

Status of the Unemployment Trust Fund and Related Issues



Commission on Unemployment Compensation

August 20, 2012

John R. Broadway, Commissioner

Trust Fund Data—Standard Forecast

(Millions of Dollars)



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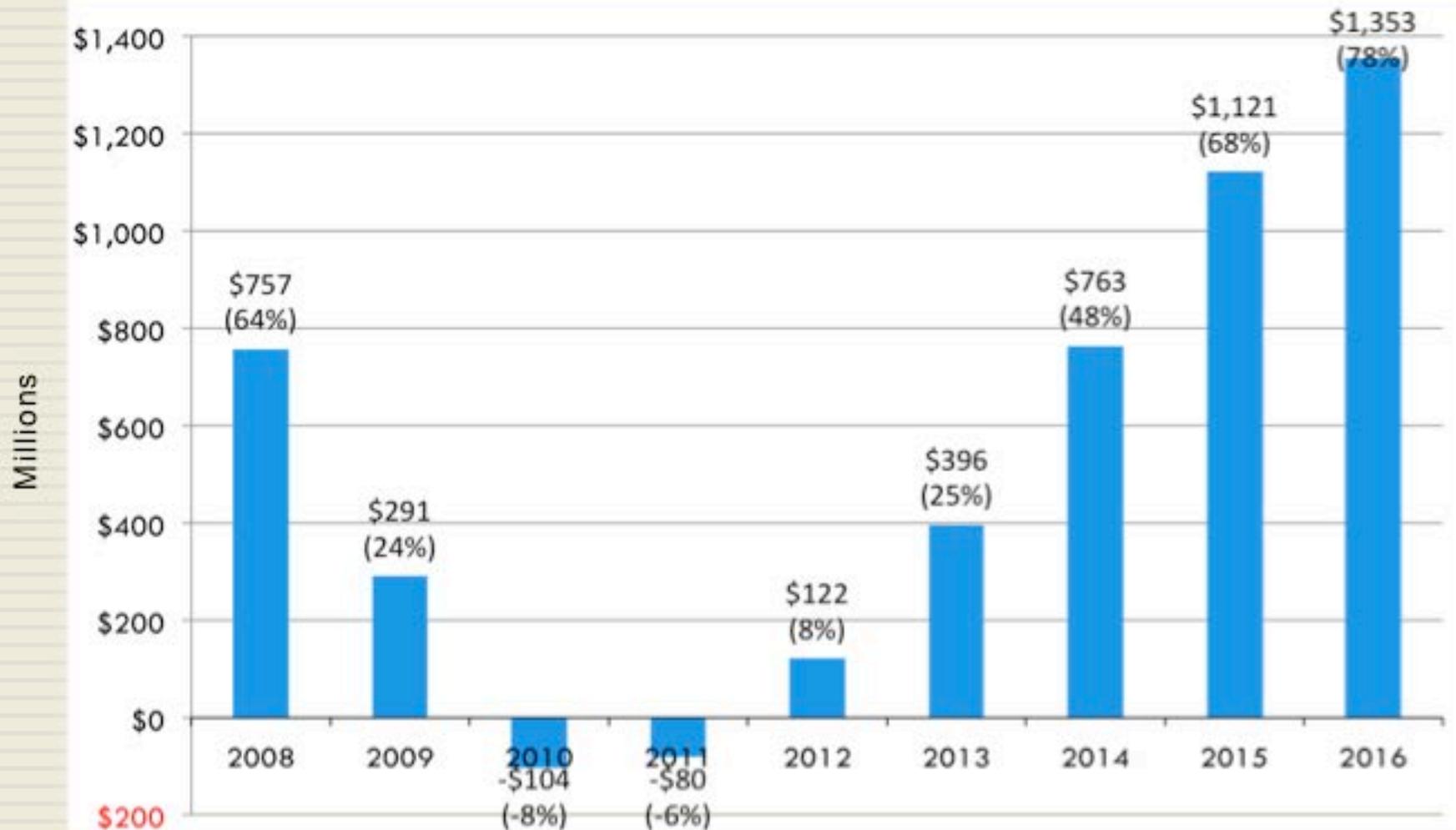
	2011	2012
January 1 Balance	-\$347.5	-\$276.2
Tax Revenue	\$702.2	\$785.2
Interest Revenue	\$0.0	\$0.8
Benefits	\$630.9	\$605.4
December 31 Loan Balance	-\$276.2	-\$32.6
Solvency Level (6/30)	-6.1%	8.3%

