

UI Reserve Fund Highlights

9/17/2015

- The UI Reserve Fund cash balance at the end of July was \$735.4 million compared to \$235.2 million at the end of July 2014. The last time the balance was over \$700 million was in April 2007.
- Year to date tax receipts including 2nd quarter 2015 payments received during July totaled \$880.7 million compared to \$929 million during the same time period last year. Although taxable payroll for the first 2 quarters is up 2.6% over last year, the reduction in revenue again reflects the decrease in tax rates between 2014 and 2015 due to experience rating.
- Benefit payments charged to the Reserve Fund were \$371.2 million through July compared to \$445.4 million last year.
- 2nd quarter interest earnings on our Federal Trust Fund balances was \$2.3 million. Year to date earnings are \$3.4 million. The earnings rate for the 2nd quarter was 2.344% compared to 2.388% for the 1st quarter.
- Gross wages reported by employers for the 1st and 2nd quarters of 2015 increased 4.1% compared to the same quarters last year. As mentioned above, taxable wages increased 2.6%.
- The following shows taxes paid and benefit charges for all active employers grouped by industry classifications. The taxes paid and benefits charged are for the 3 year period July 1, 2012 through June 30, 2015. Also shown is the amount of FY 2015 taxable payroll reported by all employers in each of the industry classifications.

Taxes Paid and Benefits Charged

July1, 2012 to June 30th, 2015

(\$Millions)

NAICS - Industry	Credited to		Benefits Charged 2012-2014	Increase (Decrease) in RFB Balances	Number of Employees 2015	FY2015 Taxable Payroll	Percent of Taxable Payroll	Percent of Total Employees	Percent of Benefit Charges	Percent of Taxes Paid
	Taxes Paid 2012-2015	Account (RFB) 2015								
11 Agriculture, Forestry, Fishing and Hunting	\$ 34.2	\$ 24.1	\$ 22.9	\$ 1.2	2,380	\$ 391.4	1.3%	1.8%	1.4%	1.1%
21 Mining, Quarrying, and Oil and Gas Extraction	\$ 10.1	\$ 7.8	\$ 10.8	\$ (3.0)	155	\$ 67.3	0.2%	0.1%	0.7%	0.3%
22 Utilities	\$ 12.0	\$ 5.7	\$ 4.1	\$ 1.6	86	\$ 193.2	0.6%	0.1%	0.3%	0.4%
23 Construction	\$ 373.1	\$ 307.0	\$ 406.2	\$ (99.2)	12,956	\$ 1,914.6	6.2%	9.7%	24.7%	11.7%
31-33 Manufacturing	\$ 846.5	\$ 547.4	\$ 358.1	\$ 189.3	7,983	\$ 7,370.4	23.9%	6.0%	21.7%	26.4%
42 Wholesale Trade	\$ 164.3	\$ 102.0	\$ 63.4	\$ 38.6	9,600	\$ 1,794.9	5.8%	7.2%	3.8%	5.1%
44-45 Retail Trade	\$ 325.1	\$ 190.1	\$ 115.9	\$ 74.1	10,527	\$ 3,887.7	12.6%	7.9%	7.0%	10.2%
48-49 Transportation and Warehousing	\$ 134.8	\$ 92.2	\$ 84.5	\$ 7.7	4,158	\$ 1,231.5	4.0%	3.1%	5.1%	4.2%
51 Information	\$ 68.0	\$ 42.3	\$ 23.3	\$ 19.1	1,281	\$ 688.5	2.3%	1.0%	1.4%	2.1%
52 Finance and Insurance	\$ 146.4	\$ 79.4	\$ 49.8	\$ 29.6	4,695	\$ 1,906.6	6.2%	3.5%	3.0%	4.6%
53 Real Estate and Rental and Leasing	\$ 31.6	\$ 20.9	\$ 13.6	\$ 7.3	3,262	\$ 334.5	1.1%	2.5%	0.8%	1.0%
54 Professional, Scientific, and Technical Services	\$ 137.8	\$ 88.0	\$ 61.9	\$ 26.1	12,085	\$ 1,558.5	5.0%	9.1%	3.8%	4.3%
55 Management of Companies and Enterprises	\$ 38.7	\$ 21.6	\$ 13.7	\$ 8.0	434	\$ 444.4	1.4%	0.3%	0.8%	1.2%
56 Administrative and Support and Waste Management and Remediation Services	\$ 320.5	\$ 224.6	\$ 193.1	\$ 31.5	6,248	\$ 2,360.4	7.6%	4.7%	11.7%	10.0%
61 Educational Services	\$ 15.0	\$ 9.6	\$ 7.4	\$ 2.2	1,058	\$ 162.6	0.5%	0.8%	0.4%	0.5%
62 Health Care and Social Assistance	\$ 210.1	\$ 128.3	\$ 75.4	\$ 52.9	15,269	\$ 2,472.0	8.0%	11.5%	4.6%	6.6%
71 Arts, Entertainment, and Recreation	\$ 46.7	\$ 33.8	\$ 32.7	\$ 1.1	2,105	\$ 370.1	1.2%	1.6%	2.0%	1.5%
72 Accommodation and Food Services	\$ 180.4	\$ 112.8	\$ 67.5	\$ 45.3	10,577	\$ 2,335.1	7.6%	8.0%	4.1%	5.6%
81 Other Services (except Public Administration)	\$ 67.4	\$ 44.7	\$ 30.4	\$ 14.3	13,667	\$ 862.2	2.8%	10.3%	1.8%	2.1%
92 Public Administration	\$ 14.5	\$ 10.1	\$ 8.7	\$ 1.4	68	\$ 104.5	0.3%	0.1%	0.5%	0.5%
99 Unclassified Establishment	\$ 21.9	\$ 15.5	\$ 4.2	\$ 11.4	10,560	\$ 348.9	1.1%	7.9%	0.3%	0.7%
00 Undeclared	\$ 2.9	\$ 1.9	\$ 0.3	\$ 1.6	3,822	\$ 58.7	0.2%	2.9%	0.0%	0.1%
Grand Total	\$ 3,202.1	\$ 2,109.6	\$ 1,647.6	\$ 462.0	132,976	\$ 30,868.0	100.0%	100.0%	100.0%	100.0%

