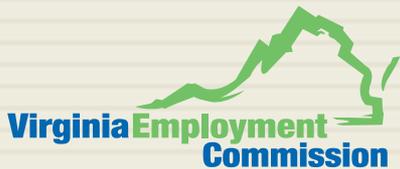


Status of the Unemployment Trust Fund and Related Issues



Commission on Unemployment
Compensation

December 12, 2011

John R. Broadway, Commissioner

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Standard Forecast Summary



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- ❑ Must borrow additional \$196 million December 2011 - April 2013.
- ❑ Federal waiver of interest was not extended beyond 2010, so interest payments total \$15.5 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, \$6.7 million is due.
- ❑ FUTA credit reduction in 2011 increases taxes \$21 per employee and reduces loan balances \$82 million in February 2012.
- ❑ No further legislated changes in benefits and taxes.

Loan Repayment Schedule

- \$358 million payment in May 2011.
- \$45 million payment in August 2011.
- FUTA Credit Reduction payments to IRS reduce loan balance by \$82 million in February 2012.
- \$300 million payment in May 2012 pays off remaining loan balance. (Further borrowing unnecessary for rest of CY 2012.)
- Borrowing resumes for January through mid-April 2013.
- Final \$70 million loan payment made in May 2013.

Trust Fund Data—Standard Forecast

(Millions of Dollars)



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	2010	2011
January 1 Balance	-\$122.9	-\$347.5
Tax Revenue	\$530.6	\$695.7
Interest Revenue	\$0.0	\$0.0
Benefits	\$755.2	\$621.9
December 31 Loan Balance	-\$347.5	-\$273.7
Solvency Level (6/30)	-8.1%	-6.1%

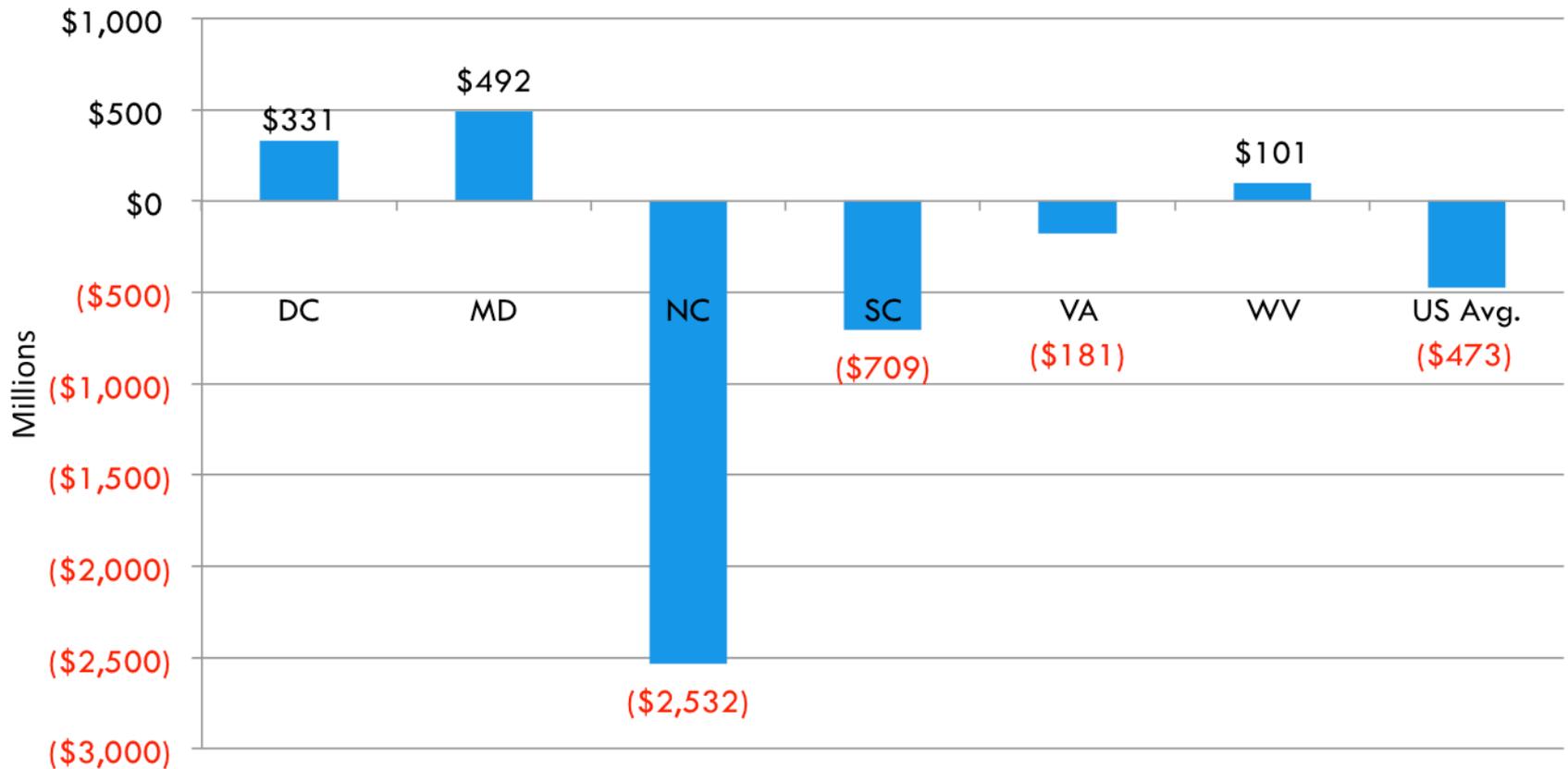
As of November 18, 2011, Trust Fund Balance was -\$212 million.
\$45 million loan repayment in August, 2011

