

# UI Reserve Fund Highlights

November 18, 2013

## FUTA Credit Loss:

2011 FUTA rate increased 0.3%; extra FUTA paid in 2012 by WI employers: \$47.3 million

2012 FUTA rate increased 0.6%; extra FUTA paid in 2013 by WI employers: \$95.0 million

2013 FUTA rate increase 0.9%; projected extra FUTA paid in 2014 by WI employers: \$143 million

2014 FUTA rate increase<sup>1</sup> 1.2%; projected extra FUTA paid in 2015 by WI employers: \$190 million

<sup>1</sup> Assumes Trust Fund is not within \$50M of solvency by November 9, 2014

If the projected Trust Fund Balance on November 9, 2014, is positive, there will be no FUTA rate increase.

## SAFI Payments:

2011 \$42.3 million

2012 \$35.8 million

2013 \$18.9 million (State used GPR to cover this payment for employers.)

2014 \$6.4 million estimate (State GPR will cover this payment for employers.)

2015 \$650,000 estimate (excess 2012 SAFI receipts will cover this payment for employers.)

1. The Trust Fund Loan Balance on Nov. 13, 2013, was \$301.9 million. This was a decrease of \$443.9 million or 59% from the \$745.8 million on Nov. 13, 2012.
2. Tax receipts through October 2013 totaled \$1.15 billion compared to \$1.18 billion through October 2012.
3. Regular UI benefits paid through October totaled \$735.1 million compared to \$735.8 million through October 2012.

## 2014 UI Employer Tax Rate Highlights

Employer tax rates for 2014 were calculated and mailed during the month of October. Following is a brief analysis of the rates and a comparison with previous years.

1. The following shows the number of employers in each of the various rate range categories indicated for both 2014 and 2013.

**Tax Rate Distribution  
# of Accounts by Bracket**

<b>Tax Rate</b>	<b>Accounts 2014</b>	<b>Accounts 2013</b>	<b>% Increase</b>
<b>0% - 1%</b>	37,263	36,487	2.1%
<b>1% - 2%</b>	21,945	19,008	15.5%
<b>2% - 3%</b>	10,290	9,293	10.7%
<b>3% - 4%</b>	28,472	28,737	-0.9%
<b>4% - 5%</b>	9,217	10,044	-8.2%
<b>5% - 6%</b>	1,224	1,511	-19.0%
<b>6% - 7%</b>	4,719	5,339	-11.6%
<b>7% - 8%</b>	2,810	3,227	-12.9%
<b>8% - 9%</b>	2,659	3,491	-23.8%
<b>9% - 9.8%</b>	9,870	11,332	-12.9%

2. About 23,600 employers were rated at the minimum basic rate of .07%. Last year there were about 100 more employers at the minimum rate.
3. About 8,800 employers were rated at the maximum total rate of 9.8%. Last year there were approximately 9,900 employers at the maximum rate.



4. Overall rate fluctuation appears to have leveled off with the number of employers whose rates increased and decreased being similar to last year as shown in the following. Employers in the rate increase limiter category had their rate increase limited by the 1% and 2% statutory provisions.

#### TAX RATE CHANGE

	2014 Tax Rates		2013 Tax Rates		2012 Tax Rates	
	No. of Employers	Taxable Payroll (\$ billions)	No. of Employers	Taxable Payroll (\$ billions)	No. of Employers	Taxable Payroll (\$ billions)
No Change	34,399	\$7.90	34,078	\$7.60	35,743	\$6.10
Rate Increase No Limiter	22,307	\$5.80	22,500	\$5.90	28,540	\$10.60
Rate Increase Limiter	9,926	\$1.20	11,746	\$1.30	16,904	\$2.60
Decrease	43,644	\$13.10	41,084	\$12.00	30,360	\$6.40
New Employer Rate	19,577	\$0.70	19,170	\$0.70	16,392	\$0.60
Total	129,853	\$28.70	128,578	\$27.50	127,939	\$26.30

5. Of the 43,644 employers whose rate decreased, about 2,100 had a decrease of 4% or more, 21,000 had a decrease between 1% and 3.99%, and 20,400 had a decrease of less than 1%.

