | ½ WBA | Uniform duration | 25 | 20 weeks or \$1,500 in any qtr | \$13,560 | 0.70% 8.40% 3.80% |
| IN | 1½ x HQW totaling at least \$2,500 in last 2 qtrs; not less than \$4,200 in BP | 5% of 1 st \$2,000 of wage credits in HQ, 4% of remaining HQW credits; wage credits limited to \$9,250 | \$50 | \$390 | Greater of \$3 or 20% WBA from other than BP employers | Lesser of 28% BPW or 26 x WBA | 8-26 | 20 weeks or \$1,500 in any qtr | \$9,500 | 0.70% 9.50% 2.50% |
| IA | 1½ x HQW; 3.5% of the statewide AAW in HQ; ½ HQW in qtr not the HQ | 1/23 HQW or 1/19 – 1/22 HQW for claimants with depts | \$57-70 | \$385-473 | ¼ WBA | 1/3 BPW | 7-26 | 20 weeks or \$1,500 in any qtr | \$25,300 | 0.00% 9.00% 1.90% |
| KS | 30 x WBA; wages in 2 qtrs | 4.25% HQW | \$111 | \$444 | 25% WBA | 1/3 BPW | 10-26 | 20 weeks or \$1,500 in any qtr | \$8,000 | 0.11% 7.40% 4.00% |
| KY | 1½ x HQW; 8 x WBA in last 2 qtrs; \$750 outside HQ | 1.923% BPW | \$39 | \$415 | 1/5 wages | 1/3 BPW | 15-26 | 20 weeks or \$1,500 in any qtr | \$9,000 | 1.00% 10.00% 2.70% |
| LA | \$1,200 total BPW; wages in 2 qtrs; 1½ x HQW | 1/25 of the avg of wages in 4 qtrs of BP x 1.05 x 1.15 | \$10 | \$247 | Lesser of ½ WBA or \$50 | Uniform duration | 26 | 20 weeks or \$1,500 in any qtr | \$7,700 | 0.11% 6.20% InAvg% |
| ME | 2 x AWW in 2 different BP qtrs; total BPW = 6 x AWW | 1/22 avg wages paid in 2 highest qtrs of BP + \$10 per dep up to ½ WBA | \$64-96 | \$366-549 | \$25 | 1/3 BPW | 22-26 | 20 weeks or \$1,500 in any qtr | \$12,000 | 0.86% 7.95% 3.02% |
| MD | 1½ x HQW; \$576.01 in HQ; \$1,776.01 in HQ Eff. 3/4/12 | 1/24 HQW + \$8 per dep up to 5 depts | \$25-65 \$50-90 Eff. 3/4/12 | \$430 | ≤ \$50 | Uniform duration | 26 | Any size | \$8,500 | 2.20% 13.50% 2.60% |
| MA | 30 x WBA; \$3,500 minimum | 50% AWW + \$25 per dep up to ½ WBA | \$33-49 | \$653-979 | 1/3 WBA | 36% BPW | 10-30 | 13 weeks or \$1,500 in any qtr | \$14,000 | 1.26% 12.27% 2.83% |
| MI | 1½ x HQW; at least \$2,871 in HQ; or wages in 2 or more BP qtrs totaling at least \$17,206.80 (20 x State AWW of \$860.34) | 4.1% HQW + \$6 for each dep up to 5 | \$117-147 | \$362 | WBA reduced by 40¢ for every \$1 earned. Earnings and benefits limited to 1.6 x WBA | 43% BP wages | 14-20 | 20 weeks or \$1,000 in CY | \$9,500 | 0.06% 10.30% 2.70% |
| MN | At least \$1,000 in HQ; \$250 outside HQ | Higher of 50% of 1/13 HQW up to 43% of State AWW or 50% of 1/52 BPW up to 66⅔% of State AWW | \$38 | \$385-597 | WBA reduced by 55¢ for every \$1 earned | Lesser of 1/3 BPW or 26 x WBA | 11-26 | Any size | \$28,000 | 0.50% 9.40% 2.91% |
| MS | 40 x WBA; \$780 in HQ; wages in 2 qtrs | 1/26 HQW | \$30 | \$235 | \$40 | Lesser of 1/3 BPW or 26 x WBA | 13-26 | 20 weeks or \$1,500 in any qtr | \$14,000 | 0.85% 5.40% 2.70% |

