

## MAY 2022 UNEMPLOYMENT INSURANCE (UI) FUND FORECAST

### INTRODUCTION

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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 previously 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 were funded with federal dollars.

The PUA program provided up to 86 weeks of benefits and was made available starting with weeks of unemployment beginning February 2, 2020, through the week ending September 4, 2021. This program covered individuals who were business owners, independent contractors, self-employed workers, or freelance workers affected by COVID-19. Additionally, these individuals must not have otherwise qualified for regular UI, PEUC or extended benefits (EB) under state or federal law.

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

The PAC program provided an additional \$600 per week to individuals who were 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.

By presidential memorandum, the federal government also approved payments in the amount of \$300 per week called the Lost Wages Assistance (LWA). These payments were available from July 26, 2020, for six weeks.

Beginning June 7, 2020, California also became eligible for the Federal Extended Benefits program, also known as FED-ED. This program added up to 20 weeks for eligible claimants who had exhausted their regular UI and PEUC claims. With the provisions of the CARES Act, the federal government paid 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. As a result, in 2020, California began borrowing from the federal government to pay regular UI, and ended the year with a federal loan balance of \$17.8 billion. When the actual 2021 4<sup>th</sup> quarter data are made available, the expected year-end loan balance for 2021 will be \$19.7 billion, and is estimated to be \$19.3 billion at the end of 2022 and \$18.3 billion at the end of 2023.

Unemployment levels were 1,913,000 in 2020, and 1,459,000 in 2021. Those levels are estimated to be 1.1 million in 2022 and 853,000 in 2023.

The regular UI benefit payments climbed to \$26.7 billion in 2020 as California grappled with this crisis. When the actual 2021 4<sup>th</sup> quarter data are made available, benefit payments are expected to drop to \$9.1 billion in 2021, \$5.2 billion in 2022 and \$5.3 billion in 2023.

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 \$5.7 billion in 2020, and are projected to be \$5.7 billion in 2021, \$5.6 billion in 2022 and \$6.0 billion in 2023.

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 30<sup>th</sup> 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 the American Rescue Plan Act waived interest through September 6, 2021, therefore, no interest was due on September 30, 2020. However, interest started accruing on September 7, 2021, and the first interest payment of \$29.2 million was paid on September 30, 2021. California is expected to continue owing interest, an estimated \$342.4 million in 2022.

In order to repay the principal on the federal loan, federal law imposes a tax increase on employers, which is referred to as the Federal Unemployment Tax Act (FUTA) credit reduction. This occurs 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, which is the equivalent of an increase in federal taxes of \$21 per worker. As a result of the federal loan taken out in response to the Great Recession, 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 a loan balance at the end of 2020, the FUTA tax credit reduction was not assessed in that year as California had not been in deficit for two consecutive years as of January 1, 2020. It is currently anticipated that FUTA credit reductions will start occurring for tax year 2022, with the higher federal taxes coming due in January 2023.

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

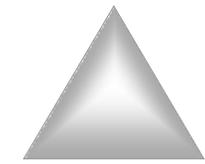
The Fund ended 2020 with a deficit of \$17.8 billion and is expected to continue running a deficit of \$19.7 billion by the end of 2021 when the actual 4<sup>th</sup> Quarter data are processed, \$19.3 billion by the end of 2022 and \$18.3 billion by the end of 2023.

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.

