



Status of the Unemployment Trust Fund and Related Issues

Commission on Unemployment Compensation

June 10, 2021

Ellen Marie Hess, Commissioner

Trust Fund Data—Standard Forecast

(Millions of Dollars)



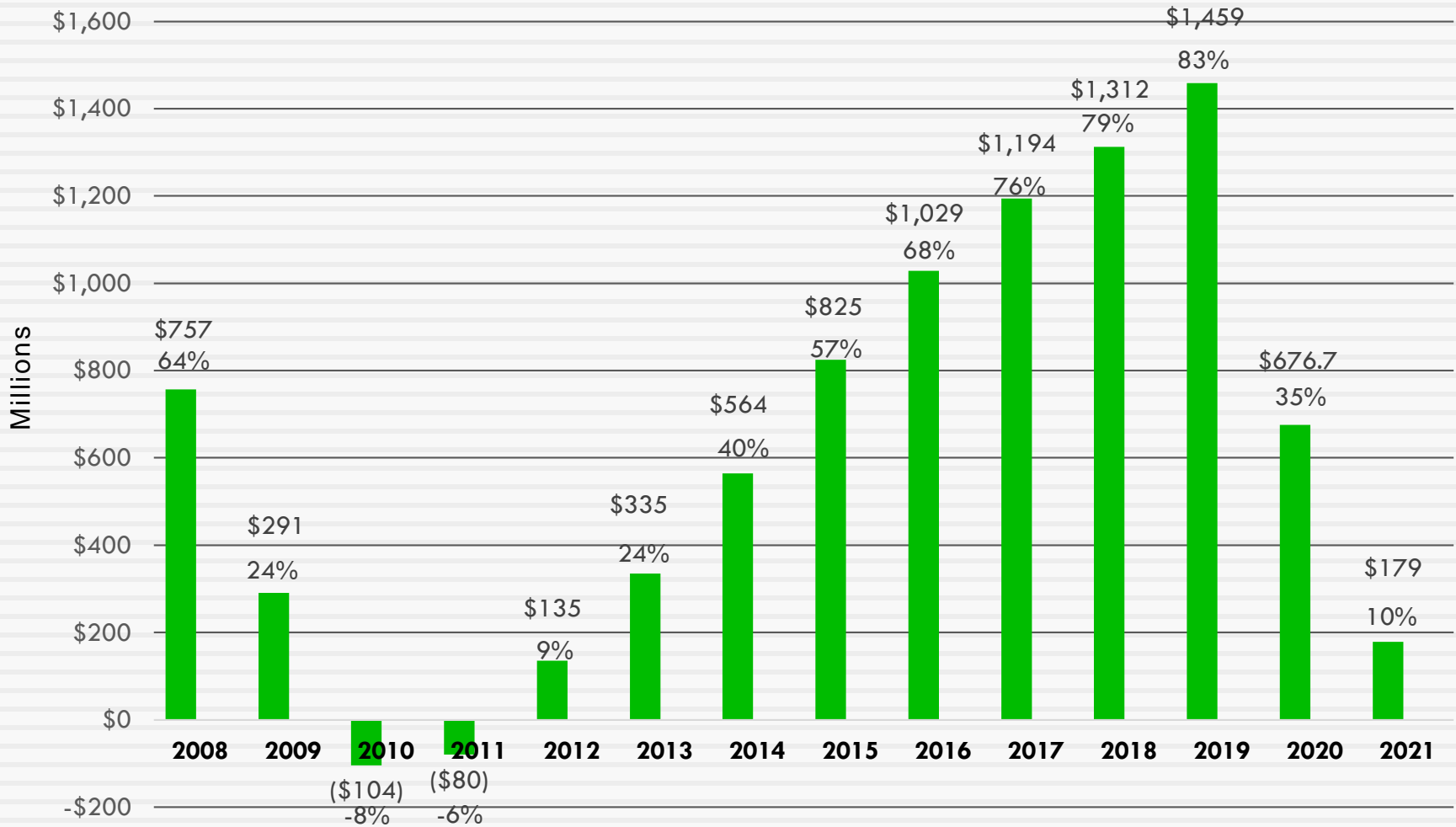
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	2020	2021
January 1 Balance	\$1,452.5	\$79.4
Tax Revenue	\$570.1 ¹	\$456.0*
Interest Revenue	\$17.4	\$3.0*
Benefits	\$2.0 Billion	\$360.5*
December 31 Balance	\$79.4	\$180.0*
Solvency Level (6/30)	86.1%	33.5 %