| | BENEFITS | | | | | | COVERAGE | TAXES | | |
|----|--|--|--------------------------|---------------|--|---|----------------------------------|---|------------------------------------|--|
| | Earnings/ Employment Needed in Base Period to Qualify | Computation of Weekly Benefit Amount | Weekly Benefit Amount | | Weekly Earnings Disregarded | Calculation of Number of Benefit Weeks | Number of Benefit Weeks | Size of Payroll (Length of Employment/ Wages Paid) | 2012 Wages Subject to Tax | 2011 Minimum & Maximum Rates New Employer Rate |
| | | | Mini- mum | Maxi- mum | | | | | | |
| MO | 1½ x HQW; \$1,500 in 1 qtr; or wages in 2 qtrs of BP = 1½ maximum taxable wage base | 4% of the avg of the 2 HQWs | \$35 | \$320 | Greater of 20% WBA or \$20 | Lesser of 20 x WBA or 1/3 BPW | 8-20 | 20 weeks or \$1,500 in any qtr | \$13,000 | 0.00% 9.75% 3.51% |
| MT | BPW = 1½ x HQW and total wages ≥ 7% of AAW or BPW ≥ 50% of AAW | 1% BPW or 1.9% wages in 2 HQs | \$123 | \$431 | ½ wages in excess of ¼ WBA | Weighted schedule of BPW to HQW | 8-28 | \$1,000 in current or preceding year | \$27,000 | 0.82% 6.12% lnAvg% |
| NE | \$3,868 in BP; \$1,850 in HQW and wages in at least 1 other qtr of \$800 | ½ AWW | \$70 | \$354 | ¼ WBA | Lesser of 26 x WBA or 1/3 BPW | 14-26 | 20 weeks or \$1,500 in any qtr | \$9,000 | 0.00% 8.66% 2.50% |
| NV | 1½ x HQW in BP and \$400 in HQ; or wages in 3 of 4 qtrs in BP and \$400 in HQ | 1/25 HQW | \$16 | \$396 | ¼ wages | Lesser of 26 x WBA or 1/3 BPW | 12-26 | \$225 in any qtr | \$26,400 | 0.25% 5.40% 2.95% |
| NH | \$2,800; \$1,400 in each of 2 qtrs | 1%-1.1% annual wages | \$32 | \$427 | 30% WBA | Uniform duration | 26 | 20 weeks or \$1,500 in any qtr | \$14,000 | 0.01% 7.00% 3.70% |
| NJ | 20 weeks employment at 20 x State hourly minimum wage or 1,000 x State hourly minimum wage | 60% of claimant's AWW + DA | \$87- 100 | \$611 | Greater of 20% WBA or \$5 | 100% base weeks worked in base year up to 26 | 1-26 | \$1,000 in any year | \$30,300 | 0.50% 5.80% 2.80% |
| NM | \$1,749.54 in HQW and wages in at least 1 other qtr | 53.5% of AWW paid in BP qtr in which wages were highest | \$74- 111 | \$397- 447 | 1/5 WBA | Lesser of 26 x WBA or 60% BPW | 16-26 | 20 weeks or \$450 in any qtr | \$22,400 | 0.05% 5.40% 2.00% |
| NY | 1½ x HQW; \$1,600 in HQ | 1/26 HQW unless HQW ≤ \$3,575 then, 1/25 HQW | \$64 | \$405 | None. All employment affects WBA | Uniform duration | 26 | \$300 in any qtr | \$8,500 | 1.50% 9.90% 4.10% |
| NC | 6 x AWW; wages in 2 qtrs of BP | 1/26 HQW | \$45 | \$522 | 10% AWW in HQ | (BPW / HQW) x 8 2/3 | 13-26 | 20 weeks or \$1,500 in any qtr | \$20,400 | 0.24% 6.84% 1.20% |
| ND | 1½ x HQW; wages in 2 qtrs | 1/65 of wages in 2 HQs + ½ wages in 3 rd HQ | \$43 | \$470 | 60% WBA | Weighted schedule of BPW to HQW | 12-26 | 20 weeks or \$1,500 in any qtr | \$27,900 | 0.20% 10.00% 1.37% |
| OH | 20 weeks employment with wages averaging 27.5% of State AWW; wages in 2 qtrs | ½ claimant's AWW + DA of \$1-\$139 based on claimant's AWW and number of dep | \$111 | \$400- 539 | 1/5 WBA | 20 x WBA + 1 x WBA for each quali- fying week in excess of 20 | 20-26 | 20 weeks or \$1,500 in any qtr | \$9,000 | 0.70% 9.60% 2.70% |
| OK | \$1,500 and 1½ x HQW | 1/23 HQW | \$16 | \$368 | \$100 | Weighted schedule of BPW to HQW | 18-26 | 20 weeks or \$1,500 in any qtr | \$19,100 | 0.30% 7.50% 1.00% |
| OR | BPW ≥ \$1,000 and BPW ≥ 1½ x HQW; or 500 hours of employment in BP | 1.25% BPW | \$118 | \$507 | 1/3 WBA or 10 x \$8.50 (i.e., the State minimum wage) | Lesser of 26 x WBA or 1/3 BPW | 3-26 | 18 weeks or \$1,000 in any qtr | \$33,000 | 2.20% 5.40% 3.30% |

