



Unemployment Insurance Trust Fund Report

Outlook Report October 2014

HIGHLIGHTS

This Outlook Report provides the current status and updated projections of the Unemployment Insurance Trust Fund for the 2014 through 2018 outlook period.

As required by MGL Chapter 151A, Section 14F, DUA publishes quarterly outlooks for the Trust Fund based on forecasts for total unemployment rate, annual wage and salary growth rate, and annual labor force. DUA, also, provides monthly reports updating the current status of the Trust Fund.

New economic assumptions from Moody's economy.com used in this revised outlook show lower average annual unemployment rates in the outlook period for 2014 to 2016 but higher rates in 2017 and 2018 as compared to the assumptions used in the August Outlook Report. For 2014, the average annual unemployment rate is down from 6.0 percent to 5.9 percent followed by a projected 5.5 percent annual rate in 2015 which is three-tenths of a percentage point lower than the rate used in August. Total labor force is lower in 2014 to 2016 but higher in 2017 and 2018. The annual wage and salary growth rate is lower in 2014 and 2015 by four-tenths and five-tenths of a percentage point, respectively.

The outlook presented is for the regular UI program based on 2014 employer experience rates, as well as benefit payments and employer contributions through the end of the third quarter 2014 for the private contributory account.

The revised 2014 year-end projections indicate employer contributions, based on rate schedule E and a \$14,000 taxable wage base, will be \$1.705 billion or \$33 million less than the previous estimate of \$1.738 billion due to a projected decrease in taxable payrolls and the average contribution rate. Estimated benefit payments of \$1.513 billion are in-line with the previous estimate of \$1.506 billion released in the August 2014 Outlook Report. The private contributory account year-end balance is estimated to be \$803 billion, \$40 million lower than the previous estimate.

Legislation enacted in June, introduced a new experience rating table as well as a slightly higher taxable wage base of \$15,000 for private contributory employers beginning in 2015. The legislation also sets private contributory

employer contributions on rate schedule C for 2015 through 2017 payrolls.

Employer contributions for 2015 payrolls on new schedule C and the \$15,000 taxable wage base are expected to be \$1.534 billion. Benefit payments are projected to be \$1.483 billion, a decrease of \$47 million from the prior estimate caused by a projected lower unemployment rate which generates lower insured unemployment, total weeks compensated and lower average weekly benefit amounts. A year-end balance of \$847 million, in-line with the previous estimate of \$869 million, is expected.

For 2016 benefit payments are expected to be \$1.516 billion, \$71 million less than the previous estimate of \$1.587 billion. As in the previous year, a projected lower average annual unemployment rate decreased insured unemployment and total weeks compensated. With employer contributions of \$1.502 billion, the year-end private account balance is expected to be \$881 million or \$75 million more than the estimate released in August.

Based on the current economic assumptions, the private contributory account will continue to be solvent and no borrowing from the federal unemployment account is anticipated through 2018. The 2018 year-end balance is expected to be \$1.320 billion.

ECONOMIC ASSUMPTIONS

DUA utilizes independent economic forecasts as the basis for its estimates of income and expenditure for the Massachusetts Unemployment Insurance program. Moody's Economy.com September 2014 forecasts were used in the benefit financing simulations for this report. The current assumptions, along with assumptions used to produce the simulation estimates published in the May and August 2014 Outlook Trust Fund Reports are provided in Table 1.

The September 2014 Moody's Economy.com Annual Wage and Salary Growth Rate forecasts for 2014, 2015 and 2017 were revised down while the rates for 2016 and 2018 were revised higher. The 2014 wage and salary growth rate was revised downwards from 5.3 percent to 4.9 percent and the 2015 lowered from 7.3 percent to 6.8 percent.

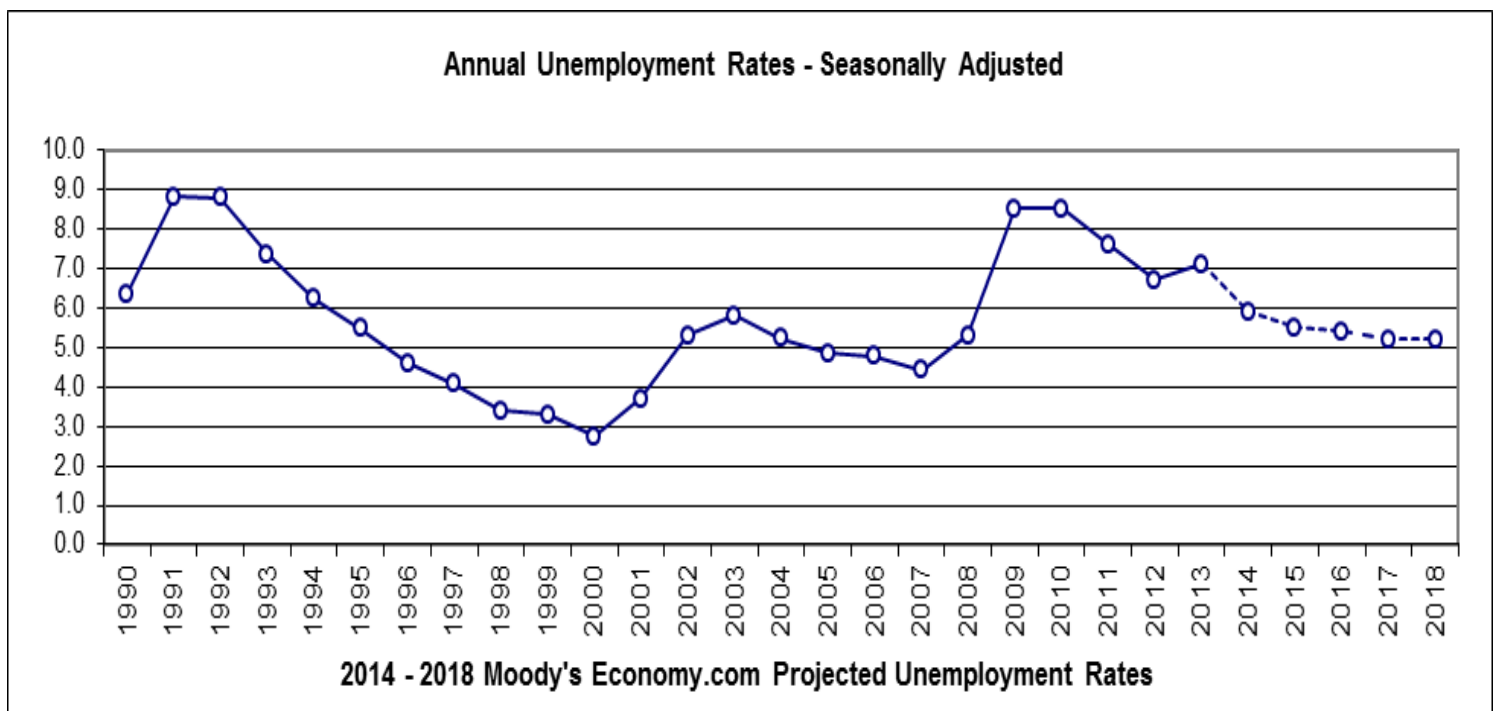
The projected annual average total unemployment rates for 2014 to 2016 were all revised down. For 2014 and 2016, the rate was revised by one-tenth of a percentage point while in 2015 the rate improved by three-tenths of a percentage point, from 5.8 percent to 5.5 percent. Upward revisions were made in the 2017 and 2018 annual average unemployment rates.