¹Includes \$200M Deposit

*Projected

June 30 Trust Fund Balances and Solvency Levels (As of April 2021)



Trust Fund Solvency shown as a percent (%)

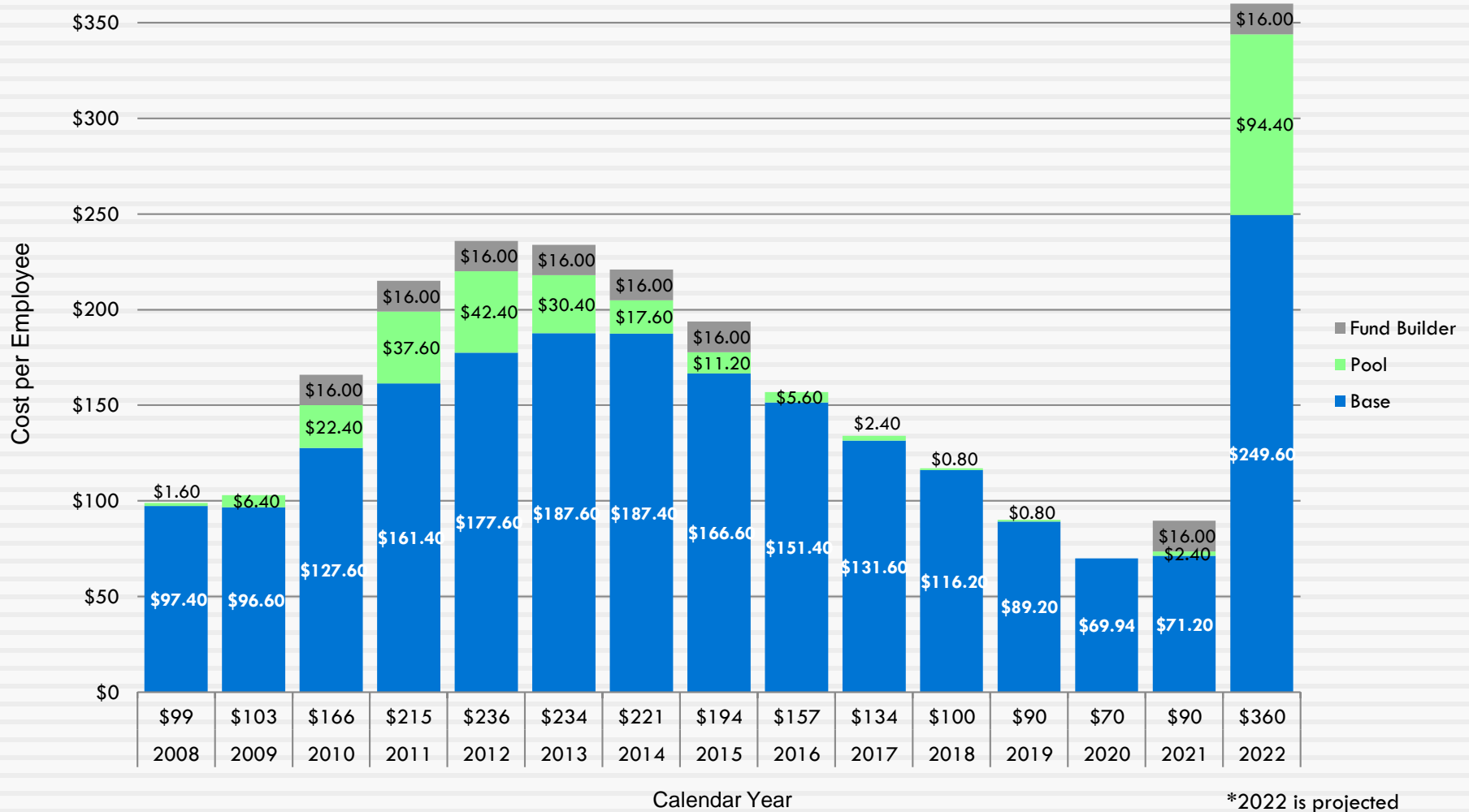
*negative amounts indicate periods of borrowing from the Federal government *2022 is projected

Average Total State Tax

(As of April 2021)



