

2013 UI Reserve Fund Highlights

1. Historical 1099-G Totals

YEAR	Claimants	
	Paid	\$ PAID
2007	332,982	908,240,298
2008	386,574	1,243,700,322
2009	566,353	3,166,852,114
2010	530,886	3,118,412,271
2011	445,538	2,076,607,917
2012	366,829	1,571,815,129
2013	312,325	1,283,637,389

2. The Trust Fund loan balance decreased by \$455.9 million during 2013 to \$399.4 million on Dec. 31, 2013.
3. UI tax receipts totaled \$1.17 billion during 2013 compared to \$1.19 billion during 2012.
4. Regular UI benefits paid and funded from the Reserve Fund during 2013 totaled \$792.8 million compared to \$875.7 million last year.
5. Additional FUTA taxes paid during 2013 by employers and credited to our outstanding loan balance totaled \$95.8 million compared to \$46.8 million during 2012. This is expected to increase to \$141 million during 2014.
6. Amounts collected from delinquent employers during 2013 totaled \$30.9 million. Amounts collected from overpaid claimants during 2013 totaled \$49.1 million.
7. The federal loan interest payment made on Sept. 30 was \$18.9 million and was funded by a state GPR appropriation. Unlike 2011 and 2012 there was no special assessment for interest made during 2013.
8. The interest rate on loans outstanding for 2014 is 2.387% compared to 2.576% for 2013. The rate is based on the Federal Trust Fund earnings rate during the 4th quarter of the previous year.
9. Projected interest due to be paid on Sept. 30 of this year is approximately \$6 million.
10. Based on current projections, federal loans will be paid off at the beginning of May this year when employer 1st quarter tax payments are made. The following shows projected future borrowing and loan activity. Based on current projections, no borrowing would be required after April 2015 through 2016.
 - Jan. through Apr. 2014 – Continued borrowing with outstanding loan balances
 - May through June 2014 – Cash reserves with NO BORROWING OR LOAN BALANCE
 - July 2014 – Borrowing with outstanding loan balances
 - Aug. through Dec. 2014 – Cash reserves with NO BORROWING OR LOAN BALANCE
 - Jan. through Apr. 2015 – Borrowing with outstanding loan balances
 - May 2015 through Dec. 2016 – Cash reserves with NO BORROWING

DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
BALANCE SHEET
FOR THE MONTH ENDED December 30, 2013

	<u>CURRENT YEAR</u>	<u>PRIOR YEAR</u>
<u>ASSETS</u>		
CASH:		
U.I. CONTRIBUTION ACCOUNT	1,695,568.07	1,873,507.19
U.I. BENEFIT ACCOUNTS	(1,688,270.73)	(25,246,429.16)
U.I. TRUST FUND ACCOUNTS (1)	<u>4,700,611.15</u>	<u>9,257,801.59</u>
TOTAL CASH	4,707,908.49	(14,115,120.38)
ACCOUNTS RECEIVABLE:		
BENEFIT OVERPAYMENT RECEIVABLES	131,093,986.20	134,183,308.45
LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS (2)	<u>(44,241,868.16)</u>	<u>(43,745,248.77)</u>
NET OVERPAYMENTS RECEIVABLE	86,852,118.04	90,438,059.68
TAXABLE EMPLOYER RECEIVABLES (3) (4)	73,775,415.59	83,083,544.94
OTHER RECEIVABLES (5)	8,235,032.08	8,639,066.90
LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS (2)	<u>(48,965,421.06)</u>	<u>(51,611,501.48)</u>
NET EMPLOYER RECEIVABLES	33,045,026.61	40,111,110.36
TOTAL ACCOUNTS RECEIVABLE	<u>119,897,144.65</u>	<u>130,549,170.04</u>
TOTAL ASSETS	<u>124,605,053.14</u>	<u>116,434,049.66</u>
<u>LIABILITIES AND EQUITY</u>		
LIABILITIES:		
TRUST FUND-FEDERAL ADVANCE	399,433,695.96	855,309,877.08
COURT COSTS	41,865.16	27,378.53
CONTINGENT LIABILITIES (6)	58,938,004.55	65,562,770.22
ERROR SUSPENSE	101,785.16	24,633.20
FEDERAL BENEFITS PROGRAMS	(414,109.91)	(3,853,922.19)
CHILD SUPPORT HOLDING ACCOUNT	177,016.00	697,428.00
FEDERAL WITHHOLDING TAXES DUE	71,670.00	350,181.00
STATE WITHHOLDING TAXES DUE	1,683,770.80	2,515,848.05
DUE TO OTHER GOVERNMENTS (7)	<u>407,198.51</u>	<u>399,571.17</u>
TOTAL LIABILITIES	460,440,896.23	921,033,765.06
EQUITY:		
RESERVE FUND BALANCE	1,025,352,433.18	693,409,046.80
BALANCING ACCOUNT	<u>(1,361,188,276.27)</u>	<u>(1,498,008,762.20)</u>
TOTAL EMPLOYER EQUITY	<u>(335,835,843.09)</u>	<u>(804,599,715.40)</u>
TOTAL LIABILITIES AND EQUITY	<u>124,605,053.14</u>	<u>116,434,049.66</u>

