



Unemployment Insurance Trust Fund Report

Outlook Report October 2020

This Outlook Report provides the status of the Unemployment Insurance Trust Fund and updated projections for the 2020 through 2024 outlook period.

As required by MGL Chapter 151A, Section 14F, DUA publishes quarterly outlooks for the Trust Fund based on forecasts for total unemployment rate, annual wage and salary growth rate, and annual labor force. DUA also provides monthly reports updating the status of the Trust Fund.

New economic assumptions from Moody's Analytics Data Services, released in September 2020, used in these projections showed higher average annual unemployment rates for 2020 and 2021 but improvements to the 2022 through 2024 rates as compared to the assumptions used in the August 2020 Outlook Report. The 2020 average annual unemployment rate increased from 8.8 percent to 9.4 percent followed by a 7.2 percent annual rate in 2021, which is two-tenths of a percentage point higher from the previous rate used. Total labor force increased in 2020 to 2024 posting an average annual increase of 24,677. The annual wage and salary growth rates are higher in 2020, 2021 and 2024 but lower in 2023 and unchanged in 2022.

The outlook presented is for the regular UI program based on 2020 employer experience rates, employer contributions, benefit payments and claims activities through the third quarter of 2020.

Employer contributions, based on rate schedule E and a \$15,000 taxable wage base are projected at \$1.511 billion, in-line with the previous estimate. Estimated benefit payments of \$6.467 billion are \$33 million higher than the previous estimate of \$6.434 billion released in the August 2020 Outlook Report. The 2020 year-end balance, projected at -\$2.395 billion, is \$88 million more than the previous projection of -\$2.483 billion. The difference is due to the emergency UI relief fund (FUA) added in the third quarter to the trust fund balance. Through the end of September, a total of \$1.763 billion have been borrowed from the federal UI account and Massachusetts will continue to borrow for the remainder of 2020. Advances from the federal account will be interest-free in 2020.

With an insolvent trust fund, tax rate schedule G is expected to trigger for employer payrolls in 2021. Employer contributions for 2021 are projected to be \$2.451 billion, \$13 million less than the previous estimate

of \$2.464 billion due to a decrease in the average contribution rate. Benefit payments are projected to be \$4.821 billion, in-line with the previous estimate of \$4.817 billion. The projected 2021 year-end balance at -\$4.765 billion is \$71 million higher than the previous estimate of -\$4.836 billion, primarily the result of the higher 2020 year-end balance. Interest bearing loans will be needed from the federal UI account throughout the year. Interest on federal advances will be due in the fall.

Private contributory employer federal unemployment taxes for 2022 will increase due to the negative beginning year account balances in 2021 and 2022.

For 2022 rate schedule G is projected to trigger for employer contributions. With a \$15,000 taxable wage base, employer contributions projected at \$2.530 billion are just slightly higher than the previous estimate of \$2.522 billion. Benefit payments estimated at \$2.785 billion are \$67 million less than the projection released in August. A lower unemployment rate generated less weeks compensated and insured unemployment resulting in a decrease in benefit payments. The year-end 2022 private contributory account balance will continue to be insolvent and projected at -\$5.020 billion. As in the previous year, interest bearing advances will be needed throughout the year.

Rate schedule G is projected to trigger for 2023 employer payrolls. Employer contributions are estimated at \$2.522 billion and benefit payments projected to be \$1.567 billion. Year-end 2023 private contributory account balance continues to be insolvent at -\$4.065 billion. Advances from the federal UI account will continue and interests will be incurred.

Employer payrolls are projected to remain on tax rate schedule G and generate \$2.546 billion in employer contributions in 2024. Benefit payments are projected at \$1.394 billion and a year-end balance still insolvent at -\$2.913 billion. Interests bearing loans will continue in 2024.

Interest on advances cannot be paid from the trust fund but by additional surcharges on private contributory employers or other revenues.

ECONOMIC ASSUMPTIONS

DUA utilizes independent economic forecasts as the basis for its estimates of income and expenditure for the Massachusetts Unemployment Insurance program. Moody's Analytics Data Services September 2020 forecasts were used in the simulations for this report. The current assumptions, along with assumptions used to produce the simulation estimates published in the May and August 2020 Outlook Reports are provided in Table 1.

The September 2020 Moody's Analytics Data Services Annual Wage and Salary Growth Rate forecasts for 2020, 2021 and 2024 were all revised up from the rates released in July. In 2020, up by three-tenths of a percentage point, from -6.5 percent to -6.2 percent, the 2021 rate increased from 1.3 percent to 1.9 and a slight increase in 2024. The rate decreased in 2023 and remained unchanged in 2022.

