



# Unemployment Insurance Trust Fund Report

Outlook Report October 2018

## HIGHLIGHTS

This Outlook Report provides the status of the Unemployment Insurance Trust Fund and updated projections for the 2018 through 2022 outlook period.

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

New economic assumptions from Moody's Analytics Data Services used in these projections show the annual average unemployment rates remained unchanged, except in 2019, as compared to the assumptions used in the August 2018 Outlook Report. For 2018, the average annual unemployment rate remained at 3.5 percent, followed by a 3.4 percent annual rate in 2019, which is a one-tenth of a percentage point increase from the previous rate used. Total labor force increases in 2018 to 2022 posting an average annual increase of 22,316. The annual wage and salary growth rates are higher in 2018 to 2020 and lower in 2021 and 2022.

The outlook presented is for the regular UI program based on 2018 employer experience rates and benefit payments and employer contributions through third quarter 2018.

Chapter 63 of the Acts of 2017, enacted in August, sets tax rate schedule D for 2018 and rate schedule E for 2019 for employer contributions.

The revised 2018 year-end projections indicate employer contributions, based on rate schedule D and a \$15,000 taxable wage base, will be \$1.526 billion, \$23 million less than the previous estimate of \$1.549 billion. Estimated benefit payments of \$1.347 billion are \$15 million lower than the previous estimate of \$1.362 billion first released in the August 2018 Outlook Report. The projected private contributory account year-end balance of \$1.064 billion is \$8 million less than the previous estimate of \$1.072 billion but \$203 million more than last year's ending balance of \$861 million.

The table on page 9 provides June 30, 2018 information on the UI Trust Fund balances, balances as a percent of wages and AHCM for all of the states.

Employer contributions for 2019 payrolls on schedule E, as set by statute, and a \$15,000 taxable wage base are expected to be \$1.753 billion, \$18 million higher than the previous estimate of \$1.735 billion. Benefit payments are projected to be \$1.518 billion, an increase of \$24 million from the prior estimate of \$1.494 billion. A year-end balance of \$1.327 billion is \$15 million less than the previous estimate of \$1.342 billion.

For 2020, rate schedule E is projected to trigger for employer payrolls and with a \$15,000 taxable wage base generate \$1.707 billion in employer contributions, an increase of \$13 million. Projected benefit payments of \$1.798 billion are in-line with the previous estimate of \$1.802 billion. The year-end private account balance is expected to be \$1.268 billion, in-line with the estimate of \$1.266 billion first released in August.

Tax rate schedule E is projected to trigger for 2021 employer contributions. With a \$15,000 taxable wage base employer contributions are projected to be \$1.710, \$25 million higher than the previous estimate. Benefit payments are estimated at \$2.118 billion, a \$37 million increase from the previous estimate. Year-end 2021 private contributory account balance is now projected at \$887 million, a \$10 million decrease from the last estimate of \$897 million.

For 2022 rate schedule F is projected to trigger for employer payrolls. Employer contributions are projected at \$2.022 billion with benefit payments estimated at \$2.198 billion and a year-end balance of \$730 million.

Based on the current economic assumptions and statutory provisions, no borrowing from the federal unemployment account is anticipated through 2022.

**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 Analytics Data Services September 2018 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 2018 Outlook Trust Fund Reports are provided in Table 1.

The September 2018 Moody's Economy.com Annual Wage and Salary Growth Rate forecasts for 2018 to 2020 were revised up while the rates for 2021 and 2022 were revised lower. The 2018 and 2019 wage and salary growth rates were revised upwards by two-tenths of a percentage point, while the rate for 2020 went from 3.7 percent to 4.1 percent. The rates for 2021 and 2022 were both revised down by two-tenths of a percentage point.