#### TAX RATE DECREASE BY CATEGORY

	2014 Tax Rate	
	No. of Employers	Taxable Payroll (\$Billions)
Rate Decrease Category		
Decrease < 1%	20,422	\$7.60
Decrease 1% - 1.99%	10,850	\$3.50
Decrease 2% - 3.99%	10,284	\$1.70
Decrease 4% - 5.99%	1,657	\$0.02
Decrease 6% - 9.1%	431	\$0.01
	43,644	\$13.10

6. If taxable payroll remained at FY 2013 levels, the 2014 tax rates would generate about 8% less revenue than the 2013 rates due to these decreases in rates. Multiplying 2014 rates by FY 2013 employer reported taxable payroll yields revenue of \$1.05 billion. Multiplying 2013 rates by the same payroll yields \$1.13 billion.
7. The following shows the number of employers in each of the major industry classifications who have been assigned 2014 rates in the various ranges indicated. It also shows the corresponding FY 2013 reported taxable payroll.



### 2014 Rates by NAICS Code

NAICS Code	Industry Category	9.80%	5.94% to 9.6%	3.46% to 5.4%	1.83% to 3.4%	0.27% to 1.76%	Total Dollars by Industry	Industry Count	Industry Payroll
		% of payroll	% of payroll	% of payroll	% of payroll	% of payroll	% of payroll	# of accts	(millions)
31-33	<b>Manufacturing</b>	3.7%	6.7%	47.1%	36.9%	5.6%	100%	8,168	\$ 7,017
44-45	Retail Trade	1.4%	3.3%	22.6%	55.4%	17.4%	100%	11,035	3,667
62	Health Care & Soc Asst	1.3%	4.4%	33.1%	39.1%	22.0%	100%	12,036	2,311
72	Accommod. & Food Service	3.3%	3.7%	23.7%	31.5%	37.9%	100%	10,712	2,131
56	Admin Sup & Waste Management	7.5%	15.3%	56.8%	13.5%	6.9%	100%	6,306	2,087
52	Finance & Insurance	0.3%	1.4%	25.2%	51.9%	21.2%	100%	4,723	1,841
42	Wholesale Trade	1.5%	4.4%	34.4%	42.6%	17.1%	100%	10,043	1,717
23	<b>Construction</b>	36.3%	25.4%	22.7%	9.1%	6.6%	100%	12,931	1,633
54	Profess, Scien, Tech Ser	2.2%	6.7%	30.8%	36.2%	24.1%	100%	11,724	1,485
48-49	Transportation & Warehousing	8.6%	8.7%	23.2%	46.6%	12.8%	100%	4,370	1,145
81	Other Services	2.5%	7.5%	19.3%	30.5%	40.2%	100%	15,097	840
51	Information	0.7%	6.1%	37.0%	45.1%	11.1%	100%	1,273	603
55	Mgt of Companies & Ent.	0.2%	2.7%	15.8%	77.4%	3.9%	100%	420	438
71	Arts, Entertain, & Rec	12.8%	12.5%	33.2%	24.1%	17.3%	100%	2,193	352
11	Ag, Forest, Fish & Hunt	9.3%	7.0%	13.1%	28.2%	42.4%	100%	2,291	344
53	Real Estate, Rental & Lease	2.5%	8.2%	33.2%	32.9%	23.2%	100%	3,270	319
22	Utilities	0.0%	0.1%	10.6%	57.4%	31.9%	100%	86	188
61	Educational Services	3.8%	5.1%	31.2%	40.1%	19.7%	100%	1,030	157
92	Public Admin.	10.4%	9.4%	25.5%	52.8%	1.9%	100%	66	106
99	Undeclared Ind /unclassified	1.1%	7.3%	36.6%	36.6%	18.3%	100%	404	27
Total								123,247	\$ 28,552
<b>Total % Payroll in each tax rate category</b>		<b>5%</b>	<b>7%</b>	<b>34%</b>	<b>38%</b>	<b>16%</b>		<b>100%</b>	