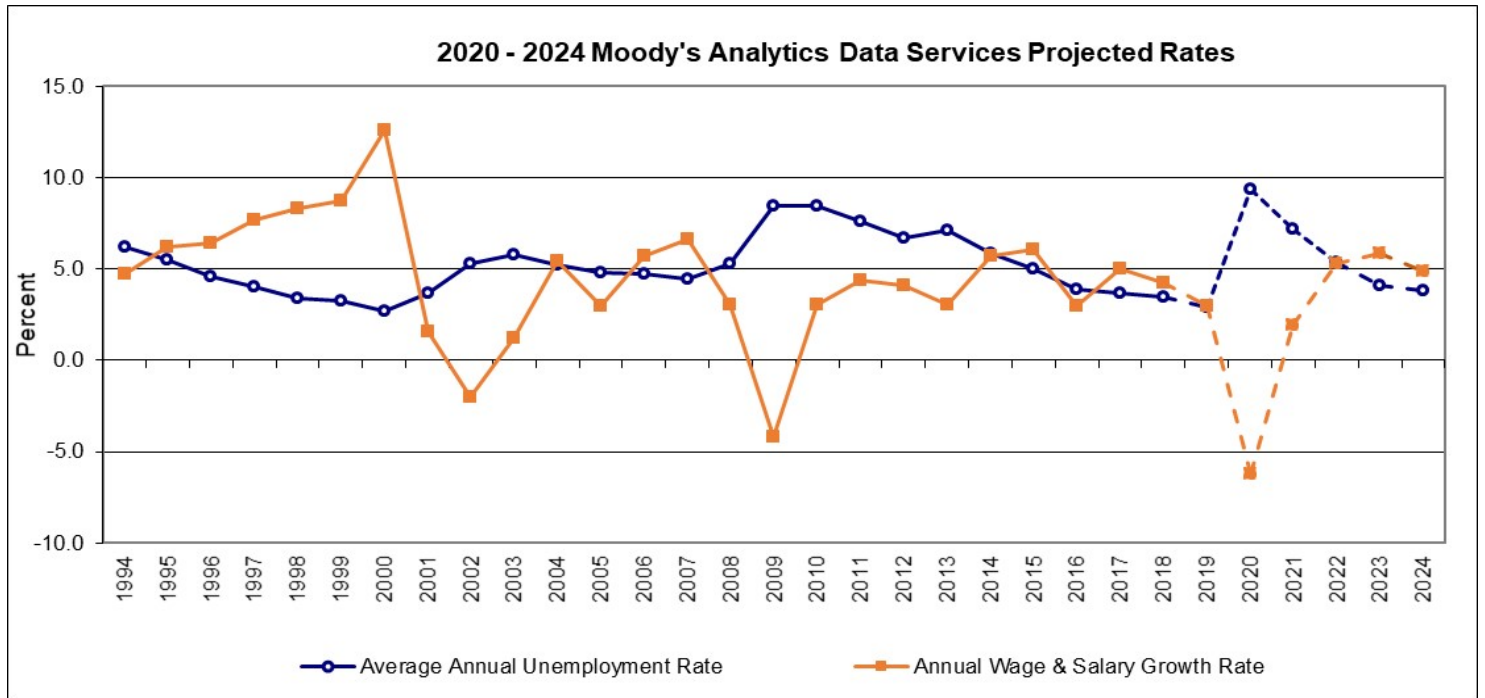
The projected annual average total unemployment rate for 2020 was revised upwards by six-tenths of a percentage point, from 8.8 percent to 9.4 percent. This is followed by a 7.2 percent unemployment rate in 2021, an increase of two-tenths of a percentage point from the July projection. The annual average unemployment rates for 2022 to 2024 improved by two-tenths or three-tenths of a percentage point from the rates used in the August Outlook Report.

The annual labor force projections for 2020 to 2024 showed an average annual increase of 24,677 from the Moody's Analytics Data Services projections released in July 2020. The 2021 labor force showed the largest increase of 26,779 and the smallest in 2020 of 18,607. The labor force is projected to be 3,844,555 in 2024.

Table 1: Moody's Analytics Data Services Forecasts, Three Most Recent Reports

	Wage & Salary Growth (%)			Total Unemployment Rate (%)			Labor Force		
	20-Apr	20-Jul	20-Sep	20-Apr	20-Jul	20-Sep	20-Apr	20-Jul	20-Sep
2020	-4.1	-6.5	-6.2	6.3	8.8	9.4	3,796,407	3,697,449	3,716,056
2021	0.8	1.3	1.9	7.0	7.0	7.2	3,800,730	3,780,216	3,806,995
2022	5.9	5.3	5.3	5.5	5.6	5.4	3,800,952	3,782,917	3,807,749
2023	6.2	6.1	5.9	4.3	4.3	4.1	3,813,678	3,795,038	3,821,512
2024	4.8	4.8	4.9	4.0	4.1	3.8	3,836,968	3,817,861	3,844,555

Source: Moody's Analytics Data Services



UNEMPLOYMENT INSURANCE TRUST FUND BALANCE

As of September 30, 2020, the preliminary Massachusetts Unemployment Insurance Trust Fund ending balance was -\$1.723 billion. The private contributory account balance was at -\$1.852 billion and the governmental contributory account balance was \$129 million.

The increase in unemployment due to the Covid-19 pandemic results in an insolvent unemployment insurance private contributory account throughout the outlook period. As a result, Massachusetts will need to rely on advances from the federal unemployment insurance account.

The 2020 year-end private contributory account balance is projected to be -\$2.395 billion, an increase of \$88 million from the projection of -\$2.483 billion released in the August Outlook Report. The difference was primarily due to an additional income in the third quarter totaling \$106.8 million from the emergency unemployment relief fund (FUA). Through September, a total \$1.763 billion have been borrowed from the federal unemployment account and additional federal advances will be needed for the remainder of the year. The loans will be interest-free in 2020.