The annual labor force projections for 2014 to 2018 showed small revisions except in 2015 where a decrease of 7,917 is expected. The labor force is projected to be 3,592,969 in 2018.

Table 1: Moody's Economy.com Forecasts, Three Most Recent Reports

	Wage & Salary Growth (%)			Total Unemployment Rate (%)			Labor Force		
	14-May	14-Jul	14-Sep	14-May	14-Jul	14-Sep	14-May	14-Jul	14-Sep
2014	4.7	5.3	4.9	6.5	6.0	5.9	3,498,391	3,506,734	3,506,720
2015	7.5	7.3	6.8	6.2	5.8	5.5	3,532,096	3,545,658	3,537,741
2016	6.9	6.8	6.9	5.6	5.5	5.4	3,565,492	3,579,869	3,579,807
2017	5.9	5.9	5.8	5.1	5.1	5.2	3,577,355	3,590,905	3,593,346
2018	4.9	5.2	5.3	5.1	5.0	5.2	3,577,573	3,590,911	3,592,969

Source: Moody's Economy.com



UNEMPLOYMENT INSURANCE TRUST FUND BALANCE

As of September 30, 2014, the Massachusetts Unemployment Insurance Trust Fund ending balance was \$968.3 million. The private contributory account balance was at \$867.3 million and the governmental contributory account balance was \$101.0 million. The private contributory account balance was \$32.8 million less than the projection released in August due mostly to lower than expected employer contributions in the third quarter caused by slightly lower reported taxable payrolls in the second quarter.

The private contributory account is projected to have a balance of \$803 million at the end 2014, a year end reserve of \$874 million in 2015 and a projected balance of \$881 million by the end of 2016.

The 2014 year-end private contributory account balance of \$803 million is \$40 million lower than the previous estimate of \$843 million first published in the August 2014 Outlook Report. The difference in the year-end balance is primarily due to the lower than projected ending balance through September. Year-end reserves as a percent of total wages are expected to be five-tenths of a percentage point.

The year-end 2015 account balance is expected to be \$874 million, in-line with the previous estimate of \$869 million.

The year-end 2016 account balance is expected to be \$881 million; \$75 million more than the previous estimate of \$806 million. The difference is primarily due an estimated decrease in benefit payments caused by a projected improvement in the average annual unemployment rate.

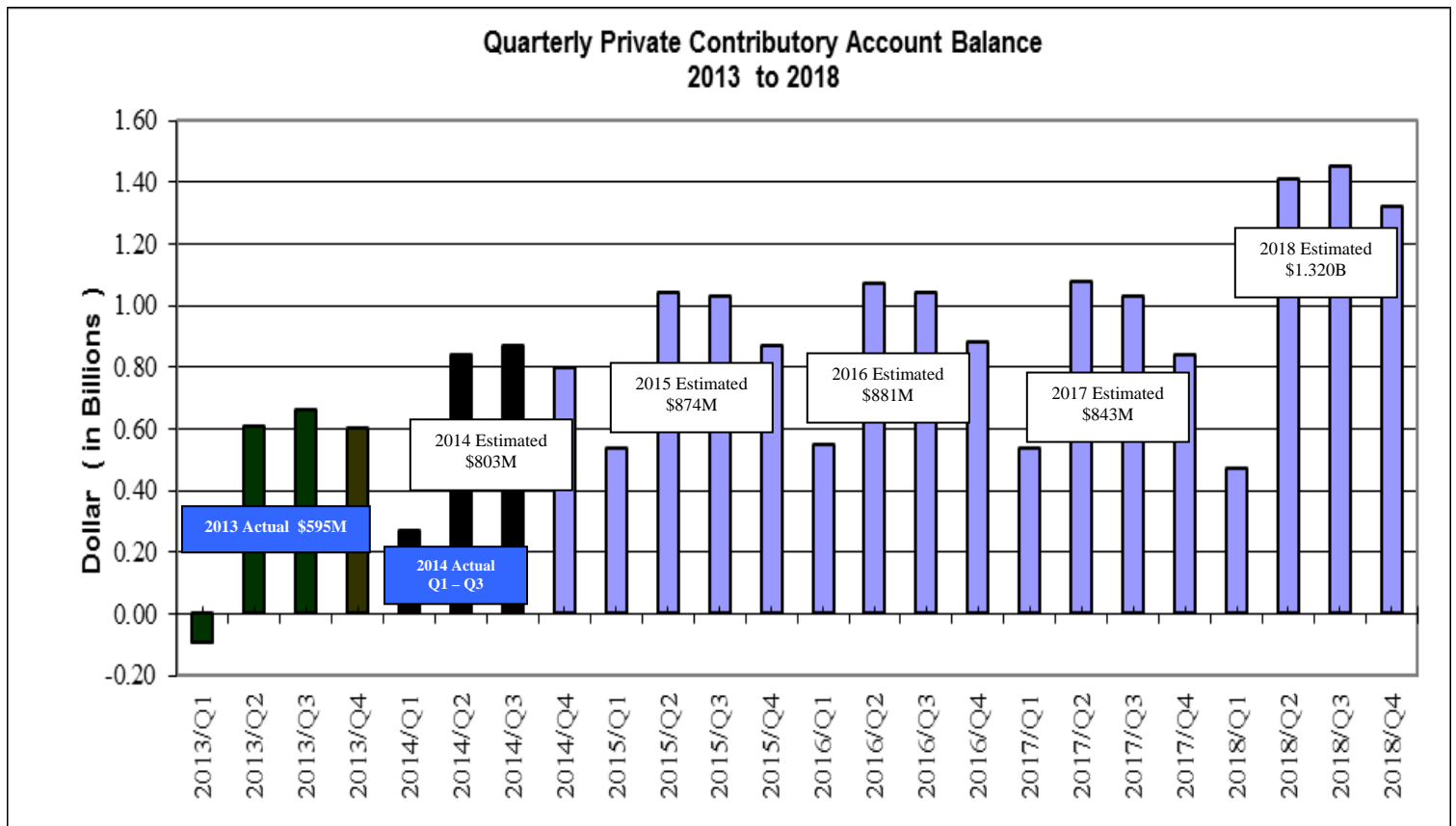
The December 31, 2017 account balance is estimated at \$843 million, a small increase of \$28 million from the previous estimate. The difference is a carryover from the previous year higher ending balance.