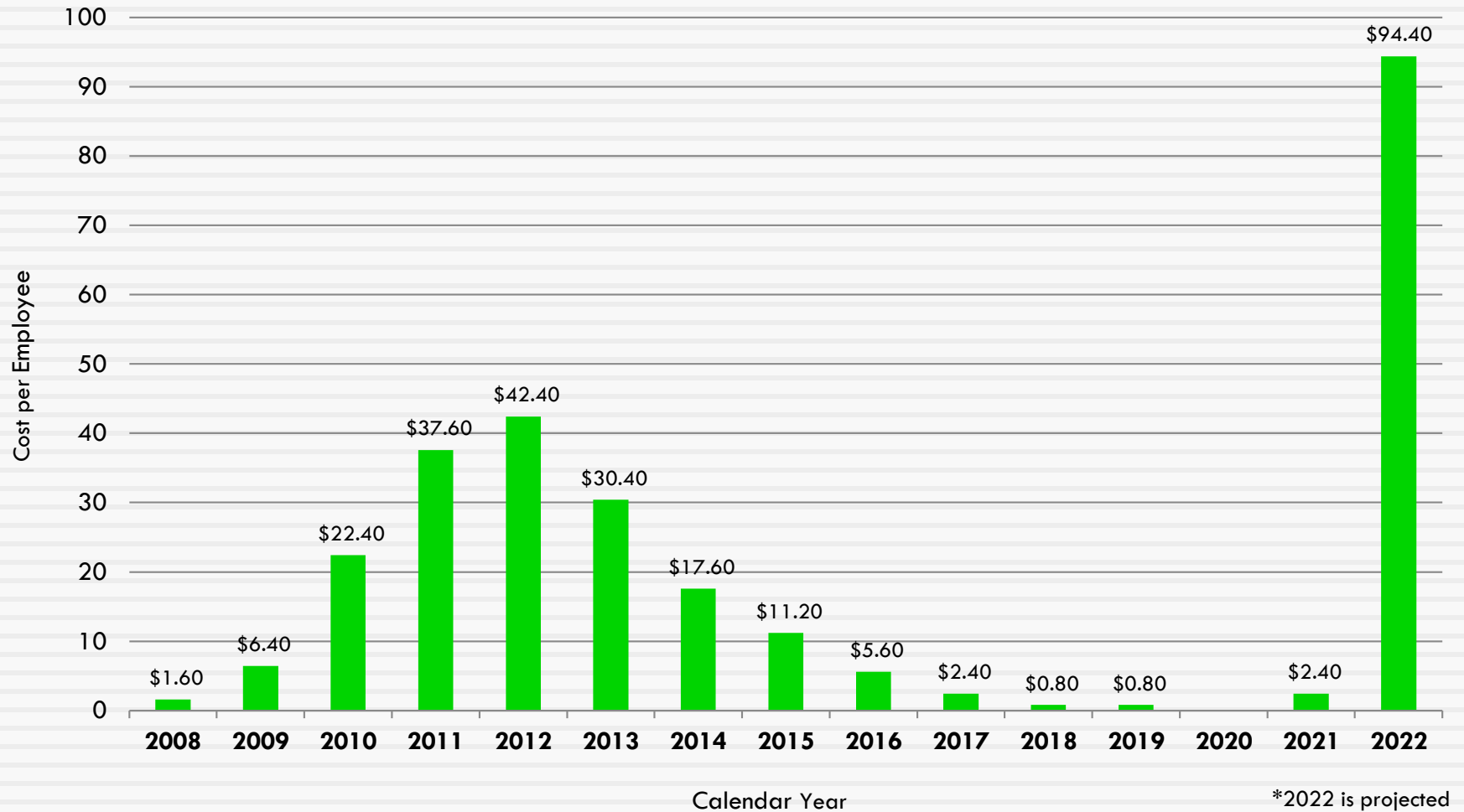
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*2022 is projected

Pool Taxes (As of June 2021)

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Distribution of 2020 and 2021 Base Tax Rates *Computed and Assigned Rates*



Tax Rates	Number of Employers		Percent of Total	
	2020	2021*	2020	2021*
Computed				
0.10%	159,280	159,744	70.87%	67.97%
0.11%-0.99%	14,092	15,500	6.27%	6.59%
1.00%-1.99%	7,962	7,734	0.87%	3.29%
2.00%-2.99%	4,246	3,788	1.89%	1.61%
3.00%-3.99%	2,426	2,918	1.08%	1.24%
4.00%-4.99%	1,865	1,871	0.83%	0.80%
5.00%-5.99%	1,274	1,188	0.57%	0.51%
6.00%-6.19%	121	324	0.05%	0.14%
6.20%	6,591	6,693	2.93%	2.85%
Assigned**				
New, 2.50%	30,257	32,702	13.46%	13.91%
Delinquent, 6.20%	2,261	2,200	1.01%	0.94%
Foreign Contractor, 6.20%	378	376	0.17%	0.16%
Other, 6.20%	0	0	0.00%	0.00%
Total	224,753	235,038	100.0%	100.0%

Taxable wage base is \$8,000. *excluding 0.03% pool tax. **As of January 2, 2021 these figures are subject to revision.