### JOBS (Current Employment Survey)

Not Seasonally Adjusted	August 2013	% of labor force	July 2013	August 2012	Change From prev mo	Change From prev yy
<b>Total Civilian Labor Force</b>	3,087,867	100.0%	3,125,205	3,062,584	-37,338	25,283
Employment	2,897,349	93.8%	2,913,898	2,854,299	-16,549	43,050
Unemployment	190,518	6.2%	211,307	208,285	-20,789	-17,767
Unemployment Rate	6.2%		6.8%	6.8%	-0.6%	-0.6%
<b>Total Nonfarm Wage &amp; Salary Employment</b>	2,853,000	100.0%	2,841,900	2,804,800	11,100	48,200
Total Private	2,471,500	86.6%	2,459,900	2,426,000	11,600	45,500
Goods Producing	579,100	20.3%	576,400	571,300	2,700	7,800
Construction, Mining & Natural Resources	111,300	3.9%	109,200	105,900	2,100	5,400
Manufacturing	467,800	16.4%	467,200	465,400	600	2,400
Service Providing	2,273,900	79.7%	2,265,500	2,233,500	8,400	40,400
Trade, Transportation & Utilities	515,200	18.1%	513,000	513,000	2,200	2,200
Wholesale Trade	119,100	4.2%	120,500	118,100	-1,400	1,000
Retail Trade	296,100	10.4%	292,800	296,400	3,300	-300
Transportation, Warehousing & Utilities	100,000	3.5%	99,700	98,500	300	1,500
Information	47,100	1.7%	46,900	47,100	200	0
Financial Activities	163,900	5.7%	165,100	164,400	-1,200	-500
Professional & Business Services	305,300	10.7%	302,600	294,500	2,700	10,800
Education & Health Services	418,200	14.7%	416,700	417,200	1,500	1,000
Leisure & Hospitality	302,400	10.6%	298,000	279,700	4,400	22,700
Other Services, exc Public	140,300	4.9%	141,200	138,800	-900	1,500
Total Government	381,500	13.4%	382,000	378,800	-500	2,700
Federal Government	28,200	1.0%	28,300	29,200	-100	-1,000
State Government	91,700	3.2%	89,500	84,700	2,200	7,000
Local Government	261,600	9.2%	264,200	264,900	-2,600	-3,300



8. At the end of October over 17,000 employers owed delinquent taxes totaling approximately \$79 million. The following shows the receivables owed by employers in each of the major industry classifications.

#### October 2013 Delinquent Receivables

Industry Classification	Number of Employers	Outstanding Receivable Balance
Construction	2,743	\$19,725,866
Health Care and Social Assistance	1,429	\$9,401,888
Administrative and Support and Waste Management and Remediation Services	1,152	\$8,113,893
Accommodation and Food Services	2,335	\$7,401,012
Unclassified Establishment	1,669	\$7,104,261
Manufacturing	951	\$6,010,796
Transportation and Warehousing	738	\$4,278,954
Retail Trade	1,223	\$3,410,078
Professional, Scientific, and Technical Services	952	\$2,974,753
Other Services (except Public Administration)	1,656	\$2,964,223
Wholesale Trade	679	\$1,834,994
Arts, Entertainment, and Recreation	300	\$1,288,573
Undeclared Industry	235	\$974,090
Finance and Insurance	350	\$902,026
Real Estate and Rental and Leasing	252	\$777,310
Educational Services	136	\$648,522
Information	123	\$609,160
Agriculture, Forestry, Fishing and Hunting	198	\$557,184
Mining, Quarrying, and Oil and Gas Extraction	17	\$293,333
Management of Companies and Enterprises	40	\$238,954
Utilities	6	\$3,390
Public Administration	4	\$34
Total	17,188	\$79,513,294



9. In 2013, 9,886 employers received 10% write-offs totaling \$171.9 million. In 2012, 11,292 employers received write-offs totaling \$199.1 million. Following is information regarding write-offs made between 2008 and 2013. It shows the amount of write-offs received by employers in each of the major industry classifications. It also shows the average number of write-offs received by employers in each classification during that 6 year period.