December 31, 2012, balance includes \$63 million from FUTA Credit Reduction paid to IRS.

June 30 Balances and Trust Fund Solvency



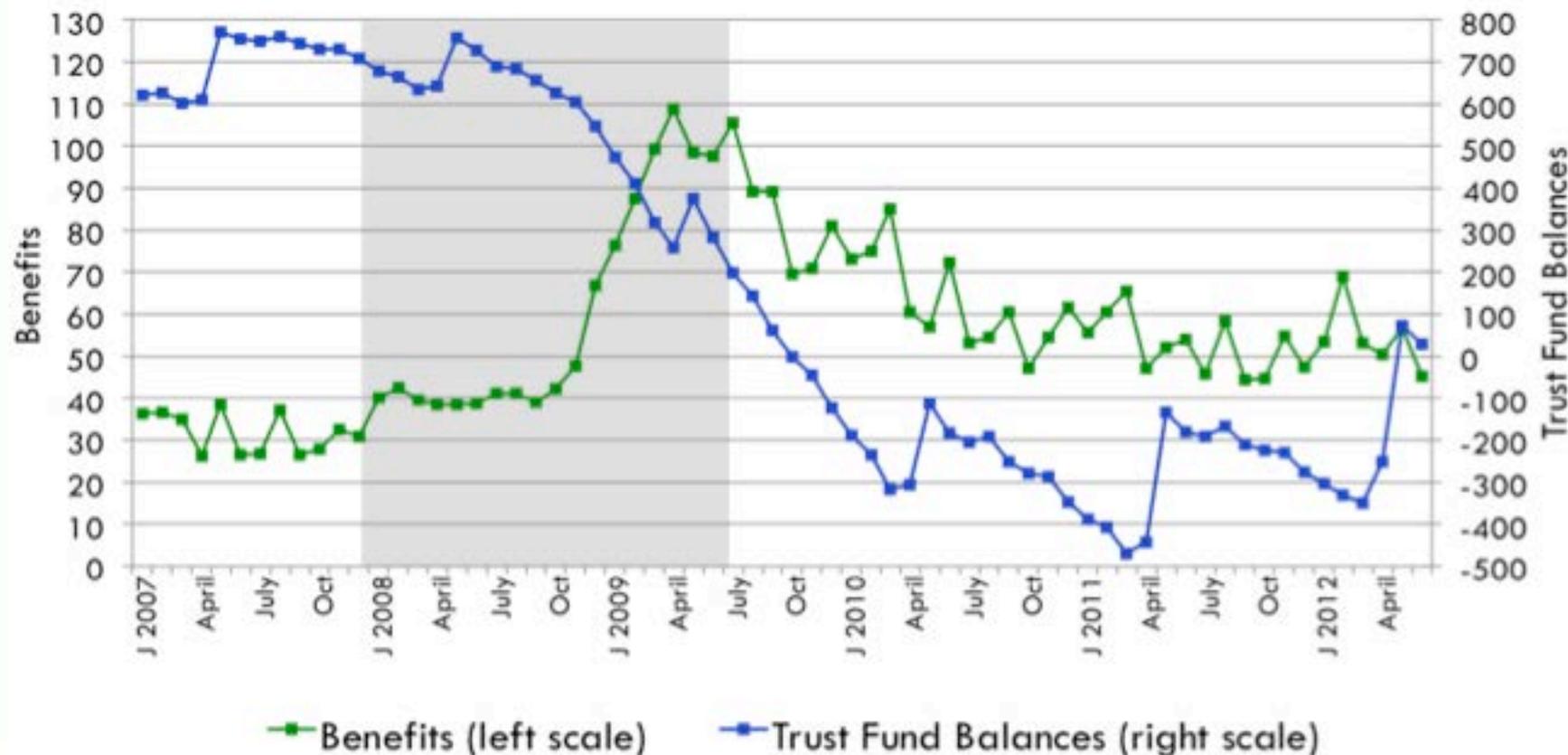
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Trust Fund Solvency shown as a percent (%)