Rate schedule F is projected to trigger for 2018 payrolls. By the end of the year, the private contributory account balance is expected to be \$1.320 billion or 0.61 percent of total payrolls.

It is anticipated that no borrowing from the federal unemployment account will be required in the outlook period.

The chart below shows the 2013 through third quarter 2014 actual and projected quarterly private UI account balance through 2018.

Table 5 on page 10 shows the Solvency of States Trust Fund Balances as of June 30, 2014.



BENEFIT OUTLAYS

The updated simulation for the outlook period resulted in lower than previously estimated benefit payments in 2015 and 2016 but higher payments in 2017 and 2018.

Benefit payments through three quarters of 2014 totaled \$1.192 billion, a 3.4 percent increase from the same time period in 2013's payments of \$1.152 billion. Year-to-date benefit payments were \$10 million or 0.8 percent higher than the projection of \$1.182 billion, first released in August 2014 Outlook Report. Initial claims through September 2014 were 7.4 percent lower than last year's January to September total while weeks compensated were 2.8 percent higher. The average weekly benefit amount of \$420.50 through September 2014 was \$15.95 more than for the same time span in 2013. The average duration of a claim was 17.8 weeks.

Benefit payments for 2014 are now estimated to be \$1.513 billion in-line with the previous estimate of \$1.506 billion released in the August and September 2014 Outlook Reports. The maximum weekly benefit amount for new claims effective on or after October 5, 2014 is \$698.

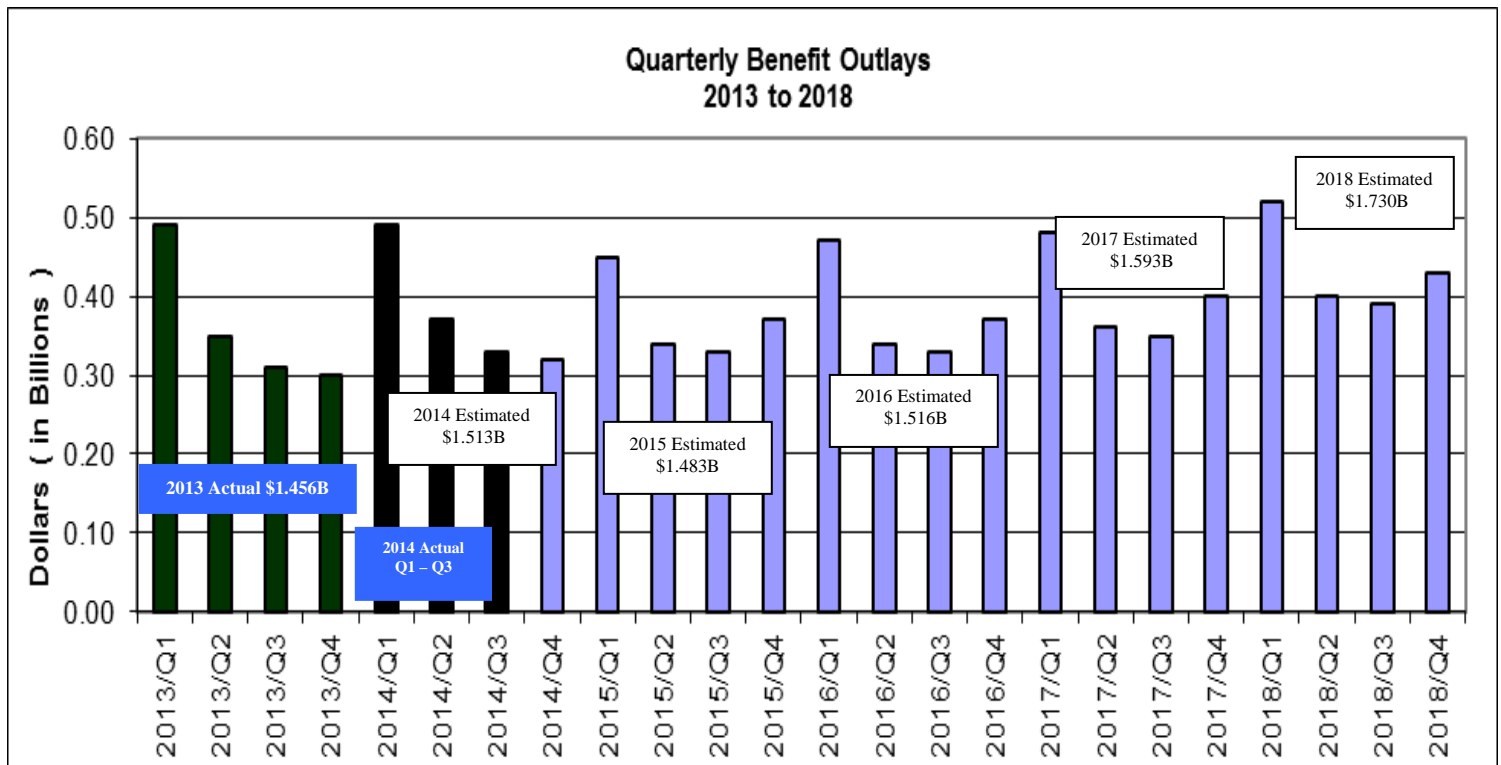
For 2015, benefit payments are estimated to be \$1.483 billion, a decrease of \$47 million from the previous estimate of \$1.530 billion. The difference was caused by three-tenths of a percentage point drop in the projected average annual unemployment rate resulting in fewer insured unemployment and total weeks compensated. In addition,

the average weekly benefit amount is, also, projected to be lower.