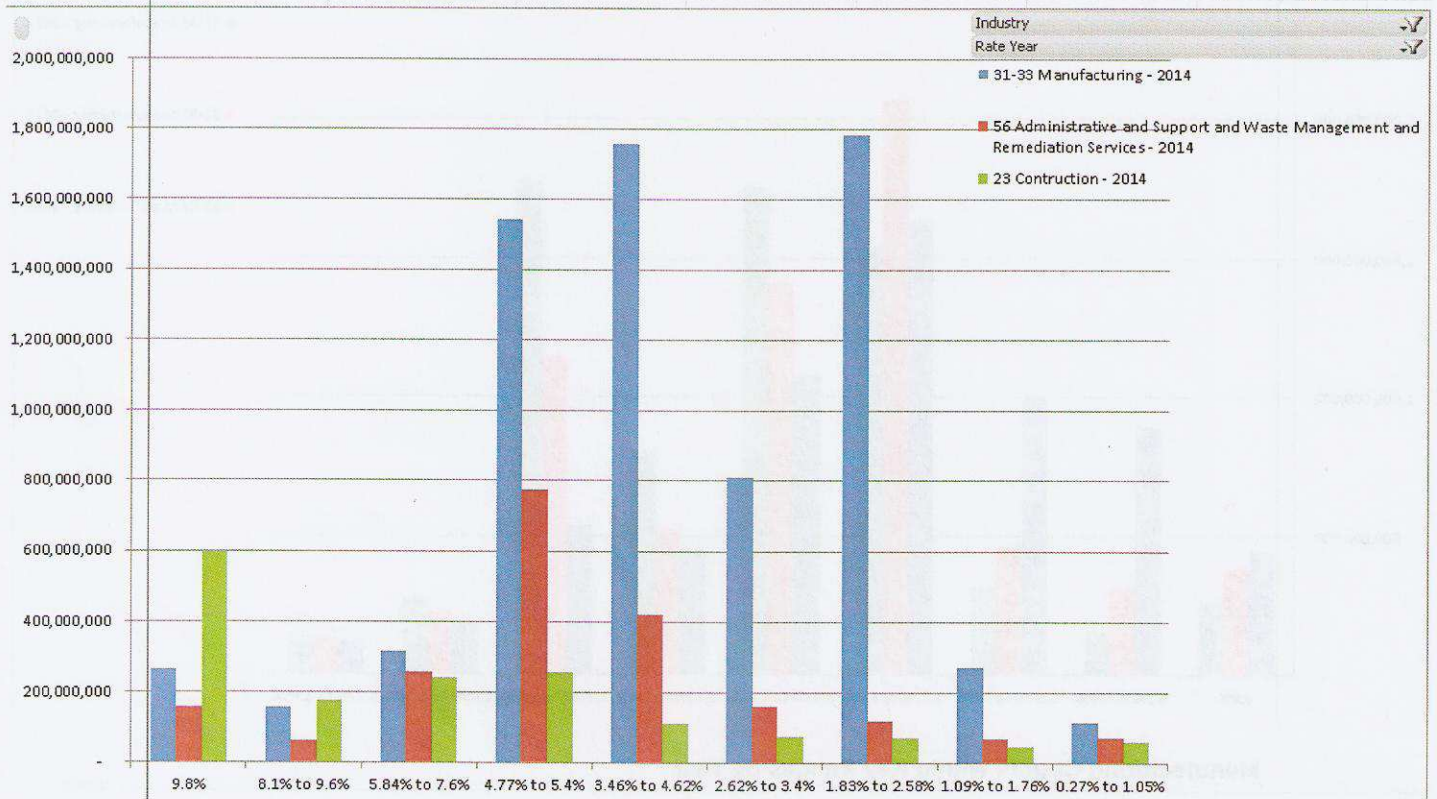
## RFB Write Off by Industry for the Period of 2008-2013