Claims Filed



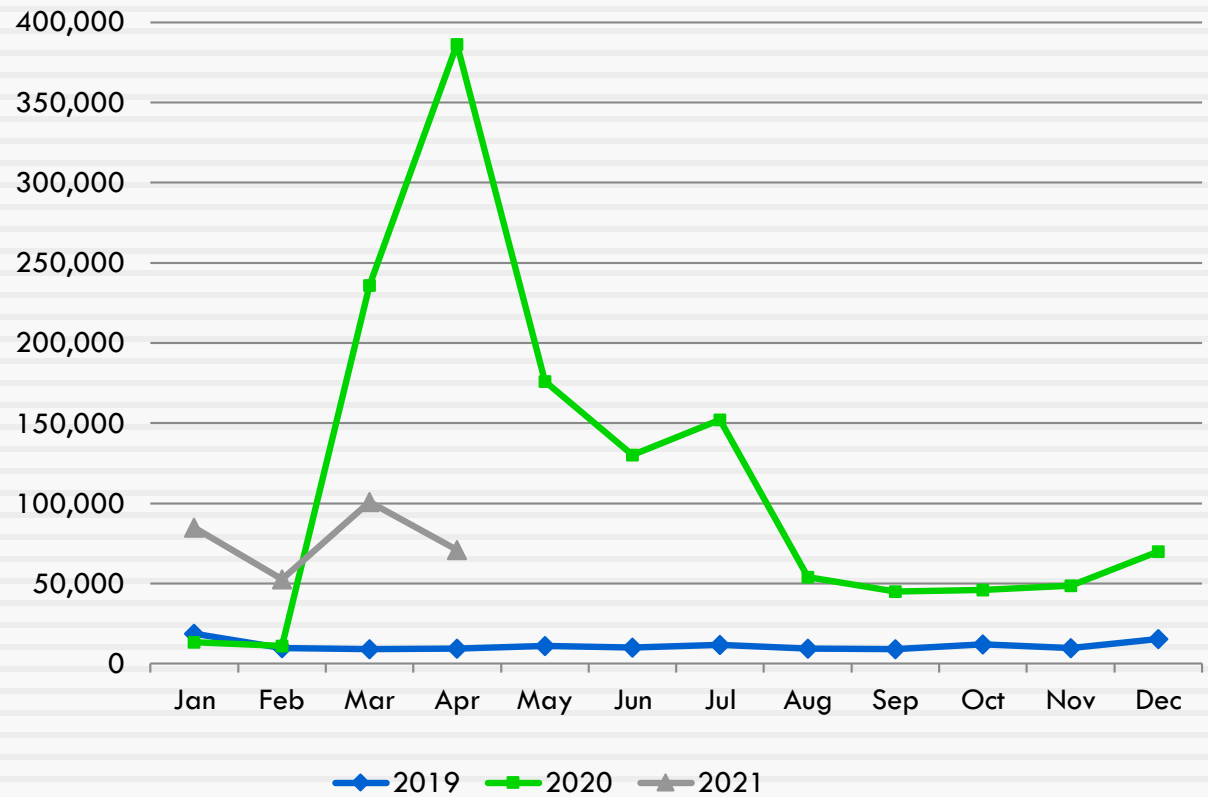
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Calendar Year	Initial Claims
2014	253,030
2015	210,080
2016	198,912
2017	168,028
2018	144,166
2019	135,064
2020	1,369,045
2021 (Jan-Apr)	309,281

UI Initial Claims

2019 - 2021 (year to date)

□ COVID-19 has pushed Total initial claims to historic levels.