Benefits Paid^{*} and Trust Fund Balances

(Millions of Dollars)

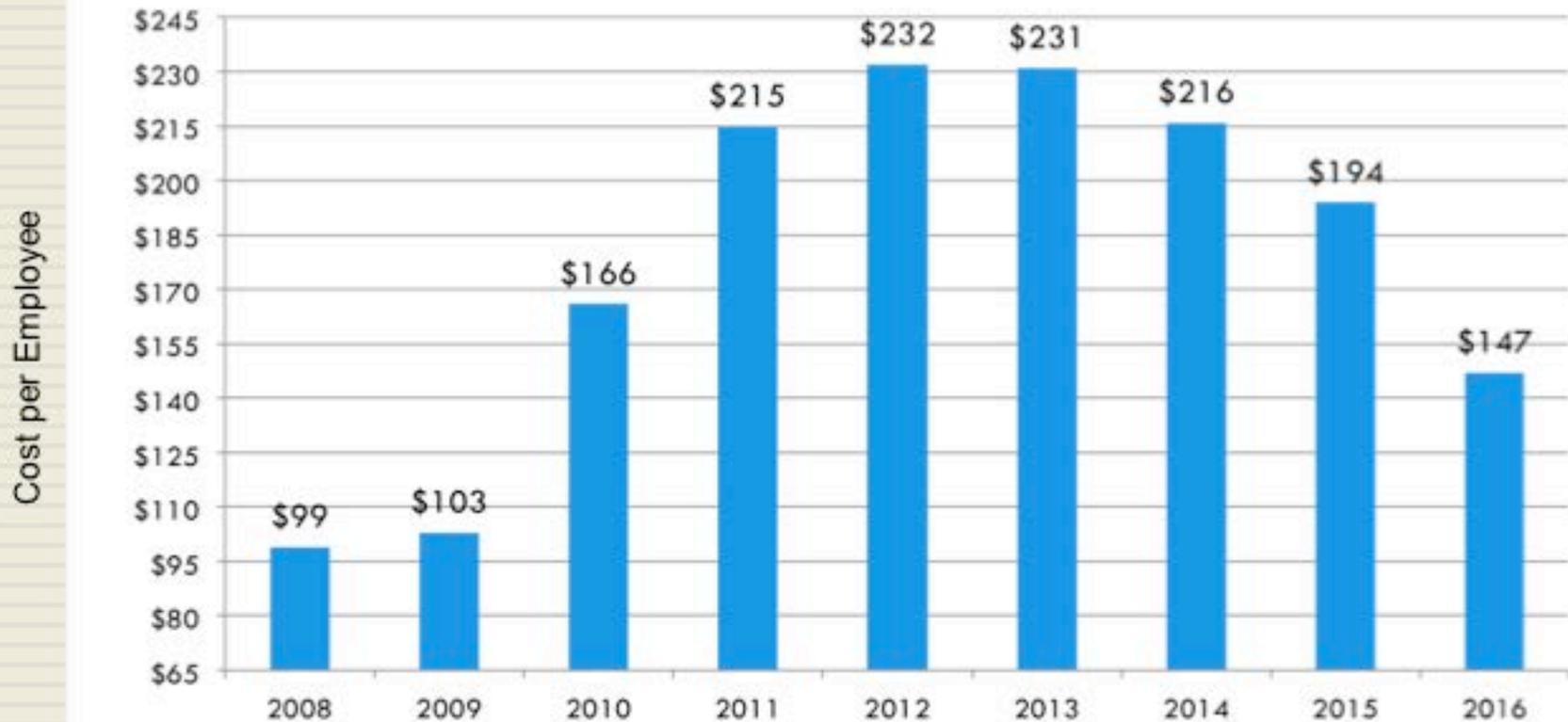


*UI only; excludes Federal EUC, EB, and FAC payments.
 The shaded area on the graph represents the December 2007 - June 2009 recession.

Average Total State Tax*



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* Includes pool tax and fund builder tax.

Calendar Year

Pool Taxes

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Standard Forecast Summary



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- Projected to borrow additional \$175 million October 2012 - April 2013.
- Federal waiver of interest was not extended beyond 2010, so interest payments total \$14.6 million in 2011 and 2012. This could not be paid out of Trust Fund or UI grants from federal government. In September 2011, \$8.8 million was paid from the