The year-end 2021 account balance is now expected to be -\$4.765 billion, an increase of \$71 million from the previous estimate of -\$4.836 billion. The difference is a carryover from the previous year's higher ending balance. Projected employer contributions of 1.21 percent of total payroll are not sufficient to cover benefit payments estimated at 2.38 percent of total payroll. Advances from the federal unemployment account will be required throughout the year. Private contributory employer's federal unemployment taxes for 2022 payroll will increase \$21 per employee due to outstanding advances at the beginning of 2021 and 2022 and not paid back before November 10,

2022. Interest on federal advances, totaling \$60 million, will also be required in the fall of 2021.

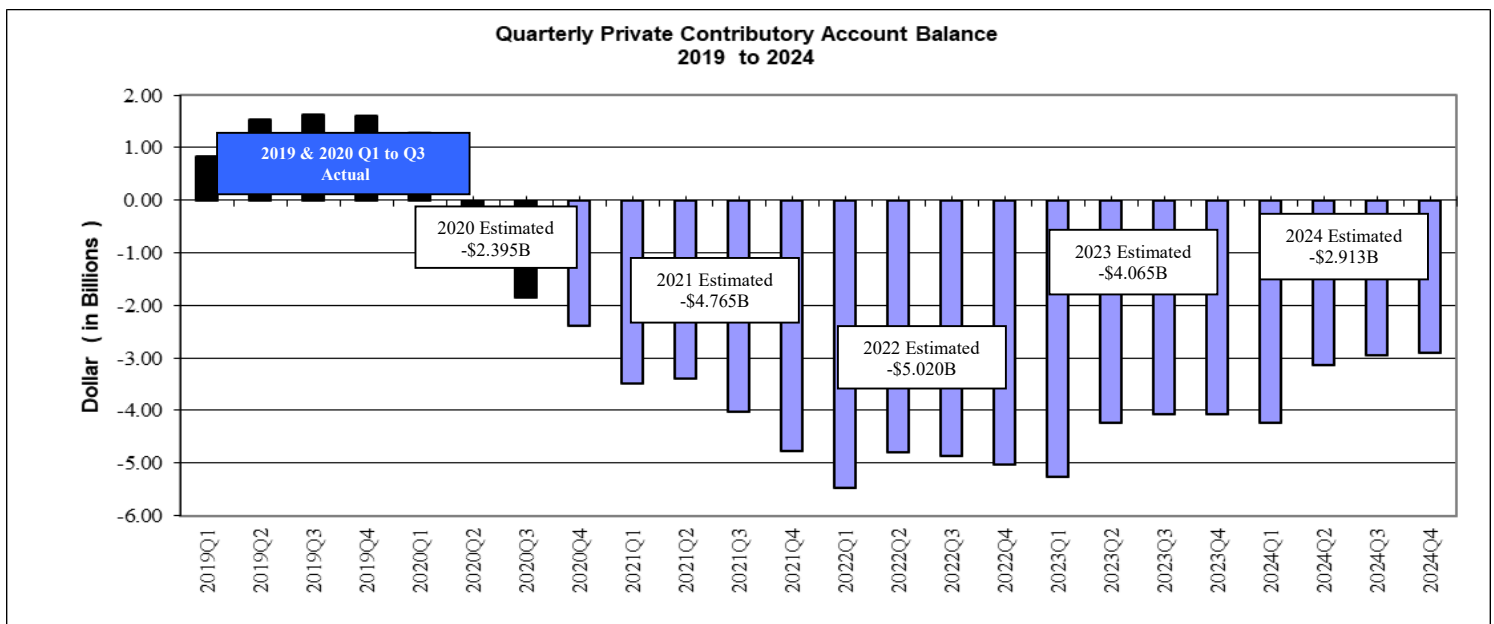
Current outlooks indicate the trust fund will continue to be insolvent in 2022 with a year-end private account balance estimated at -\$5.020 billion, \$146 million better than the previous estimate of -\$5.166 billion. The difference was due to a projected decrease in benefit payments coupled with the previous years' higher ending balances.

Year-end 2023 private contributory account balance remains insolvent and is estimated to be -\$4.065 billion, an increase of \$224 million from the previous estimate of -\$4.289 billion. A slow recovery from the prolonged effects of the pandemic has estimated employer contributions now estimated to be higher than projected benefit payments. However, interest bearing borrowings from the federal account will still be required throughout 2023.

The 2024 year-end private contributory account balance, still insolvent, is estimated at -\$2.913 billion. As in the previous year, projected employer contributions are expected to be higher than benefit payments. Loans will be needed throughout the year with federal interest due.

Private contributory employer federal unemployment taxes will continue to increase through the 2023 and 2024 outlook period

The chart below shows actual 2019 and 2020 first and second quarter and projected quarterly private UI Private Trust Fund balances through 2024.



BENEFIT OUTLAYS

The updated simulation for the outlook period shows slight increases in benefit payments in 2020 and 2021 but decreases in 2022 to 2024 as Massachusetts continues to recover from the Covid-19 pandemic.

Preliminary benefit payments in September 2020 of \$426.6 million pushed the year-to-date payments total to \$5.139 billion, \$4.159 billion or 425 percent more than the January to September 2019 benefit payments of \$980 million. Year-to-date initial claims at 1,346,249 and continued weeks claimed at 13,512,936 were up 590 percent and 485 percent over the same nine months last year, respectively.

Benefit payments for 2020 are now estimated to be \$6.467 billion, \$33 million higher than the previous estimate of \$6.434 billion.