NAICS Code	NAICS - Industry	Average RFB Write Off	Number of RFB Write Offs	Total Value of Write Offs	% of Value of Write Offs
23	Construction	\$25,376	31,597	\$ 801,815,899	45%
31-33	Manufacturing	\$73,928	6,364	470,475,412	27%
56	Administrative and Support and Waste Management and Remediation Services	\$17,259	6,809	117,516,512	7%
48-49	Transportation and Warehousing	\$21,313	4,018	85,634,545	5%
44-45	Retail Trade	\$10,309	4,385	45,206,722	3%
54	Professional, Scientific, and Technical Services	\$11,507	3,606	41,493,969	2%
42	Wholesale Trade	\$13,235	3,104	41,081,121	2%
72	Accommodation and Food Services	\$10,919	2,723	29,733,293	2%
81	Other Services (except Public Administration)	\$5,543	3,823	21,189,582	1%
71	Arts, Entertainment, and Recreation	\$11,494	1,740	19,999,289	1%
11	Agriculture, Forestry, Fishing and Hunting	\$13,149	1,383	18,185,505	1%
21	Mining, Quarrying, and Oil and Gas Extraction	\$42,573	391	16,645,945	1%
62	Health Care and Social Assistance	\$10,549	1,488	15,696,433	1%
52	Finance and Insurance	\$12,425	951	11,816,153	1%
53	Real Estate and Rental and Leasing	\$7,840	1,243	9,745,560	1%
51	Information	\$13,021	373	4,856,973	0%
55	Management of Companies and Enterprises	\$44,033	104	4,579,472	0%
61	Educational Services	\$17,937	184	3,300,331	0%
99	Unclassified Establishment	\$8,558	369	3,158,008	0%
92	Public Administration	\$48,203	40	1,928,137	0%
0	Undeclared Industry	\$7,959	17	135,308	0%
22	Utilities	\$7,253	11	79,786	0%
<b>Grand Totals/Averages:</b>		<b>\$23,611</b>	<b>74,723</b>	<b>\$ 1,764,273,957</b>	<b>100%</b>