Trust Fund Balance (Less Loans)

Fourth Circuit – 6/30/11

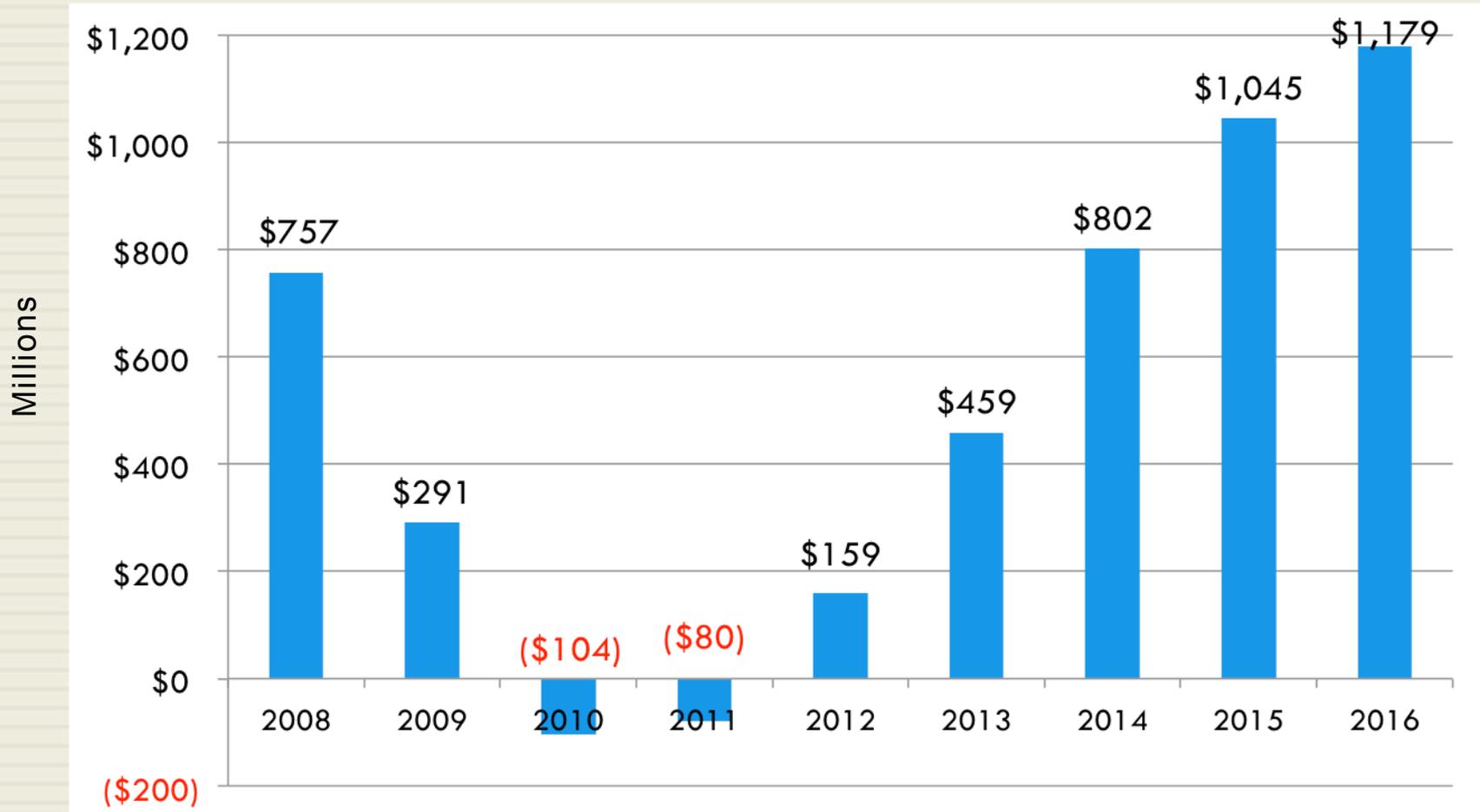


