

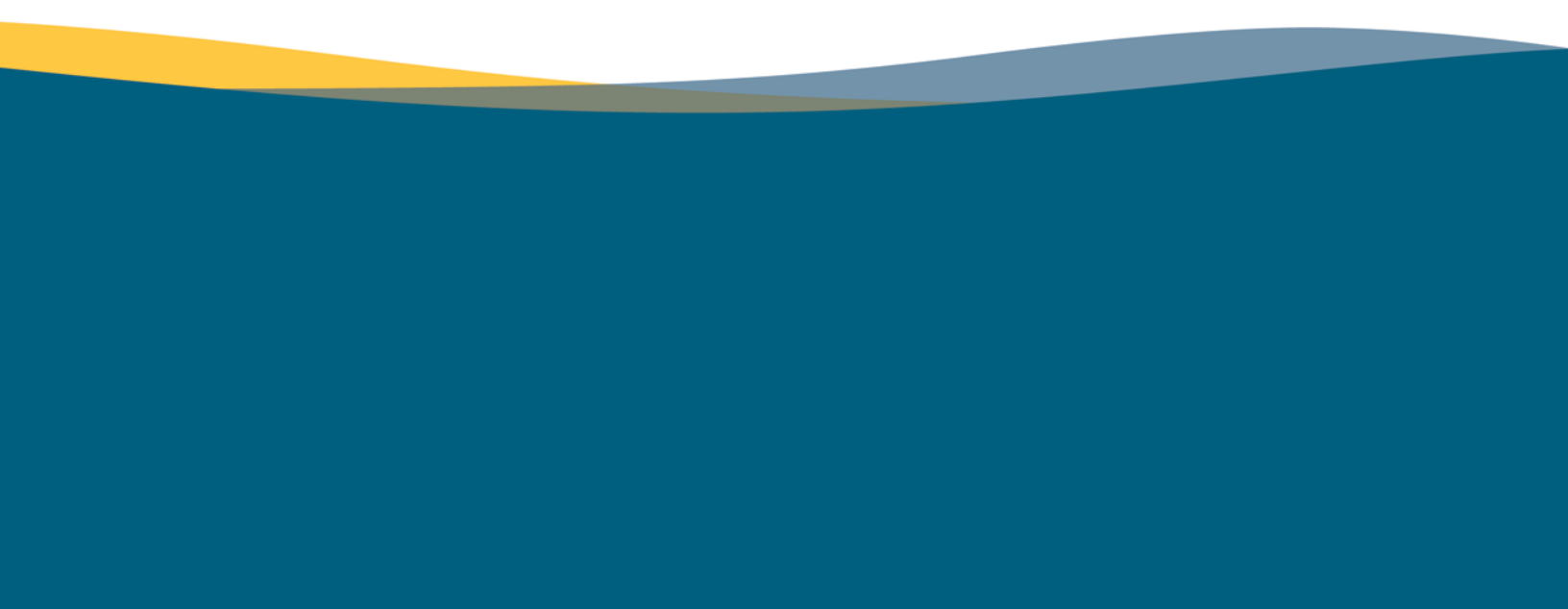
NEBRASKA

Good Life. Great Connections.

DEPARTMENT OF LABOR

Unemployment Insurance

Fiscal Year 2018 Annual Report



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Overview

The Nebraska Unemployment Insurance (UI) program was created to provide a temporary partial wage replacement to workers unemployed through no fault of their own. The UI program is a federal-state partnership based upon the implementation of the Social Security Act of 1935. The federal government sets broad overall policy for administration of the program and provides money to the states for the proper and efficient administration of the state unemployment programs. The United States Department of Labor (USDOL) monitors state performance and compliance and holds and invests all money in the Unemployment Trust Fund until drawn down by states for the payment of benefits.

The Nebraska Employment Security Law (NESL) sets forth benefit eligibility requirements for workers and the tax structure applicable to subject employers. The State directly administers the unemployment program, takes claims from unemployed workers, determines eligibility, insures timely payment of benefits, determines employer liability, and assesses and collects combined tax payments.

Benefits

In the federal fiscal year (FFY) ending on September 30, 2018, the State of Nebraska paid \$75,371,627 in regular and reimbursable unemployment benefits.

FFY	Regular	Payments in Lieu of Contributions	Total
2012	\$134,346,453	\$12,419,105	\$146,765,558
2013	\$113,327,591	\$9,733,507	\$123,061,098
2014	\$98,469,109	\$7,684,522	\$106,153,631
2015	\$86,550,512	\$6,373,893	\$92,924,405
2016	\$74,841,678	\$4,334,304	\$79,175,982
2017	\$76,218,144	\$4,435,075	\$80,653,220
2018	\$68,866,256	\$7,136,483	\$76,002,739

Nearly all wage and salary workers are covered by the UI program. Railroad workers are covered by a separate federal UI program. Ex-service members with recent service in the Armed Forces and civilian federal employees are covered by a federal UI program, with states paying benefits from federal funds as agents of the federal government.

UI Claims FFY 2018	
Initial Claims Filed	43,322
Initial Claims Receiving the First Payment	17,514
Continued Weeks Filed	275,220
Continued Weeks Paid	211,744

UI Monthly Claims			
Month	Initial Claims	Max. Weekly Benefit Amount	Avg. Weekly Benefit Amount
Oct	3,023	\$408	\$337
2017 Nov	4,296	\$408	\$334
Dec	7,026	\$408	\$333
Jan	5,744	\$414	\$341
Feb	3,084	\$414	\$344
Mar	2,991	\$414	\$343
Apr	2,480	\$414	\$341
2018 May	3,377	\$414	\$336
Jun	2,998	\$414	\$311
Jul	2,999	\$414	\$306
Aug	2,604	\$414	\$322
Sep	2,700	\$414	\$346

The average weekly benefit amount ranged from a high of \$346 in September 2018 to a low of \$306 in July 2018.

