



Status of the Unemployment Trust Fund and Related Issues

Commission on Unemployment Compensation

January 4, 2018

Ellen Marie Hess, Commissioner

Trust Fund Data—Standard Forecast

(Millions of Dollars)



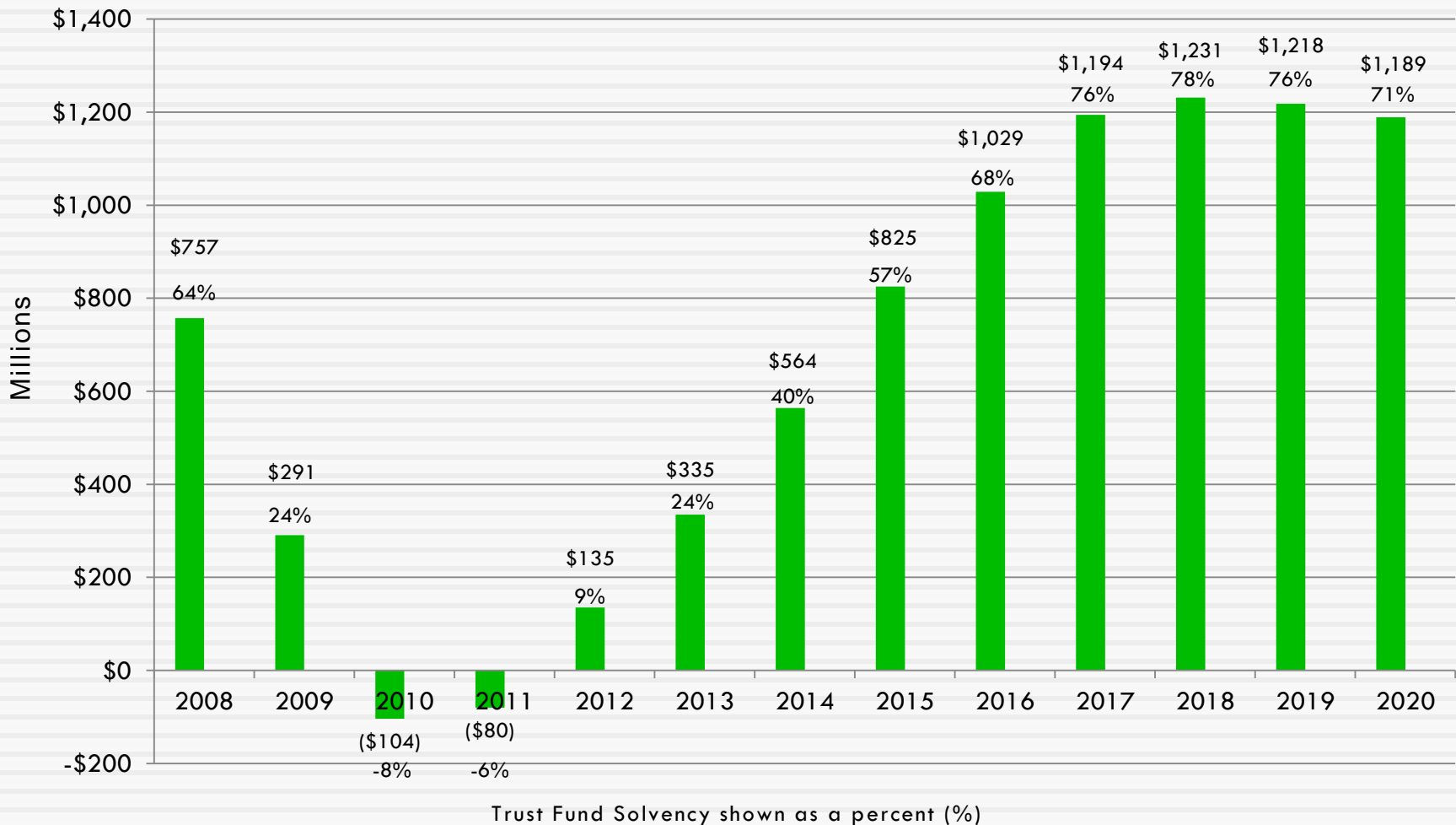
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	2016	2017
January 1 Balance	\$749.8	\$949.4
Tax Revenue	\$566.1	\$493.4
Interest Revenue	\$20.5	\$24.4
Benefits	\$387.0	\$342.8
December 31 Balance	\$949.4	\$1,124.4
Solvency Level (6/30)	68.5%	76.0%