In March, the federal CARES Act of 2020 was enacted. The Act provides federally funded programs for relief for workers whose claims are related to the pandemic. Additional state benefit programs, TRA and RED, are excluded. The Pandemic Unemployment Assistance (PUA) program provides up to 39 weeks of benefits to individuals who were self-employed, gig workers, or not eligible for regular unemployment compensation; the Pandemic Emergency Unemployment Compensation (PEUC) provides up to 13 weeks of extended benefits to individuals who have exhausted or expired their regular unemployment compensation since July 2019 and are not eligible for regular UI. PUA and PEUC program costs are federally funded through week ending December 26, 2020.

The Act included the Federal Pandemic Unemployment Compensation (FPUC) program, which provided an additional \$600 weekly benefit for each week claimed, ended on the last claimable week of July 25, 2020.

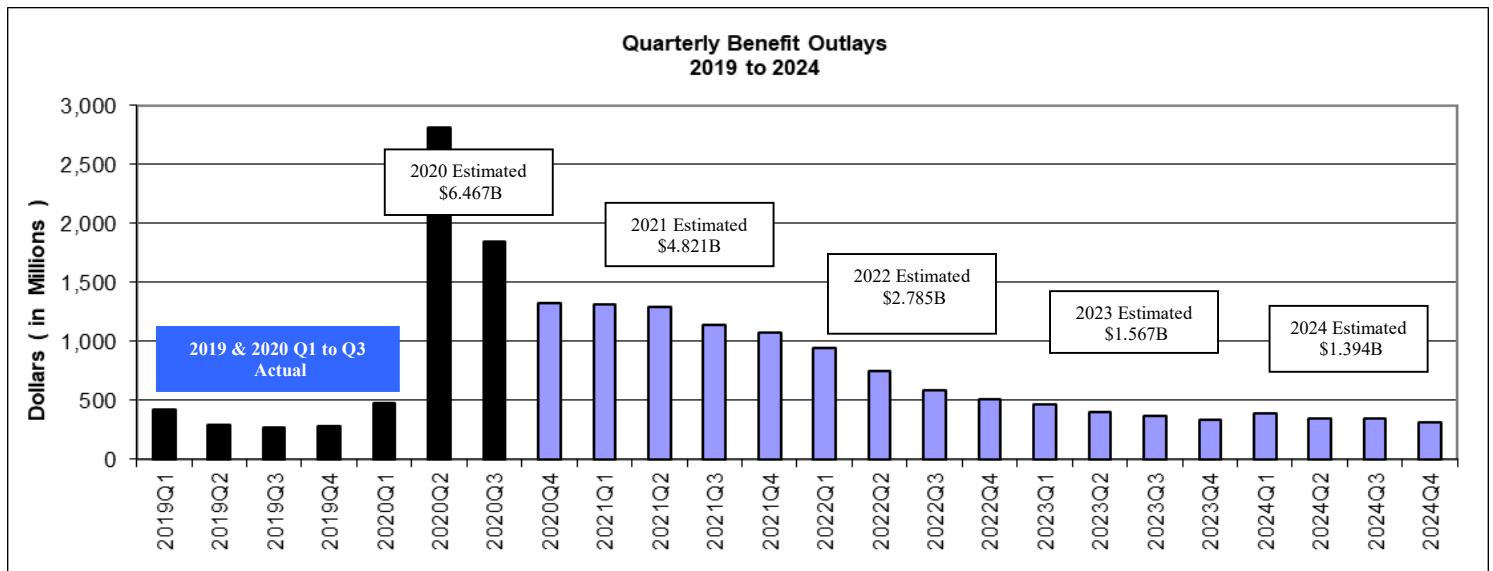
On May 3, 2020, Massachusetts triggered on the federal/state Extended Benefit (EB) program due to the rapid increase in UI claims. EB costs will be federally funded 100 percent for private contributory employers and 50 percent for reimbursable employers through week ending December 26, 2020. Please note that under current law, Massachusetts will be responsible for 50 percent of EB benefit costs beyond this date.

In 2021, benefit payments are projected to be \$4.821 billion, at just \$4 million higher, is in-line with previously released estimate of \$4.817 billion.

For 2022, benefit payments are projected to be \$2.785 billion, \$67 million lower than the previous estimate of \$2.852 billion. An improvement of two-tenths of a percentage point in the annual average unemployment rate resulted in fewer insured unemployment and weeks compensated generating less benefit payments.

Benefit payments are projected to be \$1.567 billion in 2023, \$64 million less than the previous estimate. As in the previous year, a projected lower annual unemployment rate reduced week compensated and insured unemployment resulting in less benefit payments.

In 2024, benefit payments are predicted to be \$1.394 billion, a decrease of \$74 million from the previous projection. The projected decrease of three-tenths of a percentage point in the annual unemployment rate lessen insured unemployment and weeks compensated ensuing a decrease in benefit payments.



EMPLOYER CONTRIBUTIONS

Updated projections for employer contributions for 2020 to 2024 showed slight revisions from the projections released in the August 2020 Outlook Report.

Employer contributions through third quarter 2020 totaled \$1.341 billion, a decrease of \$139 million from the January to September 2019 contributions of \$1.480 billion. The difference was due to higher unemployment rate and a slow recovery as establishments comply with safety standards and reopening in phases.

For 2020, employer contributions on rate schedule E and a \$15,000 taxable wage base, are estimated at \$1.511 billion, at just \$13 million more is in-line with the previous estimate of \$1.498 billion first released in the August 2020 Outlook Report. Through September, Massachusetts has borrowed a total of \$1.763 billion from the federal unemployment insurance account. Additional advances will be needed for the remainder of the year. The loans will be interest-free in 2020.

