



Unemployment Insurance Trust Fund Report

Trust Fund Update June 2021

THE UNEMPLOYMENT INSURANCE TRUST FUND BALANCE

As of May 31, 2021, the preliminary Massachusetts Unemployment Insurance Trust Fund ending balance was -\$1.774 billion. This balance is the sum of the preliminary private contributory account balance of -\$1.915 billion and the governmental contributory account balance of \$141 million.

2021 ACTIVITY TO DATE

May's preliminary employer contributions of \$83.1 million generated a year-to-date total of \$1.537 billion, \$447 million more than 2020 collections through the end of May and at \$11 million higher is in-line with the projection of \$1.526 billion.

Massachusetts 2021 year-to-date advances from the federal UI account stayed at \$66.8 million as loans were not needed in the month of May.

In May, the \$10.1 million American Rescue Plan Act (ARPA) federal funding for the first week payment of regular UI brought the year-to-date total reimbursements to \$45.3 million.

Additional federal funding of \$4.8 million in May paid for seventy-five percent of the private non-profit reimbursable employer benefit costs.

Year to date preliminary benefit payments of \$1.130 billion through May 2021 were \$1.193 billion lower than those paid in the same time span in 2020. Year to date initial claims and continued weeks claimed were 67 percent and 57 percent lower than last year's totals through May, respectively, as Massachusetts eases up on reopening guidelines and more employees are returning to work.

The 6.1 percent May 2021 seasonally adjusted total unemployment rate was nine and two-tenths of a percentage point lower than the May 2020 rate of 15.3 percent. The BLS number of employed residents in May 2021 increased to 3,518,579 from May 2020's total of 3,056,433. With fewer unemployed residents and more employed, over-the-year the labor force added 138,549.

Recently enacted legislation removes Covid-19 related benefit charges from the private contributory solvency account and transfers the funds to a new account. This legislative change requires experience rates for 2021 private contributory eligible rated employers be rerun to reflect the lower solvency assessment. The tax rates for 2021 payrolls will reflect these changes. The recent enactment of this legislation has delayed revision of trust fund projections. It is anticipated that updated projections based on revised 2021 employer experience rates and the most recent Moody's Analytics Data Services forecasts on unemployment rates, labor force and wage and salary growth rates will be released in the August 2021 Outlook Report.