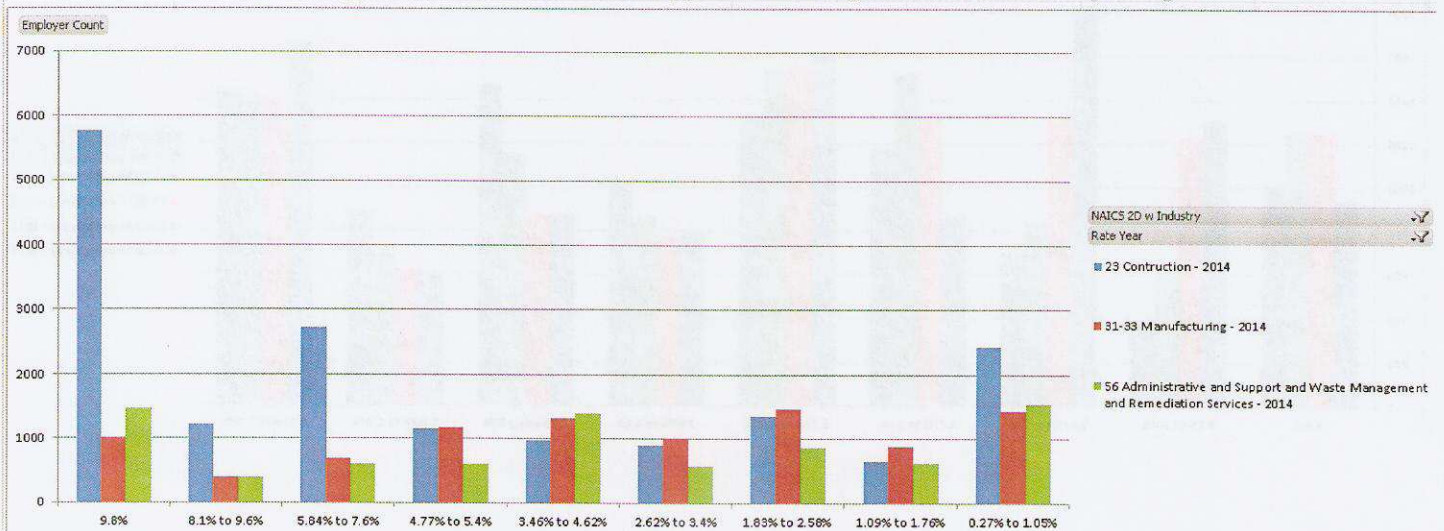


# APPENDIX

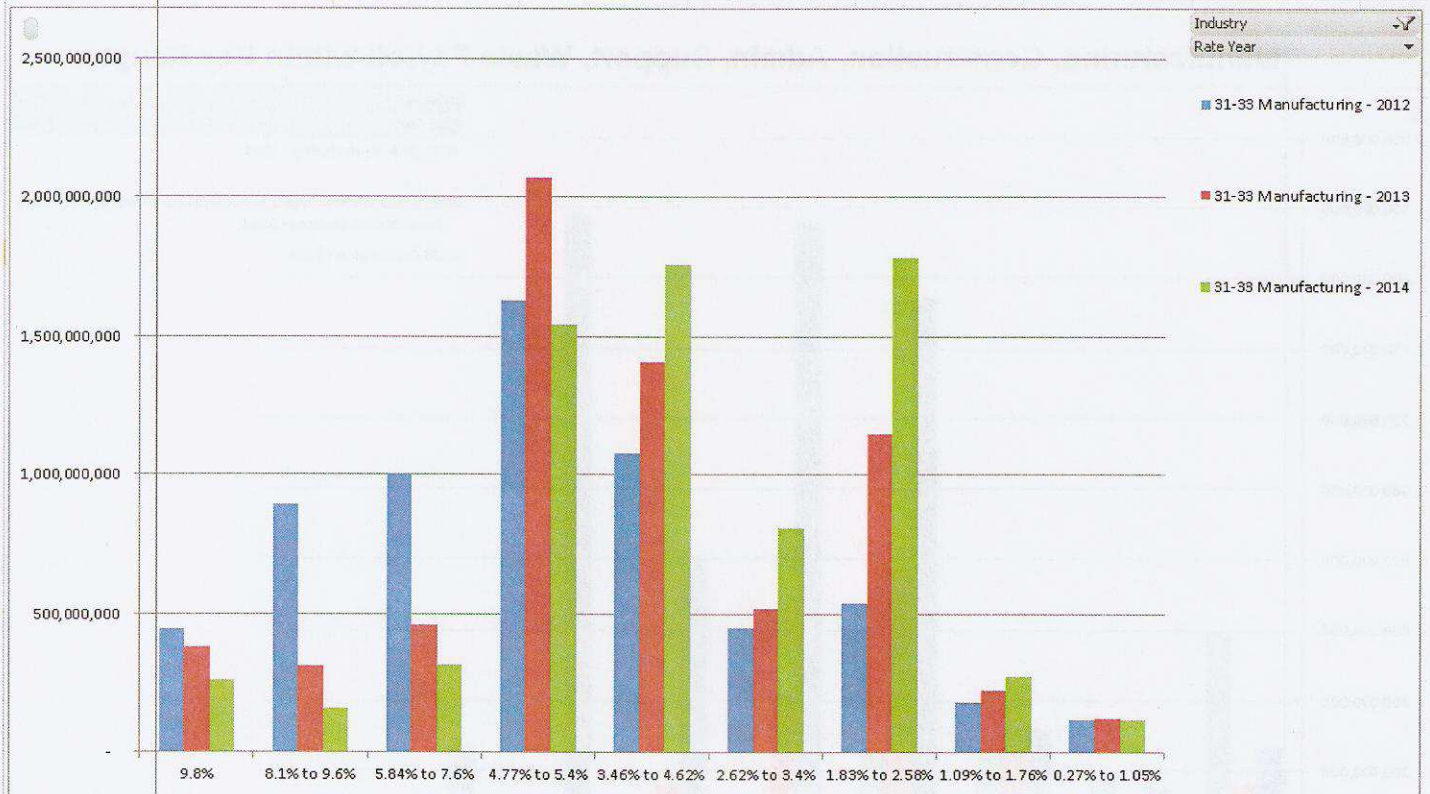
## Manufacturing, Construction, Admin, Support, Waste Payroll within Key Ranges