1. \$4,700,611 of this balance is for administration purposes and is not available to pay benefits.

2. The allowance for uncollectible benefit overpayments is 37.8%. The allowance for uncollectible delinquent employer taxes is 55.3%. This is based on the historical collectibility of our receivables. This method of recognizing receivable balances is in accordance with generally accepted accounting principles.

3. The remaining tax due at the end of the current month for employers utilizing the 1st quarter deferral plan is \$1,645,944. Deferrals for the prior year were \$1,686,687.

4. \$20,648,707, or 28.0%, of this balance is estimated. Estimates are only calculated for Reserve Fund, Solvency and Admin Fee Taxable Employer Receivables.

5. An allowance for doubtful collections of \$136,000 has been established for receivables due from non-profit employers who have elected reimbursement financing. That figure is included in this number.

6. \$45,820,221 of this balance is net benefit overpayments which, when collected, will be credited to a reimbursable or federal program. \$13,117,784 of this balance is net interest, penalties, SAFI, and other fees assessed to employers and penalties and other fees assessed to claimants which, when collected, will be credited to the state fund.

7. This balance includes SAFI Payable of \$51,442, Interest & Penalty of \$301,983, Concealment 2012 Penalty of \$52,621 and Due to State of Wisconsin-Other of \$1,153. The 11/30/2013 balance of the Unemployment Interest Payment Fund (DWD Fund 214) is \$10,920,239.

FINANCIAL STATEMENTS

For the Month Ended December 31, 2013



Division of Unemployment Insurance

Bureau of Tax and Accounting

DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
CASH ANALYSIS
FOR THE MONTH ENDED December 30, 2013

	<u>CURRENT ACTIVITY</u>	<u>YEAR TO DATE ACTIVITY</u>	<u>PRIOR YTD ACTIVITY</u>
BEGINNING U.I. CASH BALANCE	(\$322,449,884.97)	(\$867,244,065.62)	(\$1,224,911,853.35)
INCREASES:			
TAX RECEIPTS/RFB PAID	2,607,831.99	790,282,877.71	836,441,420.41
U.I. PAYMENTS CREDITED TO SURPLUS	593,489.23	382,215,940.35	354,682,098.44
FUTA TAX CREDITS	<u>222,259.88</u>	<u>95,769,933.15</u>	<u>46,775,003.84</u>
TOTAL INCREASE IN CASH	<u>3,423,581.10</u>	<u>1,268,268,751.21</u>	<u>1,237,898,522.69</u>
TOTAL CASH AVAILABLE	(319,026,303.87)	401,024,685.59	12,986,669.34
DECREASES:			
TAXABLE EMPLOYER DISBURSEMENTS	64,540,880.57	664,589,859.33	736,120,648.95
BENEFITS CHARGED TO SURPLUS	<u>12,449,030.81</u>	<u>128,227,482.13</u>	<u>139,625,583.99</u>
TOTAL BENEFITS PAID DURING PERIOD	76,989,911.38	792,817,341.46	875,746,232.94
REED ACT EXPENDITURES	<u>333,631.06</u>	<u>4,557,190.44</u>	<u>4,484,502.02</u>
ENDING U.I. CASH BALANCE (10) (11)	<u>(396,349,846.31)</u>	<u>(396,349,846.31)</u>	<u>(867,244,065.62)</u>