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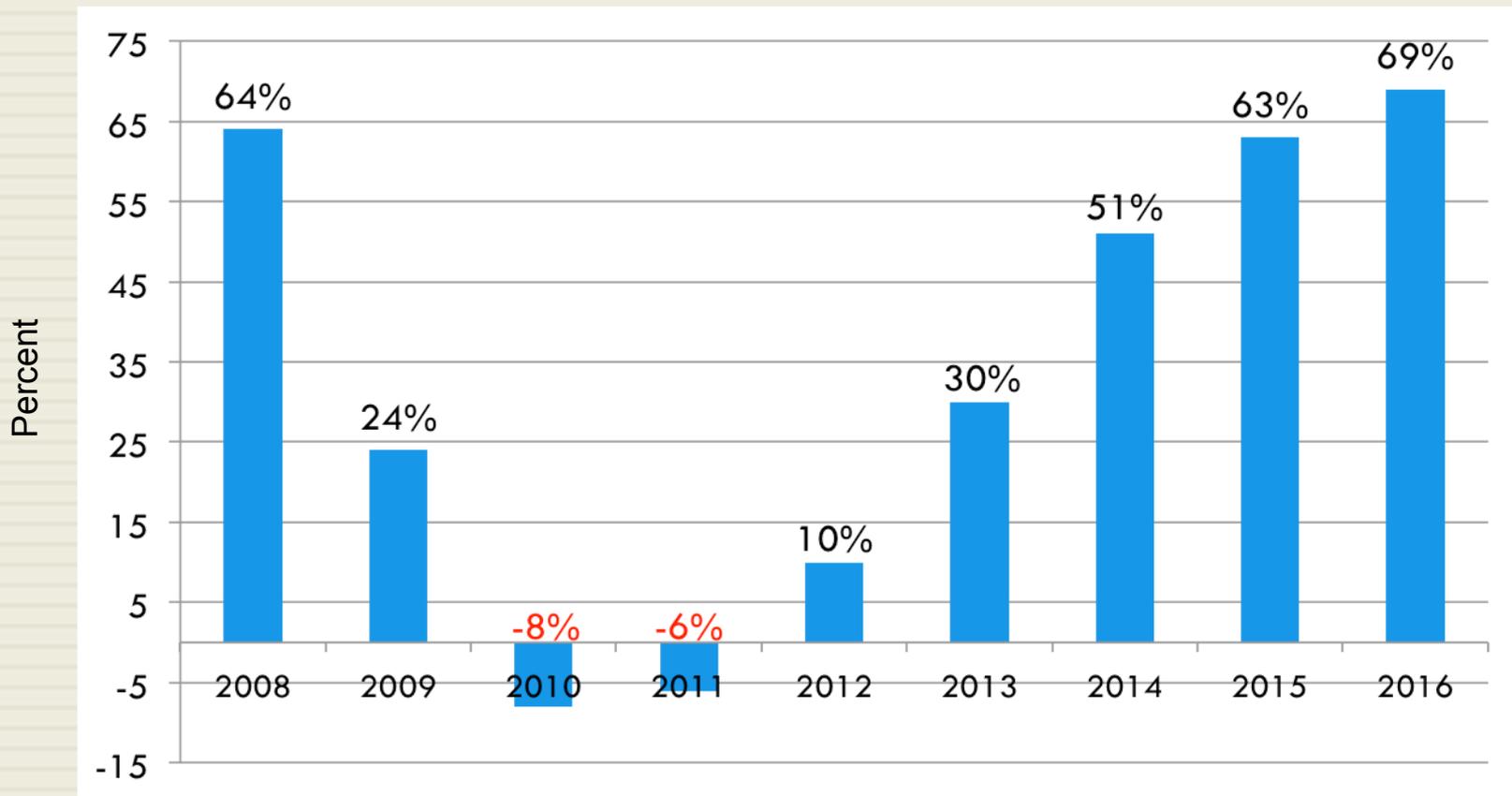


