

# NEBRASKA

Good Life. Great Connections.

DEPARTMENT OF LABOR



Pete Ricketts, Governor

December 31, 2017

Pete Ricketts, Governor  
State of Nebraska  
State Capitol NW Corner  
Lincoln, Nebraska 68509-4848

Pursuant to Neb. Rev. Stat. §48-606, the Commissioner of Labor is required to submit an annual report to the Governor on or before December 31 of each year concerning the administration and operation of the Nebraska Employment Security Law for the previous fiscal year. I am pleased to provide you with the Unemployment Insurance Program Annual Report for Fiscal Year 2017, as administered by the Nebraska Department of Labor under the Nebraska Employment Security Law. This report covers the period of October 1, 2016 to September 30, 2017.

Sincerely,

A handwritten signature in black ink that reads "John H. Albin".

John H. Albin  
Commissioner of Labor

John H. Albin, Commissioner

**Department of Labor**

550 S. 16th Street  
P.O. Box 94600  
Lincoln, Nebraska 68509-4600

OFFICE 402-471-9000

[dol.nebraska.gov](http://dol.nebraska.gov)

An Equal Opportunity Employer | TDD 800-833-7352

NEBRASKA

Good Life. Great Connections.

# Unemployment Insurance Program

## ANNUAL REPORT

Department of Labor

Fiscal Year 2017

# Table of Contents

**4** Overview

**4** Benefits

**6** Tax

**7** Trust Fund

# 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, 2017, the State of Nebraska paid \$80,653,220 in regular and reimbursable unemployment benefits.

<b>UI Benefits Paid</b>			
<b>FFY</b>	<b>Regular</b>	<b>Payments in Lieu of Contributions</b>	<b>Total</b>
2011	\$170,684,755	\$13,240,292	\$183,925,047
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

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.

<b>UI Claims FFY 2017</b>	
Initial Claims Filed	48,052
Initial Claims Receiving the First Payment	19,177
Continued Weeks Filed	292,506
Continued Weeks Paid	242,296

### UI Monthly Claims

Month	Initial Claims	Max. Weekly Benefit Amount	Avg. Weekly Benefit Amount
2016	Oct	\$392	\$321
	Nov	\$392	\$317
	Dec	\$392	\$319
2017	Jan	\$408	\$326
	Feb	\$408	\$329
	Mar	\$408	\$327
	Apr	\$408	\$326
	May	\$408	\$323
	Jun	\$408	\$304
	Jul	\$408	\$299
	Aug	\$408	\$308
	Sep	\$408	\$263

The average weekly benefit amount ranged from a high of \$329 in Feb 2017 to a low of \$263 in September 2017.

The number of initial claims ranged from a high of 7,893 in December 2016 to a low of 2,779 in September 2017.

# 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 2018 UI combined tax rates have changed from the 2017 UI combined tax rates. Category 1 will continue to have a tax rate of 0.00%, Category 12 will be 0.76%, and Category 20 will continue at 5.40%. The 2017 taxable wage base is \$9,000 per employee per year.

## Historical (CY 2011 - 2017) Combined Tax Rates

Category	2011	2012	2013	2014	2015	2016	2017
1	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	0.83%	0.62%	0.42%	0.35%	0.29%	0.25%	0.19%
3	1.33%	1.00%	0.67%	0.56%	0.47%	0.40%	0.30%
4	1.50%	1.12%	0.76%	0.62%	0.53%	0.45%	0.34%
5	1.67%	1.25%	0.84%	0.69%	0.58%	0.50%	0.37%
6	2.00%	1.50%	1.01%	0.83%	0.70%	0.60%	0.45%
7	2.16%	1.62%	1.09%	0.90%	0.76%	0.65%	0.49%
8	2.33%	1.75%	1.18%	0.97%	0.82%	0.70%	0.52%
9	2.66%	2.00%	1.35%	1.11%	0.93%	0.80%	0.60%
10	3.00%	2.25%	1.52%	1.25%	1.05%	0.90%	0.67%
11	3.16%	2.37%	1.60%	1.32%	1.11%	0.95%	0.71%
12	3.33%	2.49%	1.68%	1.39%	1.17%	1.00%	0.75%
13	3.50%	2.62%	1.77%	1.46%	1.23%	1.05%	0.79%
14	3.66%	2.74%	1.85%	1.53%	1.28%	1.10%	0.82%
15	4.00%	2.99%	2.02%	1.67%	1.40%	1.20%	0.90%
16	4.50%	3.37%	2.27%	1.87%	1.58%	1.35%	1.01%
17	5.16%	3.87%	2.61%	2.15%	1.81%	1.55%	1.16%
18	5.99%	4.49%	3.03%	2.50%	2.10%	1.80%	1.35%
19	7.16%	5.36%	3.62%	2.98%	2.51%	2.15%	1.61%
20	8.66%	6.49%	5.40%	5.40%	5.40%	5.40%	5.40%

## Historical (CY 2011 - 2017) Combined Tax Rates - New Employers

Category	2011	2012	2013	2014	2015	2016	2017
Non-construction	2.50%	2.49%	1.68%	1.39%	1.25%	1.25%	1.25%
Construction	8.66%	6.49%	5.40%	5.40%	5.40%	5.40%	5.40%

## Contributions from Employers to Unemployment Trust Fund

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Combined tax	\$214,313,645.92	\$180,832,150.79	\$128,357,876.37	\$110,991,856.44	\$100,444,301.42	\$94,030,101.76	\$74,129,624
Payments in lieu of contributions	\$12,116,879.36	\$15,409,832.95	\$10,408,073.57	\$9,296,119.16	\$6,654,051.78	\$4,853,263.53	\$4,336,230

# Trust Fund

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

	2011	2012	2013	2014	2015	2016	2017
UTF Available for Benefits	\$260,007,280	\$319,773,037	\$356,089,528	\$351,594,772	\$388,852,371	\$417,589,713	\$420,998,487
SUIT Balance	\$51,082,869	\$49,228,949	\$51,614,189	\$50,124,392	\$56,667,033	\$60,250,459	\$61,646,295
Total Funds Available to Pay Benefits	\$311,090,149	\$369,001,987	\$407,703,717	\$401,719,164	\$445,519,405	\$477,840,172	\$482,644,783
State Reserve Ratio	0.93%	1.08%	1.14%	1.09%	1.15%	1.18%	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		SUIT Fund Balance	
9/30/2011	\$276,140,022	9/30/2011	\$51,082,869
9/30/2012	\$333,940,398	9/30/2012	\$49,228,949
9/30/2013	\$364,492,935	9/30/2013	\$51,614,189
9/30/2014	\$385,056,723	9/30/2014	\$50,124,392
9/30/2015	\$392,393,375	9/30/2015	\$56,667,033
9/30/2016	\$419,015,436	9/30/2016	\$60,250,459
9/30/2017	\$428,264,969	9/30/2017	\$61,646,295

## Recommendations for Legislation

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

# NEBRASKA

Good Life. Great Connections.

---

**DEPARTMENT OF LABOR**

Equal Opportunity Employer/TDD: 800.833.7352  
Auxiliary aids and services are available upon  
request to individuals with disabilities.