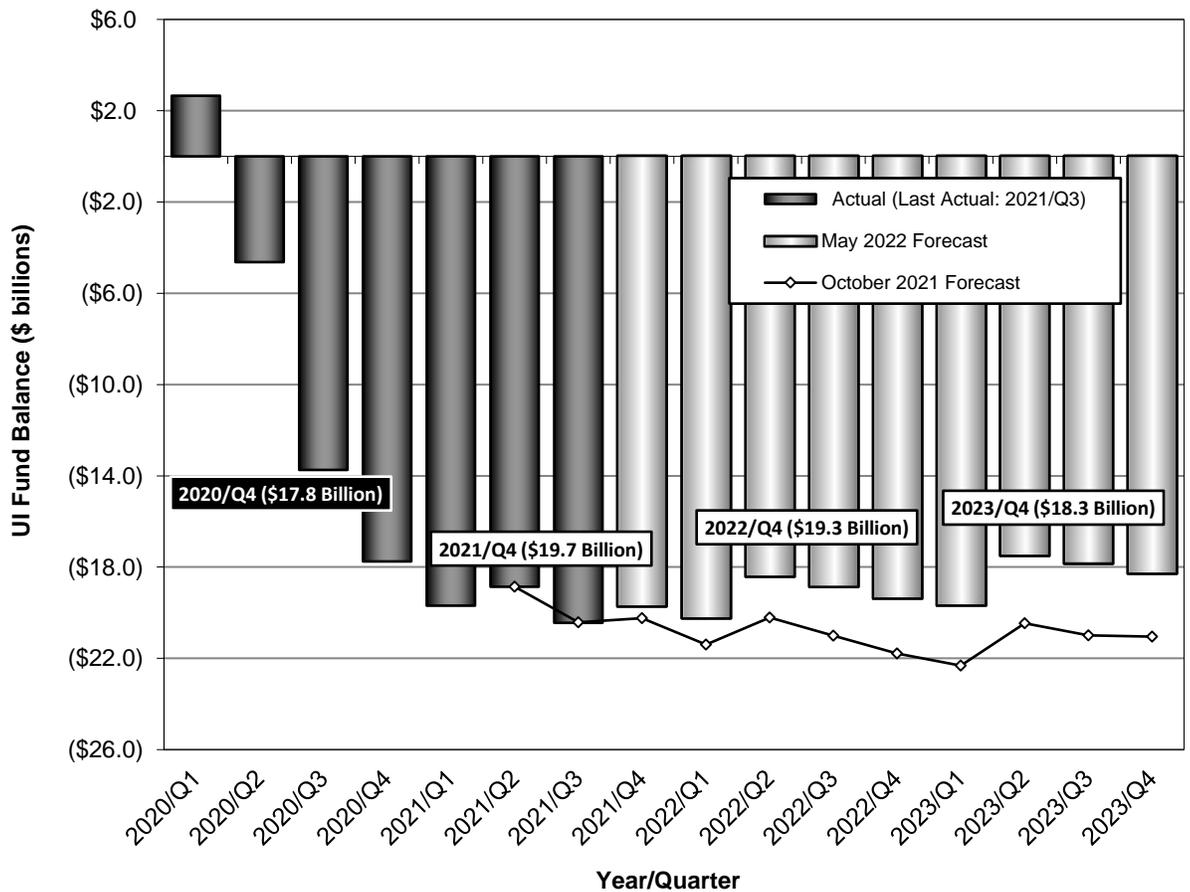
These estimates differ from the October 2021 forecast due to a better than expected economic outlook and a quicker recovery from the COVID-19 pandemic.

The chart below shows the projected quarterly UI Fund balance through 2023.

