

MAY 2021 UNEMPLOYMENT INSURANCE (UI) FUND FORECAST

INTRODUCTION

This report provides the status of the California UI Fund and includes information on the current and projected fund balance, receipts, disbursements, and contribution rates. In addition, this report will provide information on some of the UI extended and enhanced benefit programs being implemented in response to the global pandemic known as COVID-19.

During March 2020, the federal government authorized a series of UI initiatives in response to the COVID-19 pandemic through the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020, the Continued Assistance Act also in 2020 and the American Rescue Plan Act of 2021. Among the provisions of this legislation, three new programs were formed, Pandemic Unemployment Assistance (PUA), Pandemic Emergency Unemployment Compensation (PEUC) and Federal Pandemic Unemployment Compensation (FPUC – known in California as Pandemic Additional Compensation or PAC). All of these UI initiatives are funded with federal dollars.

The PUA program provides up to 86 weeks of benefits and is available starting with weeks of unemployment beginning February 2, 2020, through the week ending September 4, 2021. This program covers individuals who are business owners, independent contractors, self-employed workers, freelance workers, or other workers affected by COVID-19. Additionally, these individuals must not otherwise qualify for regular unemployment compensation (UC), PEUC or extended benefits (EB) under state or federal law.

The PEUC program provides up to 53 weeks of benefits to those who have exhausted their regular UI claim and is available in California from March 29, 2020 through September 4, 2021.

The PAC program provided an additional \$600 per week to individuals who are collecting

regular UI, as well as those newly created pandemic assistance programs PUA and PEUC. The \$600 per week PAC program was available in California from April 4, 2020 through July 31, 2020. Subsequent federal legislation extended the PAC program at a lower \$300 per week level from December 27, 2020, through September 4, 2021.

The Federal government also approved payments in the amount of \$300 per week called the Lost Wages Assistance (LWA). These payments were available from week ending August 1, 2020 for six weeks.

Beginning June 7, 2020, California also became eligible for the Federal Extended Benefit program, also known as FED-ED. This program adds up to 20 weeks for eligible claimants who have exhausted their regular and PEUC claims. With the provisions of the CARES Act, the Federal government will pay all of the FED-ED benefits through September 11, 2021.

The UI Fund ended 2019 with a balance of \$3.3 billion. Due to the sudden and immense impact of COVID-19, the UI Fund became temporarily insolvent on April 29, 2020, and fluctuated in and out of solvency until maintaining a deficit starting June 3, 2020. California continued to borrow funds to pay regular UI benefits in 2020. California ended 2020 with an approximate loan balance of \$17.8 billion. In 2021 the estimated year-end loan balance is \$24.3 billion and \$26.7 billion by the end of 2022.

Unemployment levels were 786,000 in 2019 and 1,950,000 in 2020. Those levels are estimated to be 1.6 million in 2021 and 1.5 million in 2022.

The UI regular benefit payments covered by the State's UI Fund were \$5.1 billion in 2019. The UI regular benefit payments climbed to \$26.8 billion in 2020 as California grappled with this crisis. Benefit payments are expected to drop to \$12.4 billion in 2021 and further to \$9.1 billion in 2022.

For 2020 employers' UI contributions were based on the "F" contribution rate schedule, plus a 15 percent surcharge, which is required by current statute when the UI Fund reserve ratio dips below a specified level. Employers have been on this schedule since 2004 and will continue on this schedule throughout the forecast period and beyond. Total receipts were \$6.0 billion in 2019, and are projected to be \$5.7 billion in 2020, \$5.9 billion in 2021 and \$6.8 billion in 2022.

During the Great Recession, California began borrowing from the federal government to pay UI benefits. As part of the American Recovery and Reinvestment Act, interest owed on borrowed funds was waived through December 31, 2010. Interest began accruing on January 1, 2011, and resulted in seven interest payments made to the Department of Labor on September 30th of each year from 2011 through 2018, respectively. No interest payment was made in 2019 as California did not have an outstanding loan balance. Although California became insolvent during 2020, the federal government via the CARES Act and now the American Rescue Plan act has waived interest through September 6, 2021 therefore, no interest was due on September 30, 2020. However, interest will start accruing on September 7, 2021 and the first interest payment will be due September 30, 2021. It is estimated that California will owe approximately \$36 million in interest for that period.

Beginning in 2012, the amount owed to the federal government on the outstanding loan was reduced due to the Federal Unemployment Tax Act (FUTA) credit reduction. This occurs to offset the loan balance when a state UI Fund is in deficit for two consecutive years. Once this occurs, the state loses 0.3 percent of the FUTA tax credit each year. California experienced a 0.3 percent loss each year from tax years 2011 through 2017. California no longer had an outstanding loan balance after March of 2018, therefore, no 2018 or 2019 reduction was assessed. Despite an anticipated loan balance at the end of 2020, the FUTA tax credit reduction will not be assessed for 2020 as California had not been in deficit for two consecutive years as of January 1, 2020. It is currently anticipated that FUTA credit reductions would start occurring for tax year 2022, with the higher federal taxes coming due in 2023.