10. \$3,093,283 of this balance was set up in 2008 in the Trust Fund as a Reed Act subaccount to be used for administration purposes and is not available to pay benefits.

11. \$1,607,328 of this balance was set up in 2009 in the Trust Fund as a subaccount per the ARRA UI Modernization Provisions and is not available to pay benefits.

**DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
RECEIPTS AND DISBURSEMENTS STATEMENT
FOR THE MONTH ENDED 12/31/13**

<u>RECEIPTS</u>	<u>-CURRENT ACTIVITY--</u>	<u>--YEAR TO DATE---</u>	<u>PRIOR YEAR TO DATE</u>
TAX RECEIPTS/RFB	\$2,607,831.99	\$790,282,877.71	\$836,441,420.41
SOLVENCY	762,853.57	376,478,067.94	351,203,622.11
ADMINISTRATIVE FEE	364.26	5,527.42	4,057.71
UNUSED CREDITS	(254,844.37)	3,556,867.23	1,819,306.76
GOVERNMENTAL UNITS	1,877,342.70	27,037,722.95	31,639,749.95
NONPROFITS	2,119,923.50	28,704,137.26	30,529,087.26
REDA PAID	0.00	0.00	0.00
INTERSTATE CLAIMS (CWC)	226,628.33	8,916,893.65	9,815,882.93
ERROR SUSPENSE	89,635.22	76,565.19	20,572.20
FEDERAL PROGRAMS RECEIPTS	21,597,405.00	370,340,144.63	617,614,548.95
OVERPAYMENT COLLECTIONS	2,637,369.80	47,836,601.13	48,740,491.27
FORFEITURES	449,091.00	7,898,496.82	8,449,159.97
BENEFIT CONCEALMENT INCOME	17,432.40	23,471.73	0.00
EMPLOYER REFUNDS	(1,094,657.11)	(5,387,715.70)	(6,792,760.16)
COURT COSTS	10,778.70	14,486.63	1,576.78
INTEREST & PENALTY	355,392.30	4,460,622.84	4,257,437.85
SPECIAL ASSESSMENT FOR INTEREST	15,277.28	428,266.70	25,685,802.61
FEDERAL LOAN	87,543,796.63	870,194,899.73	926,581,915.07
INTEREST EARNED ON U.I. TRUST FUND BALANCE	0.00	0.00	0.00
MISCELLANEOUS	(1,273.84)	501,270.90	605,140.68
TOTAL RECEIPTS	<u>\$118,960,347.36</u>	<u>\$2,531,369,204.76</u>	<u>\$2,886,617,012.35</u>
<u>DISBURSEMENTS</u>			
CHARGES TO TAXABLE EMPLOYERS	\$67,930,109.33	\$714,257,663.70	\$788,019,106.15
NONPROFIT CLAIMANTS	2,367,352.85	27,736,928.71	28,739,172.88
GOVERNMENTAL CLAIMANTS	2,428,183.30	24,859,404.49	29,496,099.55
INTERSTATE CLAIMS (CWC)	824,125.06	8,313,022.35	8,858,207.11