| | BENEFITS | | | | | | COVERAGE | TAXES | | |
|----|---|--|--------------------------|---------------|--|--|---|--|--|--|
| | Earnings/ Employment Needed in Base Period to Qualify | Computation of Weekly Benefit Amount | Weekly Benefit Amount | | Weekly Earnings Disregarded | Calculation of Number of Benefit Weeks | Number of Benefit Weeks ⁵ | Size of Payroll (Length of Employment/ Wages Paid) ⁶ | 2012 Wages Subject to Tax | 2011 Minimum & Maximum Rates ⁷ New Employer Rate ⁸ |
| | | | Mini- mum | Maxi- mum | | | | | | |
| PA | \$800 in HQ; \$1,320 in BP; at least 20% of BPW outside HQ; 16 credit weeks in BP | 1/23-1/25 HQW + \$5 for 1 dep; \$3 for 2 nd dep | \$35-43 | \$573- 581 | Greater of \$6 or 40% WBA | At least 16 credit weeks for minimum, 18 for maximum | 16 or 26 | Any size | \$8,000 | 2.68% 10.82% 3.70% |
| PR | 40 x WBA; \$280 minimum; \$77 in 1 qtr; wages in 2 qtrs | 1/11- 1/26 HQW | \$7 | \$133 | WBA | Uniform duration | 26 | Any size | \$7,000 | 2.40% 5.40% 3.30% |
| RI | 1½ x HQW. 200 x minimum hourly wage in 1 qtr and 400 x minimum hourly wage in BP; or 1,200 x minimum hourly wage in BP | 4.62% HQW + greater of \$15 or 5% of the benefit rate per dep, capped at the greater of \$50 or 25% of WBA | \$68- 118 | \$566- 707 | 1/5 WBA | 36% BPW | 8-26 | Any size | \$19,600 or \$21,100 for high tax group em- ployers | 1.69% 9.79% 2.46% |
| SC | 1½ x HQW; \$4,455 minimum; \$1,092 in HQ | 1/20 HQW | \$42 | \$326 | ¼ WBA | 1/3 BPW | 13-20 | 20 weeks or \$1,500 in any qtr | \$12,000 | 0.10% 11.28% 2.24% |
| SD | \$728 in HQ; 20 x WBA outside HQ | 1/26 HQW | \$28 | \$323 | ¼ wages over \$25 | 1/3 BPW | 15-26 | 20 weeks or \$1,500 in any qtr | \$12,000 | 0.00% 9.50% 1.20% |
| TN | 40 x WBA; \$780.01 avg wages in highest 2 qtrs; BPW outside HQW ≥ the lesser of 6 x WBA or \$900 | 1/26 of avg 2 highest qtrs | \$30-80 | \$275- 325 | Greater of \$50 or ¼ WBA | Lesser of 26 x WBA or ¼ BPW | 13-26 | 20 weeks or \$1,500 in any qtr | \$9,000 | 0.50% 10.00% 2.70% |
| TX | 37 x WBA; wages in at least 2 qtrs | 1/25 HQW | \$61 | \$426 | Greater of \$5 or ¼ WBA | 27% BPW | 10-26 | 20 weeks or \$1,500 in any qtr | \$9,000 | 0.78% 8.25% 2.70% |
| UT | \$3,200 in BP and 1½ x HQW | 1/26 HQW - \$5 | \$25 | \$467 | 30% WBA | 27% BPW/WBA | 10-26 | Any size | \$29,500 | 0.40% 9.40% lnAvg% |
| VT | \$2,203 HQW + BPW ≥ 40% HQW | Wages in the 2 highest qtrs divided by 45 | \$68 | \$425 | Greater of 30% WBA or \$40 | Lesser of 26 x WBA or 46% BPW | 21-26 | 20 weeks or \$1,500 in any qtr | \$16,000 | 1.30% 8.40% 1.00% |
| VA | \$2,700 in highest 2 qtrs of BP | 1/50 of the 2 highest qtrs | \$54 | \$378 | \$50 | See table in law | 12-26 | 20 weeks or \$1,500 in any qtr | \$8,000 | 0.77% 6.87% 3.17% |
| VI | 1½ x HQW and \$858 in HQ; or \$858 in HQ and 39 x WBA in BP | 1/26 HQW | \$33 | \$495 | 25% in excess of \$15 | 1/3 BPW | 13-26 | Any size | \$23,700 | 0.10% 9.00% 3.00% |
| WA | 680 hours; wages in BP or alternate BP | 3.85% of avg of high 2 qtrs in BP | \$138 | \$583 | ¼ of wages over \$5 | Lesser of 26 x WBA or 1/3 BPW | 1-26 | Any size | \$38,200 | 0.49% 6.00% lnAvg% |
| WV | \$2,200 and wages in 2 qtrs | 55% of 1/52 of median wages in worker's wage class | \$24 | \$424 | \$60 | Uniform duration | 26 | 20 weeks or \$1,500 in any qtr | \$12,000 | 1.50% 7.50% 2.70% |
| WI | 35 x WBA and 4 x WBA outside HQ | 4% HQW up to maximum WBA | \$54 | \$363 | \$30 plus 33% of wages in excess of \$30 | Lesser of 40 X BPW or 26 X WBR | 4-26 | 20 weeks or \$1,500 in any qtr | \$13,000 | 0.27% 9.80% 3.60% |