June 30 Trust Fund Balances and Solvency (Forecast as of July 18, 2017)



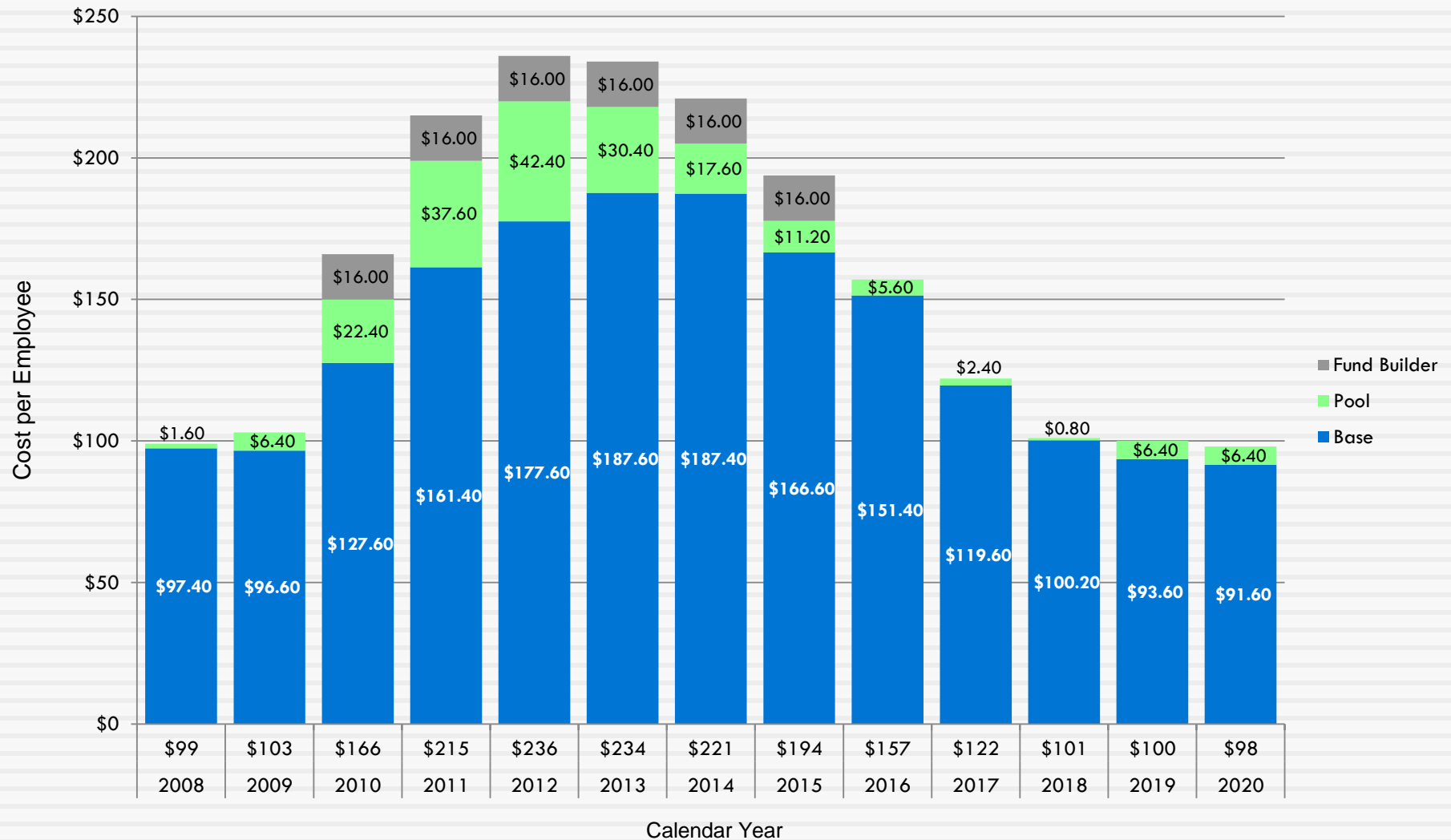
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Average Total State Tax