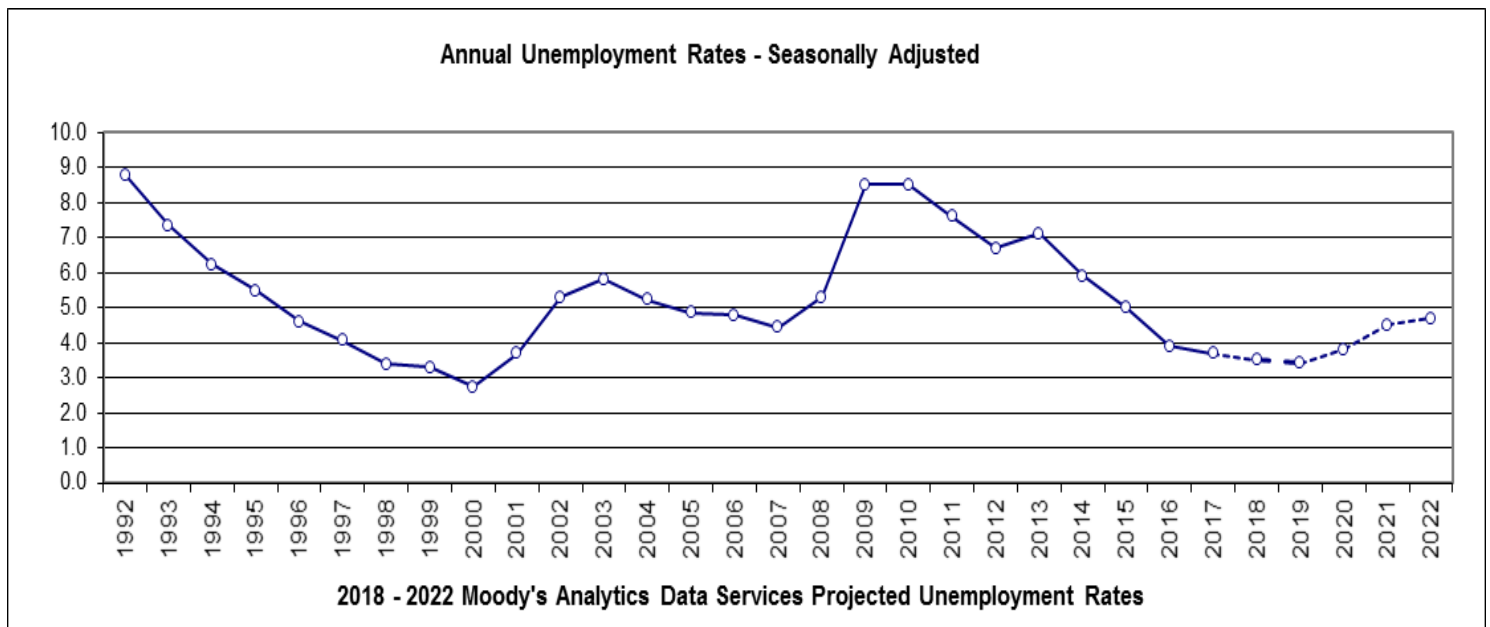
The projected annual average total unemployment rates for 2018 to 2022 remain unchanged as compared to the July Moody's Analytics Data Services forecasts except for 2019. In 2019, the annual average total unemployment rate was revised up from 3.3 percent to 3.4 percent.

The annual labor force projections for 2018 to 2022 all showed increases with an average growth of 22,316. The smallest increase of 11,877 in 2018 and the largest in 2019 at 25,457. The labor force is projected to be 3,848,254 in 2021.

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

	Wage & Salary Growth (%)			Total Unemployment Rate (%)			Labor Force		
	18-May	18-Jul	18-Sep	18-May	18-Jul	18-Sep	18-May	18-Jul	18-Sep
2017	5.3	4.3	4.5	3.3	3.5	3.5	3,679,101	3,724,291	3,736,168
2018	6.0	5.8	6.0	3.2	3.3	3.4	3,705,619	3,767,296	3,792,753
2019	3.6	3.7	4.1	3.8	3.8	3.8	3,719,839	3,781,202	3,806,038
2020	2.5	2.5	2.3	4.5	4.5	4.5	3,736,791	3,797,526	3,822,871
2021	3.7	3.6	3.4	4.7	4.7	4.7	3,762,204	3,824,189	3,848,254

Source: Moody's Economy.com



**UNEMPLOYMENT INSURANCE TRUST FUND BALANCE**

As of September 30, 2018, the Massachusetts Unemployment Insurance Trust Fund ending balance was \$1.272 billion. The private contributory account balance was at \$1.154 billion and the governmental contributory account balance was \$118 million. The private contributory account balance was \$2 million more than the projection released in August as lower than expected employer contributions were offset by less than projected benefit payments in the third quarter.

The private contributory account is now projected to have a balance of \$1.064 billion at the end 2018, a year end reserve of \$1.327 billion in 2019 and a projected balance of \$1.268 billion by the end of 2020.