June 30 Balances

7

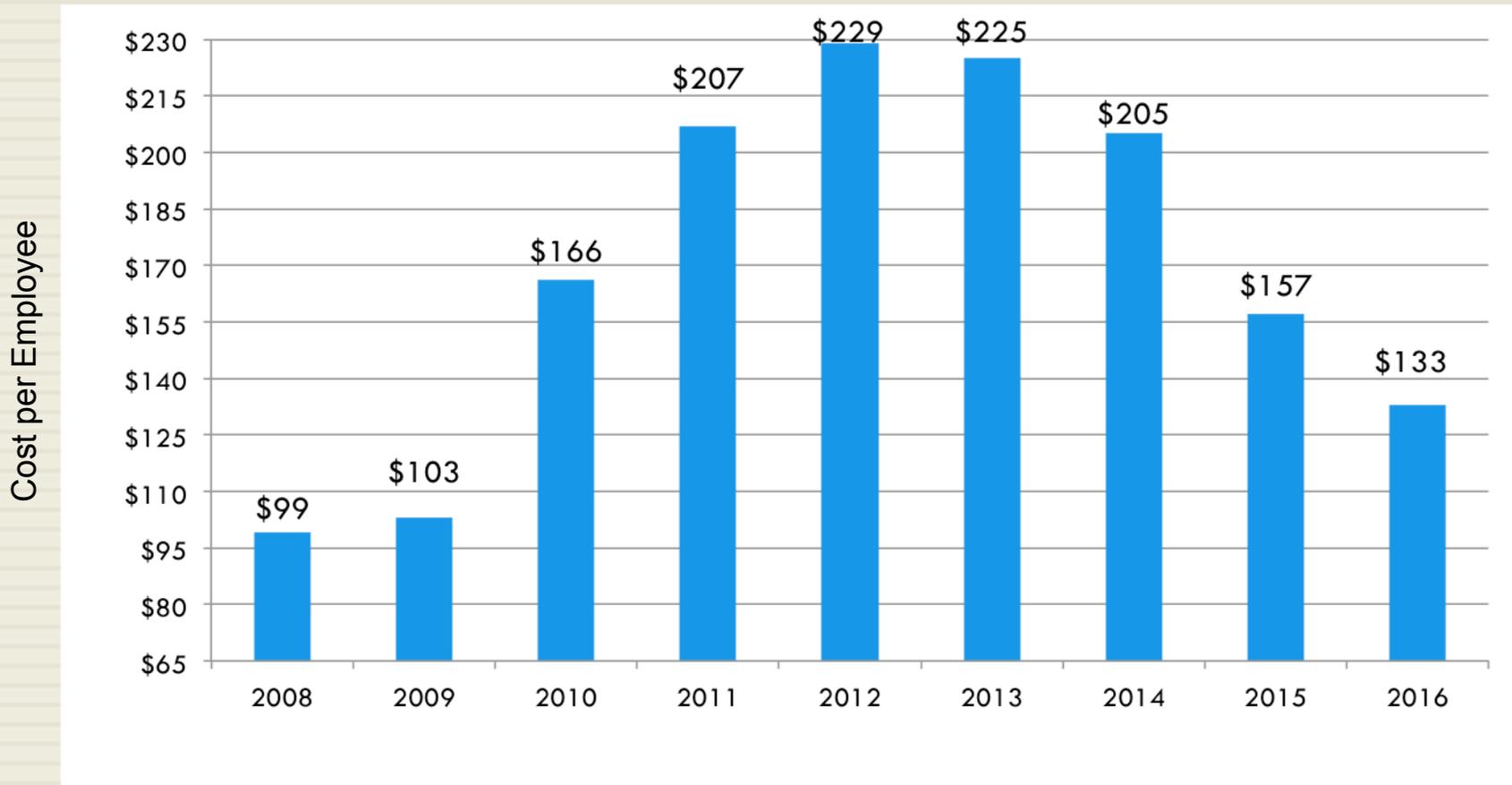


Trust Fund Solvency



June 30

Average Total State Tax*



* Includes pool tax and fund builder tax.