Typically, the basis for this forecast would be the January 2021 Labor Market Information Division's economic outlook, however a review of the actual data reflecting recent impacts of the COVID-19 pandemic suggest use of the California Department of Finance's November 2020 economic outlook, would be more appropriate.

The data contained in this document represent only projections to the California UI Fund and do not include any of the extended or emergency unemployment benefit dollars paid for by the federal government.

FUND BALANCE

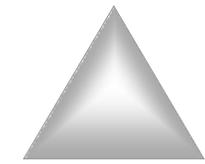
In 2019, the Fund ended the year with a balance of \$3.3 billion. The Fund ended 2020 with a deficit of an estimated \$17.8 billion and is expected to continue running a deficit of \$24.3 billion by the end of 2021 and \$26.7 billion by the end of 2022.

The sudden and immense impact of the COVID-19 pandemic has increased benefit payments to levels not previously experienced in the UI program. This unprecedented demand for UI benefits has led to a deficit in the UI Fund.

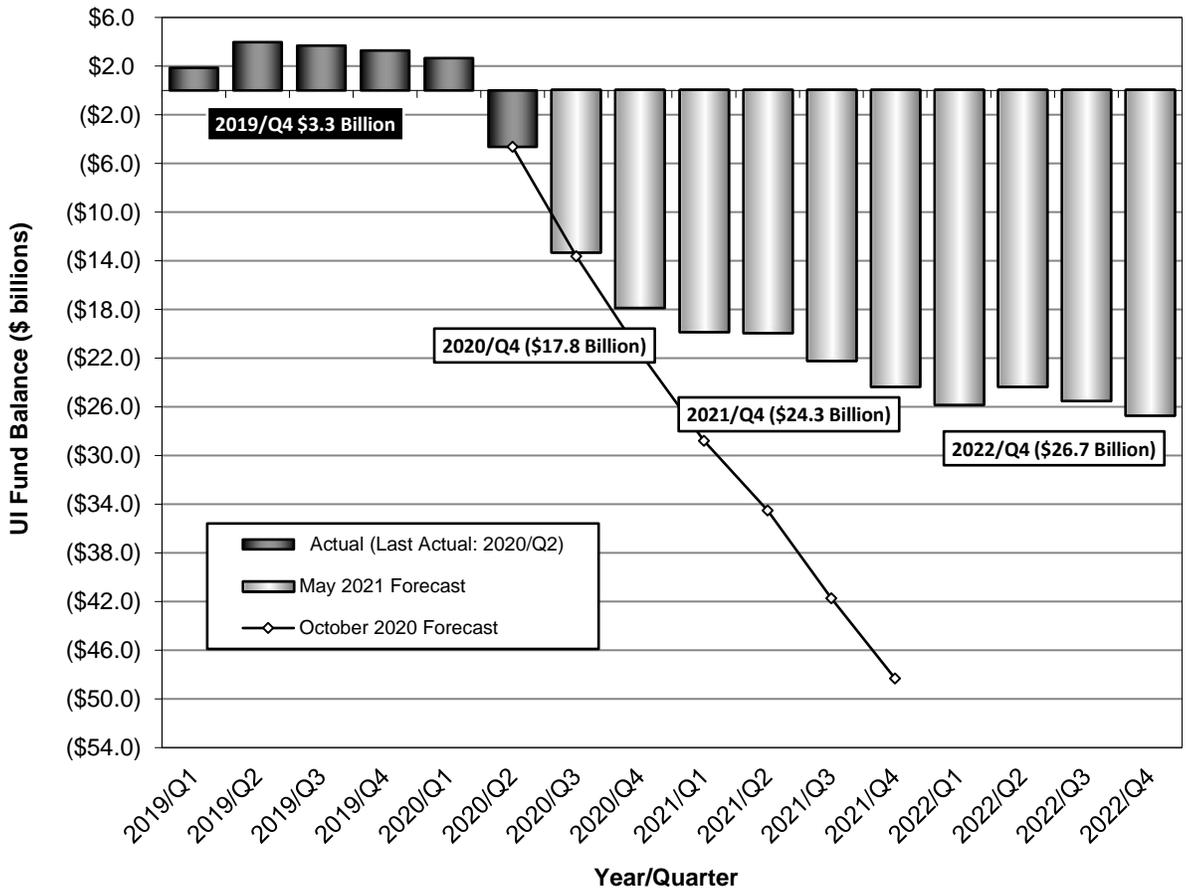
These estimates differ from the October 2020 forecast due to a better than expected outlook and recovery from the COVID-19 pandemic.

The chart below shows the projected quarterly UI Fund balance through 2022.

UI Fund Balance 2019 - 2022



The UI Fund has a projected deficit of \$17.8 billion at the end of 2020.