The 2018 year-end private contributory account balance of \$1.064 billion is \$8 million lower than the previous estimate of \$1.072 billion first published in the August 2018 Outlook Report.

The year-end 2019 account balance is expected to be \$1.327 billion, a \$15 million decrease from the previous estimate of \$1.342 billion. The decrease was due to an increase in benefit payments caused by projected increases in weeks compensated and insured unemployment generated by a higher annual average unemployment rate.

The December 31, 2020 account balance is estimated at \$1.268 billion, in-line with the previous estimate of \$1.266 billion.

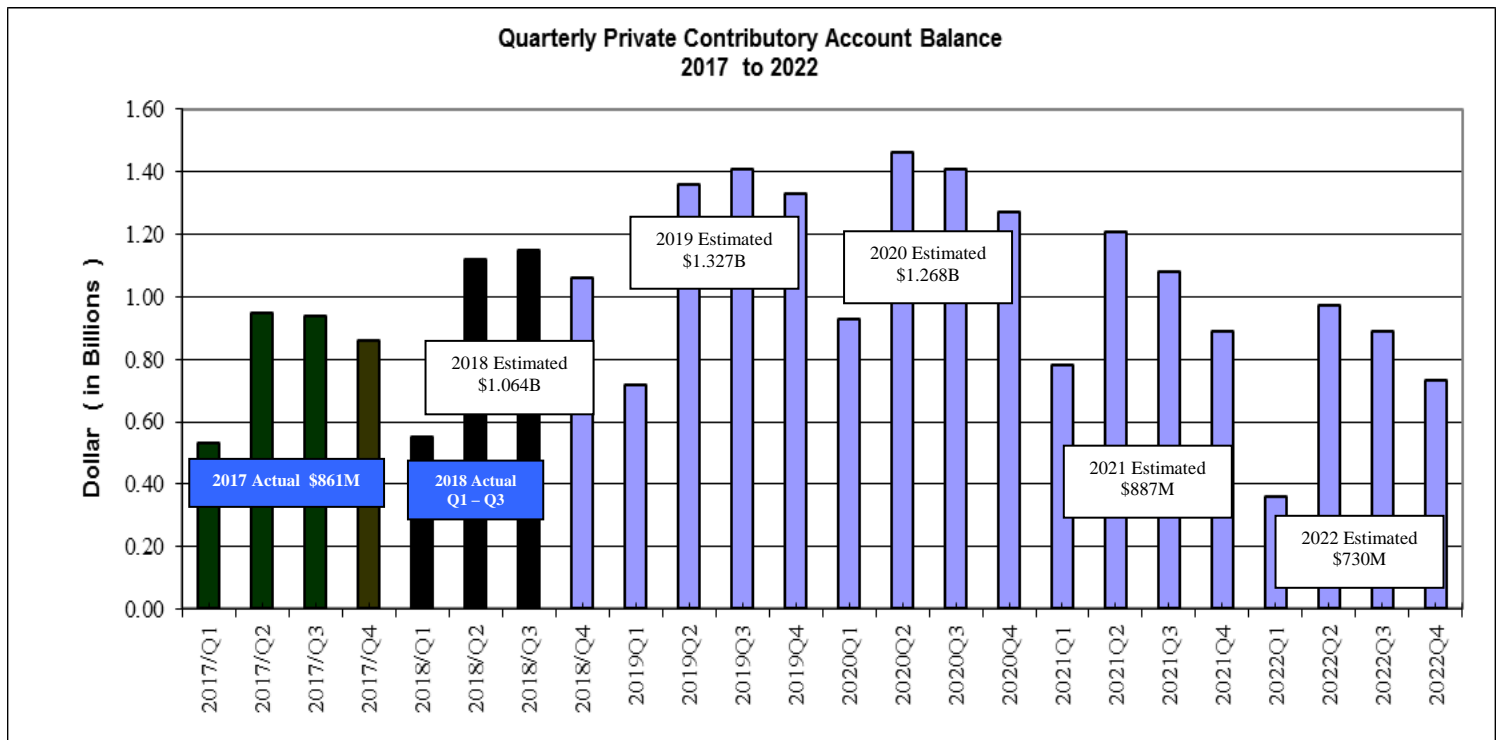
The year-end 2021 private account balance is estimated to be \$887 million, a small decrease of \$10 million from the previously released estimate of \$897 million.

The 2022 year-end private account balance is expected to be \$730 million, an \$18 million decrease from the estimate released in August. The difference was primarily caused by projected higher increases in benefit payments than employer contributions.