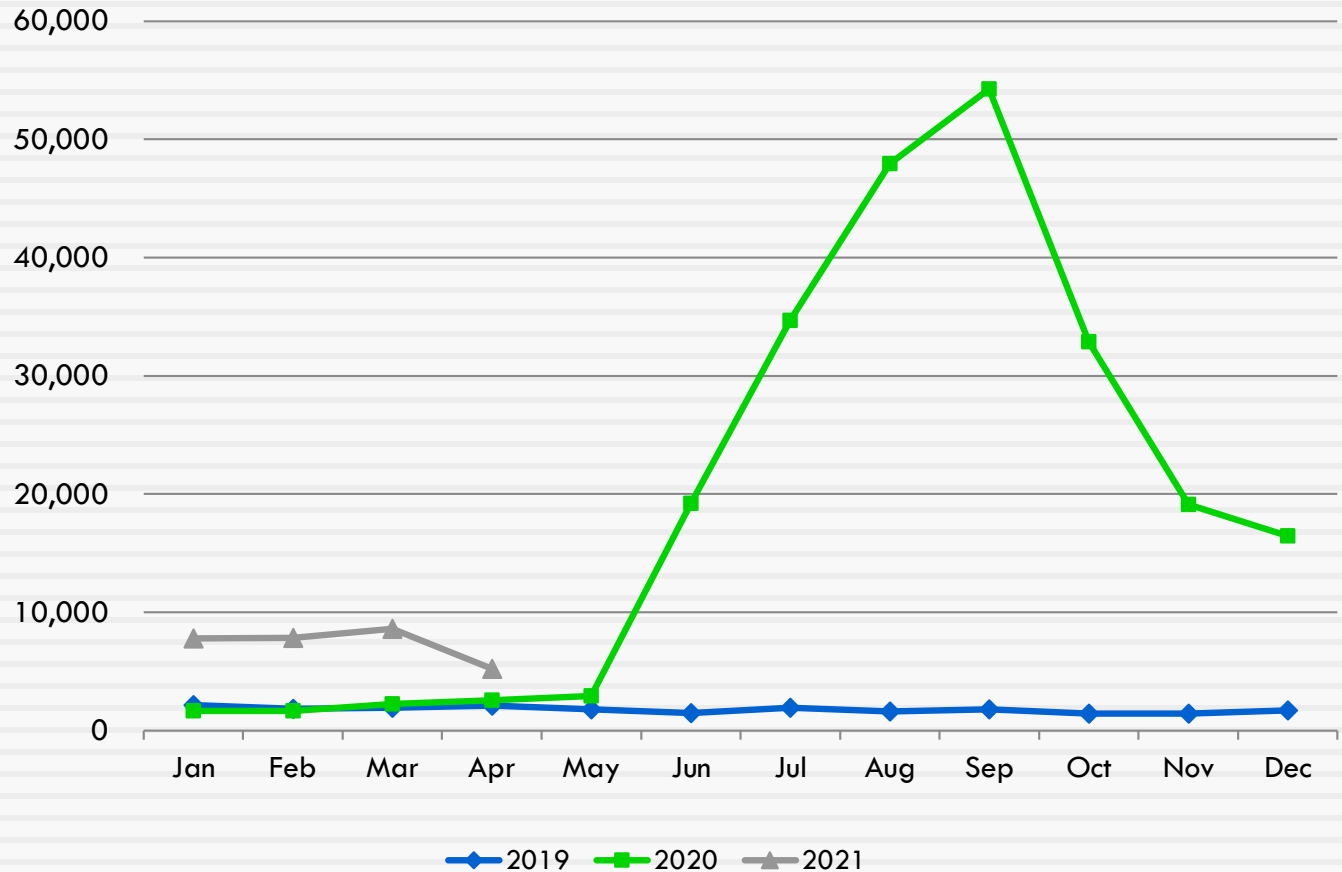


UI Final Payments

2019 - 2021 (year to date)



Final payments spiked in September, which is 26 weeks from the initial onset of COVID in March.