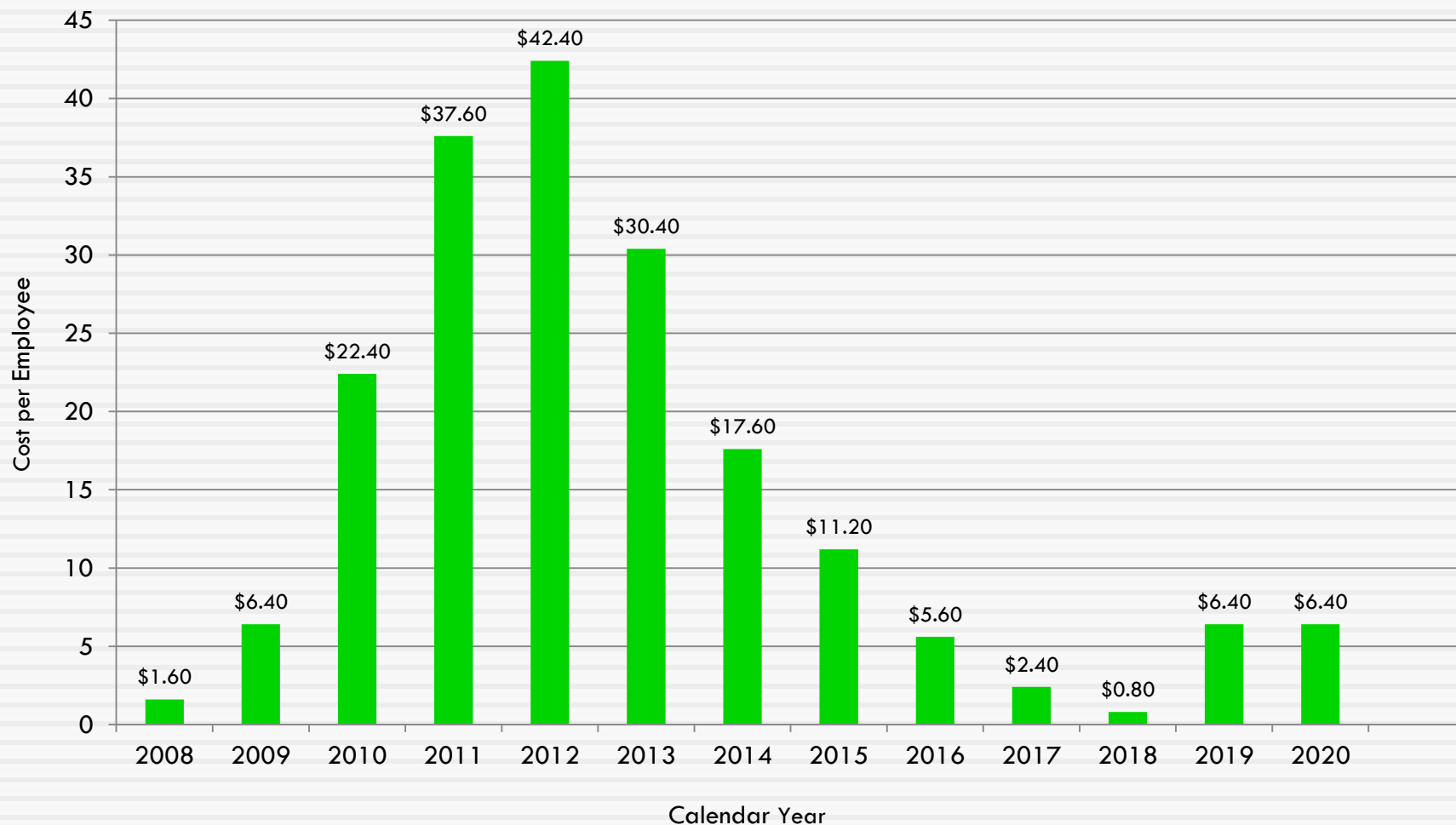
(Forecast as of July 18, 2017)

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Pool Taxes (Forecast as of July 18, 2017)

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Distribution of 2017 and 2018 Base Tax Rates *Computed and Assigned Rates*



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Tax Rates	Number of Employers		Percent of Total	
	2017*	2018**	2017*	2018**
Computed				
0.10%	137,329	146,813	64.5%	68.4%
0.12%-0.94%	11,856	12,182	5.6%	5.7%
1.00%-1.89%	8,012	8,540	3.8%	4.0%
2.00%-2.97%	5,990	5,214	2.8%	2.4%
3.00%-3.91%	3,703	3,404	1.7%	1.6%
4.00%-4.99%	2,970	2,272	1.4%	1.1%
5.00%-5.94%	1,994	1,736	0.9%	0.8%
6.00%-6.12%	215	356	0.1%	0.2%
6.20%	11,152	8,699	5.2%	4.1%
Assigned				
New, 2.50%	27,967	22,791	13.1%	10.6%
Delinquent, 6.20%	1,412	2,173	0.7%	1.0%
Foreign Contractor, 6.20%	195	238	0.1%	0.1%
Other, 6.20%	101	291	0.0%	0.2%
Total	212,799	214,709	100.0%	100.0%

Taxable wage base is \$8,000. *excluding 0.03% pool tax. **excluding 0.01% pool tax.