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

The chart below shows actual 2017 through third quarter 2018 and projected quarterly private UI account balances through 2022.

Table 5 on page 9 shows the Solvency of States Trust Fund Balances as of June 30, 2018.



**BENEFIT OUTLAYS**

The updated simulation for the outlook period resulted in small revisions in benefit payments. Benefit payments were lower in 2018 and 2020 but higher in 2019, 2021 and 2022.

Benefit payments through third quarter 2018 totaled \$1.038 billion, a \$39 million decrease from the 2017 benefit payments for the same time span and \$24 million less than the projection first released in August. The difference was due to lower than projected weeks compensated and less insured unemployment in the third quarter. In addition, year-to-date initial claims and weeks compensated were 6.7 percent and 3.6 percent, respectively, less than last year's totals.

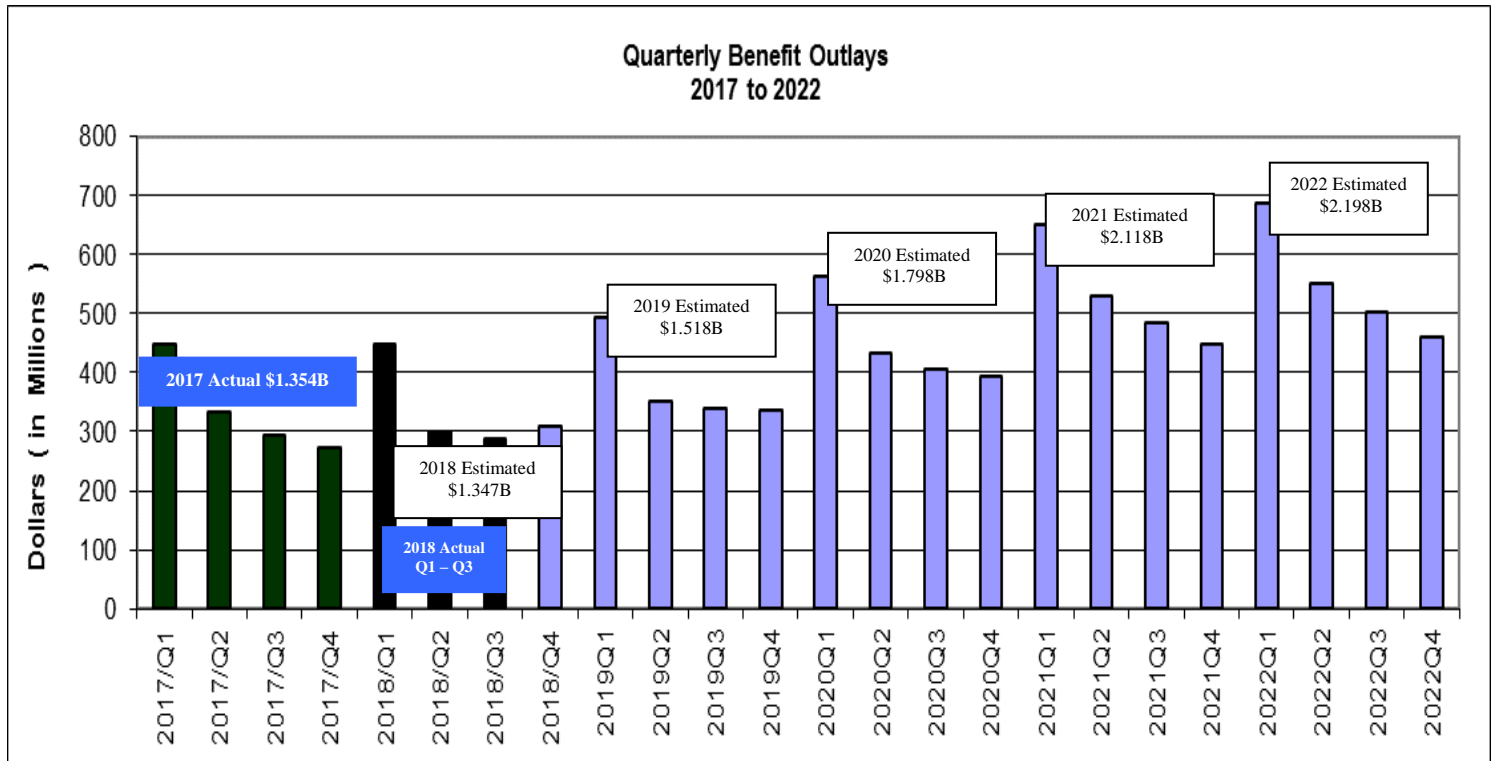
As a result, benefit payments for 2018 are now estimated lower at \$1.347 billion, \$15 million less than the previous estimate of \$1.362 billion released in the August and September 2018 Outlook Reports. The maximum weekly benefit amount for new claims effective on or after October 7, 2018 is \$795.