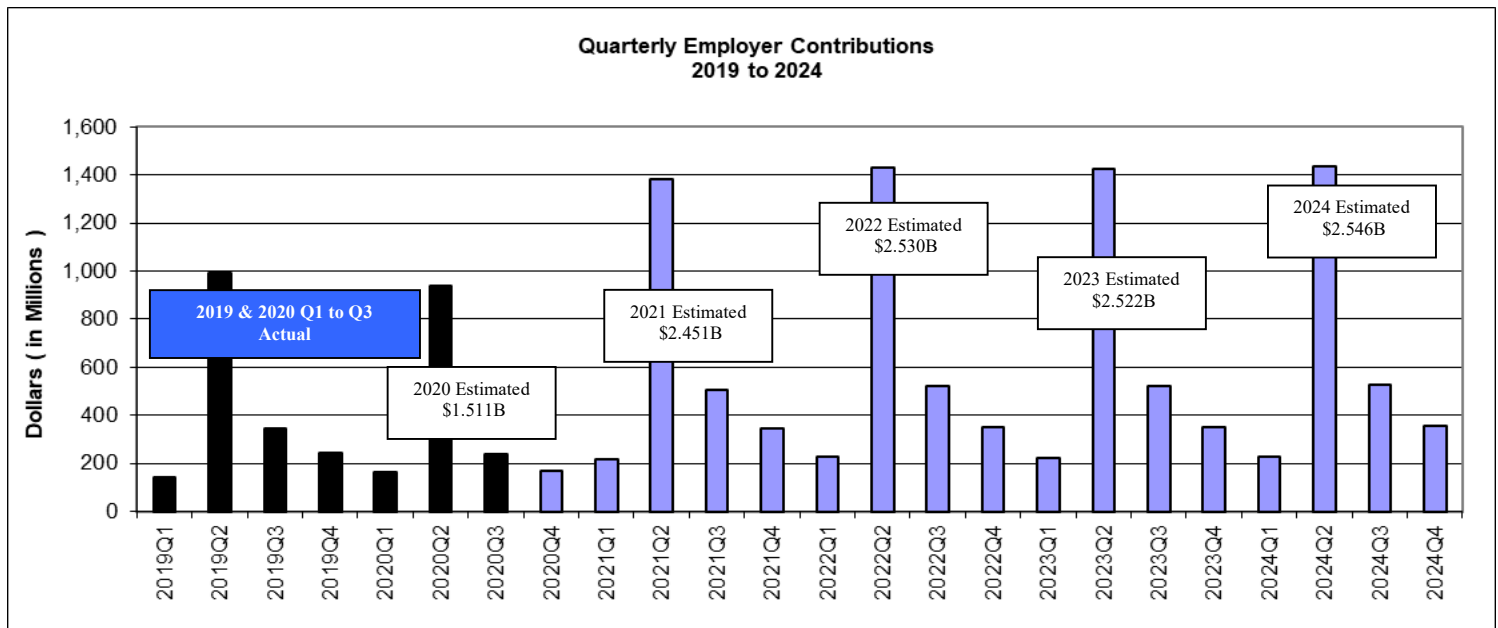
Rate schedule G is projected to trigger for 2021 employer payrolls and generate \$2.451 billion in employer contributions, \$13 million lower than previously projected at \$2.464 billion due to a decrease in the average contribution rate. While businesses in Massachusetts have reopened and taxable payrolls are increasing, projected employer contributions as a percent of total wages are just about one-half of estimated benefit payment as a percent of total wages so loans from the federal UI account will be required throughout the year. In addition, federal interests will be due on advances through 2021.

With an insolvent trust fund, 2022 employer contributions are expected to remain on rate schedule G. Employer contributions are projected to be \$2.530 billion, a slight increase of \$8 million from the previous estimate. With a lower annual unemployment rate, taxable payrolls are expected to be higher as the economy continues to recover. However, interest bearing loans will be needed throughout the year as projected benefit payments continue to be higher than expected contributions.

For 2023, rate schedule G is still projected to trigger for employer payrolls generating \$2.522 billion in contributions, a small increase of \$14 million from the previous estimate of \$2.508 billion. Although contributions are now projected to be higher than benefit payments, advances from the federal account will still be necessary throughout the year. Interest will be payable on 2023 loans.

Tax rate schedule G remains projected to trigger for 2024 employer payrolls and generate \$2.546 billion in employer contributions. Interest will be due annually on outstanding federal advances and federal unemployment taxes will continue to increase to repay advances.

Table 2, on page 7, contains the experience rate table that took effect in 2015.



TRUST FUND SOLVENCY

Federal regulations require States to meet several standards for interest free federal advances taken during the first five months of a calendar year and repaid in the fall. The first measure requires that in at least one of the five years prior to the calendar year the advances are taken, the trust fund reserves must be equal to an average high cost multiple (AHCM) solvency measure. The measure was phased in over five years from a multiple of 0.50 for 2014, 0.70 in 2016 and now at 1.0 for advances starting in 2019. For 2020, the AHCM must be met based on 2019 performance.

The Average High Cost Multiple (AHCM) computations are based on the average benefit cost rate for the three highest years in the last twenty or the last three recessions whichever is higher. Massachusetts would have needed a trust fund balance of around \$3.9 billion in 2019 to meet the AHCM solvency measure of 1.0.