1. During the last 3 fiscal years, employer account balances increased by a total of \$462 million. This reflects the decrease in tax rates over the last few years.
2. The manufacturing industry had the largest increase in account balances at \$189 million even though this industry represents only 6% of the employers. This industry had 22% of all benefit charges and 26% of all taxes paid.
3. The construction industry had a \$99 million decrease in account balances. This industry had 25% of all benefit charges but only 12% of taxes paid.
4. The only other industry with a decrease in account balances was the mining, quarrying, oil and gas industry.

FINANCIAL STATEMENTS

For the Month Ended July 31, 2015



Division of Unemployment Insurance

Bureau of Tax and Accounting

DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
BALANCE SHEET
FOR THE MONTH ENDED July 31, 2015

	<u>CURRENT YEAR</u>	<u>PRIOR YEAR</u>
<u>ASSETS</u>		
CASH:		
U.I. CONTRIBUTION ACCOUNT	194,639,201.35	207,249,524.86
U.I. BENEFIT ACCOUNTS	501,153.35	396,174.20
U.I. TRUST FUND ACCOUNTS (1)	<u>544,604,411.99</u>	<u>34,113,569.57</u>
TOTAL CASH	739,744,766.69	241,759,268.63
ACCOUNTS RECEIVABLE:		
BENEFIT OVERPAYMENT RECEIVABLES	114,248,560.81	124,123,603.95
LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS (2)	<u>(43,748,013.18)</u>	<u>(44,479,724.90)</u>
NET BENEFIT OVERPAYMENT RECEIVABLES	70,500,547.63	79,643,879.05
TAXABLE EMPLOYER RFB & SOLVENCY RECEIV (3) (4)	46,819,189.27	52,200,400.60
LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS (2)	<u>(32,031,657.53)</u>	<u>(35,311,861.32)</u>
NET TAXABLE EMPLOYER RFB & SOLVENCY RECEIV	14,787,531.74	16,888,539.28
OTHER EMPLOYER RECEIVABLES	26,377,538.59	27,910,667.28
LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS	<u>(12,740,606.21)</u>	<u>(12,591,232.81)</u>
NET OTHER EMPLOYER RECEIVABLES	13,636,932.38	15,319,434.47
TOTAL ACCOUNTS RECEIVABLE	<u>98,925,011.75</u>	<u>111,851,852.80</u>
TOTAL ASSETS	<u>838,669,778.44</u>	<u>353,611,121.43</u>
<u>LIABILITIES AND EQUITY</u>		
LIABILITIES:		
CONTINGENT LIABILITIES (5)	41,207,836.54	49,170,847.82
OTHER LIABILITIES	7,282,608.06	9,735,775.00
FEDERAL BENEFIT PROGRAMS	585,625.75	2,026,995.87
CHILD SUPPORT HOLDING ACCOUNT	9,361.00	16,710.00
FEDERAL WITHHOLDING TAXES DUE	57,594.00	23,007.00
STATE WITHHOLDING TAXES DUE	503,235.00	309,027.00
DUE TO OTHER GOVERNMENTS (6)	<u>525,956.16</u>	<u>626,852.17</u>
TOTAL LIABILITIES	50,172,216.51	61,909,214.86
EQUITY:		
RESERVE FUND BALANCE	1,606,807,300.97	1,273,381,381.19
BALANCING ACCOUNT	<u>(818,309,739.04)</u>	<u>(981,679,474.62)</u>