In 2016, benefit payments are projected to be \$1.516 billion; \$71 million lower than the previous estimate of \$1.587 billion. As in 2015, the average annual unemployment rate is projected to be lower causing decreases in insured unemployment and total weeks compensated. A decrease in the average weekly benefit amount is also expected.

For 2017, benefit payments are projected to be \$1.593 billion or \$34 million more than the previous estimate of \$1.559 billion. The large revision was caused by an estimated increase in insured unemployment and total weeks compensated fueled by an increase in the projected average annual unemployment rate

For 2018, benefit payments are now projected to be \$1.730 billion, \$97 million more than previously estimated. As in the previous year the average annual unemployment rate was revised upwards causing an increase in insured unemployment and total weeks compensated.



EMPLOYER CONTRIBUTIONS

Legislation enacted April 14, 2014 set rate schedule E for employer contributions for 2014 payrolls. Employer contributions are estimated at \$1.705 billion, \$33 million lower than the previous estimate of \$1.738 billion first published in August 2014. The difference is due to slightly lower than expected employer contributions in the third quarter based on lower than projected taxable payrolls in the second quarter.

Employer contributions through the end of September 2014 totaled \$1.453 billion, a decrease of 2.6 percent from the first three quarter 2013 contribution of \$1.492 billion. Employer contributions through September were \$22.7 million or 1.6 percent lower than projected.

Employer contributions for 2015 payrolls will be on a new experience rate table of schedules, along with a \$15,000 taxable wage base.

New rate schedule C was set by the Legislature for employer contributions for 2015 to 2017 payrolls.

The updated projections for employer contributions for 2015 to 2018 show small decreases from the previous projections released in the August and September Outlook Reports.

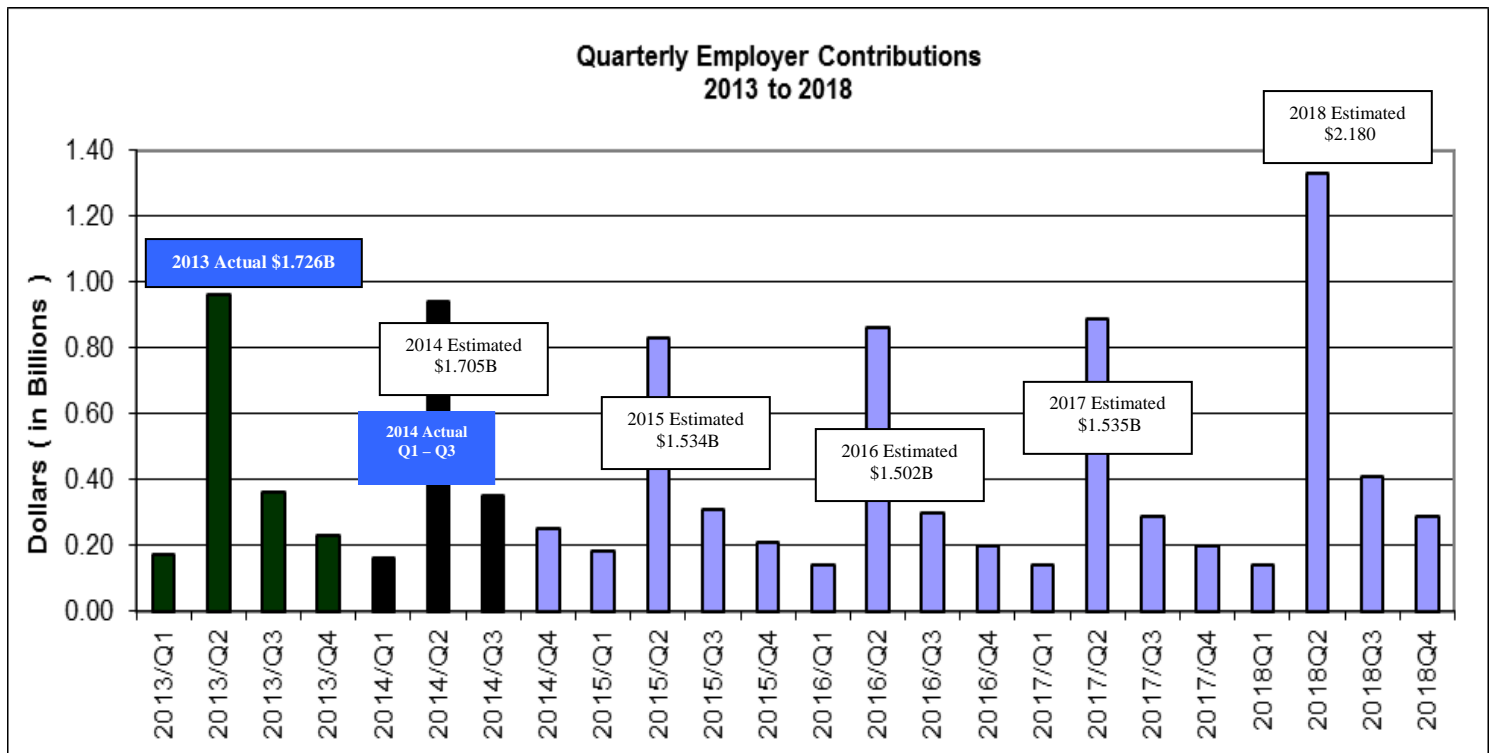
For 2015 employer contributions of \$1.534 billion are in-line with the previous estimate of \$1.535 billion.