QUITS	8,250,439.17	81,861,854.13	85,799,497.23
OTHER NONCHARGE BENEFITS	4,120,348.66	45,021,053.29	52,595,379.18
CLOSED EMPLOYERS	333.42	66,517.43	3,945.65
ERROR CLEARING ACCOUNT	0.00	0.00	0.00
FEDERAL PROGRAMS			
FEDERAL EMPLOYEES (UCFE)	351,518.29	3,753,132.90	4,161,171.99
EX-MILITARY (UCX)	588,497.36	7,352,858.79	9,973,748.51
TRADE ALLOWANCE (TRA/TRA-NAFTA)	691,346.80	7,595,142.06	11,684,753.03
DISASTER UNEMPLOYMENT (DUA)	0.00	0.00	0.00
2003 TEMPORARY EMERGENCY UI (TEUC)	(2,924.86)	(72,253.47)	(94,657.49)
FEDERAL ADD'L COMPENSATION \$25 ADD-ON (FAC)	(52,477.34)	(1,524,083.16)	(2,588,314.35)
FEDERAL EMERGENCY UI (EUC)	27,328,441.54	352,666,164.50	570,229,510.88
FEDERAL EXTENDED BENEFITS (EB)	(61,464.37)	(1,090,740.09)	24,908,409.90
FEDERAL EMPLOYEES EXTENDED BEN (UCFE EB)	(4,404.70)	(7,757.12)	243,170.11
FEDERAL EX-MILITARY EXTENDED BEN (UCX EB)	(642.00)	(19,218.03)	478,730.85
INTERSTATE CLAIMS EXTENDED BENEFITS (CWC EB)	(758.35)	(8,090.52)	108,612.64
INTEREST & PENALTY	368,348.12	4,375,606.95	4,312,597.33
SPECIAL ASSESSMENT FOR INTEREST	0.00	505,688.95	46,220,939.95
STATE SHARE EXTENDED BENEFITS (EB)	0.00	0.00	0.00
ADMINISTRATIVE FEE TRANSFER	369.74	5,493.72	7,549.67
FEDERAL WITHHOLDING	(60,517.00)	278,511.00	(243,793.00)
STATE WITHHOLDING	(652,971.00)	832,077.25	718,109.45
REED ACT & ARRA SPECIAL ADMIN EXPENDITURES	333,631.06	4,557,190.44	4,484,502.02
FEDERAL LOAN REPAYMENTS	8,949,861.25	1,230,301,147.70	1,254,608,934.00
MISCELLANEOUS	(158,424.60)	928,859.92	(139,490.30)
TOTAL DISBURSEMENTS	<u>\$123,538,321.73</u>	<u>\$2,512,546,175.89</u>	<u>\$2,922,585,892.94</u>
NET INCREASE(DECREASE)	<u>(4,577,974.37)</u>	<u>18,823,028.87</u>	<u>(35,968,880.59)</u>
BALANCE AT BEGINNING OF MONTH/YEAR	\$9,285,882.86	(\$14,115,120.38)	\$21,853,760.21
BALANCE AT END OF MONTH/YEAR	<u>\$4,707,908.49</u>	<u>\$4,707,908.49</u>	<u>(\$14,115,120.38)</u>

DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
RESERVE FUND ANALYSIS
FOR THE MONTH ENDED December 30, 2013