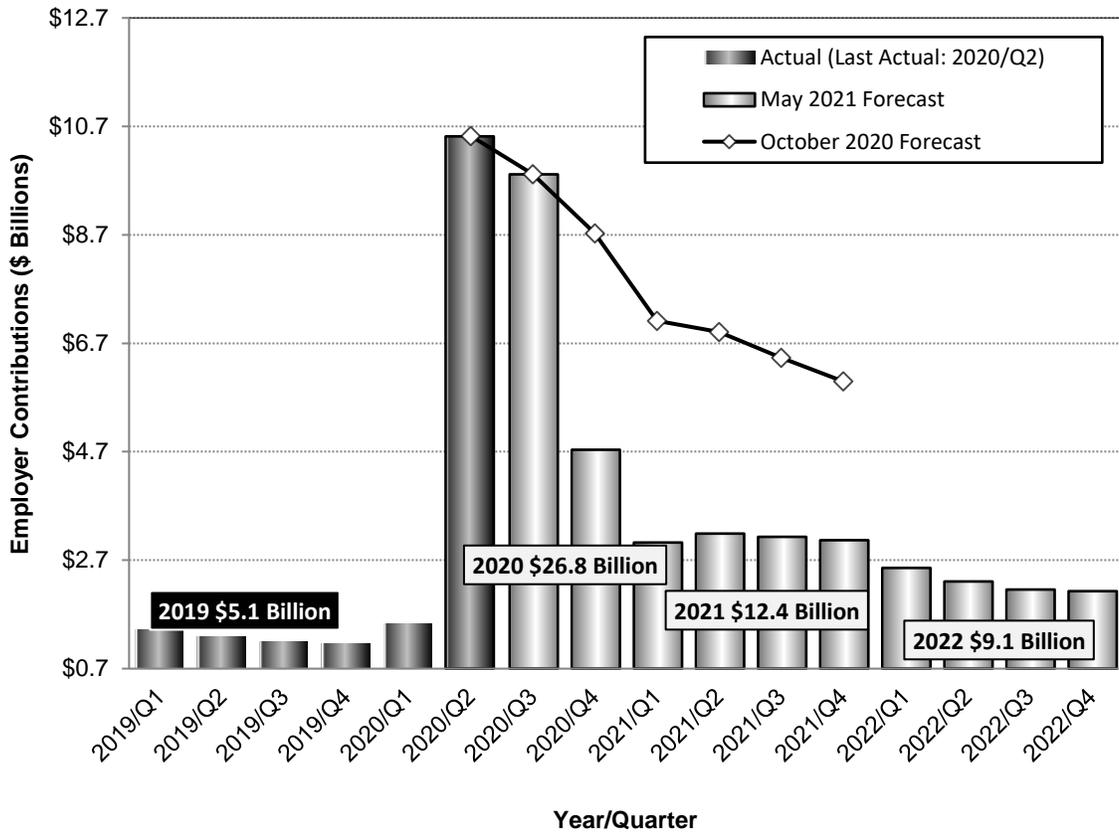
DISBURSEMENTS, REGULAR UI BENEFITS

Total regular UI benefit payments remained stable at \$5.1 billion in 2019. Regular UI benefit payments increased dramatically to \$26.8 billion in 2020 in response to the economic conditions brought on by the COVID-19 pandemic and shelter at home order. The number of unemployed increased in 2020 as non-essential businesses were forced to shut down. Despite the easing of restrictions on keeping businesses open, regular benefit payments continue at a record pace. UI benefit payments are forecast at

\$12.4 billion in 2021, as the State recovers from the current recession and continued easing of business restrictions. In 2022, benefit payments are estimated to fall further to \$9.1 billion.

The chart below shows the projected quarterly disbursements through 2022. These estimates are based on limited data about the impact of COVID-19 and may change, depending upon actual employment levels and claims filed.

Regular UI Benefit Disbursements 2019 - 2022



Regular UI benefit payments were approximately \$26.8 billion in 2020.

EMPLOYER CONTRIBUTIONS

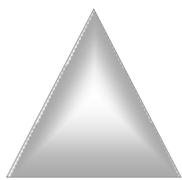
Employer contributions were \$5.6 billion in 2019. Contributions are estimated at \$4.8 billion each year in 2020 and 2021, and \$6.0 billion in 2022. The fall in contributions in 2020 and 2021 reflect the lower level of employment as California responds to the COVID-19 pandemic and shelter in place. Additionally, California passed Assembly Bill (AB) 103 in June of 2020, alleviating all tax rated employer reserve accounts of charges related to the COVID-19 pandemic through September 4, 2021.

Total receipts were \$6.0 billion in 2019 and are projected to be \$5.7 billion in 2020, \$5.9 billion in 2021 and \$6.8 billion in 2022. Total receipts include employer contributions, interest, reimbursements, and other receipts.