TOTAL EQUITY	<u>788,497,561.93</u>	<u>291,701,906.57</u>
TOTAL LIABILITIES AND EQUITY	<u>838,669,778.44</u>	<u>353,611,121.43</u>

1. \$2,820,102 of this balance is for administration purposes and is not available to pay benefits.

2. The allowance for uncollectible benefit overpayments is 39.9%. The allowance for uncollectible delinquent employer taxes is 57.0%. This is based on the historical collectibility of our receivables. This method of recognizing receivable balances is in accordance with generally accepted accounting principals.

3. The remaining tax due at the end of the current month for employers utilizing the 1st quarter deferral plan is \$2,296,815. Deferrals for the prior year were \$2,969,911.

4. \$14,855,552, or 31.7%, of this balance is estimated.

5. \$30,782,076 of this balance is net benefit overpayments which, when collected, will be credited to a reimbursable or federal program. \$10,425,760 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.

6. This balance includes SAFI Payable of \$6,427. The 07/31/2015 balance of the Unemployment Interest Payment Fund (DWD Fund 214) is \$11,315,490.

**DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
RECEIPTS AND DISBURSEMENTS STATEMENT
FOR THE MONTH ENDED 07/31/15**

RECEIPTS

	<u>-CURRENT ACTIVITY--</u>	<u>--YEAR TO DATE--</u>	<u>PRIOR YEAR TO DATE</u>
TAX RECEIPTS/RFB	\$170,529,930.10	\$555,234,019.63	\$600,089,605.20
SOLVENCY	86,135,561.14	325,468,821.37	328,879,407.74
ADMINISTRATIVE FEE	342.15	2,069.33	2,749.07
UNUSED CREDITS	1,235,204.94	3,058,750.71	2,316,860.98
GOVERNMENTAL UNITS	1,255,418.00	11,496,711.15	14,178,930.18
NONPROFITS	1,405,379.27	11,266,574.58	14,198,572.86
REDA PAID	0.00	12.78	0.00
INTERSTATE CLAIMS (CWC)	32,866.23	4,051,675.97	4,735,374.33
ERROR SUSPENSE	114,924.47	118,469.45	(55,810.80)
FEDERAL PROGRAMS RECEIPTS	281,873.91	(747,107.51)	2,813,693.60
OVERPAYMENT COLLECTIONS	2,097,733.23	25,052,931.68	28,895,609.51
FORFEITURES	116,012.49	1,128,619.37	1,612,055.74
BENEFIT CONCEALMENT INCOME	135,041.24	1,404,754.08	470,514.85
EMPLOYER REFUNDS	(334,462.46)	(4,354,781.82)	(2,304,730.45)
COURT COSTS	77,442.32	584,627.91	312,834.70
INTEREST & PENALTY	364,924.03	2,375,731.14	2,323,680.44
PENALTY-PROGRAM INTEGRITY	10,376.16	116,131.23	667,057.78
SPECIAL ASSESSMENT FOR INTEREST	6,427.15	43,858.58	254,553.66
SHORT-TIME COMPENSATION	0.00	777,396.00	0.00
FEDERAL LOAN	0.00	0.00	408,432,080.01
INTEREST EARNED ON U.I. TRUST FUND BALANCE	0.00	3,407,974.19	49,058.64
MISCELLANEOUS	20.19	6,699.74	40.80
TOTAL RECEIPTS	\$263,465,014.56	\$940,493,939.56	\$1,407,872,138.84