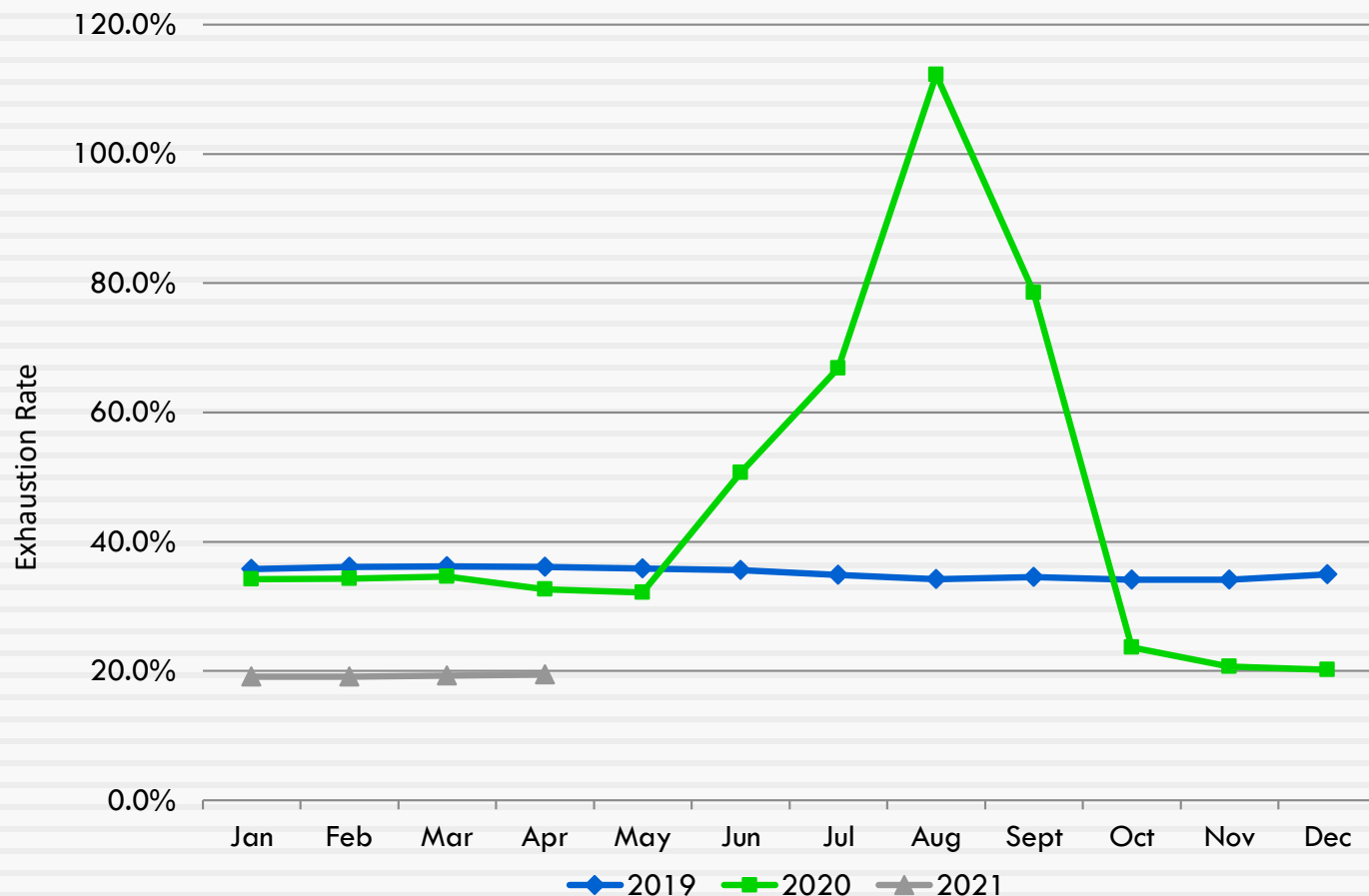
Exhaustion Rates

2019 - 2021 (year to date)