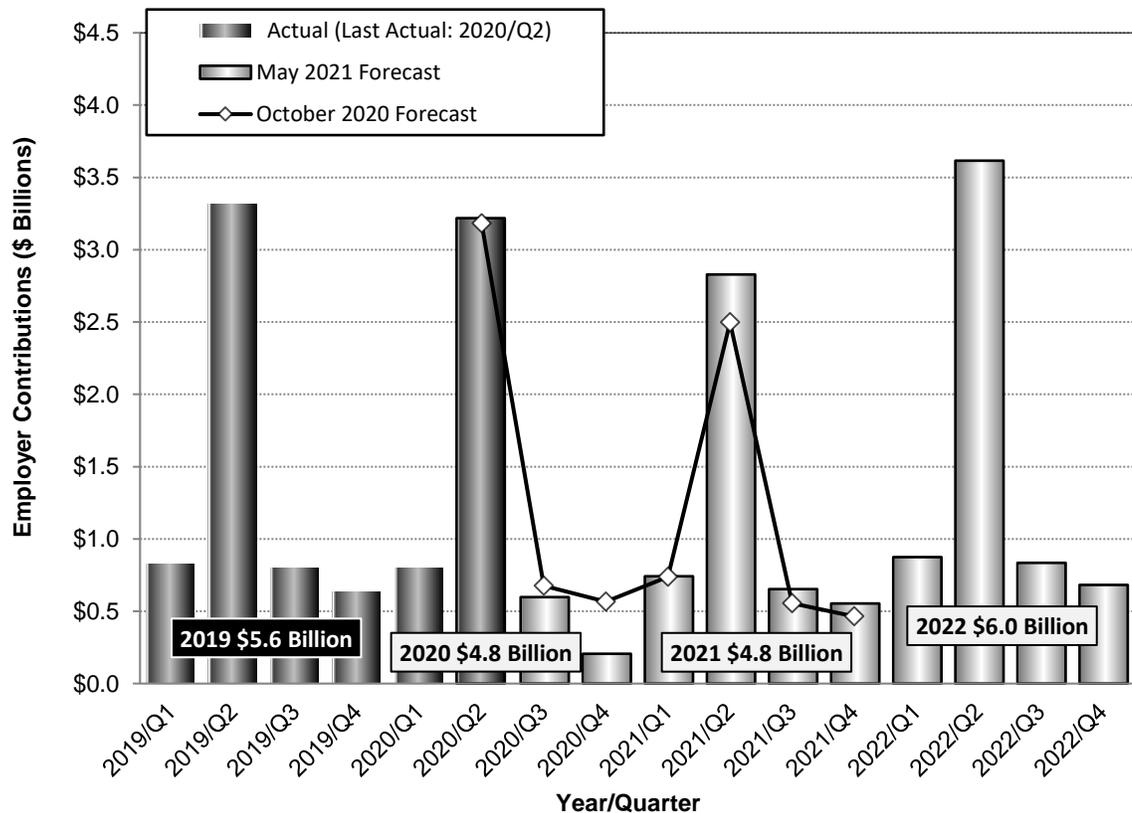
Employers are currently on the “F” contribution rate schedule in 2020, plus a 15 percent surcharge. Employers are projected to be on this same schedule throughout the forecast period and beyond if changes are not made to the financing structure (refer to page A4 in the Appendix for an explanation of the contribution rate schedules).

The following chart shows the projected quarterly employer contributions through 2022. These estimated employer contributions could change depending upon actual employment levels.

Employer Contributions 2019 - 2022



Employer Contributions are projected to total \$4.8 billion in 2020.



UNEMPLOYMENT INSURANCE FUND
FORECAST FOR CALENDAR YEARS 2019 – 2022

Table 1*
(Dollars in millions)

	2019	2020 (F)	2021(F)	2022(F)
YEAR END FUND BALANCE	\$3,280.5	(\$17,820.3)	(\$24,338.6)	(\$26,697.7)
RECEIPTS MINUS DISBURSEMENTS	\$943.8	(\$21,100.8)	(\$6,518.3)	(\$2,539.1)
RECEIPTS	\$5,978.7	\$5,677.0	\$5,894.2	\$6,784.8
Employer Contributions	\$5,570.1	\$4,823.5	\$4,756.0	\$6,006.0
Interest	\$74.7	\$24.2	\$0.0	\$0.0
Reimbursements	\$319.5	\$899.5	\$1,138.2	\$778.8
Other (a)	\$14.3	(\$70.2)	\$0.0	\$0.0
FUTA (b)	\$34.2	\$4.0	(\$0.1)	\$0.0
DISBURSEMENTS	\$5,069.1	\$26,781.8	\$12,412.3	\$9,143.8
Regular Benefits	\$5,069.1	\$26,781.8	\$12,412.3	\$9,143.8
Other (c)	\$0.0	\$0.0	\$0.0	\$0.0
FED-ED Benefits, State's portion	\$0.0	\$0.0	\$0.0	\$0.0

(F) Forecast Last actual data through the second quarter of 2020. Actual Fund data for all of 2020 is not yet available. Bolded numbers are estimates. Totals may not be exact due to rounding.

(a) Includes amounts from miscellaneous adjustments such as insurance checks and dues from other funds reverted back to the UI Fund. Unclaimed contributions, Reed Act disbursements, and overpayments refundable to employers or claimants are also examples of other receipts.

(b) FUTA credit reduction calendar year totals do not match the corresponding FUTA tax year collections. This variance is due to calendar year collection totals including multiple tax year transactions occurring within the same calendar year. FUTA credit reductions also fluctuate as tax receipts are processed and can sometimes result in negative entries. Please see the Appendix for additional FUTA collection related information.