| | BENEFITS | | | | | | COVERAGE | TAXES | | | |
|----|--|--|---------------------------------------|--------------|--|--|----------|---|--|------------------------------------|--|
| | Earnings/ Employment Needed in Base Period to Qualify | Computation of Weekly Benefit Amount | Weekly Benefit Amount ² | | Weekly Earnings Disregarded ³ | Calculation of Number of Benefit Weeks ⁴ | | Number of Benefit Weeks ⁵ | Size of Payroll (Length of Employment/ Wages Paid) ⁶ | 2012 Wages Subject to Tax | 2011 Minimum & Maximum Rates ⁷ New Employer Rate ⁸ |
| | | | Mini- mum | Maxi- mum | | | | | | | |
| WY | 1.4 x HQW; at least 8% of statewide AAW | 4% HQW | \$32 | \$444 | 50% WBA | Lesser of 26 x WBA or 30% BPW | 11-26 | Any size | \$23,000 | 0.67% 10.00% InAvg% | |

This document is prepared for general reference and may not reflect all the details of a State's law. It is posted on the Web site below. Consult the State agency or the State law for authoritative information. More detailed information may be found in the *Comparison of State Unemployment Insurance Laws*, which also includes information on Temporary Disability Insurance Programs, at <http://www.oui.doleta.gov/unemploy/statelaws.asp>.