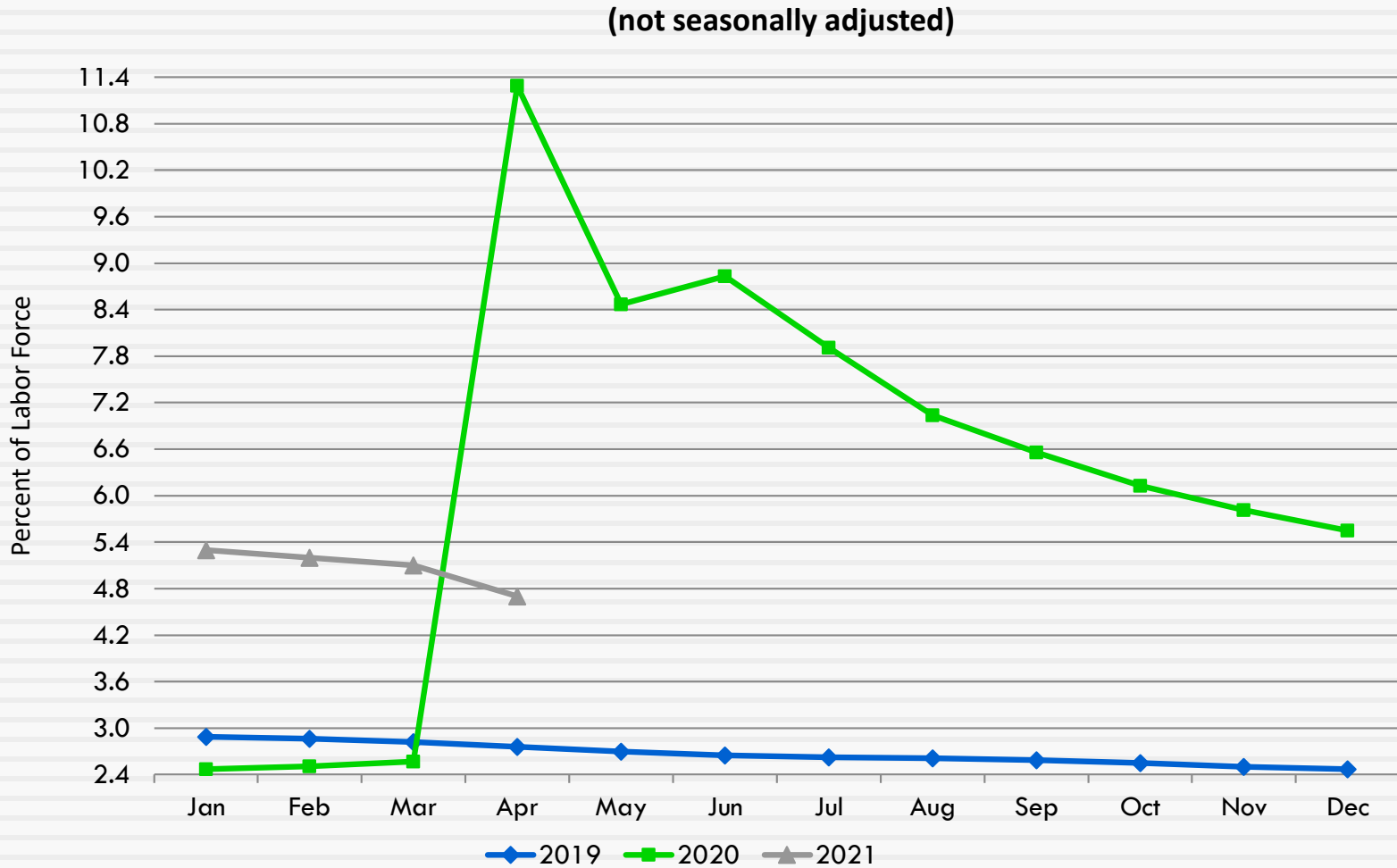


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- The exhaustion rate is a ratio of first payments to final payments over the previous 12 months.



Virginia's Unemployment Rates 2019 - 2021 (year to date)