(c) Other Disbursements include charges written-off as an uncollectible cashier shortage, transfers to Railroad Retirement Board, and other miscellaneous charges.

* Typically, the basis for the projections in this fund forecast is the January 2021 Labor Market Information Division's economic outlook, however, due to the immense impact of the COVID-19 pandemic on the California Economy, these figures incorporate as much actual claim and employment data available at the time this report was written in addition to the estimates from the California Department of Finance November 2020 economic outlook.

UNEMPLOYMENT INSURANCE FUND
FORECAST FOR CALENDAR YEARS 2019 – 2022

Table 2

	2019	2020 (F)	2021(F)	2022(F)
CLAIM ACTION				
New Claims (a)	1,279,213	6,976,300	3,086,000	2,038,000
First Payments	887,018	5,058,245	2,150,000	1,420,000
Weeks Compensated	15,381,153	92,214,005	42,290,000	29,966,000
Average Duration	17.3	18.2	19.7	21.1
Weekly Benefit Amount				
Maximum/Minimum	\$450/\$40	\$450/\$40	\$450/\$40	\$450/\$40
Average (All Claimants)	\$330	\$285	\$293	\$305
COVERED WAGES				
Total Wages (Less Reimbursables) (in billions)	\$1,015.9	\$1,051.8	\$1,044.4	\$1,078.1
Average Weekly Wage	\$1,357.7	\$1,525.4	\$1,490.4	\$1,514.7
Taxable Wages (in billions)	\$136.5	\$129.6	\$128.2	\$129.4
Percent of Total Wages	13.4%	12.3%	12.3%	12.0%
Benefits/Taxable Wages	3.7%	20.7%	9.7%	7.1%
TAXES				
Taxable Wage Ceiling	\$7,000	\$7,000	\$7,000	\$7,000
Tax Schedule	F+	F+	F+	F+
Average Tax Rate (b)	4.06%	3.93%	3.66%	4.64%
EMPLOYMENT				
Average Covered Employment	17,398,441	16,127,000	16,625,000	16,769,000
Reimbursables - Average Covered Employment				
Employment	3,063,565	2,918,000	3,201,000	3,134,000
All Others - Average Covered Employment	14,334,877	13,209,000	13,424,000	13,635,000
Contributions/Employment All Others (c)	\$391	\$365	\$354	\$440
CALIFORNIA LABOR DATA (d)				
California's Civilian Labor Force	19,405,000	19,033,000	19,261,000	19,337,000
California's Unemployment Level	786,000	1,950,000	1,634,000	1,514,000
Civilian Unemployment Rate	4.0%	10.2%	8.5%	7.8%

(F) Forecast: Last actual data for wages and employment through third quarter of 2020. All other data actual through the fourth quarter of 2020. Bolded numbers are estimates. Totals may not be exact due to rounding.

(a) This includes intrastate, interstate, and transitional claims.

(b) The average contribution rate is calculated based on contributions from April - March each year. This varies from the average contribution rate reported to the Department of Labor that is calculated based on calendar year contributions.

(c) This row includes the FUTA Credit Reduction totals.

(d) Estimates for California Labor Data is from the California Department of Finance November 2020 economic outlook.

A P P E N D I X

UNEMPLOYMENT INSURANCE (UI) DEFINITIONS

The definitions below are informational only and arranged in the order of their appearance in the text of the report and/or in Tables 1 and 2. The law is the California Unemployment Insurance Code (CUIC). Interpretations of the law are contained in opinions of the Attorney General, administrative and court decisions, and Title 22 of the California Code of Regulations.

YEAR-END FUND BALANCE

The sum of all money remaining in the Unemployment Fund at the end of the year after all receipts and disbursements have been recorded but before the unamortized balance invested in capital assets is recorded.

RECEIPTS

Receipts:

This includes all income to the Unemployment Fund. Receipt items are on an “as received” basis rather than on an “as earned” basis.

Employer Contributions:

Contributions paid by an employer based on a contribution rate derived from the Experience Rating System. This system determines each individual employer’s contribution rate based on the employer’s employment experience and the condition of the UI Fund. New employers are required to pay a rate of 3.4 percent for up to three years. (See Employer Contribution Factors on page A4.)

Interest:

Income produced by investing a portion of the Unemployment Fund. This investment is made by the federal government and California has no discretion in investment decisions.

Reimbursements:

Amounts received from employers (nonprofit organizations, state and local governments) required to reimburse the Unemployment Fund for benefits paid to their former employees.

Due to the sudden and immense impact of the Covid-19 pandemic, the federal CARES Act provided emergency relief to state and local governmental entities, certain nonprofit organizations, and federally recognized Indian tribes. The law allowed a 50 percent reimbursement for weekly benefit amounts paid beginning on or after March 13, 2020, and ending on or before December 31, 2020, even if the unemployed individual is not unemployed as a result of COVID-19. Reimbursement was later increased to 75 percent under the American Rescue Plan Act of 2021.

