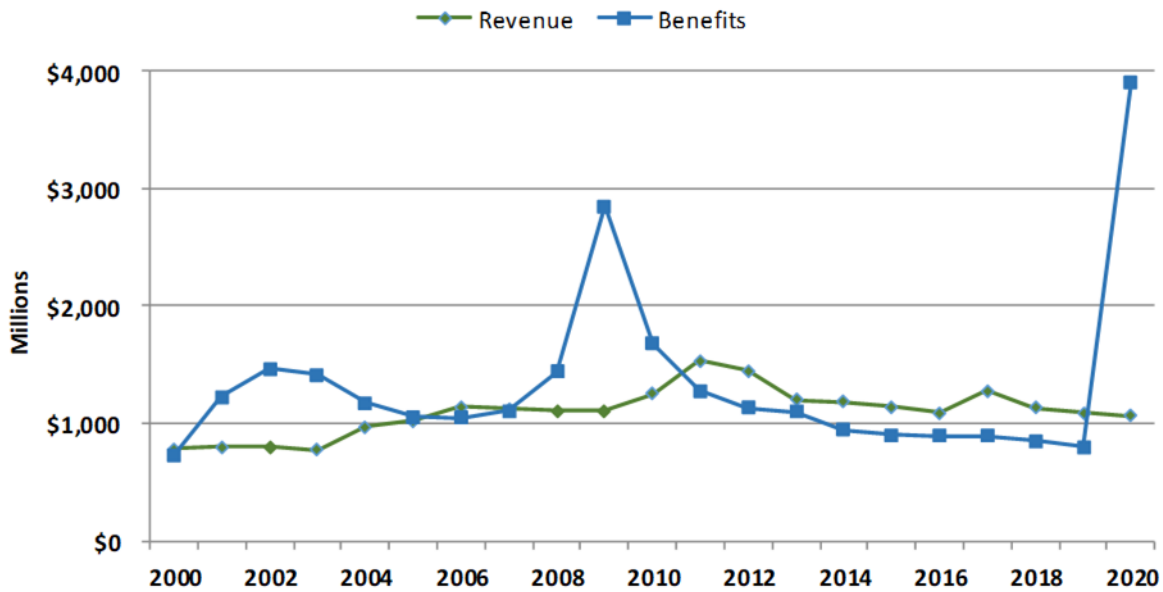




Unemployment Compensation Solvency

November 2021

Unemployment Trust Fund Revenue and Benefits, 2000-2020



\$2.33

Billion

Balance of the UC Fund in December 2000

\$1.21

Billion

Pre-Pandemic (January 2020) UC Fund Balance

\$1.47

Billion

Borrowed during pandemic; repaid federal loan September 2021

\$491.4

Million

July 2021 UC Fund Balance

Unemployment Compensation in Practice

Employers Pay Unemployment Taxes

- First \$9,000 of each employee's earnings; the tax is generally equal to \$9,000 X total rate (experience + additional)
  - Experience rate**—based on each employer's history in paying UC claims. In 2021, rates range from 0.3% (\$27) to 9.3% (\$837) - average is 2.1% (\$189)
  - Additional rates** - charged depending on circumstances. In 2021, an additional 0.5% (\$45) mutualized rate is in effect due to depletion of account

Separated Employees Receive Benefits

- Individuals who lose their job through no fault of their own are generally eligible for regular UC benefits equal to half of their weekly income (up to a maximum cap) for a period of up to 26 weeks
- At the end of 2020, individuals received an average of \$363 weekly for an average of 13.3 weeks (about \$4,800 total)
- The maximum cap a person can receive in benefits varies based on how many dependents the individual has.

UC TAX =  
\$9000 per employee X Total Rate



Employee Benefits  
1/2 earnings Up to: 26 weeks

Unemployment Trust Fund Solvency, Average High Cost Multiple, January 1, 2020

- U.S. Department of Labor measures the solvency of states' unemployment systems by the Average High-Cost Multiple (AHCM)
- An AHCM greater than one means a state has the equivalent of one year of benefits in its Unemployment Trust Fund
- Of Ohio's border states, Michigan was the only state to have an AHCM greater than one as of January 1, 2020 (pre-pandemic)
- AHCM provides an estimate of the amount of time an Unemployment Trust Fund could pay benefits at the average of a state's three highest cost years in the last two decades