Employer contributions in 2016 on new contribution schedule C are estimated at \$1.502 billion, just slightly lower than the previous estimate of \$1.504 billion

For 2017 payrolls, employer contributions are projected at \$1.535 billion, \$14 million lower than the previous estimate of \$1.549.

For 2018, new schedule F is projected to trigger for employer contributions generating an estimated \$2.180 billion in contributions.

Table 2, on page 7, contains the current experience rate table. Table 2A, on page 8, contains the new experience rate table effective in 2015.



TRUST FUND SOLVENCY

Beginning in calendar year 2014, Federal regulations require States to meet several new standards for interest free federal advances taken during the first five months of a calendar year and repaid in the fall. The first measure requires that in at least one of the five years prior to the calendar year the advances are taken, the trust fund reserves must be equal to an average high cost multiple solvency measure. The measure is phased in over five years from a multiple of .50 for 2014 advances to 1.0 for advances in 2019. For 2014 the AHCM must be met based on 2013 performance.

The Average High Cost Multiple (AHCM) is computed based on the average benefit cost rate for the three highest years in the last twenty or the last three recessions whichever is higher.

Benefit costs which are measured as a percent of the total UI wages, the total liability of the UI system, is the second measure. Using this measure indexes the benefit costs to

total wages. The measure is designed to encourage States to build sufficient reserves to finance an economic downturn similar to ones in the past. For Massachusetts the measures are done for the overall trust fund that includes both the private and governmental contributory accounts. The ratio of the average tax rate and the benefit costs rate over the previous five years must be at least 75 percent.

The chart below arrays the federal regulations, the actual and projected year-end all contributory account AHCMs, the ratios of average tax rate and total wages (federal standard at 80 percent of previous year) and the average tax rate and the benefit cost rate over the preceding five years (federal standard at 75 percent).

If federal advances are necessary in 2014 through 2018, Massachusetts will not meet the federal standard for AHCM and therefore be subject to federal interest for all loans.