Other Receipts:

Includes amounts from miscellaneous adjustments such as insurance checks and dues from other funds reverted back to the UI Fund. Unclaimed contributions, Reed Act disbursements, and overpayments refundable to employers or claimants are also examples of other receipts.

Federal Unemployment Tax Act (FUTA) Credit Reduction:

If a state has relied on a federal loan for two consecutive years, employers face a federal tax increase for the following tax year. Current federal law provides employers with a 5.4 percent tax credit. However, this credit was reduced, due to California’s insolvency, by 0.3 percent to 5.1 percent for the 2011 tax year due to the outstanding federal loan.

On January 1, 2011, the federal tax rate was set at 6.2 percent. Applying the reduced tax credit, an employer’s federal tax rate increased from 0.8 percent to 1.1 percent. On July 1, 2011, a federal emergency surtax was allowed to expire that lowered the federal tax rate from 6.2 percent to

Federal Unemployment Tax Act (FUTA) Credit Reduction (continued):

6.0 percent. As a result, the federal unemployment tax rate was revised to 0.9 percent for the six-month period from July 1, 2011, through December 31, 2011. The federal tax rate is applied to the first \$7,000 in wages paid to covered employees. Employers' federal tax liability increased up to \$21 per employee during the 2011 tax year up to the first \$7,000 in covered wages.

Due to collections during a calendar year being comprised of amounts related to multiple tax years, calendar year collection totals do not match tax year collection totals. For example, the calendar year total for 2012 was \$288.5 million. However, the 2011 tax year total now stands at \$292.7 million due to collections that have continued each calendar year from 2012 through today. Moreover, an additional 0.3 percent reduction to the federal tax credit was applied for each subsequent year (up to a potential maximum of 5.4 percent credit reduction) while California had an outstanding federal loan. Through February, 2021, California has received the following amounts for each tax year:

Tax Year	Total Collections through February, 2021 (dollars in millions)
2011	\$292.7
2012	\$604.1
2013	\$946.9
2014	\$1,325.6
2015	\$1,735.5
2016	\$2,155.4
2017	\$2,566.0

FUTA tax year collections ended after tax year 2017 as California no longer had an outstanding loan balance at the end of 2018. It is estimated that California will continue to collect FUTA receipts for all prior tax years for the foreseeable future and may become subject to the FUTA tax again in tax year 2022.

DISBURSEMENTS

Disbursements:

All money paid from the Unemployment Insurance Fund.

Regular Benefits:

Disbursements made to UI claimants under the authority of Division 1, Part 1, of the CUIC. This includes only benefits paid under the California UI program from the UI Fund. Regular benefits paid from the Federal Unemployment Benefit Account, which is separate from the California UI Fund, including Unemployment Compensation for Federal Employees (UCFE) and Unemployment Compensation for Ex-Service Persons (UCX) programs or any combination of these programs are excluded. Benefits paid under extended benefit programs are also excluded.

- ◆ UI: A state program that provides benefits to individuals covered under state and federal unemployment compensation laws.
- ◆ UCFE: The federal program of unemployment compensation for federal employees.
- ◆ UCX: The federal program of unemployment compensation for ex-service personnel.

Other Disbursements:

Includes the Reed Act Distributions Financing Act of 1954 (Admin) and charges written-off as an uncollectible cashier shortage, transfers to Railroad Retirement Board, and other miscellaneous charges.

Coronavirus Aid, Relief, and Economic Security Act (CARES) Act and the Continued Assistance Act, both of 2020 and the American Rescue Plan Act of 2021:

Pandemic Unemployment Assistance (PUA):

The PUA program will provide up to 86 weeks of benefits beginning with weeks of unemployment beginning February 2, 2020, through the week ending September 4, 2021. PUA covers individuals who are business owners, independent contractors, self-employed workers, freelancers, or other eligible workers and only received a 1099 tax form last year, or whom otherwise would not qualify for regular UI or PEUC benefits. Coverage will also include individuals who have exhausted all rights to regular UI or PEUC. This program will be administered similar to the Disaster Unemployment Assistance (DUA) program. PUA benefits are federally funded.

Pandemic Emergency Unemployment (PEUC):

The PEUC program will provide up to 53 weeks of extended benefits to individuals who have exhausted all rights to regular UI benefits and will be available for weeks of unemployment beginning March 29, 2020 through September 4, 2021. PEUC benefits are federally funded.

Federal Pandemic Unemployment Compensation, Referred to as Pandemic Additional Compensation in California (PAC):

The PAC program will provide an additional \$600 per week to individuals collecting regular UI (including Unemployment Compensation for Federal Employees (UCFE), Unemployment Compensation for Ex-Service members (UCX), Work Sharing (WS), Disaster Unemployment Assistance (DUA), PUA, PEUC, or federal extension claim (TRA). Training Extensions (TE) claims and State Special Schools Benefits (SSSB) payments will **not** qualify for the \$600 PAC payments.