For 2019, benefit payments are estimated to be \$1.518 billion, a \$24 million increase from the previous estimate of \$1.494 billion. The small increase is due to a projected increase of one-tenth of a percentage point in the annual average unemployment rate generating more weeks compensated and insured unemployment.

In 2020, benefit payments are projected to be \$1.798 billion, in-line with the previous estimate of \$1.802 billion.

For 2021, benefit payments are projected to be \$2.118 billion, \$37 million higher than the previous estimate of \$2.081 billion. The revision was caused by projected increases in total weeks compensated and insured unemployment. In addition, a higher average weekly benefit amount is, also, projected.

In 2022, benefit payments are expected to be \$2.198 billion, \$36 million more than the previous estimate of \$2.162 billion. As in the previous year, the difference was the result of projected increases in insured unemployment, weeks compensated and the average weekly benefit amount.



**EMPLOYER CONTRIBUTIONS**

Updated projections for employer contributions for 2018 to 2022 show small differences from the previous projections first released in the August 2018 Outlook Report. The adjustments are primarily due to revisions in taxable payrolls or the average contribution rates.

Employer contributions through third quarter 2018 totaled \$1.314 billion, an increase of \$147 million from the same time span in 2017 on a lower tax rate schedule and \$22 million less than projected. Taxable payrolls in the second quarter of 2018 were lower than expected.

As a result, 2018 employer contributions, on tax rate schedule D and \$15,000 taxable wage base, are now estimated lower at \$1.526 billion, \$23 million less than the previous estimate of \$1.549.

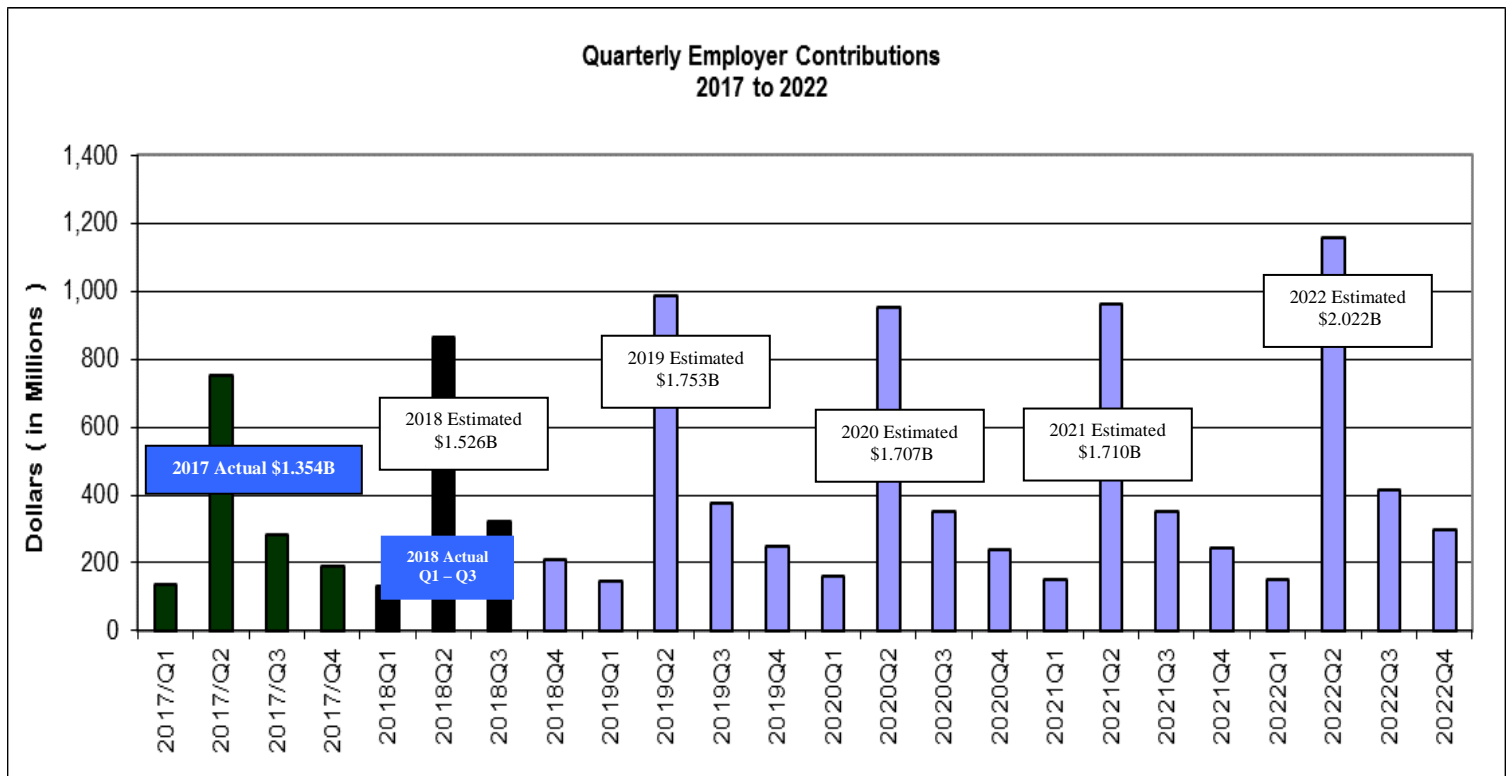
For 2019, rate schedule E was enacted for employer contributions and with a \$15,000 taxable wage base will generate \$1.753 billion in contributions, an \$18 million increase from the previous estimate of \$1.735 billion. Taxable payrolls are projected to be higher.