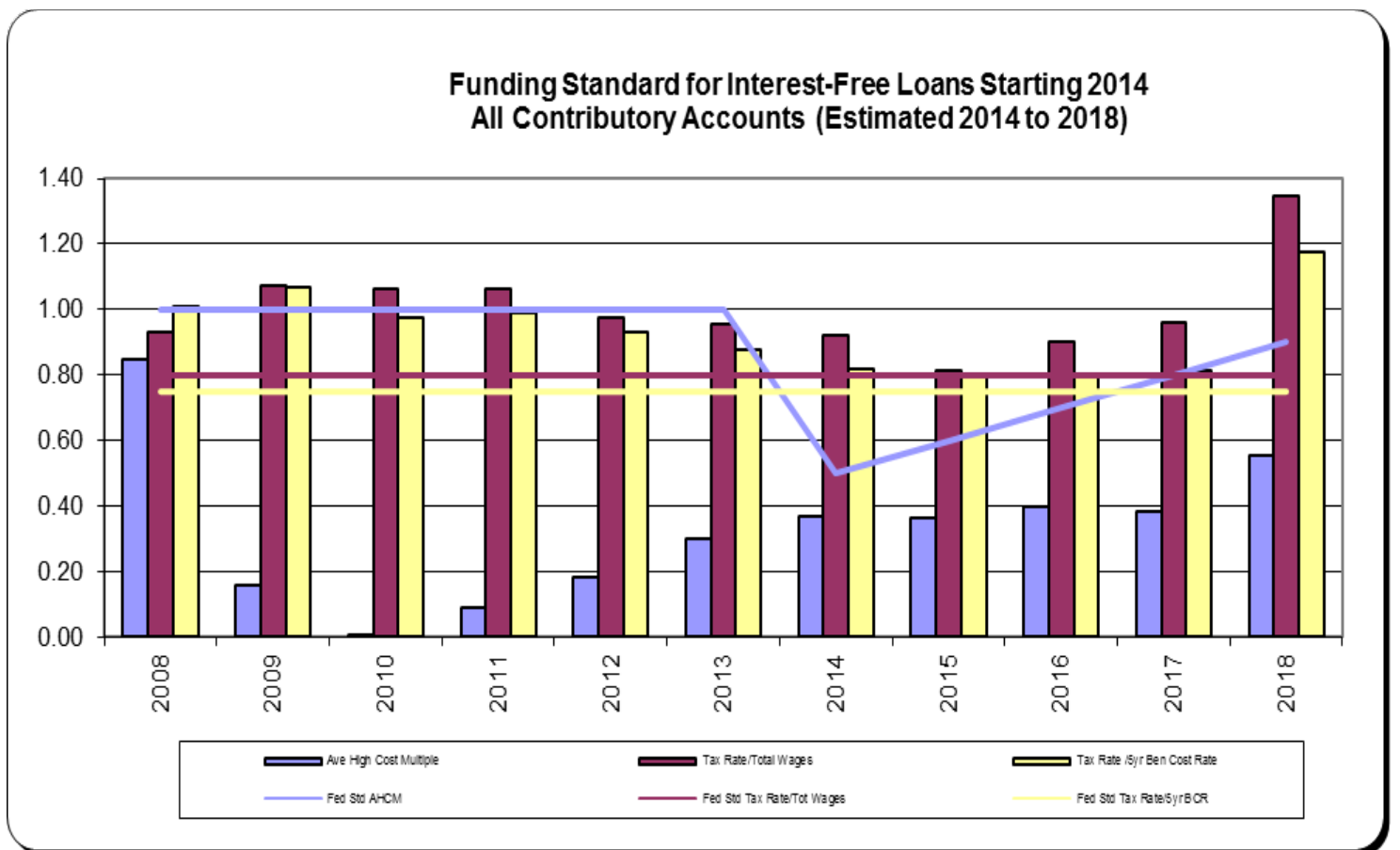


Table 2: Experience Rate Table

Employer Account							
Reserve Percentages	Unemployment Compensation Fund Reserve Percentage						
	A	B	C	D	E	F	G
	1.75% and over	1.6% or more less than 1.75%	1.4% or more less than 1.6%	1.1% or more less than 1.4%	0.8% or more less than 1.1%	0.5% or more less than 0.8%	less than 0.5%
Negative Percentage							
	Employer Contribution Rate*						
15 or more	7.80	8.74	9.78	10.96	12.27	13.75	15.40
13.0 but less than 15.0	7.40	8.29	9.28	10.40	11.64	13.04	14.61
11.0 but less than 13.0	7.00	7.84	8.78	9.83	11.01	12.34	13.82
9.0 but less than 11.0	6.60	7.39	8.28	9.27	10.39	11.63	13.03
7.0 but less than 9.0	6.20	6.94	7.78	8.71	9.76	10.93	12.24
5.0 but less than 7.0	5.80	6.50	7.28	8.15	9.13	10.22	11.45
3.0 but less than 5.0	5.40	6.05	6.77	7.59	8.50	9.52	10.66
1.0 but less than 3.0	5.00	5.60	6.27	7.02	7.87	8.81	9.87
0.0 but less than 1.0	4.60	5.15	5.77	6.46	7.24	8.11	9.08
Positive Percentage							
0.0 but less than 0.5	3.90	4.37	4.89	5.48	6.14	6.87	7.70
0.5 but less than 1.0	3.80	4.26	4.77	5.34	5.98	6.70	7.50
1.0 but less than 1.5	3.70	4.14	4.64	5.20	5.82	6.52	7.30
1.5 but less than 2.0	3.60	4.03	4.52	5.06	5.66	6.34	7.11
2.0 but less than 2.5	3.50	3.92	4.39	4.92	5.51	6.17	6.91
2.5 but less than 3.0	3.40	3.81	4.26	4.78	5.35	5.99	6.71
3.0 but less than 3.5	3.30	3.70	4.14	4.64	5.19	5.82	6.51
3.5 but less than 4.0	3.20	3.58	4.01	4.50	5.04	5.64	6.32
4.0 but less than 4.5	3.10	3.47	3.89	4.36	4.88	5.46	6.12
4.5 but less than 5.0	3.00	3.36	3.76	4.21	4.72	5.29	5.92
5.0 but less than 5.5	2.90	3.25	3.64	4.07	4.56	5.11	5.72
5.5 but less than 6.0	2.80	3.14	3.51	3.93	4.41	4.93	5.53
6.0 but less than 6.5	2.70	3.02	3.39	3.79	4.25	4.76	5.33
6.5 but less than 7.0	2.60	2.91	3.26	3.65	4.09	4.58	5.13
7.0 but less than 7.5	2.50	2.80	3.14	3.51	3.93	4.41	4.93
7.5 but less than 8.0	2.40	2.69	3.01	3.37	3.78	4.23	4.74
8.0 but less than 8.5	2.30	2.58	2.89	3.23	3.62	4.05	4.54
8.5 but less than 9.0	2.20	2.46	2.76	3.09	3.46	3.88	4.34
9.0 but less than 9.5	2.10	2.35	2.63	2.95	3.30	3.70	4.15
9.5 but less than 10.0	2.00	2.24	2.51	2.81	3.15	3.52	3.95
10.0 but less than 10.5	1.90	2.13	2.38	2.67	2.99	3.35	3.75
10.5 but less than 11.0	1.80	2.02	2.26	2.53	2.83	3.17	3.55
11.0 but less than 11.5	1.70	1.90	2.13	2.39	2.67	3.00	3.36
11.5 but less than 12.0	1.60	1.79	2.01	2.25	2.52	2.82	3.16
12.0 but less than 12.5	1.50	1.68	1.88	2.11	2.36	2.64	2.96
12.5 but less than 13.0	1.40	1.57	1.76	1.97	2.20	2.47	2.76
13.0 but less than 13.5	1.30	1.46	1.63	1.83	2.05	2.29	2.57
13.5 but less than 14.0	1.20	1.34	1.51	1.69	1.89	2.11	2.37
14.0 but less than 15.0	1.00	1.12	1.25	1.40	1.57	1.76	1.97
15.0 but less than 16.0	0.90	1.01	1.13	1.26	1.42	1.59	1.78
16 or more	0.80	0.90	1.00	1.12	1.26	1.41	1.58
*Employer Contribution Rate is applied to the first \$14,000 of wages per employee.							