The number of initial claims ranged from a high of 7,026 in December 2017 to a low of 2,480 in April 2018.

Tax

Unemployment insurance (UI) taxes are assessed by the State of Nebraska upon wages earned in employment. The state “combined tax” is comprised of contributions which are deposited to the federal Unemployment Trust Fund and a state unemployment insurance tax which is deposited to the State Unemployment Insurance Trust Fund. The federal government collects a separate federal unemployment tax pursuant to the Federal Unemployment Tax Act (FUTA). Tax rates are established for the calendar year.

Some of the 2019 UI combined tax rates have changed from the 2018 UI combined tax rates.

Category 1 will continue to have a tax rate of 0.00%, Category 12 will decrease to 0.70%, and Category 20 will continue at 5.40%. The taxable wage base is \$9,000 per employee per year.

Historical (CY 2011 – 2017) Combined Tax Rates							
Category	2012	2013	2014	2015	2016	2017	2018
1	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	0.62%	0.42%	0.35%	0.29%	0.25%	0.19%	0.19%
3	1.00%	0.67%	0.56%	0.47%	0.40%	0.30%	0.30%
4	1.12%	0.76%	0.62%	0.53%	0.45%	0.34%	0.34%
5	1.25%	0.84%	0.69%	0.58%	0.50%	0.37%	0.38%
6	1.50%	1.01%	0.83%	0.70%	0.60%	0.45%	0.46%
7	1.62%	1.09%	0.90%	0.76%	0.65%	0.49%	0.49%
8	1.75%	1.18%	0.97%	0.82%	0.70%	0.52%	0.53%
9	2.00%	1.35%	1.11%	0.93%	0.80%	0.60%	0.61%
10	2.25%	1.52%	1.25%	1.05%	0.90%	0.67%	0.68%
11	2.37%	1.60%	1.32%	1.11%	0.95%	0.71%	0.72%
12	2.49%	1.68%	1.39%	1.17%	1.00%	0.75%	0.76%
13	2.62%	1.77%	1.46%	1.23%	1.05%	0.79%	0.80%
14	2.74%	1.85%	1.53%	1.28%	1.10%	0.82%	0.84%
15	2.99%	2.02%	1.67%	1.40%	1.20%	0.90%	0.91%
16	3.37%	2.27%	1.87%	1.58%	1.35%	1.01%	1.03%
17	3.87%	2.61%	2.15%	1.81%	1.55%	1.16%	1.18%
18	4.49%	3.03%	2.50%	2.10%	1.80%	1.35%	1.37%
19	5.36%	3.62%	2.98%	2.51%	2.15%	1.61%	1.63%
20	6.49%	5.40%	5.40%	5.40%	5.40%	5.40%	5.40%

Historical (CY 2011 – 2017) Combined Tax Rates – New Employers							
Category	2012	2013	2014	2015	2016	2017	2018
Non-construction	2.49%	1.68%	1.39%	1.25%	1.25%	1.25%	1.25%
Construction	6.49%	5.40%	5.40%	5.40%	5.40%	5.40%	5.40%

Contributions from Employers to Unemployment Trust Fund							
	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Combined tax	\$180,832,150.79	\$128,357,876.37	\$110,991,856.44	\$100,444,301.42	\$94,030,101.76	\$74,129,624	\$74,322,913
Payments in lieu of contributions	\$15,409,832.95	\$10,408,073.57	\$9,296,119.16	\$6,654,051.78	\$4,853,263.53	\$4,336,230	\$4,821,376

Trust Fund

FFY Unemployment Trust Fund (UTF) and State Unemployment Insurance Trust (SUIT) Balances

	2012	2013	2014	2015	2016	2017	2018
UTF Available for Benefits	\$319,773,037	\$356,089,528	\$351,594,772	\$388,852,371	\$417,589,713	\$420,998,487	\$435,349,291
SUIT Balance	\$49,228,949	\$51,614,189	\$50,124,392	\$56,667,033	\$60,250,459	\$61,646,295	\$66,016,324
Total Funds Available to Pay Benefits	\$369,001,987	\$407,703,717	\$401,719,164	\$445,519,405	\$477,840,172	\$482,644,783	\$501,365,614
State Reserve Ratio	1.08%	1.14%	1.09%	1.15%	1.18%	1.15%	1.15%

The UTF is established

within the federal treasury as a reserve to pay liability against future benefits. The SUIT Fund is a state account reserved for the payment of unemployment benefits if needed.

UTF Balance

9/30/2012	\$333,940,398
9/30/2013	\$364,492,935
9/30/2014	\$385,056,723
9/30/2015	\$392,393,375
9/30/2016	\$419,015,436
9/30/2017	\$428,264,969
9/30/2018	\$441,472,601

SUIT Fund Balance

9/30/2012	\$49,228,949
9/30/2013	\$51,614,189
9/30/2014	\$50,124,392
9/30/2015	\$56,667,033
9/30/2016	\$60,250,459
9/30/2017	\$61,646,295
9/30/2018	\$66,016,324

Recommendations for Legislature

Because of the continued solvency of the Nebraska unemployment program, no significant changes to the Nebraska Employment Security Law are required at this time.



Equal Opportunity Employer/TDD: 800.833.7352

Auxiliary aids and services are available upon request to individuals with disabilities.