**UI Fund Balance 2020 - 2023**



*The UI Fund has a projected deficit of \$19.3 billion at the end of 2022.*



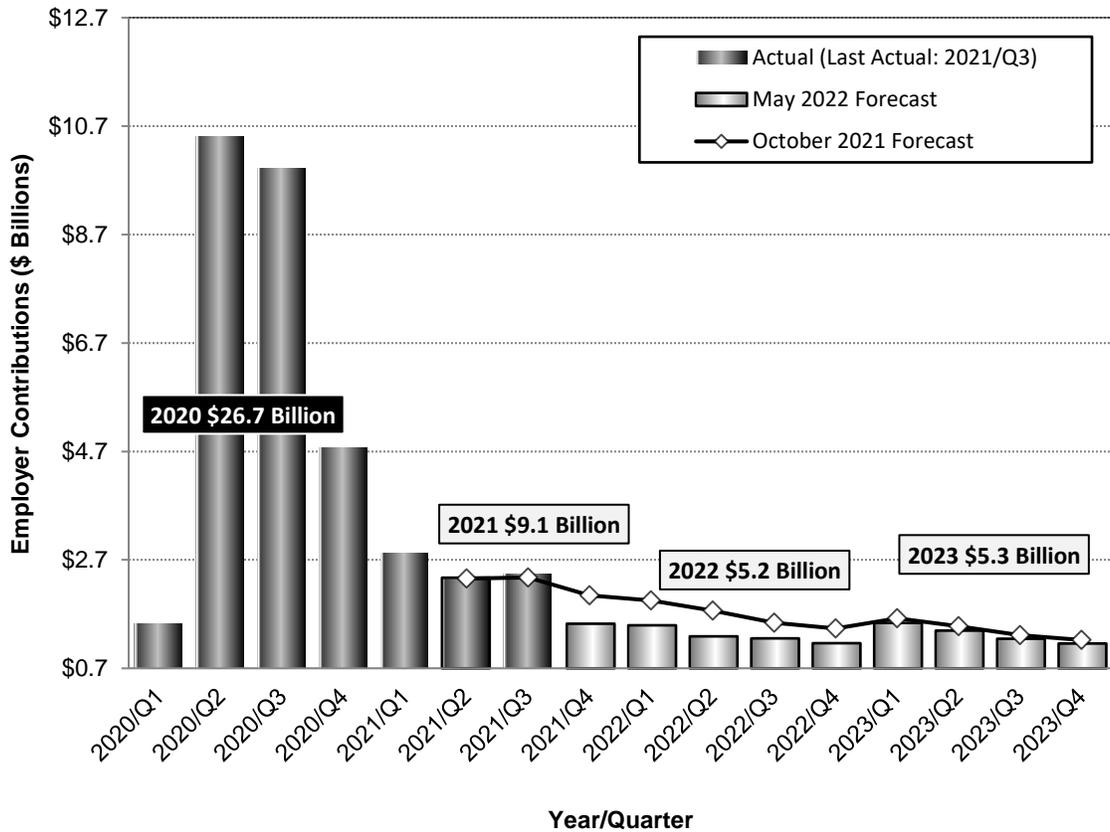
## DISBURSEMENTS, REGULAR UI BENEFITS

Regular UI benefit payments increased dramatically to \$26.7 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 UI benefit payments continued at a record pace. UI benefit payments were \$9.1 billion in 2021, as the State recovered from the recession and continued

easing business restrictions. In 2022, benefit payments are estimated to fall further to \$5.2 billion and \$5.3 billion in 2023.

The chart below shows the projected quarterly disbursements through 2023. Estimated UI benefit disbursements could change, depending upon actual unemployment levels.

**Regular UI Benefit Disbursements 2020 - 2023**



*Regular UI benefit payments are projected to be \$5.2 billion in 2022.*

## EMPLOYER CONTRIBUTIONS

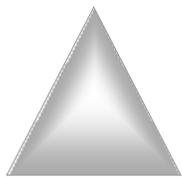
Employer contributions were \$4.6 billion in 2020. Contributions are estimated at \$4.8 billion in 2021, \$5.2 billion in 2022 and \$5.7 billion in 2023. The fall in contributions in 2020 and 2021 reflect the lower level of employment as California responded to the COVID-19 pandemic and shelter in place. 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 \$5.7 billion in 2020 and are projected to be \$5.7 billion in 2021, \$5.6 billion in 2022 and \$6.0 billion in 2023. Total receipts include employer contributions, interest, reimbursements, and other receipts.

