

THE UNEMPLOYMENT INSURANCE TRUST FUND

As of March 31, 2008 the Massachusetts Unemployment Insurance Trust Fund ending balance was \$952.7 million. The private contributory account balance was \$838.3 million and the governmental contributory account balance was \$114.4 million.

2008

First Quarter Highlights

Employer contributions of \$140.1 million for the first quarter of the year were 8.1 percent below contributions collected in the first three months of 2007 due to a lower estimated average contribution rate, but \$2.9 million more than projected.

Employer contributions plus federal interest of \$12.7 million generated \$152.8 million in revenues for the quarter, approximately 3 percent or \$4.6 million more than the projection for the first quarter.

Employer Contributions (in millions)		
	2007	2008
First Quarter	\$152.4	\$140.1

First quarter 2008 benefit payments of \$444.5 million were 7.7 percent higher than payments made in the same quarter of last year and about 5.8 percent or \$25.6 million more than projected. Initial claims and continued weeks claimed continued to post larger than expected over-the-year increases especially in March.

Benefit Payments (in millions)		
	2007	2008
First Quarter	\$412.8	\$444.5

The higher than expected March benefit payments generated a private contributory account balance that is approximately 2.5 percent or \$21 million lower than the projection at the end of the first quarter.

Current Outlook

The private contributory trust fund projections, based on the 2008 distribution of employer experience rates, the January 2008 Moody's Economy.com economic forecasts, and the 2007 unemployment insurance claims and payment activities, remain as published in the February and March 2008 Trust Fund reports.

Projections for employer contributions based on rate schedule D and a \$14,000 contributory wage base are estimated to total \$1.431 billion in 2008. Benefit payments are projected to be \$1.348 billion.

By the end of 2008, the private contributory account balance is expected to be \$1.273 billion. The overall Trust Fund balance is estimated to be \$1.393 billion.

2009 – 2012 PROJECTIONS

Projections for the years 2009 to 2012 remain as published in the February and March 2008 Trust Fund reports. Over this four year period, benefit payments are expected to average just over \$1.3 billion a year.

As previously reported, rate schedule E is expected to trigger for employer contributions in 2009. Annual contributions are estimated to be \$1.540 billion. Benefit payments are projected to be \$1.319 billion.

For 2010, rate schedule D is projected to trigger for employer contributions generating contributions of \$1.319 billion. A slight decrease in the projected unemployment rate would result in slightly lower benefit payments of \$1.293 billion.

For 2011, rate schedule D is again projected to trigger for employer contributions. Contributions are estimated to be \$1.257 billion. Benefit payments are projected to be \$1.306 billion.

In 2012, employer contributions on rate schedule D are estimated to be \$1.224 billion and benefit payments are expected to be \$1.355 billion. By the end of 2012, the private contributory account balance is expected to be \$1.657 billion or one percent of total payrolls.