DISBURSEMENTS

CHARGES TO TAXABLE EMPLOYERS	\$29,288,373.86	\$331,838,056.64	\$404,923,253.04
NONPROFIT CLAIMANTS	1,323,681.74	9,546,182.44	12,528,150.25
GOVERNMENTAL CLAIMANTS	1,191,230.12	10,110,000.37	12,226,458.96
INTERSTATE CLAIMS (CWC)	350,218.90	4,134,381.51	4,409,962.24
QUITS	3,591,355.65	44,051,429.59	46,406,239.57
OTHER NON-CHARGE BENEFITS	1,553,617.04	17,659,613.66	21,899,507.75
CLOSED EMPLOYERS	(452.82)	(1,861.36)	7,676.93
ERROR CLEARING ACCOUNT	0.00	(73.19)	0.00
FEDERAL PROGRAMS			
FEDERAL EMPLOYEES (UCFE)	147,248.54	1,506,756.41	1,675,424.75
EX-MILITARY (UCX)	139,459.07	1,484,233.78	2,714,559.24
TRADE ALLOWANCE (TRA/TRA-NAFTA)	494,596.79	3,612,685.99	5,541,086.55
DISASTER UNEMPLOYMENT (DUA)	(91.83)	(141.40)	0.00
2003 TEMPORARY EMERGENCY UI (TEUC)	(2,054.60)	(22,511.70)	(29,539.62)
FEDERAL ADD'L COMPENSATION \$25 ADD-ON (FAC)	(40,544.84)	(446,539.06)	(704,574.28)
FEDERAL EMERGENCY UI (EUC)	(481,077.68)	(6,531,299.13)	(8,327,269.57)
FEDERAL EXTENDED BENEFITS (EB)	(43,426.17)	(330,125.26)	(483,196.74)
FEDERAL EMPLOYEES EXTENDED BEN (UCFE EB)	(59.31)	(1,000.57)	(2,383.29)
FEDERAL EX-MILITARY EXTENDED BEN (UCX EB)	(308.13)	(6,387.48)	(11,519.22)
INTERSTATE CLAIMS EXTENDED BENEFITS (CWC EB)	(216.39)	(3,801.88)	(7,151.58)
INTEREST & PENALTY	304,252.81	2,258,848.12	2,167,160.45
PENALTY-PROGRAM INTEGRITY	7,565.99	115,424.93	691,970.62
SPECIAL ASSESSMENT FOR INTEREST	21,393.40	55,974.99	293,558.73
COURT COSTS	60,407.64	561,133.77	297,923.94
ADMINISTRATIVE FEE TRANSFER	205.70	2,046.50	2,692.68
FEDERAL WITHHOLDING	48,535.00	(24,629.00)	48,663.00
STATE WITHHOLDING	1,057,708.15	580,470.00	1,374,743.80
REED ACT & ARRA SPECIAL ADMIN EXPENDITURES	141,725.48	366,764.37	2,042,339.98
STC IMPLEMENT/IMPROVE & PROMOTE/ENROLL EXP	1,607.37	5,292.07	0.00
FEDERAL LOAN REPAYMENTS	(187,534.11)	(1,128,725.81)	661,135,040.52
TOTAL DISBURSEMENTS	\$38,967,417.37	\$419,392,199.30	\$1,170,820,778.70