Calendar Year

Pool Taxes

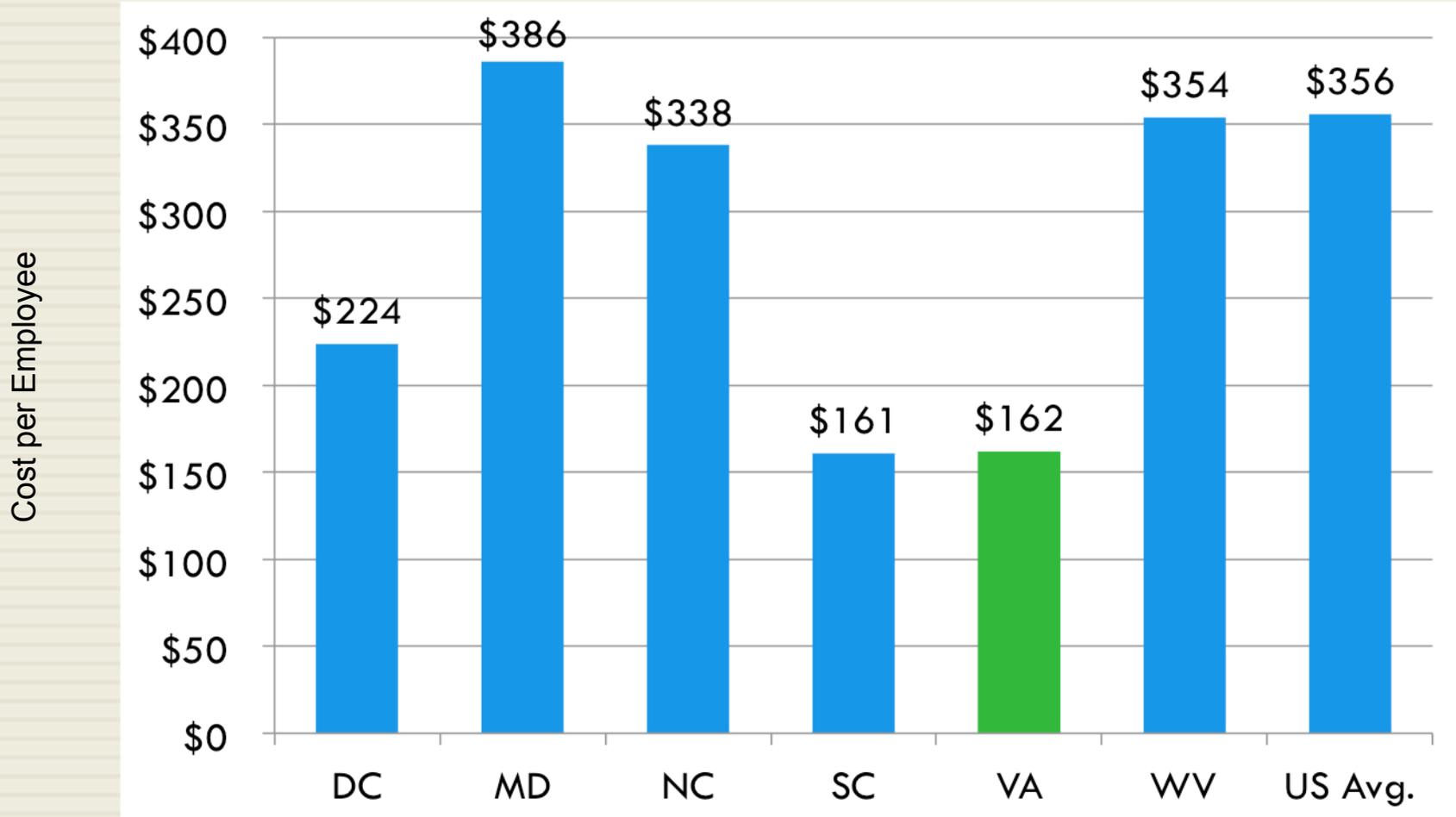


Average Tax per Employee

Fourth Circuit – Year Ending 12/31/10



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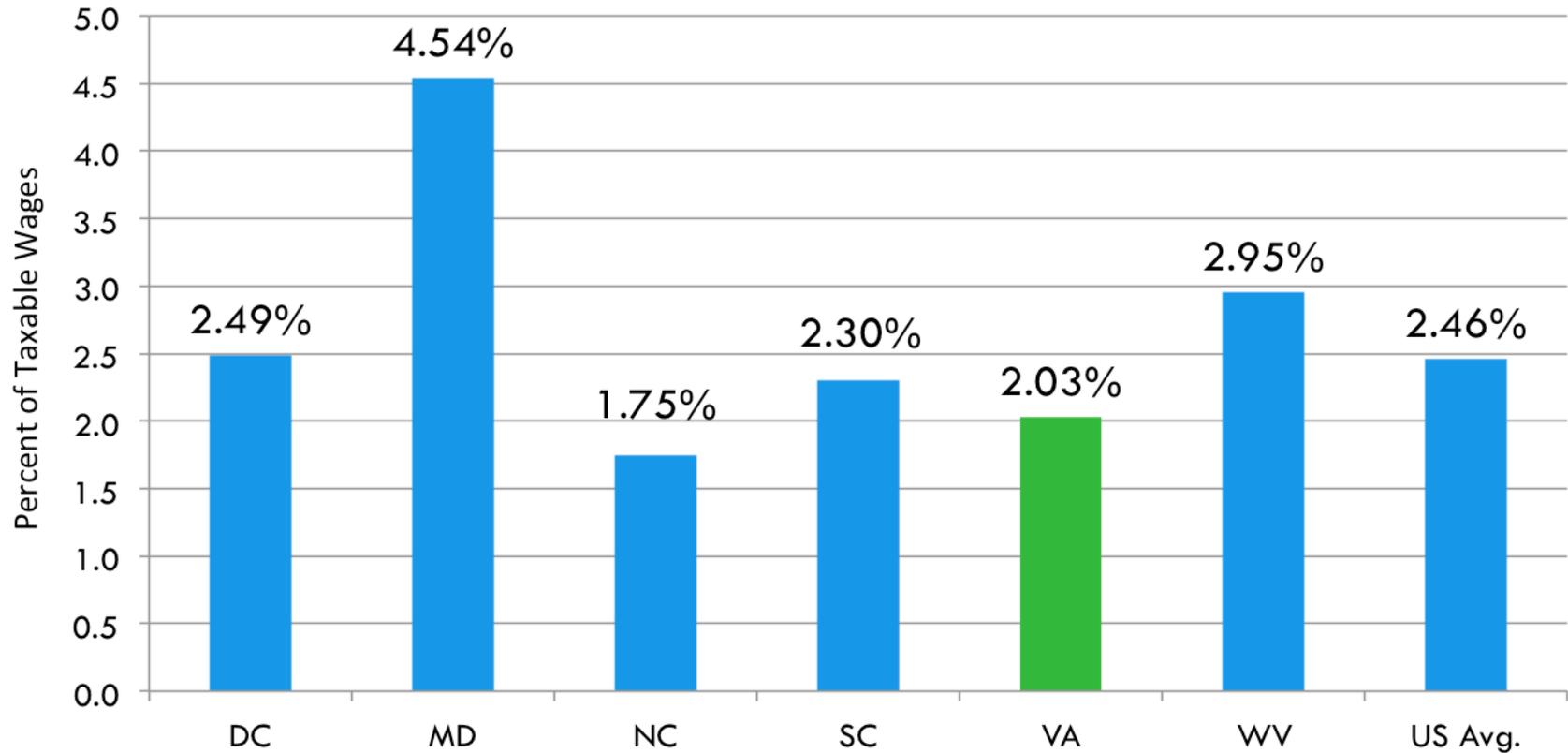