KEY:

| | | | |
|--------------------------------|-----------------------------|---------------------------|--------------------------|
| Avg – Average | AAW - Average Annual Wage | AWW - Average Weekly Wage | BP - Base Period |
| BPW - Base Period Wages | CQ - Calendar Quarter | CY - Calendar Year | Dep – Dependent |
| DA - Dependents Allowance | HQ - High Quarter | HQW - High Quarter Wages | InAvg - Industry Average |
| MBA - Maximum Benefit Amount | WBA - Weekly Benefit Amount | "=" - Equal To | ">" - Greater Than |
| ">" - Greater Than or Equal To | "≤" - Less Than or Equal To | "%" - Percent | "+" – Plus |
| Qtrs - Quarters | "x" - Times | | |

OTHER PROVISIONS OF LAW:

Waiting Week – Most States require a 1-week waiting period where the claimant must meet all eligibility conditions before benefits are payable. The following States do not require a waiting week: CT, DE, GA, IA, MD, MI, NV, NJ, VT (until 7/1/12), and WY. The waiting week may be paid after a specified period of unemployment in AL, MO, TN, and TX. In some States, it may be suspended under certain conditions.

Base Periods – Almost all qualifying earnings are determined using a BP consisting of the first 4 of the last 5 completed CQs. A few States use a different BP. In the following States, more recent earnings may be used in an alternative BP under certain conditions: AK, AR, CA (effective 04/01/12) CO, CT, DE, DC, GA, HI, IL, ID, IA, KS, ME, MD, MA, MI, MN, MT, NE, NV, NH, NJ, NM, NY, NC, OH, OK, OR, RI, SC, SD, TN, UT, VT, VA, VI, WA, WV, and WI.

FOOTNOTES:

- ¹ Reflects basic qualifying formula. Some States have alternative qualifying formulas.
- ² When two amounts given, higher includes DA; the higher figure for both the minimum and maximum WBAs includes DA for the maximum number of depts. If state has a DA and only one amount is given, the maximum is the same with or without the allowance. The total amount of DA payable in any week is limited by a cap. CO and MN do not pay DA. The lower amount is based on HQWs, and the higher amount is based on total BPWs.
- ³ This column lists the amount of weekly earnings that are disregarded (will not reduce the WBA). However, earnings in excess of those listed will be deducted from the WBA, resulting in a reduced payment.
- ⁴ For States that use earnings, further calculation is needed to derive the number of benefit weeks—take the amount obtained from the formula listed (which is the claimant's MBA) and divide it by the claimant's WBA. States with uniform duration do not have to calculate the number of benefit weeks since it is fixed at 25 or 26 weeks. In MO, when calculating 1/3 BPW, BPW are limited to 26 x WBA for each quarter.
- ⁵ Lists number of benefit weeks for only the regular program for total unemployment. In States with uniform duration, all eligible claimants receive the same number of benefit weeks (in IL the maximum amount payable cannot exceed one's BPW, resulting in some claimants being paid less than 26 weeks). For FL the maximum number of weeks annually decreases from 23 with each half percent decline in the avg unemployment rate below 10.5% during the 3rd CQ of the preceding year; however, the maximum number of weeks cannot fall below 12 when the avg unemployment rate is less than 5%. For WA the maximum number of benefit weeks decreases from 30 to the lesser of 26 or 1/3 BPW if the State unemployment rate falls to 6.8% or below. When MA is paying extended benefits and/or emergency unemployment compensation, the maximum number of weeks of regular benefits is 26. For WI, with some limited exceptions, individuals with significant ownership interest in family partnerships, LLCs and corporations, and certain of their family members, are limited to 4 weeks of regular UI benefits. In some States, additional weeks of benefits are payable under limited circumstances such as high unemployment, continuation of approved training, or workforce dislocations.
- ⁶ Coverage is determined by the size of the employing unit's payroll or the number of days or weeks worked during a CY and applies to employing units who, during any CQ in the current or immediately preceding CY, paid wages of \$1,500 or more, or to employing units who employ one or more workers on at least 1 day in each of 20 weeks during the current or immediately preceding CY; such employing units are liable for taxes, and the workers accrue benefit rights. For those States with "Any size," all workers are covered regardless of payroll size or weeks worked. States may have different thresholds for agricultural, domestic, and nonprofit employing units.
- ⁷ Rates apply only to experience rated employers and do not include applicable non UI taxes, surtaxes, penalties, or surcharges. In most States, rate year 2011 begins on January 1, 2011, and ends on December 31, 2011. In NH, NJ, TN, and VT rate year 2011 begins on July 1, 2011, and ends on June 30, 2012. Tax rates for 2012 will be posted in the July 2012 issue. For ME there is an additional 0.06% for the Competitive Skills Scholarship Fund on all employer rates. The rates for IL include the fund building surcharge.
- ⁸ New employer rate shown is the basic rate. Higher rates may apply depending on industry classification and/or other factors: AR (employers can elect to receive rate based on rate schedule), CO, DE (construction employers pay an avg industry rate), DC, IA (9.0% construction employers), IL (4.1% construction employers which includes the fund building surcharge), KS (6.0% construction employers), KY (foreign & domestic construction firms receive maximum rate), MA (8.62% new construction employers), ME (predetermined yield), MD (foreign contractors assigned avg industry rate, and in 2011 new construction employers headquartered in another state pay a 13.3% avg industry rate), MI (construction employers receive industry rate), MN (high experience rating industries are assigned a rate of 9.69% plus base rate, assessments, and fees), MT, MO (greater of 3.51% or InAvg), NE, NJ, NY (highest rate assigned to employers with positive account balances or 3.4%, whichever is less), ND, OH (new construction employers pay InAvg), PA (new construction employers pay 9.7%), SD (6.0% construction employers), TN, TX, UT, VT (construction employers pay InAvg), WA (90% of InAvg), WV (construction & foreign entities pay 8.5%), VI (larger employers & new construction employers pay higher rate), and WY (InAvg, but not less than 1.0%). NJ and LA rates depend on rate schedule in effect. In RI new employers pay an additional 0.21% Job Development Fund.