Tax rate schedule E is projected to trigger for 2020 employer payrolls. With a \$15,000 taxable wage base, contributions are projected at \$1.707 billion, just slightly higher than the previous estimate of \$1.694 billion.

For 2021, tax rate schedule E is again projected to trigger for employer contributions and with a \$15,000 taxable wage base generate an estimated \$1.710 billion in contributions. This is an increase of \$25 million from the earlier published estimate of \$1.685 billion due to a projected increase in taxable payrolls.

Tax rate schedule F is projected to trigger for employer payrolls in 2022. Employer contributions, at a taxable wage base of \$15,000, are projected at \$2.022 billion, \$28 million higher than the previous estimate of \$1.994. As in previous years, an increase in taxable payrolls is expected.

Table 2, on page 7, contains the experience rate table that took effect in 2015.



**TRUST FUND SOLVENCY**

Federal regulations require States to meet several 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, .80 in 2017 up to 1.0 for advances in 2019. For 2018 the AHCM must be met based on 2017 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 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. The Massachusetts the measures are for the overall trust fund and include both 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 new 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 2018 through 2022, Massachusetts will not meet the federal standard for AHCM and therefore be subject to federal interest for all loans.

**Funding Standard for Interest-Free Loans Started in 2014  
All Contributory Accounts (Estimated 2018 to 2022)**

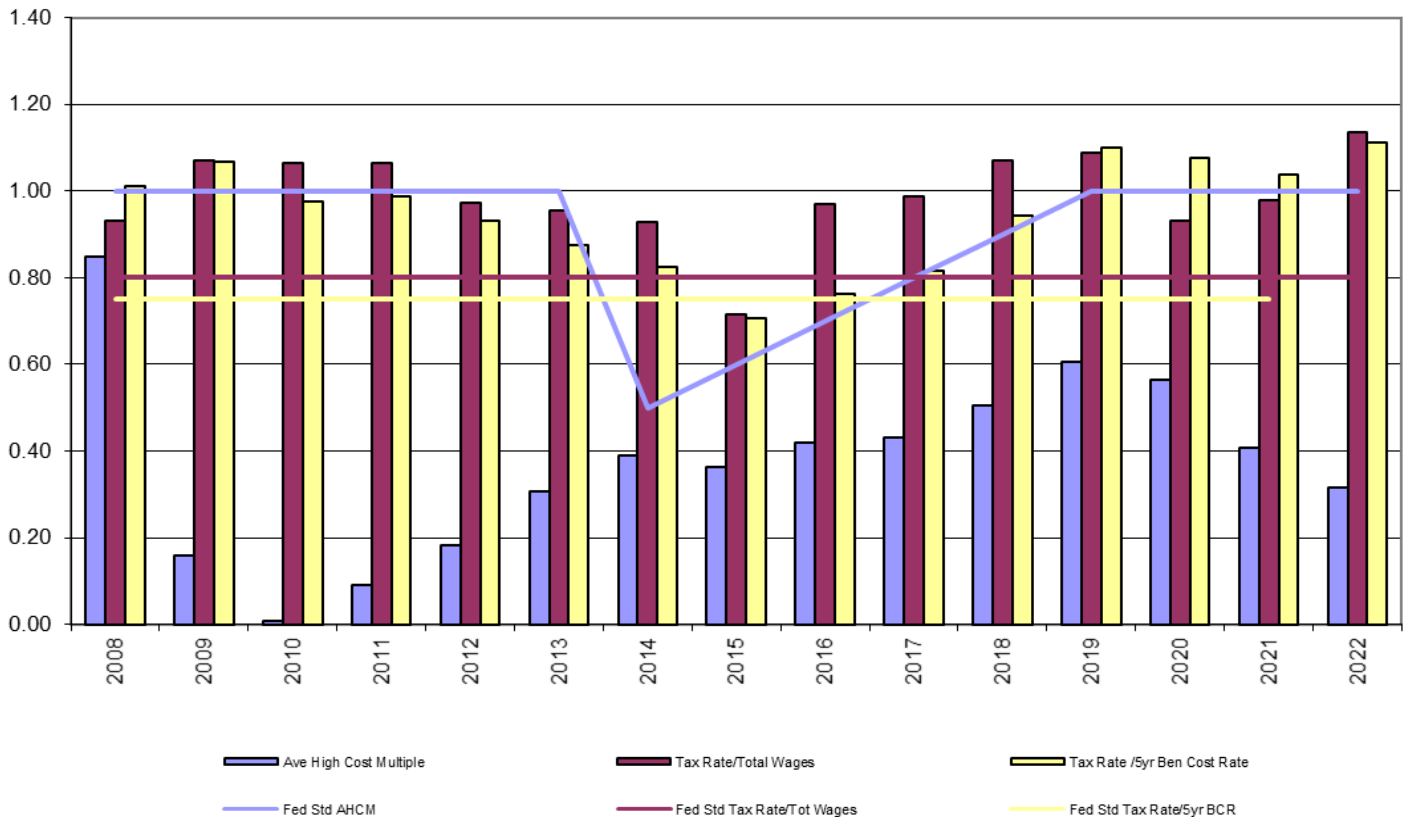




Table 2: EXPERIENCE RATE TABLE

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%	
<b>Employer Account Reserve Percentages</b>								
<b>Negative Percentage</b>								
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	
<b>Positive Percentage</b>								
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	

The current law simulation estimates for 2018 through 2022 are displayed in Tables 3 and 4, below.

**Table 3: Unemployment Trust Fund Projections for the Private Contributory Account, 2018 - 2022**

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

	2017	2018	2019	2020	2021	2022
<b>Balance, January 1</b>	\$836	\$861	\$1,064	\$1,327	\$1,268	\$887
<b>Income</b>	\$1,354	\$1,526	\$1,753	\$1,707	\$1,710	\$2,022
Trust Fund Interest	\$20	\$24	\$28	\$32	\$27	\$19
<b>Benefit Outlays</b>	\$1,350	\$1,347	\$1,518	\$1,798	\$2,118	\$2,198
Federal Loan Interests						
<b>Balance, December 31</b>	\$861	\$1,064	\$1,327	\$1,268	\$887	\$730
Schedule*	"C"	"D"	"E"	"E"	"E"	"F"
Average Cost/Employee	\$497	\$552	\$626	\$609	\$609	\$716

\* 2017 to 2019 rate schedules set by Legislation, 2020 to 2022 rate schedule projected based on current statutory triggers, calculated with the previous three years average total wages. Taxable Wage Base of \$15,000 effective beginning 2015.

Source: Massachusetts Department of Unemployment Assistance benefit financing simulation

Figures may not add up due to rounding.