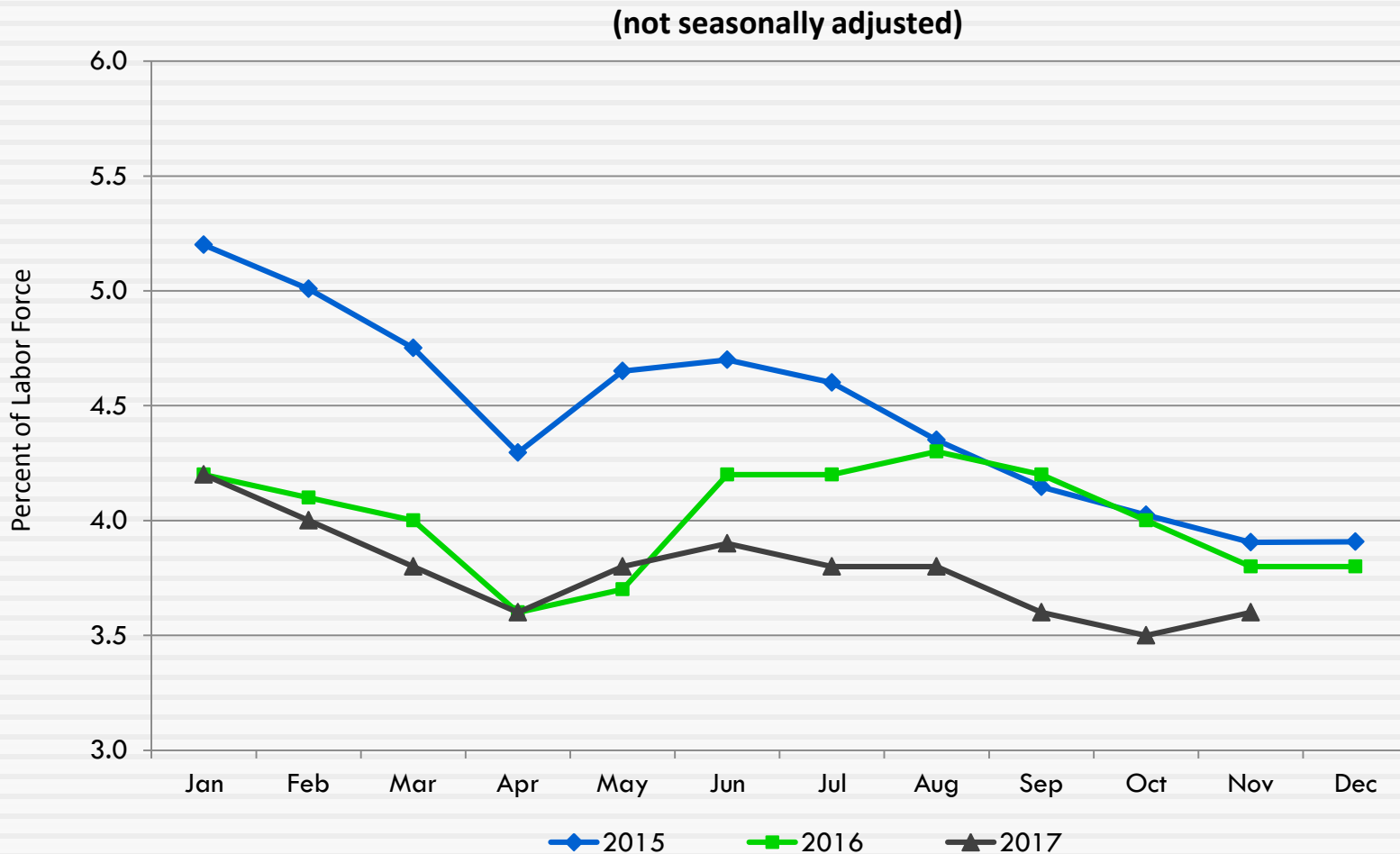
Claims Filed

Calendar Year	Initial Claims
2012	301,211
2013	276,807
2014	224,882
2015	186,887
2016	178,422
2017 (Jan. – Nov.)	135,907*

* Annual claims projected to be 151,000.