Average Tax Rate

Fourth Circuit – Year Ending 12/31/10



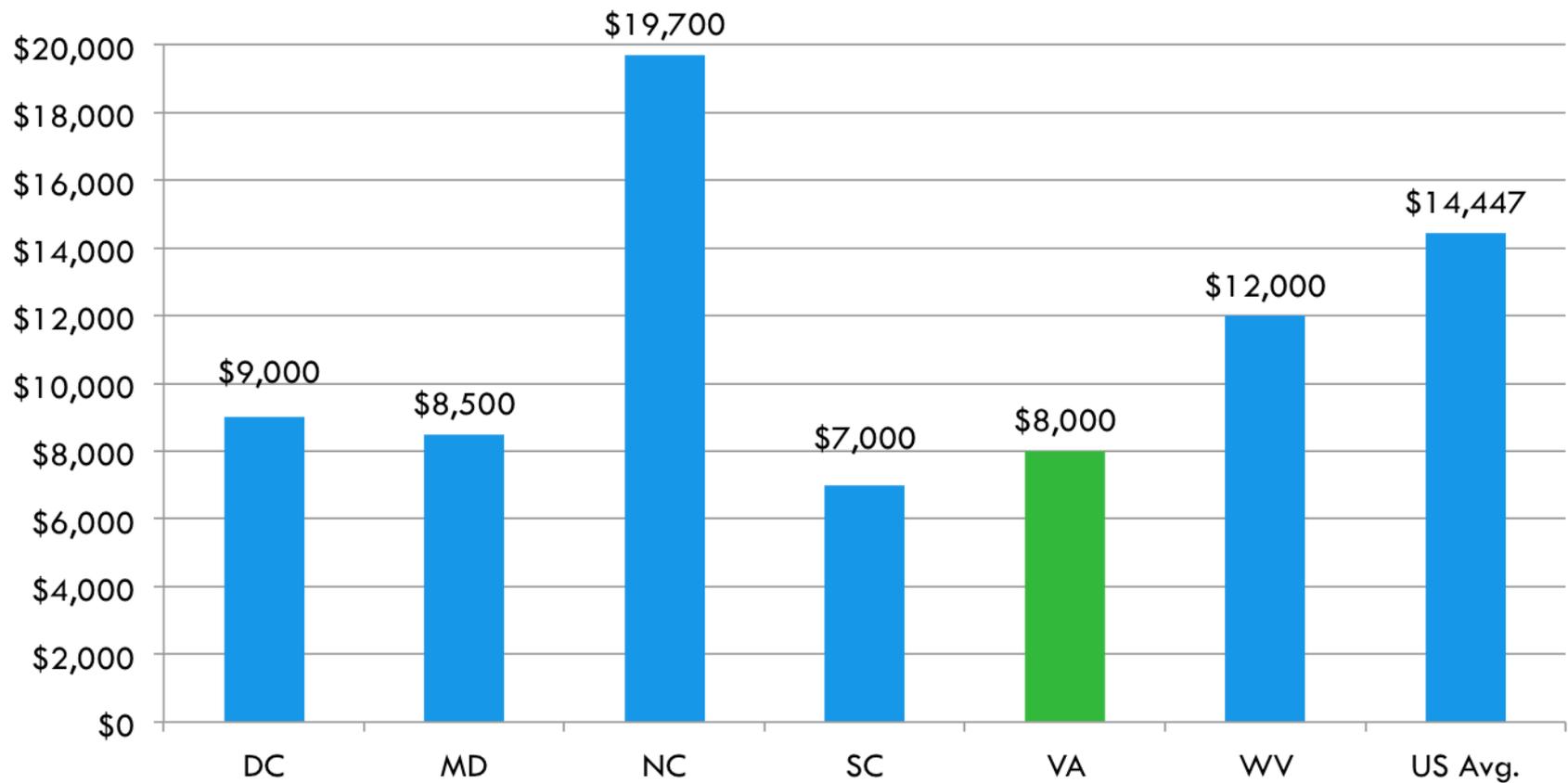
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Taxable Wage Base