If you have any questions, please contact **Loryn Lancaster** at 202-693-2994 or **Agnes Wells** at 202-693-2996.

December 2012 State Unemployment Rates *

| State | Rate | State | Rate |
|---------------|------------|----------------|------|
| Alabama | 7.1 | Montana | 5.7 |
| Alaska | 6.6 | Nebraska | 3.7 |
| Arizona | 7.9 | Nevada | 10.2 |
| Arkansas | 7.1 | New Hampshire | 5.7 |
| California | 9.8 | New Jersey | 9.6 |
| Colorado | 7.6 | New Mexico | 6.4 |
| Connecticut | 8.6 | New York | 8.2 |
| Delaware | 6.9 | North Carolina | 9.2 |
| D.C. | 8.5 | North Dakota | 3.2 |
| Florida | 8 | Ohio | 6.7 |
| Georgia | 8.6 | Oklahoma | 5.1 |
| Hawaii | 5.2 | Oregon | 8.4 |
| Idaho | 6.6 | Pennsylvania | 7.9 |
| Illinois | 8.7 | Puerto Rico | 14 |
| Indiana | 8.2 | Rhode Island | 10.2 |
| Iowa | 4.9 | South Carolina | 8.4 |
| Kansas | 5.4 | South Dakota | 4.4 |
| Kentucky | 8.1 | Tennessee | 7.6 |
| Louisiana | 5.5 | Texas | 6.1 |
| Maine | 7.3 | Utah | 5.2 |
| Maryland | 6.6 | Vermont | 5.1 |
| Massachusetts | 6.7 | Virginia | 5.5 |
| Michigan | 8.9 | Washington | 7.6 |
| Minnesota | 5.5 | West Virginia | 7.5 |
| Mississippi | 8.6 | Wisconsin | 6.6 |
| Missouri | 6.7 | Wyoming | 4.9 |

Source: U.S. Dept. of Labor, Bureau of Labor Statistics (BLS)

* Preliminary figures from BLS.