Virginia's Unemployment Rates

2015 - 2017 (year to date)



2017 October Labor Force Participation Rates and Unemployment Rates (Fourth Circuit States)



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(not seasonally adjusted)

State	Participation Rate*	Unemployment Rate
District of Columbia	70.2%	6.9%
Maryland	68.2%	3.8%
North Carolina	61.7%	4.1%
South Carolina	58.5%	3.9%
Virginia	65.1%	3.5%
West Virginia	53.2%	4.2%
U.S.	62.7%	3.9%

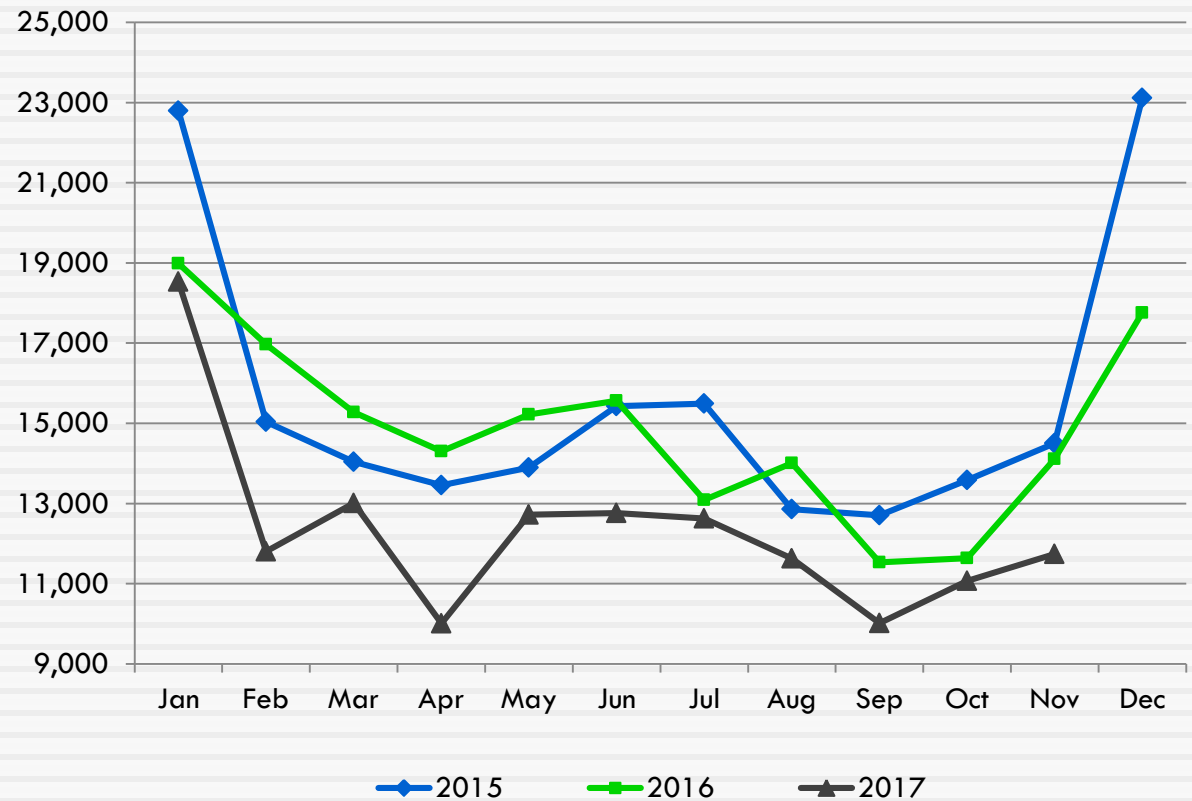
* Participation Rate = civilian labor force divided by non-institutional civilian population age 16 and above.

UI Initial Claims

2015 - 2017 (year to date)

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- Total initial claims through November 2017 were down 15.4% because of fewer layoffs in manufacturing, administrative and support services, and construction.