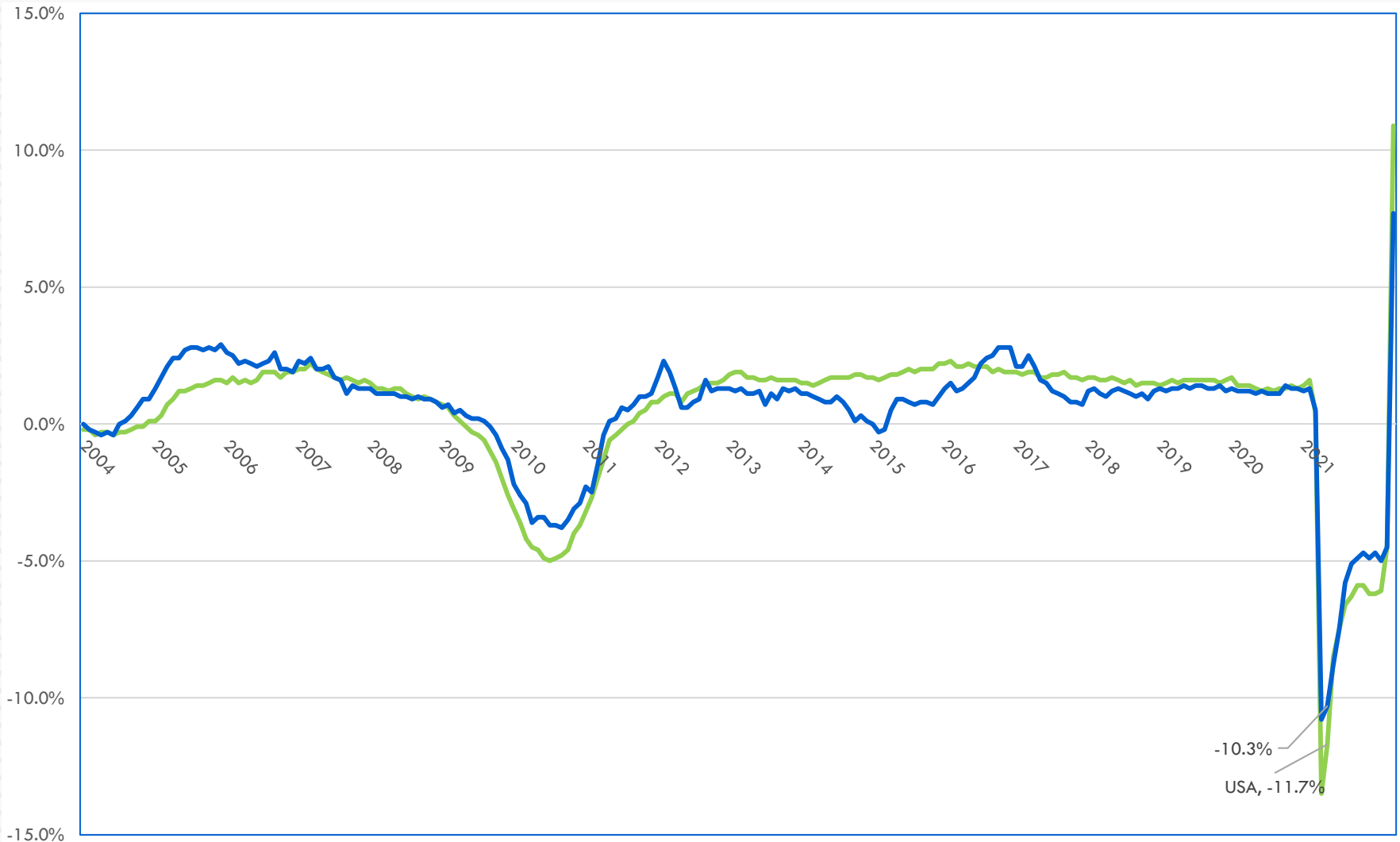


Total Nonfarm Employment

Over-the-year Growth (seasonally adjusted data)



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Fourth Circuit States



	Trust Fund Balance (Millions) (12/31/2020)	Average Tax per Employee (year ending 12/31/2020)	Average Tax Rate (year ending 12/31/2020)	2020 Taxable Wage Base	2020 Maximum Weekly Benefit	2020 Maximum Weekly Benefit Replacement Rate	2020 State Potential Duration (Weeks)
DC	\$63	\$217	2.37	\$9,000	\$444	26%	26
MD	\$84	\$181	1.74	\$8,500	\$430	38%	26
NC	\$2,774	\$121	0.54	\$25,200	\$350	36%	12-20
SC	\$1,173	\$137	0.88	\$14,000	\$326	38%	13-20
VA	\$146	\$95	1.00	\$8,000	\$378	35%	12-26
WV	\$20	\$399	1.51	\$12,000	\$424	51%	26
US Avg.		\$267	1.72	\$18,497	\$445	43%	

- Unemployment Insurance Modernization
 - 3rd and final phase to go-live October 1st
 - Includes improved functionality and customer portal designed to 18F standards.
- Call Center continues to work with Verizon on new technology to improve functionality and improve the customer experience.
- VEC is working on other options to increase automation and further speed up processing.

Settlement

- Settlement acknowledges the work that the Commission has completed under enormous duress.
- Primary focus is on adjudication of 92,158 claims that were pending as of May 10th.
 - VEC has contracted for additional hearing officers.
 - VEC is on track to complete this work prior to Sept 6th deadline.
 - As of the week ending June 5th, 66,966 claims remain in this effort.

HB 2040 – Overpayment Forgiveness



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- Law provides for an Overpayment Waiver program
 - Permitted in cases where the claimant is without fault.
 - Claimant must also be eligible under an “equity and good conscience” provision that will be evaluated under a median household income standard in Virginia.
 - Law takes effect July 1st and VEC will be notifying all eligible customers about the program and how to apply.

CONTACT:

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