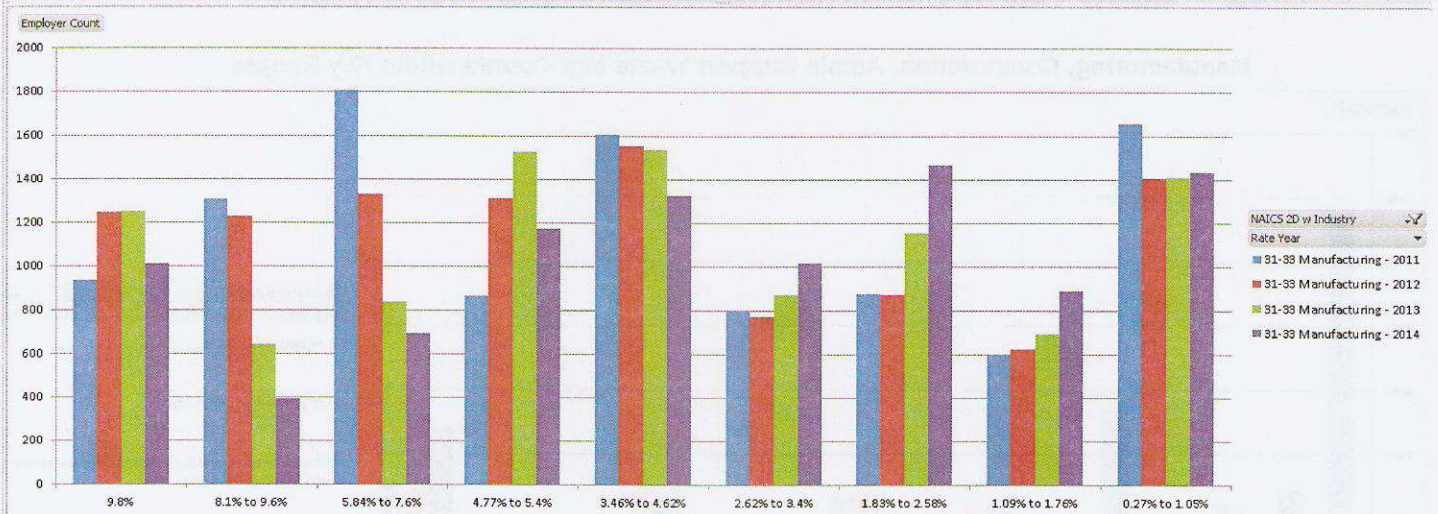
## Manufacturing, Construction, Admin Support Waste Mgt Counts within Key Ranges