**Table 4: Benefit Financing Simulation Output**

	2017	2018	2019	2020	2021	2022
Total Covered Payroll (\$Billions)	\$187.6	\$197.2	\$206.7	\$215.4	\$220.7	\$229.9
Contributory Payroll (\$Billions)	\$43.4	\$44.3	\$45.0	\$45.7	\$46.1	\$47.0
Contributory Wage Proportion	23.1%	22.5%	21.8%	21.2%	20.9%	20.4%
Nominal Contribution Rate	3.2%	3.5%	3.9%	3.7%	3.7%	4.3%
Contributions as % of Total Payroll	0.72%	0.77%	0.85%	0.79%	0.77%	0.88%
Benefits as a % of Total Payroll	0.72%	0.68%	0.73%	0.83%	0.96%	0.96%
Trust Fund Balance as % of Total Payroll	0.46%	0.54%	0.64%	0.59%	0.40%	0.32%
Solvency Assessment	0.73%	0.76%	0.91%	1.03%	1.21%	1.27%
AHCM	0.27	0.26	0.24	0.29	0.33	0.29
Covered Employment (Thousands)	3,490	3,541	3,583	3,587	3,593	3,618
Total Unemployment Rate	3.7%	3.5%	3.4%	3.8%	4.5%	4.7%
Insured Unemployment Rate	1.9%	1.9%	2.0%	2.2%	2.4%	2.4%

Source: Economic assumptions are based on Moody's Analytics Data Services forecasts and Massachusetts benefit financing simulation.

Figures may not add up due to rounding.



Table 5: SOLVENCY OF STATE TRUST FUNDS

June 30, 2018 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	AHCM	
Washington	\$4,465,628	2.83	1.28	
Oregon	\$4,221,815	5.82	2.19	
Michigan	\$4,102,085	2.30	N.A.	
Florida	\$3,874,258	1.16	1.07	
North Carolina	\$3,415,916	2.03	1.21	
California	\$2,970,373	0.33	N.A.	
Pennsylvania	\$2,764,988	1.17	N.A.	
New York	\$2,482,076	0.49	0.28	
New Jersey	\$2,453,602	1.18	0.57	
Georgia	\$2,119,174	1.13	0.98	
Illinois	\$1,939,194	0.70	0.37	
Texas	\$1,791,480	0.32	0.20	
Wisconsin	\$1,624,431	1.57	0.79	
Minnesota	\$1,509,214	1.24	0.94	
Virginia	\$1,325,020	0.79	0.95	
Nevada	\$1,287,305	2.39	0.95	
Maryland	\$1,235,395	1.09	0.83	
<b>Massachusetts*</b>	<b>\$1,229,697</b>	<b>0.63</b>	<b>0.27</b>	
Tennessee	\$1,176,288	1.01	0.92	
Utah	\$1,097,920	2.07	1.78	
low a	\$1,087,808	1.99	1.51	
Oklahoma	\$1,061,469	1.76	1.70	
Louisiana	\$985,924	1.40	1.23	
Colorado	\$952,929	0.78	0.61	
Ohio	\$932,190	0.46	0.23	
Missouri	\$918,533	0.90	0.71	
South Carolina	\$870,155	1.22	0.79	
Arizona	\$851,963	0.77	0.55	
Kansas	\$769,653	1.40	1.06	
Arkansas	\$720,916	1.78	1.07	
Mississippi	\$676,110	2.06	1.88	
Alabama	\$645,949	0.93	0.88	
Idaho	\$610,051	2.73	1.44	
Indiana	\$603,003	0.54	0.23	
Connecticut	\$576,874	0.67	0.34	
Kentucky	\$543,456	0.83	0.43	
Haw aii	\$532,462	2.40	1.19	
Alaska	\$449,732	3.69	1.65	
New Mexico	\$447,798	1.75	1.17	
Maine	\$446,312	2.39	1.20	
Nebraska	\$439,636	1.35	1.75	
Vermont	\$431,606	4.54	2.06	
Rhode Island	\$404,156	2.20	0.65	
Wyoming	\$317,461	3.48	2.14	
Montana	\$312,092	2.06	1.41	
New Hampshire	\$309,393	1.11	1.05	
North Dakota	\$154,357	0.99	0.85	
Delaw are	\$150,675	0.79	0.59	
West Virginia	\$136,772	0.66	0.26	
South Dakota	\$120,086	0.94	1.76	
<b>United States**</b>	<b>\$65,639,919</b>	<b>1.04</b>	<b>NA</b>	

\* Massachusetts overall trust fund balance.

\*\* United States include Puerto Rico and Virgin Islands

NA: Not Applicable -- States had outstanding debt (as of 1/1/2017), which may include bond debt exceeding their fund balances.

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 12<sup>th</sup> 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.

**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.