Benefit costs are measured as a percent of the total UI wages, the total liability of the UI system, is the second

measure. This measure indexes the benefit costs to total wages. The measure is designed to encourage States to build sufficient reserves to finance an economic downturn similar to ones in the past. The Massachusetts measures are for the overall trust fund that includes both the private and governmental contributory accounts. The ratio of the average tax rate and the benefit costs rate over the previous five years must be at least 75 percent.

The chart below arrays the federal requirements, the actual and projected year-end all contributory account AHCMs, the ratios of average tax rate and total wages (federal standard at 80 percent of previous year) and the average tax rate and the benefit cost rate over the preceding five years (federal standard at 75 percent).

As the chart below shows, Massachusetts will not meet the federal AHCM standard making all federal advances subject to federal interest.

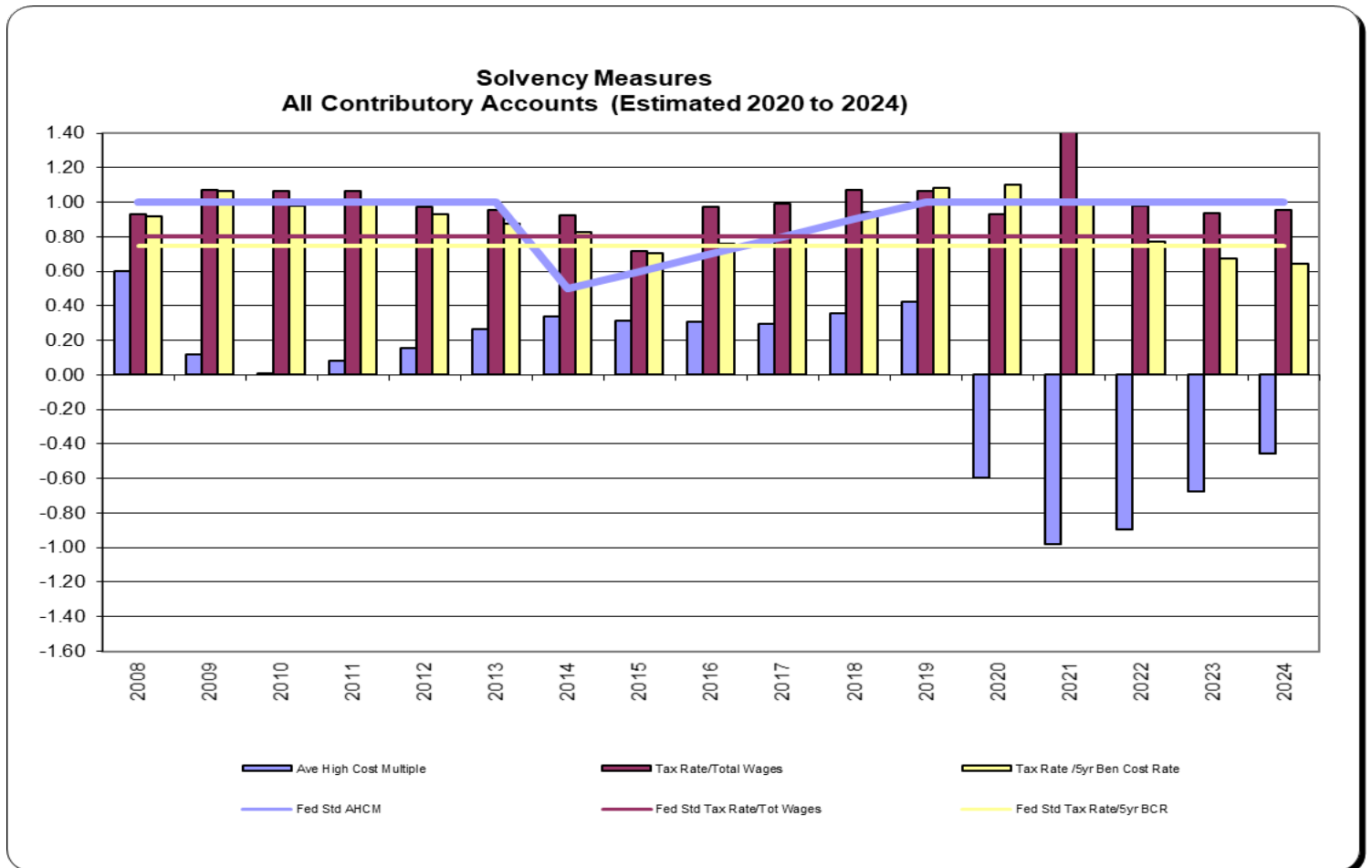


Table 2: Experience Rate Table

Employer Account Reserve Percentages	Unemployment Compensation Fund Reserve Percentage						
	A	B	C	D	E	F	G
	1.65% and over	1.5% or more less than 1.65%	1.2% or more less than 1.5%	0.9% or more less than 1.2%	0.6% or more less than 0.9%	0.3% or more less than 0.6%	less than 0.3%
Negative Percentage	Employer Contribution Rate*						
23 or more	8.62	9.79	11.13	12.65	14.37	16.33	18.55
21.0 but less than 23.0	8.25	9.37	10.65	12.11	13.76	15.63	17.76
19.0 but less than 21.0	7.88	8.96	10.18	11.57	13.15	14.94	16.97
17.0 but less than 19.0	7.52	8.54	9.71	11.03	12.53	14.24	16.18
15.0 but less than 17.0	7.15	8.13	9.24	10.49	11.93	13.55	15.39
13.0 but less than 15.0	6.78	7.71	8.76	9.95	11.31	12.85	14.60
11.0 but less than 13.0	6.42	7.29	8.29	9.42	10.70	12.16	13.81
9.0 but less than 11.0	6.05	6.87	7.81	8.88	10.09	11.46	13.02
7.0 but less than 9.0	5.68	6.46	7.34	8.34	9.48	10.77	12.23
5.0 but less than 7.0	5.32	6.04	6.86	7.80	8.86	10.07	11.44
3.0 but less than 5.0	4.95	5.63	6.39	7.27	8.26	9.38	10.66
1.0 but less than 3.0	4.58	5.21	5.92	6.72	7.64	8.68	9.86
0.0 but less than 1.0	4.22	4.79	5.45	6.19	7.03	7.99	9.08
Positive Percentage							
0.0 but less than 0.5	3.14	3.57	4.06	4.61	5.24	5.96	6.77
0.5 but less than 1.0	3.06	3.48	3.96	4.50	5.11	5.81	6.60
1.0 but less than 1.5	2.98	3.39	3.85	4.38	4.98	5.65	6.43
1.5 but less than 2.0	2.90	3.30	3.75	4.26	4.84	5.50	6.25
2.0 but less than 2.5	2.82	3.21	3.65	4.14	4.71	5.35	6.08
2.5 but less than 3.0	2.75	3.12	3.54	4.02	4.57	5.20	5.90
3.0 but less than 3.5	2.67	3.03	3.44	3.91	4.44	5.05	5.74