A claimant may be potentially eligible to receive the weekly \$600 PAC payments for weeks beginning March 29, 2020 through week ending July 25, 2020, if they submit a continued claim form for week-ending April 4, 2020, or after and are paid at least \$1 in UI benefits or a full OP offset is taken for that week. For claimants in the Partial or Work Sharing program with a non-Saturday week-ending date will receive the PAC payments through July 31, 2020. A week that is posted as a false statement (FS), appeal (APPL), excessive earnings (XE), fully employed (FE), or a disqualified (DISQ) week will not qualify for the \$600 stimulus payment since the claimant was not paid at least \$1.

The Continued Assistance Act in December 2020 extended the PAC payments, however, they were reduced to \$300. The American Rescue Plan Act of 2021 extended the \$300 per week PAC payments through September 4, 2021. PAC benefits are federally funded.

Federal-State Extended (FED-ED) Unemployment Compensation Act of 1970:

The FED-ED Program is available in every state and provides one-half of a claimant's total state benefits up to 13 weeks in states with an activated program, for a combined maximum of 39 weeks of regular and extended benefits. Weekly benefit amounts are identical to the regular State Unemployment Compensation for each claimant, and Federal funds pay half the cost. The program activates in a state under one of two conditions: (1) if the state's 13-week average insured unemployment rate (IUR) in the most recent 13 weeks is at least 5.0 percent and at least 120 percent of the average of its 13-week IURs in the last two years for the same 13-week calendar period; or (2) if its current 13-week average IUR is at least 6.0 percent.

California activated the FED-ED program in May, 2020. As one of the provisions of Assembly Bill 103, California's FED-ED program provided 20 weeks of benefits after triggering on with an unemployment rate of 6.5 percent or greater and at least 110 percent of the average rate of total unemployment for either or both of the corresponding three month periods ending in the two preceding calendar years. According to the CARES Act of March 2020, the Continued Assistance Act of December 2020 and the American Rescue Plan Act of 2021, states are not required to fund any part of the FED-ED benefits that may occur in 2020 through September 4, 2021.

Lost Wages Assistance Program:

The Lost Wages Assistance Program was authorized by the August 8, 2020 Presidential Memorandum to provide eligible claimants a supplemental payment of \$300 per week for a minimum of three weeks, in addition to their weekly benefit amount. Claimants who provided a self-certification that they were unemployed or partially unemployed due to COVID-19 and had a weekly benefit amount payment on their regular claim of \$100 or more were eligible for the LWA supplemental payments. Payments began on September 7, 2020 and were entirely funded by the Federal Emergency Management Agency (FEMA).

CLAIM ACTION

New Claims:

An application for determination of eligibility for benefits, weekly amount, and award which certifies either the beginning of a first period of unemployment within a benefit year, or the continuance of a period of unemployment into a new benefit year.

First Payments:

The first benefit payment made to a claimant in his/her benefit year.

Weeks Compensated:

The total number of weeks of unemployment for which regular benefits are paid.

Average Duration:

The number of weeks of benefits paid divided by the first payments.

Weekly Benefit Amount (WBA): Maximum/Minimum:

Per Section 1280 of the CUIA, effective January 1, 2005, the maximum weekly benefit amount is \$450. The minimum weekly benefit amount is \$40.

Average Weekly Benefit Amount (AWBA):

For all claimants, regular benefits divided by the number of weeks compensated including full, partial, and part-total weekly benefit amounts results in the AWBA.

COVERED WAGES

Total Wages:

All remuneration payable to employees subject to the CUIA for personal services, including tips and gratuities received by workers.

Average Weekly Wage:

Total wages less reimbursable wages divided by average covered employment less reimbursable employment divided by 52.2 weeks.

Taxable Wages:

Portion of total wages subject to taxation under Section 930 of the CUIA (see Employer Contribution Factors below).

Percent of Total Wages:

The ratio of taxable wages divided by total wages, expressed as a percentage.

Benefits/Taxable Wages:

The ratio of benefit expenditures to taxable wages (Reimbursables excluded).

EMPLOYER CONTRIBUTION FACTORS

Taxable Wage Ceiling:

The maximum remuneration paid to an individual by an employer during a calendar year, which is subject to Section 930 of the CUIC. The taxable wage ceiling is set by state law. The current ceiling is \$7,000.

Average Contribution Rate:

The average of the rates assigned to all employers at the beginning of the year.

Contribution Rate Schedule:

Per Section 977 of the CUIC, the Unemployment Insurance contribution rate schedule for the following calendar year is determined by the ratio of the Unemployment Insurance Fund balance on September 30 of the prior calendar year to total covered wages paid for the prior completed state fiscal year.

Unemployment Insurance Fund Balance (September 30)
Total UI Covered Wages (July 1 – June 30)

If the ratio is	Use schedule
Greater than 1.8%	AA
From 1.8% to more than 1.6%	A
From 1.6% to more than 1.4%	B
From 1.4% to more than 1.2%	C
From 1.2% to more than 1.0%	D
From 1.0% to 0.8%	E
From less than 0.8% to 0.6%	F
Below 0.6%	F schedule plus 15%

Contribution Rate Schedule:

The following tables are used to determine each employer's contribution rate based on its reserve ratio and the schedule in effect for the year.