	<u>CURRENT ACTIVITY</u>	<u>YTD ACTIVITY</u>	<u>PRIOR YTD</u>
BALANCE AT BEGINNING OF MONTH/YEAR:			
U.I. TAXABLE ACCOUNTS	1,552,085,854.13	1,161,979,224.48	841,002,485.75
BALANCING ACCOUNT	<u>(1,816,958,201.31)</u>	<u>(1,966,578,939.88)</u>	<u>(1,991,890,519.59)</u>
TOTAL BALANCE	(264,872,347.18)	(804,599,715.40)	(1,150,888,033.84)
<u>INCREASES:</u>			
TAX RECEIPTS/RFB PAID	2,607,831.99	790,282,877.71	836,441,420.41
ACCRUED REVENUES	2,192,488.46	(2,278,508.13)	(6,472,189.63)
SOLVENCY PAID	762,853.57	376,478,067.94	351,203,622.11
FORFEITURES	449,091.00	6,124,738.79	5,405,488.66
BENEFIT CONCEALMENT INCOME	17,432.40	23,471.73	0.00
FUTA TAX CREDITS	222,259.88	95,769,933.15	46,775,003.84
OTHER CHANGES	<u>108,089.23</u>	<u>1,792,210.38</u>	<u>1,718,853.12</u>
TOTAL INCREASES	6,360,046.53	1,268,192,791.57	1,235,072,198.51
<u>DECREASES:</u>			
TAXABLE EMPLOYER DISBURSEMENTS	64,540,880.57	664,589,859.33	736,120,648.95
QUIT NONCHARGE BENEFITS	8,250,439.17	81,861,854.13	85,799,497.23
OTHER DECREASES	453,894.60	7,900,400.05	13,852,052.60
OTHER NONCHARGE BENEFITS	<u>4,078,328.10</u>	<u>45,076,805.75</u>	<u>53,011,681.29</u>
TOTAL DECREASES	77,323,542.44	799,428,919.26	888,783,880.07
BALANCE AT END OF MONTH/YEAR:			
RESERVE FUND BALANCE	1,025,352,433.18	1,025,352,433.18	693,409,046.80
BALANCING ACCOUNT	<u>(1,361,188,276.27)</u>	<u>(1,361,188,276.27)</u>	<u>(1,498,008,762.20)</u>
TOTAL BALANCE (8) (9)	<u>(335,835,843.09)</u>	<u>(335,835,843.09)</u>	<u>(804,599,715.40)</u>

8. This balance differs from the cash balance related to taxable employers of (\$396,349,846) because of non-cash accrual items.

9. \$4,700,611 of this balance is set up in the Trust Fund in two subaccounts to be used for administration purposes and is not available to pay benefits.

DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
BALANCING ACCT SUMMARY
FOR THE MONTH ENDED December 30, 2013

	CURRENT ACTIVITY	YEAR TO DATE ACTIVITY	PRIOR YTD ACTIVITY
BALANCE AT THE BEGINNING OF THE MONTH/YEAR	(\$1,409,751,644.45)	(\$1,560,653,112.42)	(\$1,592,416,582.22)
INCREASES:			
U.I. PAYMENTS CREDITED TO SURPLUS:			
SOLVENCY PAID	762,853.57	376,478,067.94	351,203,622.11
FORFEITURES	449,091.00	6,124,738.79	5,405,488.66
OTHER INCREASES (12)	(618,455.34)	(386,866.38)	(1,927,012.33)
U.I. PAYMENTS CREDITED TO SURPLUS SUBTOTAL	593,489.23	382,215,940.35	354,682,098.44
TRANSFERS BETWEEN SURPLUS ACCTS	16,277.72	(206,250,368.00)	(225,583,546.47)
FUTA TAX CREDITS	222,259.88	95,769,933.15	46,775,003.84
TOTAL INCREASES	832,026.83	271,735,505.50	175,873,555.81
DECREASES:			
BENEFITS CHARGED TO SURPLUS:			
QUITS	8,250,439.17	81,861,854.13	85,799,497.23
OTHER NON-CHARGE BENEFITS	4,198,591.64	46,364,884.83	53,825,729.18
MISCELLANEOUS EXPENSE	0.00	743.17	357.58
BENEFITS CHARGED TO SURPLUS SUBTOTAL	12,449,030.81	128,227,482.13	139,625,583.99
REED ACT EXPENDITURES	333,631.06	4,557,190.44	4,484,502.02
BALANCE AT THE END OF THE MONTH/YEAR	(1,421,702,279.49)	(1,421,702,279.49)	(1,560,653,112.42)

12. The 10% writeoff for 2013 was \$172 million and is included in this balance. The 10% writeoff shifts employer benefit charges to the balancing account. The 10% writeoff has no effect on receivable balances.