Fourth Circuit – Calendar Year 2010

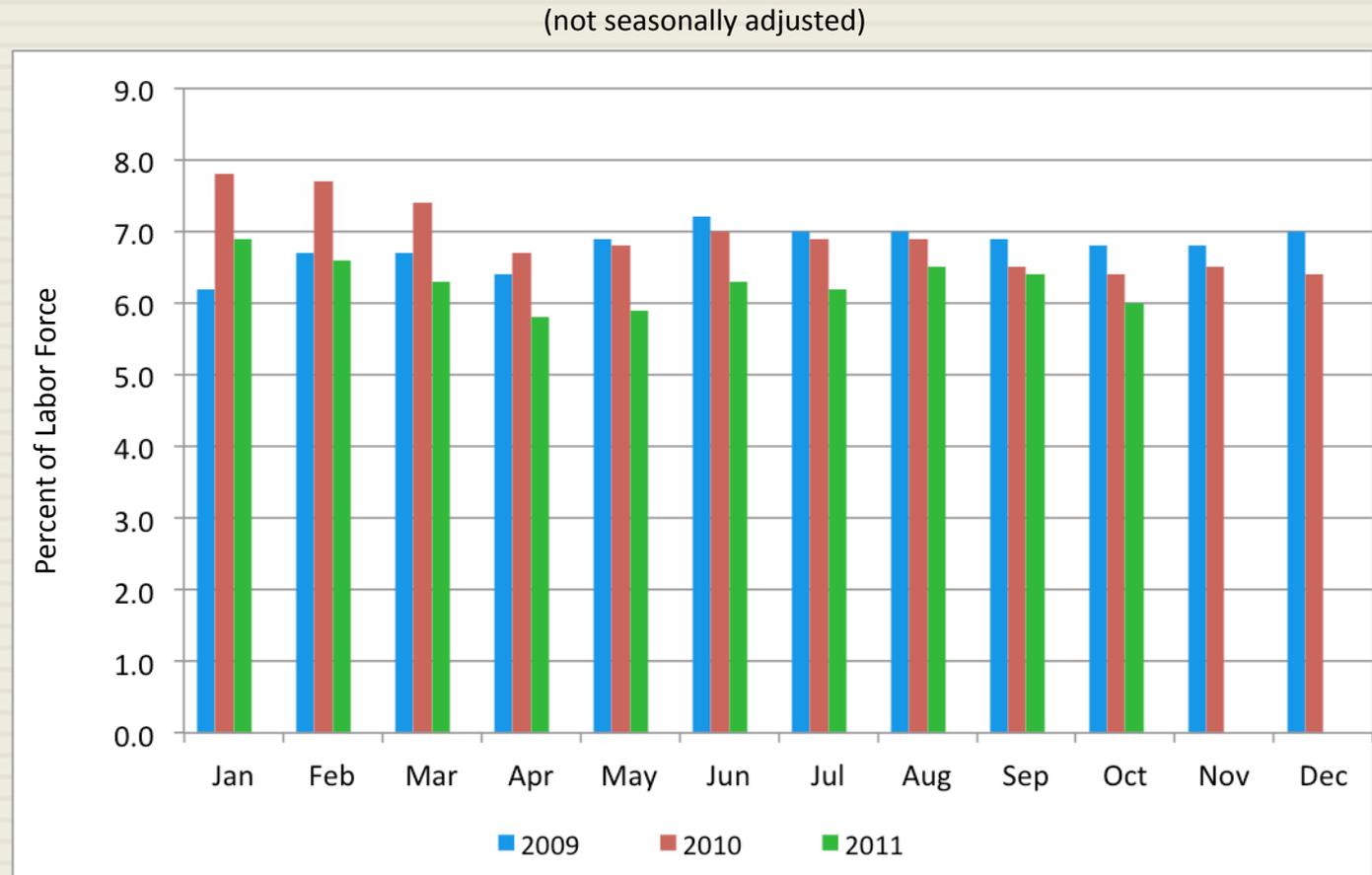
13



Virginia's Unemployment Rates

2009 - 2011 (year to date)