3.5 but less than 4.0	2.58	2.93	3.33	3.79	4.30	4.89	5.56
4.0 but less than 4.5	2.50	2.84	3.23	3.67	4.17	4.74	5.38
4.5 but less than 5.0	2.42	2.75	3.13	3.55	4.04	4.59	5.21
5.0 but less than 5.5	2.34	2.66	3.02	3.43	3.90	4.43	5.04
5.5 but less than 6.0	2.25	2.56	2.91	3.31	3.76	4.28	4.86
6.0 but less than 6.5	2.17	2.47	2.81	3.20	3.63	4.13	4.69
6.5 but less than 7.0	2.09	2.38	2.71	3.08	3.50	3.97	4.51
7.0 but less than 7.5	2.02	2.30	2.61	2.96	3.37	3.82	4.35
7.5 but less than 8.0	1.94	2.20	2.50	2.84	3.23	3.67	4.17
8.0 but less than 8.5	1.85	2.10	2.39	2.72	3.09	3.51	3.99
8.5 but less than 9.0	1.78	2.02	2.29	2.61	2.96	3.37	3.82
9.0 but less than 9.5	1.70	1.93	2.19	2.49	2.82	3.21	3.65
9.5 but less than 10.0	1.61	1.83	2.08	2.36	2.69	3.05	3.47
10.0 but less than 10.5	1.53	1.74	1.98	2.25	2.56	2.91	3.30
10.5 but less than 11.0	1.45	1.65	1.87	2.13	2.42	2.75	3.12
11.0 but less than 11.5	1.37	1.56	1.77	2.01	2.29	2.60	2.96
11.5 but less than 12.0	1.29	1.47	1.67	1.89	2.15	2.45	2.78
12.0 but less than 12.5	1.21	1.37	1.56	1.77	2.01	2.29	2.60
12.5 but less than 13.0	1.13	1.28	1.46	1.66	1.89	2.14	2.43
13.0 but less than 13.5	1.05	1.19	1.35	1.54	1.75	1.99	2.26
13.5 but less than 14.0	0.97	1.10	1.25	1.42	1.61	1.83	2.08
14.0 but less than 15.0	0.81	0.92	1.04	1.18	1.34	1.53	1.73
15.0 but less than 16.0	0.73	0.83	0.94	1.07	1.21	1.38	1.57
16.0 but less than 17.0	0.64	0.73	0.83	0.95	1.08	1.22	1.39
17.0 or more	0.56	0.64	0.73	0.83	0.94	1.07	1.21

Employer Contribution Rate is applied to the first \$15,000 of wages per employee.

The current law simulation estimates for 2020 through 2024 are displayed in Tables 3 and 4, below.

Table 3: Unemployment Trust Fund Projections for the Private Contributory Account, 2020 - 2024

(All \$ in Millions except Average Cost/Employee)

	2019	2020	2021	2022	2023	2024
Balance, January 1	\$1,101	\$1,602	-\$2,395	-\$4,765	-\$5,020	-\$4,065
Income	\$1,724	\$1,511	\$2,451	\$2,530	\$2,522	\$2,546
Trust Fund Interest	\$34	\$13				
Other Income**		\$331				
Benefit Outlays	\$1,257	\$6,467	\$4,821	\$2,785	\$1,567	\$1,394
CARES Act Reimbursements**		\$615				
Federal Loan Interests			\$60			
Balance, December 31	\$1,602	-\$2,395	-\$4,765	-\$5,020	-\$4,065	-\$2,913
Schedule*	E	E	G	G	G	G
Average Cost/Employee	\$617	\$544	\$866	\$877	\$870	\$875

*2019 rate schedule set by Legislation. 2020 to 2024 rate schedule projected based on current statutory triggers, calculated with the previous three years average total wages. Taxable Wages at \$15,000

Source: Massachusetts Department of Unemployment Assistance UNIS-X model

**Other Income from Emergency UI Relief Fund and CARES Act Reimbursement estimated from first payments and 50 percent of reimbursables benefits