Table 2A: New Experience Rate Table

Employer Account Reserve Percentages	Unemployment Compensation Fund Reserve Percentage						
	A	B	C	D	E	F	G
	1.65% and over	1.5% or more less than 1.65%	1.2% or more less than 1.5%	0.9% or more less than 1.2%	0.6% or more less than 0.9%	0.3% or more less than 0.6%	less than 0.3%
Negative Percentage	Employer Contribution Rate*						
23 or more	8.62	9.79	11.13	12.65	14.37	16.33	18.55
21.0 but less than 23.0	8.25	9.37	10.65	12.11	13.76	15.63	17.76
19.0 but less than 21.0	7.88	8.96	10.18	11.57	13.15	14.94	16.97
17.0 but less than 19.0	7.52	8.54	9.71	11.03	12.53	14.24	16.18
15.0 but less than 17.0	7.15	8.13	9.24	10.49	11.93	13.55	15.39
13.0 but less than 15.0	6.78	7.71	8.76	9.95	11.31	12.85	14.60
11.0 but less than 13.0	6.42	7.29	8.29	9.42	10.70	12.16	13.81
9.0 but less than 11.0	6.05	6.87	7.81	8.88	10.09	11.46	13.02
7.0 but less than 9.0	5.68	6.46	7.34	8.34	9.48	10.77	12.23
5.0 but less than 7.0	5.32	6.04	6.86	7.80	8.86	10.07	11.44
3.0 but less than 5.0	4.95	5.63	6.39	7.27	8.26	9.38	10.66
1.0 but less than 3.0	4.58	5.21	5.92	6.72	7.64	8.68	9.86
0.0 but less than 1.0	4.22	4.79	5.45	6.19	7.03	7.99	9.08
Positive Percentage							
0.0 but less than 0.5	3.14	3.57	4.06	4.61	5.24	5.96	6.77
0.5 but less than 1.0	3.06	3.48	3.96	4.50	5.11	5.81	6.60
1.0 but less than 1.5	2.98	3.39	3.85	4.38	4.98	5.65	6.43
1.5 but less than 2.0	2.90	3.30	3.75	4.26	4.84	5.50	6.25
2.0 but less than 2.5	2.82	3.21	3.65	4.14	4.71	5.35	6.08
2.5 but less than 3.0	2.75	3.12	3.54	4.02	4.57	5.20	5.90
3.0 but less than 3.5	2.67	3.03	3.44	3.91	4.44	5.05	5.74
3.5 but less than 4.0	2.58	2.93	3.33	3.79	4.30	4.89	5.56
4.0 but less than 4.5	2.50	2.84	3.23	3.67	4.17	4.74	5.38
4.5 but less than 5.0	2.42	2.75	3.13	3.55	4.04	4.59	5.21
5.0 but less than 5.5	2.34	2.66	3.02	3.43	3.90	4.43	5.04
5.5 but less than 6.0	2.25	2.56	2.91	3.31	3.76	4.28	4.86
6.0 but less than 6.5	2.17	2.47	2.81	3.20	3.63	4.13	4.69
6.5 but less than 7.0	2.09	2.38	2.71	3.08	3.50	3.97	4.51
7.0 but less than 7.5	2.02	2.30	2.61	2.96	3.37	3.82	4.35
7.5 but less than 8.0	1.94	2.20	2.50	2.84	3.23	3.67	4.17
8.0 but less than 8.5	1.85	2.10	2.39	2.72	3.09	3.51	3.99
8.5 but less than 9.0	1.78	2.02	2.29	2.61	2.96	3.37	3.82
9.0 but less than 9.5	1.70	1.93	2.19	2.49	2.82	3.21	3.65
9.5 but less than 10.0	1.61	1.83	2.08	2.36	2.69	3.05	3.47
10.0 but less than 10.5	1.53	1.74	1.98	2.25	2.56	2.91	3.30
10.5 but less than 11.0	1.45	1.65	1.87	2.13	2.42	2.75	3.12
11.0 but less than 11.5	1.37	1.56	1.77	2.01	2.29	2.60	2.96
11.5 but less than 12.0	1.29	1.47	1.67	1.89	2.15	2.45	2.78
12.0 but less than 12.5	1.21	1.37	1.56	1.77	2.01	2.29	2.60
12.5 but less than 13.0	1.13	1.28	1.46	1.66	1.89	2.14	2.43
13.0 but less than 13.5	1.05	1.19	1.35	1.54	1.75	1.99	2.26
13.5 but less than 14.0	0.97	1.10	1.25	1.42	1.61	1.83	2.08
14.0 but less than 15.0	0.81	0.92	1.04	1.18	1.34	1.53	1.73
15.0 but less than 16.0	0.73	0.83	0.94	1.07	1.21	1.38	1.57
16.0 but less than 17.0	0.64	0.73	0.83	0.95	1.08	1.22	1.39
17.0 or more	0.56	0.64	0.73	0.83	0.94	1.07	1.21

Employer Contribution Rate is applied to the first \$15,000 of wages per employee.

The current law simulation estimates for 2014 through 2018 are displayed in Tables 3 and 4, below.

Table 3: Unemployment Trust Fund Projections for the Private Contributory Account, 2014 - 2018

(All \$ in Millions except Average Cost/Employee)

	2013	2014	2015	2016	2017	2018
Balance, January 1	\$314	\$595	\$803	\$874	\$881	\$843
Income	\$1,726	\$1,705	\$1,534	\$1,502	\$1,535	\$2,180
Trust Fund Interest	\$12	\$16	\$21	\$21	\$19	\$25
Benefit Outlays	\$1,456	\$1,513	\$1,483	\$1,516	\$1,593	\$1,730
Federal Loan Interests						
Balance, December 31	\$595	\$803	\$874	\$881	\$843	\$1,320
Schedule*	"E"	"E"	New "C"	New "C"	New "C"	New "F"
Average Cost/Employee	\$682	\$665	\$595	\$576	\$587	\$835

* 2013 to 2017 rate schedules set by Legislation, 2013 and 2014 on \$14,000 taxable wage base; 2015 to 2018 on \$15,000 taxable wage base and 2018 rate schedule projected based on current statutory triggers.

Source: Massachusetts Department of Unemployment Assistance benefit financing simulation

Figures may not add up due to rounding.

Table 4: Benefit Financing Simulation Output

	2013	2014	2015	2016	2017	2018
Total Covered Payroll (\$Billions)	\$152.0	\$162.0	\$178.3	\$193.0	\$204.9	\$215.3
Contributory Payroll (\$Billions)	\$36.4	\$37.3	\$40.4	\$41.4	\$41.9	\$42.1
Contributory Wage Proportion	23.9%	23.0%	22.7%	21.5%	20.4%	19.6%
Nominal Contribution Rate	4.8%	4.6%	3.7%	3.6%	3.7%	5.3%
Contributions as % of Total Payroll	1.14%	1.05%	0.86%	0.78%	0.75%	1.01%
Benefits as a % of Total Payroll	0.96%	0.93%	0.83%	0.79%	0.78%	0.80%
Trust Fund Balance as % of Total Payroll	0.39%	0.50%	0.49%	0.46%	0.41%	0.61%
Solvency Assessment	1.31%	1.08%	1.04%	1.05%	1.07%	1.15%
AHCM	0.23	0.29	0.28	0.27	0.24	0.36
Covered Employment (Thousands)	3,243	3,284	3,300	3,340	3,350	3,343
Total Unemployment Rate	7.1%	5.9%	5.5%	5.4%	5.2%	5.2%
Insured Unemployment Rate	2.6%	2.4%	2.2%	2.2%	2.3%	2.4%

Source: Economic assumptions are based on Moody's Economy.com forecasts and Massachusetts benefit financing simulation.

Figures may not add up due to rounding.