NET INCREASE(DECREASE)	224,497,597.19	521,101,740.26	237,051,360.14
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BALANCE AT BEGINNING OF MONTH/YEAR	\$515,247,169.50	\$218,643,026.43	\$4,707,908.49
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BALANCE AT END OF MONTH/YEAR	\$739,744,766.69	\$739,744,766.69	\$241,759,268.63
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DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
CASH ANALYSIS
FOR THE MONTH ENDED July 31, 2015

	CURRENT ACTIVITY	YEAR TO DATE ACTIVITY	PRIOR YTD ACTIVITY
BEGINNING U.I. CASH BALANCE	\$510,755,020.69	\$215,844,923.22	(\$396,349,846.31)
INCREASES:			
TAX RECEIPTS/RFB PAID	170,529,930.10	555,234,019.63	600,089,605.20
U.I. PAYMENTS CREDITED TO SURPLUS	85,576,632.20	331,319,902.19	332,193,089.15
FEDERAL INTEREST RECEIVED	0.00	3,407,974.19	49,058.64
FUTA TAX CREDITS	187,534.11	1,128,725.81	146,730,735.45
TOTAL INCREASE IN CASH	256,294,096.41	891,090,621.82	1,079,062,488.44
TOTAL CASH AVAILABLE	767,049,117.10	1,106,935,545.04	682,712,642.13
DECREASES:			
TAXABLE EMPLOYER DISBURSEMENTS	26,333,287.39	308,938,569.33	376,340,512.07
BENEFITS CHARGED TO SURPLUS	5,183,953.21	62,236,375.62	69,101,387.47
TOTAL BENEFITS PAID DURING PERIOD	31,517,240.60	371,174,944.95	445,441,899.54
REED ACT EXPENDITURES	141,725.48	366,764.37	2,042,339.98
SHORT-TIME COMPENSATION EXPENDITURES	1,607.37	5,292.07	0.00
ENDING U.I. CASH BALANCE (9) (10) (11) (12)	735,388,543.65	735,388,543.65	235,228,402.61

9. \$440,670 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.

10. \$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.

11. \$635,924 of this balance was set up in 2015 in the Trust Fund as a Short-Time Compensation (STC) subaccount to be used for Implementation and Improvement of the STC program and is not available to pay benefits.

12. \$136,180 of this balance was set up in 2015 in the Trust Fund as a Short-Time Compensation (STC) subaccount to be used for Promotion and Enrollment of the STC program and is not available to pay benefits.

08/14/15

DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
BALANCING ACCT SUMMARY
FOR THE MONTH ENDED July 31, 2015

	<u>CURRENT ACTIVITY</u>	<u>YEAR TO DATE ACTIVITY</u>	<u>PRIOR YTD ACTIVITY</u>
BALANCE AT THE BEGINNING OF THE MONTH/YEAR	(\$951,727,834.14)	(\$1,128,681,971.60)	(\$1,421,702,279.49)
INCREASES:			
U.I. PAYMENTS CREDITED TO SURPLUS:			
SOLVENCY PAID	86,135,561.14	325,468,821.37	328,879,407.74
FORFEITURES	116,012.49	1,128,619.37	1,612,055.74
OTHER INCREASES	<u>(674,941.43)</u>	<u>4,722,461.45</u>	<u>1,701,625.67</u>
U.I. PAYMENTS CREDITED TO SURPLUS SUBTOTAL	85,576,632.20	331,319,902.19	332,193,089.15
TRANSFERS BETWEEN SURPLUS ACCTS	(127,803.43)	(15,984,955.85)	(24,279,854.88)
FEDERAL INTEREST RECEIVED	0.00	3,407,974.19	49,058.64
FUTA TAX CREDITS	<u>187,534.11</u>	<u>1,128,725.81</u>	<u>146,730,735.45</u>
TOTAL INCREASES	85,636,362.88	319,871,646.34	454,693,028.36
DECREASES:			
BENEFITS CHARGED TO SURPLUS:			
QUITS	3,591,355.65	44,051,429.59	46,406,239.57
OTHER NON-CHARGE BENEFITS	1,592,597.56	18,183,174.59	22,695,147.10
MISCELLANEOUS EXPENSE	<u>0.00</u>	<u>1,771.44</u>	<u>0.80</u>
BENEFITS CHARGED TO SURPLUS SUBTOTAL	5,183,953.21	62,236,375.62	69,101,387.47
REED ACT EXPENDITURES	141,725.48	366,764.37	2,042,339.98
SHORT-TIME COMPENSATION EXPENDITURES	<u>1,607.37</u>	<u>5,292.07</u>	<u>0.00</u>
BALANCE AT THE END OF THE MONTH/YEAR	<u>(871,418,757.32)</u>	<u>(871,418,757.32)</u>	<u>(1,038,152,978.58)</u>

DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
RESERVE FUND ANALYSIS
FOR THE MONTH ENDED July 31, 2015

	<u>CURRENT ACTIVITY</u>	<u>YTD ACTIVITY</u>	<u>PRIOR YTD</u>
BALANCE AT BEGINNING OF MONTH/YEAR:			
U.I. TAXABLE ACCOUNTS	1,936,890,060.70	1,804,710,813.07	1,491,174,864.16
BALANCING ACCOUNT	<u>(1,353,380,456.71)</u>	<u>(1,530,982,418.40)</u>	<u>(1,827,010,707.25)</u>
TOTAL BALANCE	583,509,603.99	273,728,394.67	(335,835,843.09)
<u>INCREASES:</u>			
TAX RECEIPTS/RFB PAID	170,529,930.10	555,234,019.63	600,089,605.20
ACCRUED REVENUES	(20,504,027.11)	(3,405,855.42)	(4,918,976.43)
SOLVENCY PAID	86,135,561.14	325,468,821.37	328,879,407.74
REDA PAID	0.00	12.78	0.00
FORFEITURES	116,012.49	1,128,619.37	1,612,055.74
BENEFIT CONCEALMENT INCOME	135,041.24	1,404,754.08	470,514.85
INTEREST EARNED ON TRUST FUND	0.00	3,407,974.19	49,058.64
FUTA TAX CREDITS	187,534.11	1,128,725.81	146,730,735.45
OTHER CHANGES	<u>48,479.42</u>	<u>1,260,085.51</u>	<u>821,809.62</u>
TOTAL INCREASES	236,648,531.39	885,627,157.32	1,073,734,210.81
<u>DECREASES:</u>			
TAXABLE EMPLOYER DISBURSEMENTS	26,333,287.39	308,938,569.33	376,340,512.07
QUIT NONCHARGE BENEFITS	3,591,355.65	44,051,429.59	46,406,239.57
OTHER DECREASES	170,131.41	272,803.86	1,455,581.93
OTHER NONCHARGE BENEFITS	<u>1,565,799.00</u>	<u>17,595,187.28</u>	<u>21,994,127.58</u>
TOTAL DECREASES	31,660,573.45	370,857,990.06	446,196,461.15
BALANCE AT END OF MONTH/YEAR:			
RESERVE FUND BALANCE	1,606,807,300.97	1,606,807,300.97	1,273,381,381.19
BALANCING ACCOUNT	<u>(818,309,739.04)</u>	<u>(818,309,739.04)</u>	<u>(981,679,474.62)</u>
TOTAL BALANCE (7) (8)	<u>788,497,561.93</u>	<u>788,497,561.93</u>	<u>291,701,906.57</u>

7. This balance differs from the cash balance related to taxable employers of \$735,388,544 because of non-cash accrual items.

8. \$2,820,102 of this balance is set up in the Trust Fund in four subaccounts to be used for administration purposes and is not available to pay benefits.

08/14/15

Cash Activity Related to Taxable Employers with WI Unemployment Rate (for all years from August to July)