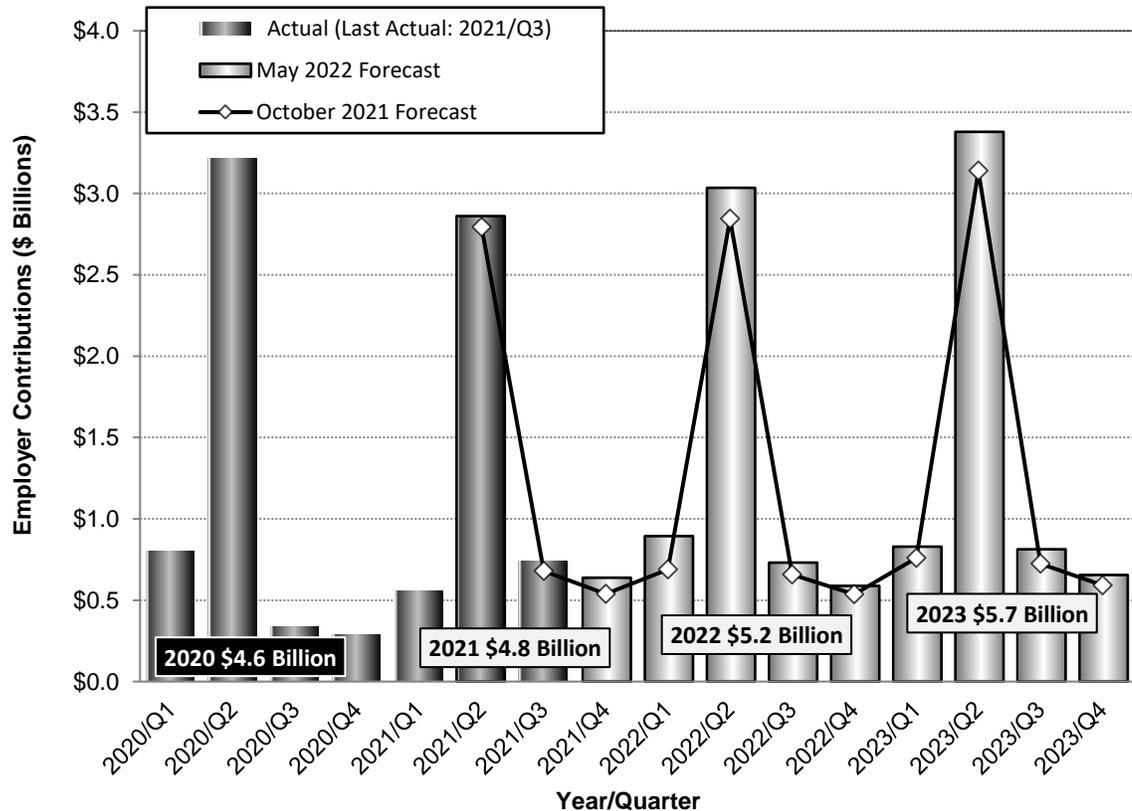
Employers are currently on the “F” contribution rate schedule in 2020, plus a 15 percent surcharge. Employers are projected to be on this same schedule throughout the forecast period and beyond if changes are not made to the financing structure (refer to page A4 in the Appendix for an explanation of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

The following chart shows the projected quarterly employer contributions through 2023. Estimated employer contributions could change depending upon actual employment levels.

**Employer Contributions 2020 - 2023**



*Employer Contributions are projected to total \$5.2 billion in 2022.*



UNEMPLOYMENT INSURANCE FUND  
FORECAST FOR CALENDAR YEARS 2021 – 2023

Table 1\*  
(Dollars in millions)