## Manufacturing Payroll within Key Ranges by Year

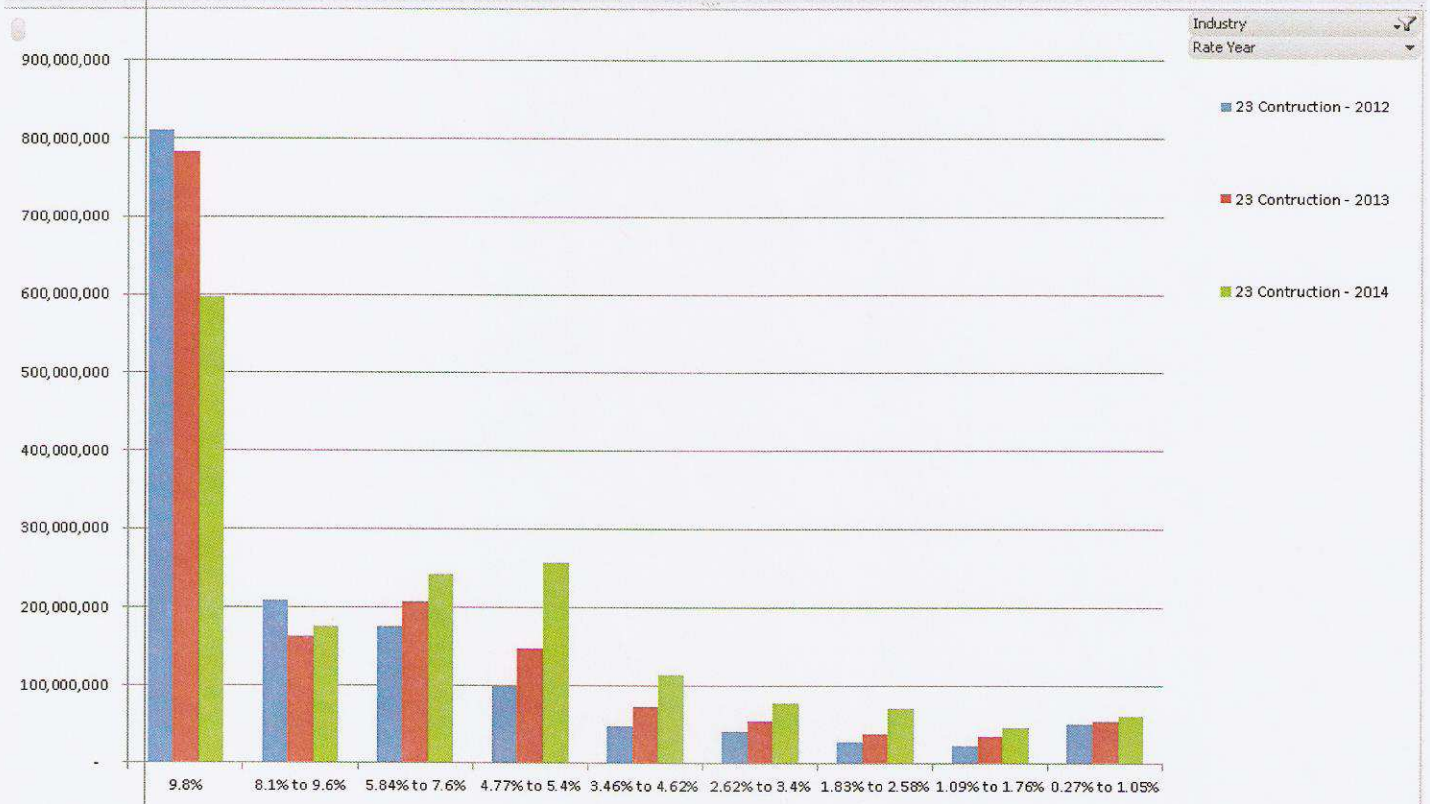


## Manufacturing Counts within Key Ranges by Year





## Construction Payroll within Key Ranges by Year



## Construction Counts within Key Ranges by Year