General Fund and the VEC's Penalty and Interest Fund. In September 2012, \$5.8 million is due and will be paid from the VEC's Penalty and Interest Fund.
- FUTA credit reduction in 2011 increased taxes \$21 per employee and reduced loan balances \$63 million in March-July 2012.
- No further legislated changes in benefits and taxes.

Loan Repayment Schedule



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- \$358 million payment in May 2011.
- \$45 million payment in August 2011.
- FUTA Credit Reduction payments to IRS reduced loan balance by \$63 million in March-July 2012.
- \$352 million payment in May 2012 paid off remaining loan balance.
- Borrowing resumes October through mid-April 2013.
- Final \$175 million loan payment made in May 2013.

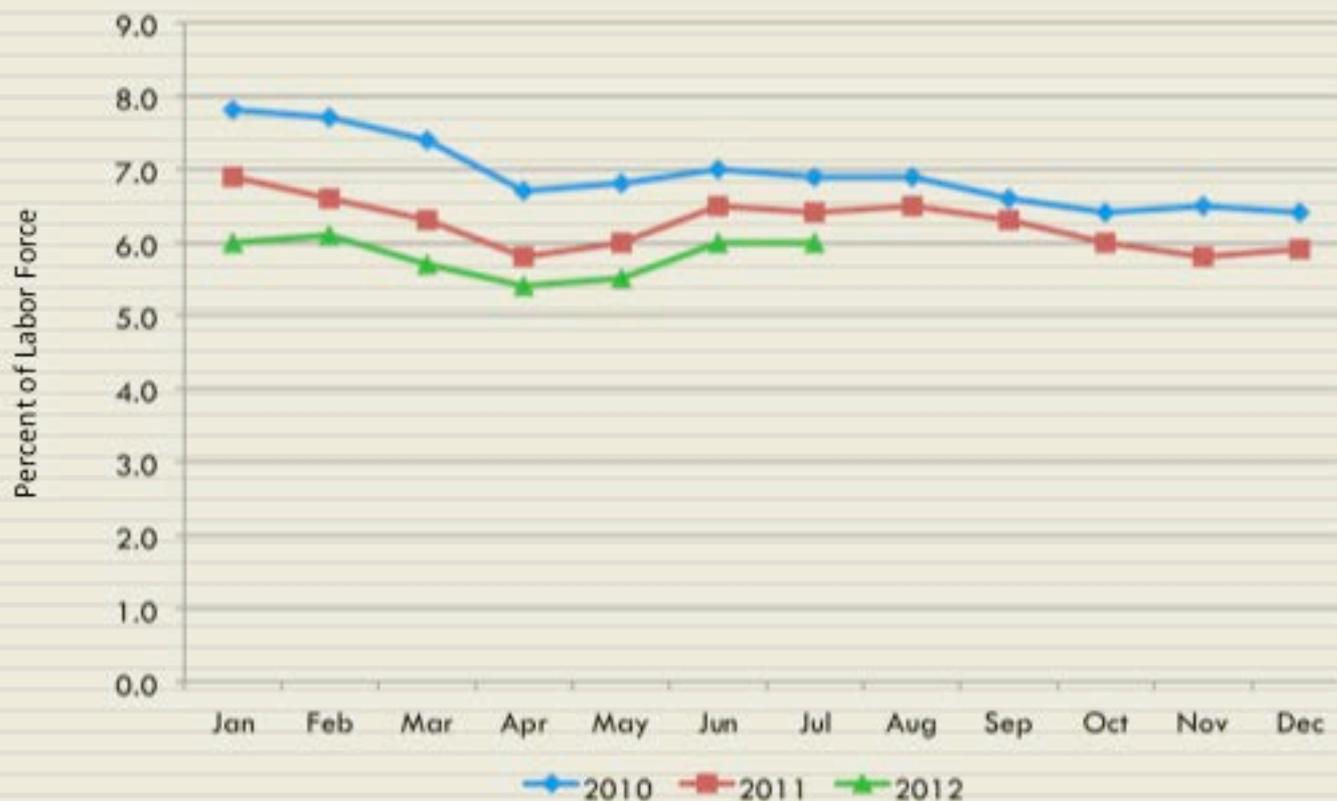
Virginia's Unemployment Rates 2010 - 2012 (year to date)