	2020	2021(F)	2022(F)	2023(F)
YEAR END FUND BALANCE	(\$17,752.2)	<b>(\$19,703.5)</b>	<b>(\$19,344.7)</b>	<b>(\$18,253.0)</b>
RECEIPTS PLUS FUTA CREDIT REDUCTION MINUS DISBURSEMENTS	(\$21,032.8)	<b>(\$1,951.2)</b>	<b>\$358.8</b>	<b>\$1,091.7</b>
RECEIPTS	\$5,680.3	<b>\$5,667.1</b>	<b>\$5,558.6</b>	<b>\$6,004.9</b>
Employer Contributions	\$4,649.1	<b>\$4,795.9</b>	<b>\$5,248.9</b>	<b>\$5,677.1</b>
Interest	\$23.8	<b>\$1.2</b>	<b>\$0.0</b>	<b>\$0.0</b>
Reimbursements	\$997.3	<b>\$924.0</b>	<b>\$309.7</b>	<b>\$327.8</b>
Other (a)	\$10.2	<b>(\$54.0)</b>	<b>\$0.0</b>	<b>\$0.0</b>
FUTA (b)	\$3.8	<b>(\$1.3)</b>	<b>\$0.5</b>	<b>\$423.8</b>
DISBURSEMENTS	\$26,716.9	<b>\$7,617.0</b>	<b>\$5,200.4</b>	<b>\$5,337.0</b>
Regular Benefits	\$26,716.9	<b>\$9,146.4</b>	<b>\$5,200.4</b>	<b>\$5,337.0</b>
Other (c)	\$0.0	<b>(\$1,529.4)</b>	<b>\$0.0</b>	<b>\$0.0</b>
FED-ED Benefits, State's portion	0.0	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>

**(F) Forecast:** Last actual data through the third quarter of 2021. 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. Other disbursements also reflect a future adjustment to disbursements associated with the temporary full federal funding of the first week of unemployment insurance (Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020, the Continued Assistanct Act also in 2020 and the American Rescue Plan Act of 2021).

\*The basis for the projections in this fund forecast is the January 2022 Labor Market Information Division's economic outlook.

UNEMPLOYMENT INSURANCE FUND  
FORECAST FOR CALENDAR YEARS 2021 – 2023

Table 2

	2020	2021 (F)	2022(F)	2023(F)
<b>CLAIM ACTION</b>				
New Claims (a)	6,976,300	2,860,607	<b>1,521,000</b>	<b>1,524,000</b>
First Payments	5,058,245	1,294,330	<b>898,000</b>	<b>900,000</b>
Weeks Compensated	92,214,005	29,075,280	<b>16,003,000</b>	<b>16,126,000</b>
Average Duration	18.2	22.5	<b>17.8</b>	<b>17.9</b>
<b>Weekly Benefit Amount</b>				
Maximum/Minimum	\$450/\$40	\$450/\$40	<b>\$450/\$40</b>	<b>\$450/\$40</b>
Average (All Claimants)	\$290	\$314	<b>\$324</b>	<b>\$328</b>
<b>COVERED WAGES</b>				
Total Wages (Less Reimbursables) (in billions)	\$1,051.6 bil	<b>\$1,197.0</b>	<b>\$1,279.9</b>	<b>\$1,355.0</b>
Average Weekly Wage	\$1,525.0	<b>\$1,657.5</b>	<b>\$1,677.7</b>	<b>\$1,717.2</b>
Taxable Wages (in billions)	\$131.2 bil	<b>\$136.3</b>	<b>\$149.4</b>	<b>\$156.7</b>
Percent of Total Wages	12.5%	<b>11.4%</b>	<b>11.7%</b>	<b>11.6%</b>
Benefits/Taxable Wages	20.4%	<b>5.6%</b>	<b>3.5%</b>	<b>3.4%</b>
<b>TAXES</b>				
Taxable Wage Ceiling	\$7,000	<b>\$7,000</b>	<b>\$7,000</b>	<b>\$7,000</b>
Tax Schedule	F+	<b>F+</b>	<b>F+</b>	<b>F+</b>
Average Tax Rate (b)	3.36%	<b>3.62%</b>	<b>3.41%</b>	<b>3.62%</b>
<b>EMPLOYMENT</b>				
Average Covered Employment	16,633,612	<b>16,819,000</b>	<b>17,752,000</b>	<b>18,361,000</b>
Reimbursables - Average Covered Employment	3,422,586	<b>2,984,000</b>	<b>3,137,000</b>	<b>3,245,000</b>
All Others - Average Covered Employment	13,211,026	<b>13,835,000</b>	<b>14,615,000</b>	<b>15,116,000</b>
Contributions/Employment All Others (c)	\$352	<b>\$347</b>	<b>\$359</b>	<b>\$404</b>
<b>CALIFORNIA LABOR DATA (d)</b>				
California's Civilian Labor Force	18,819,000	<b>18,938,000</b>	<b>19,278,000</b>	<b>19,625,000</b>
California's Unemployment Level	1,913,000	<b>1,459,000</b>	<b>1,051,000</b>	<b>853,000</b>
Civilian Unemployment Rate	10.2%	<b>7.7%</b>	<b>5.5%</b>	<b>4.3%</b>