Line	Reserve Ratio			Contribution Rate Schedules							
	Column 1		Column 2	AA	A	B	C	D	E	F	F+ 15%
01	less	than	-20	5.4	5.4	5.4	5.4	5.4	5.4	5.4	6.2
02	-20	to	-18	5.2	5.3	5.4	5.4	5.4	5.4	5.4	6.2
03	-18	to	-16	5.1	5.2	5.4	5.4	5.4	5.4	5.4	6.2
04	-16	to	-14	5.0	5.1	5.3	5.4	5.4	5.4	5.4	6.2
05	-14	to	-12	4.9	5.0	5.3	5.4	5.4	5.4	5.4	6.2
06	-12	to	-11	4.8	4.9	5.2	5.4	5.4	5.4	5.4	6.2
07	-11	to	-10	4.7	4.8	5.1	5.3	5.4	5.4	5.4	6.2
08	-10	to	-09	4.6	4.7	5.1	5.3	5.4	5.4	5.4	6.2
09	-09	to	-08	4.5	4.6	4.9	5.2	5.4	5.4	5.4	6.2
10	-08	to	-07	4.4	4.5	4.8	5.1	5.3	5.4	5.4	6.2
11	-07	to	-06	4.3	4.4	4.7	5.0	5.3	5.4	5.4	6.2
12	-06	to	-05	4.2	4.3	4.6	4.9	5.2	5.4	5.4	6.2
13	-05	to	-04	4.1	4.2	4.5	4.8	5.1	5.3	5.4	6.2
14	-04	to	-03	4.0	4.1	4.4	4.7	5.0	5.3	5.4	6.2
15	-03	to	-02	3.9	4.0	4.3	4.6	4.9	5.2	5.4	6.2
16	-02	to	-01	3.8	3.9	4.2	4.5	4.8	5.1	5.4	6.2
17	-01	to	00	3.7	3.8	4.1	4.4	4.7	5.0	5.4	6.2
18	00	to	01	3.4	3.6	3.9	4.2	4.5	4.8	5.1	5.9
19	01	to	02	3.2	3.4	3.7	4.0	4.3	4.6	4.9	5.6
20	02	to	03	3.0	3.2	3.5	3.8	4.1	4.4	4.7	5.4
21	03	to	04	2.8	3.0	3.3	3.6	3.9	4.2	4.5	5.2
22	04	to	05	2.6	2.8	3.1	3.4	3.7	4.0	4.3	4.9
23	05	to	06	2.4	2.6	2.9	3.2	3.5	3.8	4.1	4.7
24	06	to	07	2.2	2.4	2.7	3.0	3.3	3.6	3.9	4.5
25	07	to	08	2.0	2.2	2.5	2.8	3.1	3.4	3.7	4.3
26	08	to	09	1.8	2.0	2.3	2.6	2.9	3.2	3.5	4.0
27	09	to	10	1.6	1.8	2.1	2.4	2.7	3.0	3.3	3.8
28	10	to	11	1.4	1.6	1.9	2.2	2.5	2.8	3.1	3.6
29	11	to	12	1.2	1.4	1.7	2.0	2.3	2.6	2.9	3.3
30	12	to	13	1.0	1.2	1.5	1.8	2.1	2.4	2.7	3.1
31	13	to	14	0.8	1.0	1.3	1.6	1.9	2.2	2.5	2.9
32	14	to	15	0.7	0.9	1.1	1.4	1.7	2.0	2.3	2.6
33	15	to	16	0.6	0.8	1.0	1.2	1.5	1.8	2.1	2.4
34	16	to	17	0.5	0.7	0.9	1.1	1.3	1.6	1.9	2.2
35	17	to	18	0.4	0.6	0.8	1.0	1.2	1.4	1.7	2.0
36	18	to	19	0.3	0.5	0.7	0.9	1.1	1.3	1.5	1.7
37	19	to	20	0.2	0.4	0.6	0.8	1.0	1.2	1.4	1.6
38	20	or	more	0.1	0.3	0.5	0.7	0.9	1.1	1.3	1.5

EMPLOYMENT

Average Covered Employment:

The monthly average of the number of workers who earned wages in employment subject to the unemployment compensation provisions of the CUIC.

Reimbursables:

The average number of workers whose employers reimburse the Unemployment Fund (dollar for dollar) for all benefit payments that are attributed to their employment and wages.

All Others:

The average number of workers whose employers are subject to the regular unemployment tax.

Contributions/Employment All Others:

All employer contributions divided by the average covered employment, which excludes reimbursables, provides an average cost per non-reimbursable employee.

CALIFORNIA LABOR DATA

Civilian Labor Force:

Those individuals, 16 years of age and older, who were working or actively seeking work.

Unemployment Level:

Comprised of non-institutionalized civilians who did not work, but made specific efforts to find a job.

Civilian Unemployment Rate:

The number of unemployed persons in California expressed as a percentage of the total number of persons in the California civilian labor force.

The UI Fund Forecast report can be accessed at the following website:

[http://www.edd.ca.gov/About EDD/Quick Statistics Overview.htm](http://www.edd.ca.gov/About_EDD/Quick_Statistics_Overview.htm)