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- This year unemployment rates have averaged about 8 percent lower than the year-ago rates.

(not seasonally adjusted)



Claims Filed

Calendar Year	Initial Claims
2007	254,976
2008	347,570
2009	485,711
2010	380,830
2011	330,057
2012 (Jan.-Jul.)	183,302

Weeks of Unemployment Benefits Currently Authorized



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State	Federal Emergency Unemployment Compensation (scheduled to expire December 29, 2012)		
	Available in Virginia	No Longer Available in Virginia	
26	20 (Tier I)	13+1 (Tier II)	13 (Tier III)
Maximum weeks in most states	Up to 20 weeks available nationwide; reduced to 14 weeks available as of September 9, 2012	Up to an extra 13 weeks paid in "high unemployment state", 14th week added by Congress effective 11/2009	Up to 13 additional weeks of benefits paid on "high unemployment" states (6%+) to Exhaustees (Tier II and EBs)
	<ul style="list-style-type: none"> • New Program • Benefits began July 2008 		

Unemployed can qualify for up to 46 weeks of benefits in Virginia as of July 1, 2012
 Reduces to up to 40 weeks effective September 9, 2012
 Last week to file a new Tier III claim in Virginia was April 22, 2012
 Last week to file a new Tier II claim in Virginia was June 24, 2012
 Last week to file a new Tier I claim in Virginia is December 23, 2012

Fourth Circuit States



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	Trust Fund Balance (3/31/12) (Millions)	Average Tax per Employee (year ending 9/30/11)	Average Tax rate (year ending 9/30/11)	Taxable Wage Base 2011	2012 Maximum Weekly Benefit	2012 Maximum Weekly Benefit Replacement Rate
DC	\$275	\$248	2.75%	\$9,000	\$359	25%
MD	\$310	\$441	5.19%	\$8,500	\$430	44%
NC	-\$2,594	\$427	2.17%	\$19,700	\$522	65%
SC	-\$707	\$343	3.43%	\$10,000	\$326	44%
VA	-\$302	\$206	2.58%	\$8,000	\$378	40%
WV	\$76	\$378	3.15%	\$12,000	\$424	58%
US Avg.	-\$589	\$444	2.82%	\$15,754	\$413	45%

Maximum Potential Weeks of UI Benefits for New Claimants