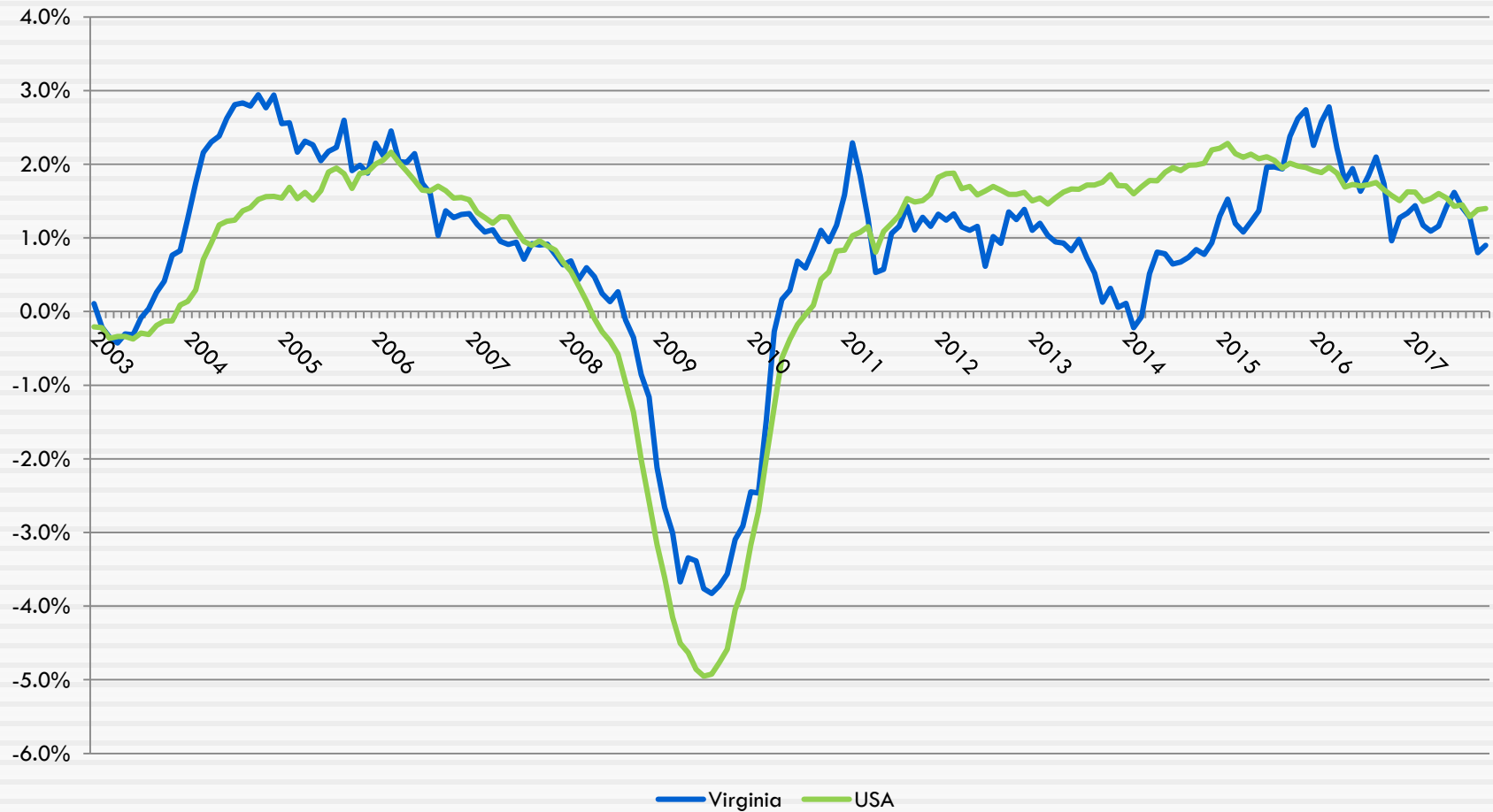


Total Nonfarm Employment

Over-the-year Growth (seasonally adjusted data)