Table 5: SOLVENCY OF STATE TRUST FUNDS

June 30, 2014 TRUST FUND BALANCES			
(Descending Order by Trust Fund Balance - Calculated by Dept of Unemployment Assistance)			
State	Trust Fund Balance(\$000) (not including loans)		As Percent of extrapolated wages most recent 12 months
Washington	\$3,171,480		2.64
Oregon	\$2,058,337		3.63
Texas	\$1,993,329		0.42
Michigan	\$1,965,219		1.33
Florida	\$1,667,177		0.63
Illinois	\$1,341,107		0.57
Minnesota	\$1,234,382		1.20
Oklahoma	\$1,181,201		2.18
Maryland	\$972,891		1.01
Massachusetts*	\$950,091		0.58
Louisiana	\$902,173		1.36
Tennessee	\$865,062		0.90
low a	\$861,525		1.83
Pennsylvania	\$752,151		0.36
Utah	\$731,243		1.78
Colorado	\$619,716		0.64
Mississippi	\$541,891		1.81
Virginia	\$486,782		0.33
Georgia	\$451,895		0.30
Idaho	\$437,894		2.46
Nebraska	\$382,801		1.39
Alaska	\$364,955		2.31
Haw aii	\$358,556		1.96
Alabama	\$340,989		0.57
Wyoming	\$318,009		3.38
Maine	\$297,517		1.85
New Jersey	\$273,686		0.15
New Hampshire	\$272,268		1.18
Kansas	\$225,092		0.46
Montana	\$225,064		1.74
Nevada	\$170,427		0.40
North Dakota	\$158,471		1.00
Arkansas	\$152,569		0.46
Vermont	\$122,267		1.43
West Virginia	\$111,896		0.55
South Dakota	\$72,447		0.67
New Mexico	\$71,390		0.31
Missouri	\$45,633		0.05
Wisconsin	\$9,562		0.01
Delaw are	\$3,606		0.02
Arizona	(\$10,452)		(0.01)
Rhode Island	(\$48,573)		(0.31)
South Carolina	(\$84,839)		(0.15)
Connecticut	(\$222,577)		(0.28)
Kentucky	(\$389,012)		(0.70)
North Carolina	(\$759,480)		(0.51)
Indiana	(\$917,789)		(0.98)
Ohio	(\$992,063)		(0.57)
New York	(\$1,586,839)		(0.38)
California	(\$7,608,176)		(1.09)
United States**	\$15,252,501		0.29

* Massachusetts overall trust fund balance.

** United States include Puerto Rico and Virgin Islands

SOURCE: U.S. Department of Labor, Employment and Training Administration, UIS Division of Actuarial Services

APPENDIX UNEMPLOYMENT INSURANCE DEFINITIONS

AVERAGE HIGH COST RATE:

The average of the three highest calendar benefit cost rates in the last 20 years (or a period including three recessions, if longer). The benefit cost rates private UI contributory employers benefits paid (including the state's share of extended benefits when applicable) as a percent of their total wages.

AVERAGE HIGH COST MULTIPLE (AHCM):

The ratio of the year-end trust fund balance as a percent of total wages divided by the Average High Cost Rate.

BENEFITS PAID:

The unemployment insurance benefits paid to individuals funded through the state program. This includes all weeks compensated including partial payments.

CIVILIAN LABOR FORCE:

The estimated average number of Massachusetts residents who are either employed or unemployed in the week of the 12th for the three months of the quarter.

COVERED EMPLOYMENT:

The number of employees covered by Unemployment Insurance reported to the state by employers. The numbers represent the count of all employees for the payroll period that includes the 12th of the month.

HIGH-COST MULTIPLE (HCM):

The ratio of the Trust Fund balance as a percent of total wages divided by the High Cost Rate. The High Cost Rate is the highest historical ratio of benefits paid to total wages for a 12-month period.

INITIAL CLAIMS:

Any notice of unemployment filed by an individual (1) to request a new determination of entitlement to and eligibility for unemployment compensation or (2) to begin a second or subsequent period of eligibility within a benefit year or period of eligibility following an additional separation from employment.

INSURED UNEMPLOYED:

The average number of weeks claimed for the three months of the quarter.

INSURED UNEMPLOYMENT RATE (IUR):

The rate computed by dividing Insured Unemployed for the current quarter by the average Covered Employment for the first four of the last six completed quarters.

INTEREST FREE CASH FLOW LOANS:

During any calendar year that loans are drawn from the federal unemployment account from January to September are interest free if the loans are repaid by September 30 and no further loans are taken during the remainder of the calendar year.

OUTSTANDING LOAN BALANCES:

Balance, as of the end of the quarter, of advances acquired by the state under Title XII of the Social Security Act which allows states to use repayable advances from the federal UI account.

SOLVENCY ASSESSMENT:

The annual factor assessed to employer taxable payrolls to cover the net balance of charges and credits not directly assigned to individual employers.

TAXABLE WAGES:

Wages paid to covered employees that are subject to State Unemployment Insurance taxes. For Massachusetts, the first \$14,000 in wages per employee is covered by UI, beginning in 2015 the wage base increases to the first \$15,000 per employee.

TAXABLE WAGE BASE:

For each State, the maximum amount of wages paid to an employee by an employer during a year in which their employment is subject to UI taxes. Wages above this amount are not subject to UI tax.

TOTAL UNEMPLOYED:

The estimated average number of residents, 16 years of age or older, who do not have a job but are available for work and actively seeking work in the week of the 12th for the three months of the quarter. This includes individuals on layoff and waiting to report to a new job within 30 days.

TOTAL UNEMPLOYMENT RATE (TUR):

The rate computed by dividing Total Unemployed by the Civilian Labor Force.

TOTAL WAGES:

All wages or remuneration paid to workers on all payrolls covered by Unemployment Insurance.

TRUST FUND BALANCE (TF):

The balance in the individual state account in the Unemployment Trust Fund. Outlook estimates are for the private contributory account within the Trust Fund.

TRUST FUND AS % OF TAXABLE WAGES:

Year-end Trust Fund Balance as a percent of estimated taxable wages for the most recent 12 months; also referred to as the Reserve Ratio. Estimated wages are based on the latest growth rate in the 12 month moving average (MA).

UNEMPLOYMENT TRUST FUND (UTF):

A fund established in the Treasury of United States which contains all monies deposited by state agencies to the credit of their unemployment fund accounts.

WEEKS CLAIMED:

The number of weeks claimed for UI benefits, including weeks for which a waiting period or fixed disqualification period is being served. Interstate claims are counted in the state of residence.

WEEKS COMPENSATED:

The number of weeks claimed for which UI benefits are paid. Weeks compensated for partial unemployment are included. Interstate claims are counted in the paying state.