| State | Trust Fund Balances | | | | Trust Fund Loans | Year/ Employers Pay for Required FUTA Tax Credit |
|----------------|---------------------|---------------|----------------|---------------|------------------|--|
| | Jan-09 | Jan-10 | Jan-11 | Jan-12 | | |
| Alabama | 267,408,381 | 7,722,698 | 13,109,220 | 12,508,549 | 91,179,327 | Paid in Full |
| Alaska | 351,074,757 | 283,892,585 | 238,633,674 | 231,063,693 | 275,938,024 | N/A |
| Arizona | 815,187,409 | 102,600,714 | 10,861,551 | 10,861,551 | 6,654,825 | \$313,792,552.96 |
| Arkansas | 40,592,836 | 15,086,868 | 18,537,727 | 60,665,249 | 82,306,401 | \$234,438,497.54 |
| California | 72,779,487 | 113,097,775 | 87,382,017 | 76,233,727 | 54,679,076 | \$10,303,642,800.21 |
| Colorado | 552,257,084 | 11,494,557 | 15,771,705 | 16,620,190 | 531,562,950 | Paid in Full |
| Connecticut | 339,430,336 | 42,464,000 | 39,413,661 | 63,003,352 | 108,980,948 | \$631,483,916.97 |
| Delaware | 114,520,091 | 24,324,166 | 1,665,582 | 13,897,435 | 6,396,752 | \$76,412,258.04 |
| D.C. | 402,839,261 | 313,281,300 | 289,822,686 | 283,637,274 | 292,702,262 | N/A |
| Florida | 1,118,078,592 | 157,271,368 | 107,084,972 | 42,351,411 | 30,809,589 | \$630,816,097.02 |
| Georgia | 773,553,713 | 20,997,563 | 22,140,835 | 10,497,621 | 29,935,034 | \$540,451,764.60 |
| Hawaii | 398,550,213 | 103,600,751 | 2,676,966 | 7,794,133 | 102,020,395 | Paid in Full |
| Idaho | 50,692,199 | 7,177,644 | 100,458,603 | 173,842,467 | 288,565,792 | Paid in Full |
| Illinois | 1,134,594,757 | 8,015,454 | 4,887,962 | 0 | 575,310,299 | Paid in Full |
| Indiana | 12,445,203 | 18,746,670 | 17,961,562 | 16,266,849 | 15,938,512 | \$1,767,543,083.93 |
| Iowa | 664,564,535 | 322,706,128 | 267,820,010 | 473,323,008 | 712,022,709 | N/A |
| Kansas | 518,401,000 | 64,703,439 | 37,174,764 | 28,724,000 | 44,093,824 | Paid in Full |
| Kentucky | 625,000 | 6,891,139 | 6,244,543 | 3,141,522 | 40,605,635 | \$837,664,856.16 |
| Louisiana | 1,439,592,172 | 1,094,893,986 | 868,494,316 | 781,316,931 | 756,453,543 | N/A |
| Maine | 432,136,432 | 315,486,457 | 293,211,123 | 265,036,585 | 277,556,107 | N/A |
| Maryland | 680,222,227 | 50,754,917 | 141,086,119 | 374,980,296 | 758,969,792 | Paid in Full |
| Massachusetts | 1,062,388,127 | 68,338,309 | 6,950,045 | 51,848,234 | 380,652,572 | Paid in Full |
| Michigan | 33,296,142 | 147,174,816 | 109,388,848 | 150,823,355 | 865,707,529 | Paid in Full |
| Minnesota | 393,976,206 | 9,290,259 | 8,790,259 | 8,790,259 | 448,266,611 | Paid in Full |
| Mississippi | 653,982,332 | 449,779,446 | 313,787,366 | 345,068,741 | 465,913,124 | N/A |
| Missouri | 41,237,606 | 13,911,058 | 13,524,343 | 17,752,089 | 37,422,709 | \$569,174,955.03 |
| Montana | 259,911,816 | 151,045,225 | 101,856,217 | 119,457,064 | 168,566,438 | N/A |
| Nevada | 267,096,190 | 150,469,965 | 207,560,094 | 267,002,717 | 332,528,657 | N/A |