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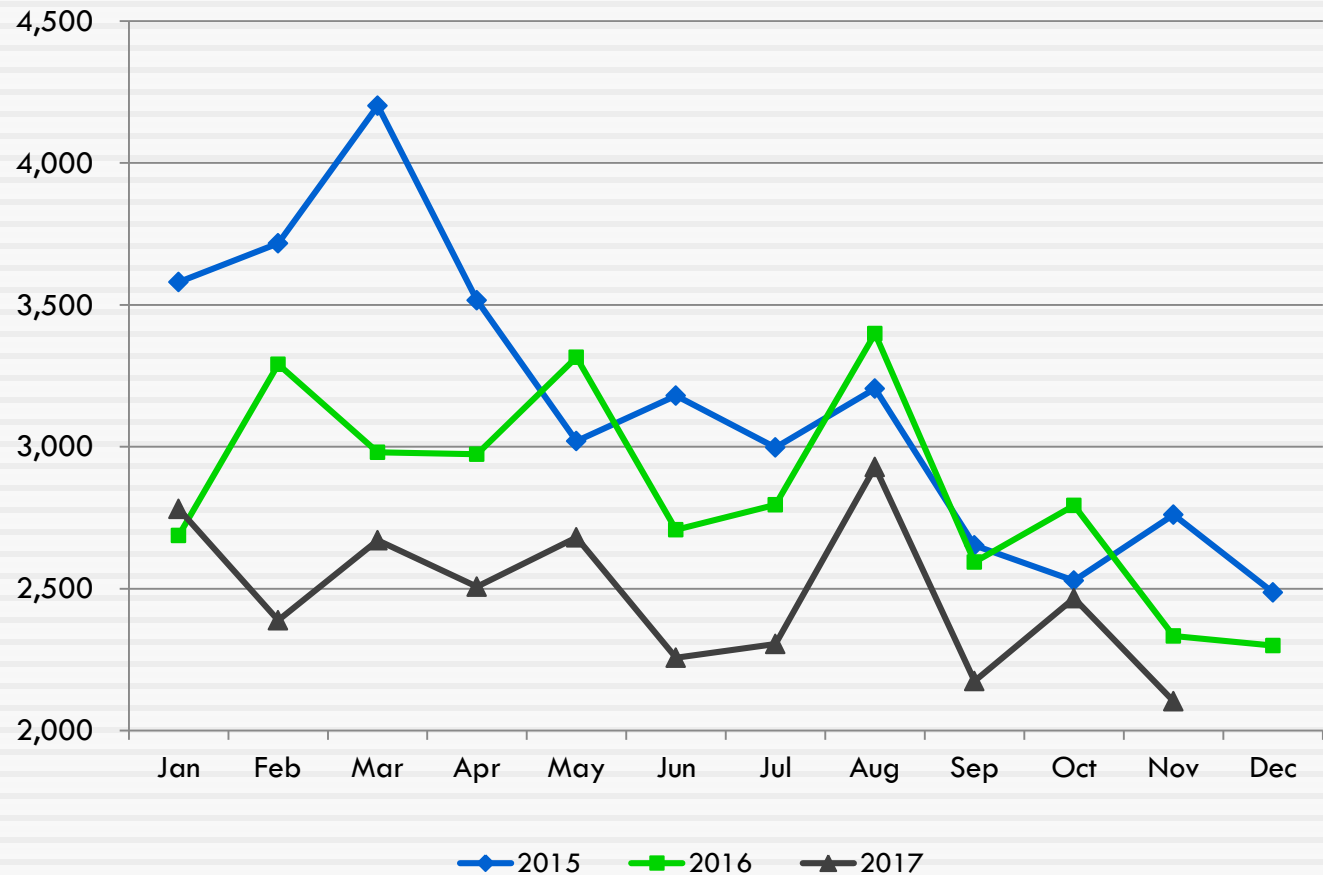


UI Final Payments

2015 - 2017 *(year to date)*

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- For the first eleven months of 2017, final payments are down 14.5% from 2016 and 22.9% from 2015.