Figures may not add up due to rounding

Table 4: UNIS-X Model Output

	2019	2020	2021	2022	2023	2024
Total Covered Payroll (\$Billions)	\$209.2	\$195.1	\$202.3	\$213.5	\$227.2	\$239.6
Contributory Payroll (\$Billions)	\$45.6	\$45.1	\$46.0	\$46.6	\$48.8	\$50.1
Contributory Wage Proportion	21.8%	23.1%	22.7%	21.8%	21.5%	20.9%
Nominal Contribution Rate	3.8%	4.3%	5.4%	5.6%	5.4%	5.3%
Contribution as a % of Total Payroll	0.82%	0.77%	1.21%	1.18%	1.11%	1.06%
Benefits as a % of Total Payroll	0.60%	3.31%	2.38%	1.30%	0.69%	0.58%
Trust Fund Balance as a % of Total Payroll	0.77%	-1.23%	-2.36%	-2.35%	-1.79%	-1.22%
Solvency Assessment	0.69%	0.58%	6.00%	6.47%	4.85%	4.22%
AHCM	0.40	-0.64	-1.02	-0.91	-0.70	-0.47
Covered Employment (Thousands)	3,579	3,556	3,668	3,680	3,717	3,728
Total Unemployment Rate	2.9%	9.4%	7.2%	5.4%	4.1%	3.8%
Insured Unemployment Rate	1.6%	8.2%	6.3%	4.4%	3.0%	1.9%

Source: Economic assumptions are based on Moody's Analytics Data Services forecasts and Massachusetts UNIS-X Model.

Figures may not add up due to rounding

APPENDIX UNEMPLOYMENT INSURANCE DEFINITIONS

AVERAGE HIGH COST RATE:

The average of the three highest calendar benefit cost rates in the last 20 years (or a period including three recessions, if longer). The benefit cost rates private UI contributory employers benefits paid (including the state's share of extended benefits when applicable) as a percent of their total wages.

AVERAGE HIGH COST MULTIPLE (AHCM):

The ratio of the year-end trust fund balance as a percent of total wages divided by the Average High Cost Rate.

BENEFITS PAID:

The unemployment insurance benefits paid to individuals funded through the state program. This includes all weeks compensated including partial payments.

CIVILIAN LABOR FORCE:

The estimated average number of Massachusetts residents who are either employed or unemployed in the week of the 12th for the three months of the quarter.

COVERED EMPLOYMENT:

The number of employees covered by Unemployment Insurance reported to the state by employers. The numbers represent the count of all employees for the payroll period that includes the 12th of the month.

HIGH-COST MULTIPLE (HCM):

The ratio of the Trust Fund balance as a percent of total wages divided by the High Cost Rate. The High Cost Rate is the highest historical ratio of benefits paid to total wages for a 12-month period.

INITIAL CLAIMS:

Any notice of unemployment filed by an individual (1) to request a new determination of entitlement to and eligibility for unemployment compensation or (2) to begin a second or subsequent period of eligibility within a benefit year or period of eligibility following an additional separation from employment.

INSURED UNEMPLOYED:

The average number of weeks claimed for the three months of the quarter.

INSURED UNEMPLOYMENT RATE (IUR):

The rate computed by dividing Insured Unemployed for the current quarter by the average Covered Employment for the first four of the last six completed quarters.

OUTSTANDING LOAN BALANCES:

Balance, as of the end of the quarter, of advances acquired by the state under Title XII of the Social Security Act which allows states to use repayable advances from the federal UI account.

SOLVENCY ASSESSMENT:

The annual factor assessed to employer taxable payrolls to cover the net balance of charges and credits not directly assigned to individual employers.

TAXABLE WAGES:

Wages paid to covered employees that are subject to State Unemployment Insurance taxes. For Massachusetts, the first \$15,000 in wages per employee is covered by UI,

TAXABLE WAGE BASE:

For each State, the maximum amount of wages paid to an employee by an employer during a year in which their employment is subject to UI taxes. Wages above this amount are not subject to UI tax.

TOTAL UNEMPLOYED:

The estimated average number of residents, 16 years of age or older, who do not have a job but are available for work

and actively seeking work in the week of the 12th for the three months of the quarter. This includes individuals on layoff and waiting to report to a new job within 30 days.

TOTAL UNEMPLOYMENT RATE (TUR):

The rate computed by dividing Total Unemployed by the Civilian Labor Force.

TOTAL WAGES:

All wages or remuneration paid to workers on all payrolls covered by Unemployment Insurance.

TRUST FUND BALANCE (TF):

The balance in the individual state account in the Unemployment Trust Fund. Outlook estimates are for the private contributory account within the Trust Fund.

TRUST FUND AS % OF TAXABLE WAGES:

Year-end Trust Fund Balance as a percent of estimated taxable wages for the most recent 12 months; also referred to as the Reserve Ratio. Estimated wages are based on the latest growth rate in the 12 month moving average (MA).

UNEMPLOYMENT TRUST FUND (UTF):

A fund established in the Treasury of United States which contains all monies deposited by state agencies to the credit of their unemployment fund accounts.

WEEKS CLAIMED:

The number of weeks claimed for UI benefits, including weeks for which a waiting period or fixed disqualification period is being served. Interstate claims are counted in the state of residence.

WEEKS COMPENSATED:

The number of weeks claimed for which UI benefits are paid. Weeks compensated for partial unemployment are included. Interstate claims are counted in the paying state.