**(F) Forecast:** Last actual data for wages and employment through third quarter of 2021. All other data actual through the fourth quarter of 2021. 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 Labor Market Information Division January 2022 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

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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

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#### ***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 April 3, 2021, and a 75 percent reimbursement between April 4, 2021 and September 4, 2021, even if the unemployed individual was not unemployed as a result of COVID-19.

#### ***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, in order to repay the principal on the loan, employers face a federal tax increase for the following tax year, which is called the FUTA credit reduction. Current federal law provides employers with a 5.4 percent tax credit. However, as required by federal law, this credit is expected to be reduced, due to California’s insolvency, by 0.3 percent to 5.1 percent for the 2022 tax year due to the outstanding federal loan. Each year thereafter, the federal tax rate will continue to increase by an additional 0.3 percent and may be subject to additional credit reductions in future years. The federal tax rate is applied to the first \$7,000 in wages paid to covered employees. Thus, employers’ federal tax liability is expected to

increases by \$21 per employee beginning in January 2023 when the 2022 tax year contributions are collected, and will continue to increase in order to repay the principal on the federal loan.

## **DISBURSEMENTS**

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### ***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 (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 provided up to 86 weeks of benefits with weeks of unemployment beginning February 2, 2020, through the week ending September 4, 2021. PUA covered individuals who were business owners, independent contractors, self-employed workers, freelancers, or whom otherwise would not qualify for regular UI or PEUC benefits. Coverage also included individuals who have exhausted all rights to regular UI or PEUC. This program was administered similar to the Disaster Unemployment Assistance (DUA) program. PUA benefits were federally funded.

#### ***Pandemic Emergency Unemployment (PEUC):***

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

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

The PAC program provided an additional \$600 per week to individuals collecting regular UI (including UCFE, UCX, Work Sharing, Disaster Unemployment Assistance, PUA, PEUC, or Trade Readjustments Assistance). California Training Benefit claims and State Special Schools Benefits payments did **not** qualify for the \$600 PAC payments.

A claimant was potentially eligible to receive the weekly \$600 PAC payments for weeks beginning March 29, 2020 through week ending July 25, 2020, if they submitted a continued claim form for the week ending April 4, 2020, or after and were paid at least \$1 in UI benefits or a full overpayment offset was taken for that week. For claimants in the Partial UI or Work Sharing program with a non-Saturday week ending date PAC payments were available through July 31, 2020. A week that was posted as a false statement, appeal, excessive earnings, fully employed, or a disqualified week did 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 were federally funded.

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

The FED-ED program was 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 UI 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 triggered 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 were not required to fund any part of the FED-ED benefits that did occur in 2020 through September 11, 2021.

***Lost Wages Assistance Program:***

The Lost Wages Assistance (LWA) 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**

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***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 CUIC, effective January 1, 2005, the maximum WBA is \$450. The minimum WBA 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**

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**Total Wages:**

All remuneration payable to employees subject to the CUIIC 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 CUIIC (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

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### ***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 UI 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)

<b>If the ratio is</b>	<b>Use schedule</b>
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
<b>Below 0.6%</b>	<b>F schedule plus 15%</b>

**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

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### ***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

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### ***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)