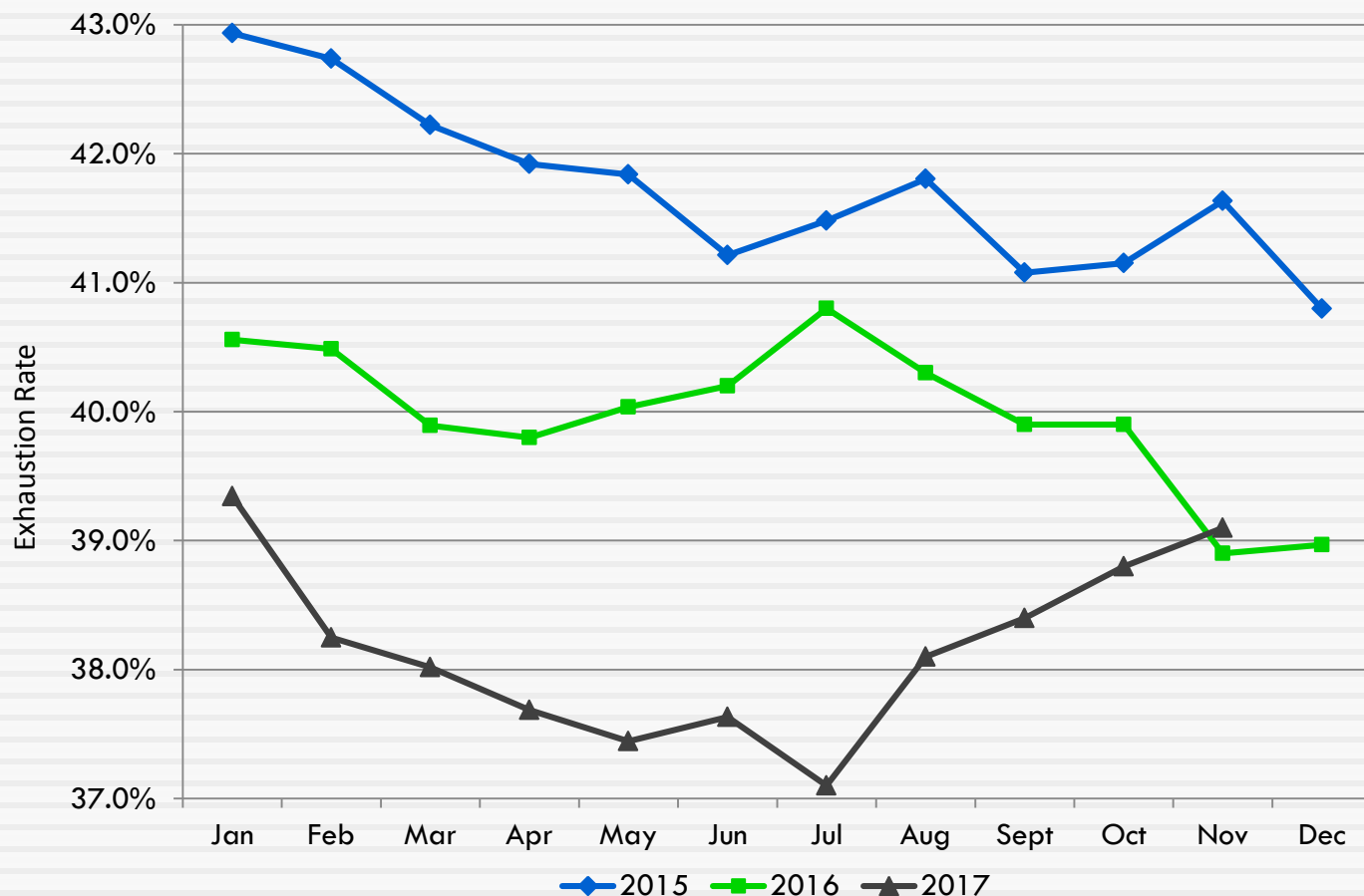


Exhaustion Rates

2015 - 2017 (year to date)

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- The exhaustion rate in November was 39.1%, up from last November's 38.9%.



Fourth Circuit States

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	Trust Fund Balance (11/30/17) (Millions)	Average Tax per Employee (year ending 12/31/16)	Average Tax Rate (year ending 12/31/16)	2017 Taxable Wage Base	2017 Maximum Weekly Benefit	2017 Maximum Weekly Benefit Replacement Rate	2017 State Potential Duration (Weeks)
DC	\$446	\$240	2.67%	\$9,000	\$425	27%	19 – 26
MD	\$1,144	\$214	2.52%	\$8,500	\$430	40%	26
NC	\$3,145	\$375	1.68%	\$23,100	\$350	39%	5 – 26
SC	\$748	\$211	1.51%	\$14,000	\$326	40%	13 – 20
VA	\$1,151	\$149	1.86%	\$8,000	\$378	37%	12 – 26
WV	\$95	\$335	2.79%	\$12,000	\$424	54%	26
US Avg.		\$329	2.39%	\$13,782	\$436	43%	

Treasury Offset Program (TOP)



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- The IRS Treasury Offset Program (TOP) allows the VEC to submit overpayment debts resulting from unemployment insurance fraud to the IRS to intercept federal tax refunds.
- Through November 2017, the VEC has collected \$8,683,644.45 from the IRS through TOP.
- Participation in this program is mandated under federal law and the *Code of Virginia* (§ 2.2-4806.) All recovered debt is deposited in the Unemployment Trust Fund.
- The above amount was collected against 13,226 records that had overpayments due to fraud.

Military Trailing Spouse Update—Impact of Military Trailing Spouse Benefits



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FY Benefits		Claimants	CY Solvency Levels		CY Base Tax Rates		CY Pool Tax Rates	
2015	\$658,597	212	2015	-0.1 percentage point	2015	Unaffected	2015	Unaffected
2016	\$231,050	76	2016	-0.1 percentage point	2016	Unaffected	2016	Unaffected
2017	\$722,720	245	2017	-0.1 percentage point	2017	Unaffected	2017	Unaffected
Jul.-Nov. 2017	\$302,782	180	2018	N/A	2018	N/A	2018	N/A