| Nevada | 531,689,048 | 15,007,527 | 656,785 | 68,789,715 | 174,165,445 | \$685,308,839.53 |
| New Hampshire | 133,554,681 | 15,007,527 | 656,785 | 68,789,715 | 174,165,445 | Paid in Full |
| New Mexico | 222,439,775 | 40,420,368 | 32,835,581 | 32,108,401 | 32,574,277 | \$957,235,892.50 |
| New Jersey | 492,042,723 | 255,671,338 | 208,676,713 | 85,547,877 | 67,304,150 | N/A |
| New York | 314,094 | 41,582,118 | 30,766,066 | 27,418,696 | 27,265,718 | \$3,487,357,392.47 |
| North Carolina | 27,586,982 | 19,034,487 | 224,098,039 | 224,098,039 | 225,558,189 | \$2,555,704,831.88 |
| North Dakota | 132,167,753 | 90,511,923 | 91,042,162 | 117,526,366 | 157,761,858 | N/A |
| Ohio | 9,925,195 | 33,100,626 | 18,533,307 | 22,998,761 | 21,476,772 | \$1,799,094,085.65 |
| Oklahoma | 798,439,565 | 450,796,471 | 245,634,792 | 425,555,270 | 748,597,742 | N/A |
| Oregon | 1,854,279,679 | 949,658,462 | 863,974,420 | 1,036,058,714 | 1,392,196,162 | N/A |
| Pennsylvania | 626,784,747 | 112,735,239 | 119,843,393 | 49,462,656 | 164,274,978 | N/A |
| Puerto Rico | 490,319,756 | 377,785,888 | 278,646,539 | 345,929,361 | 363,835,210 | Paid in Full |
| Rhode Island | 43,372,388 | 1,855,977 | 8,125,426 | 1,108,021 | 774,812 | N/A |
| South Carolina | 6,339,074 | 8,641,587 | 8,215,976 | 84,179,427 | 210,738,326 | \$199,470,182.74 |
| South Dakota | 21,697,455 | 2,804,442 | 22,943,294 | 33,818,407 | 51,666,169 | \$675,597,745.87 |
| Tennessee | 365,265,942 | 116,737,979 | 140,199,315 | 302,471,294 | 547,167,412 | Paid in Full |
| Texas | 1,105,432,180 | 39,690,810 | 277,644,045 | 465,224,179 | 1,026,546,778 | Paid in Full |
| Utah | 793,313,308 | 459,189,173 | 292,919,575 | 351,913,439 | 503,035,124 | N/A |
| Vermont | 122,489,385 | 7,653,694 | 3,482,692 | 49,739,163 | 800,999,668 | \$57,731,860.63 |
| Virgin Islands | 10,627,103 | 843,221 | 61,988 | 923,113 | 4,143,647 | \$54,743,040.87 |
| Virginia | 545,225,103 | 68,470,901 | 65,059,770 | 62,414,745 | 47,015,791 | Paid in Full |
| Washington | 3,899,025,967 | 2,402,282,372 | 2,296,041,014 | 2,534,850,231 | 2,716,263,231 | N/A |
| West Virginia | 213,900,756 | 101,851,329 | 60,993,124 | 92,345,981 | 108,143,581 | N/A |
| Wisconsin | 80,360,300 | 27,516,794 | 19,300,559 | 13,249,745 | 9,321,266 | N/A |
| Wyoming | 251,758,237 | 141,838,623 | 118,169,388 | 154,830,321 | 221,722,265 | \$859,864,002.08 |
| United States | 9,883,360,895 | 8,780,653,750 | 10,516,106,064 | 11,722,265 | 221,722,265 | February, 2009 |

United States 9,883,360,895 8,780,653,750 10,516,106,064 11,722,265 221,722,265

* Arizona originally started borrowing in 03/10, and paid off the full balance in 05/10. Arizona resumed borrowing in 06/10.

Employers in a state w/ a trust fund loan balance on Jan. 1 of two consecutive years will face a FUTA tax credit reduction, unless the state pays its loan balance by Nov. 1 of the 2nd year.

Source: U.S. Dept. of Labor, Employment and Training Administration