- This year unemployment rates have averaged about 10 percent lower than the year-ago rates.
- January 2010's rate of 7.8 percent was the highest rate since February 1983's 8.1 percent.



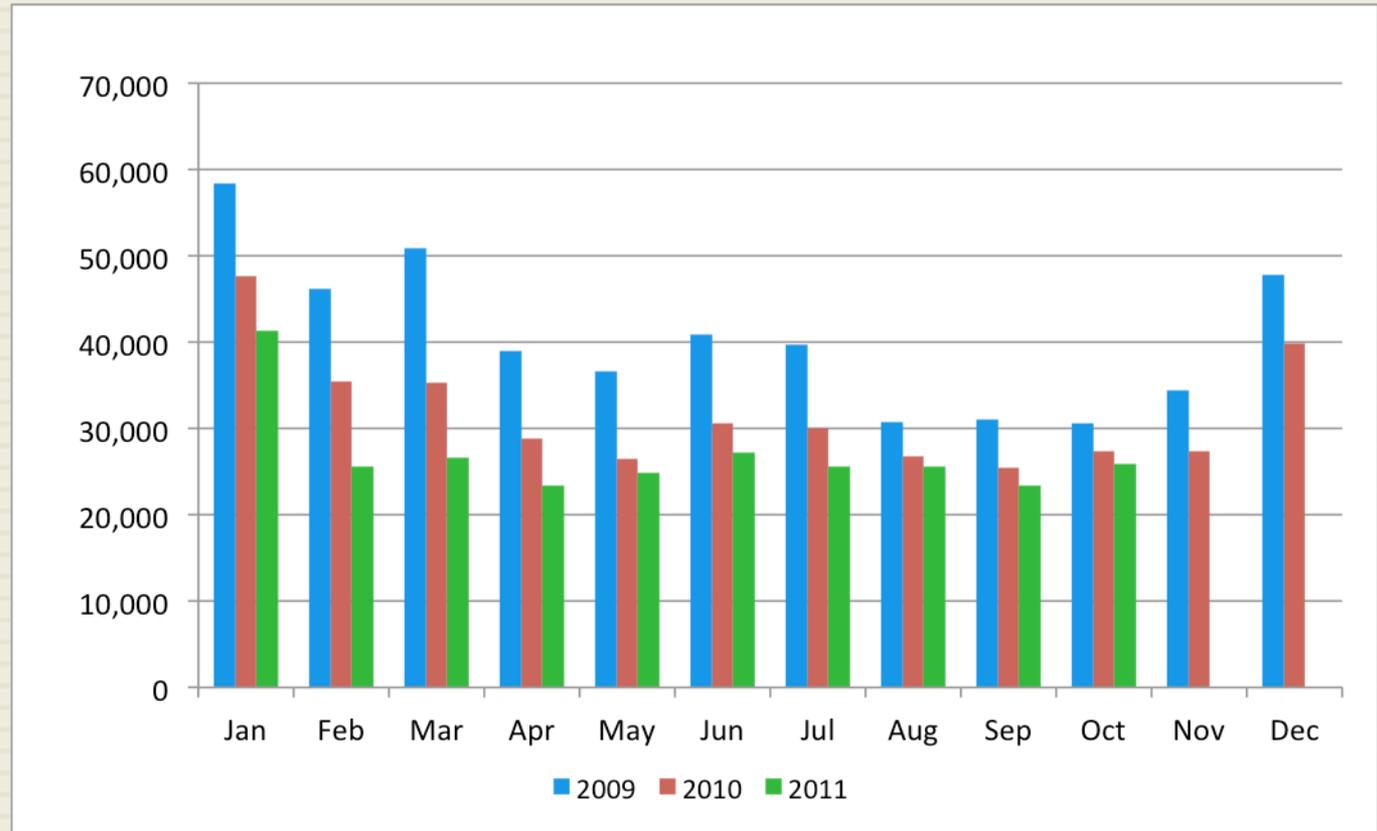
Workload

Calendar Year	Initial Claims
2007	260,561
2008	356,220
2009	501,950
2010	395,888
2011 (Jan.-Oct.)	269,600

UI Initial Claims

2009 - 2011 (year to date)

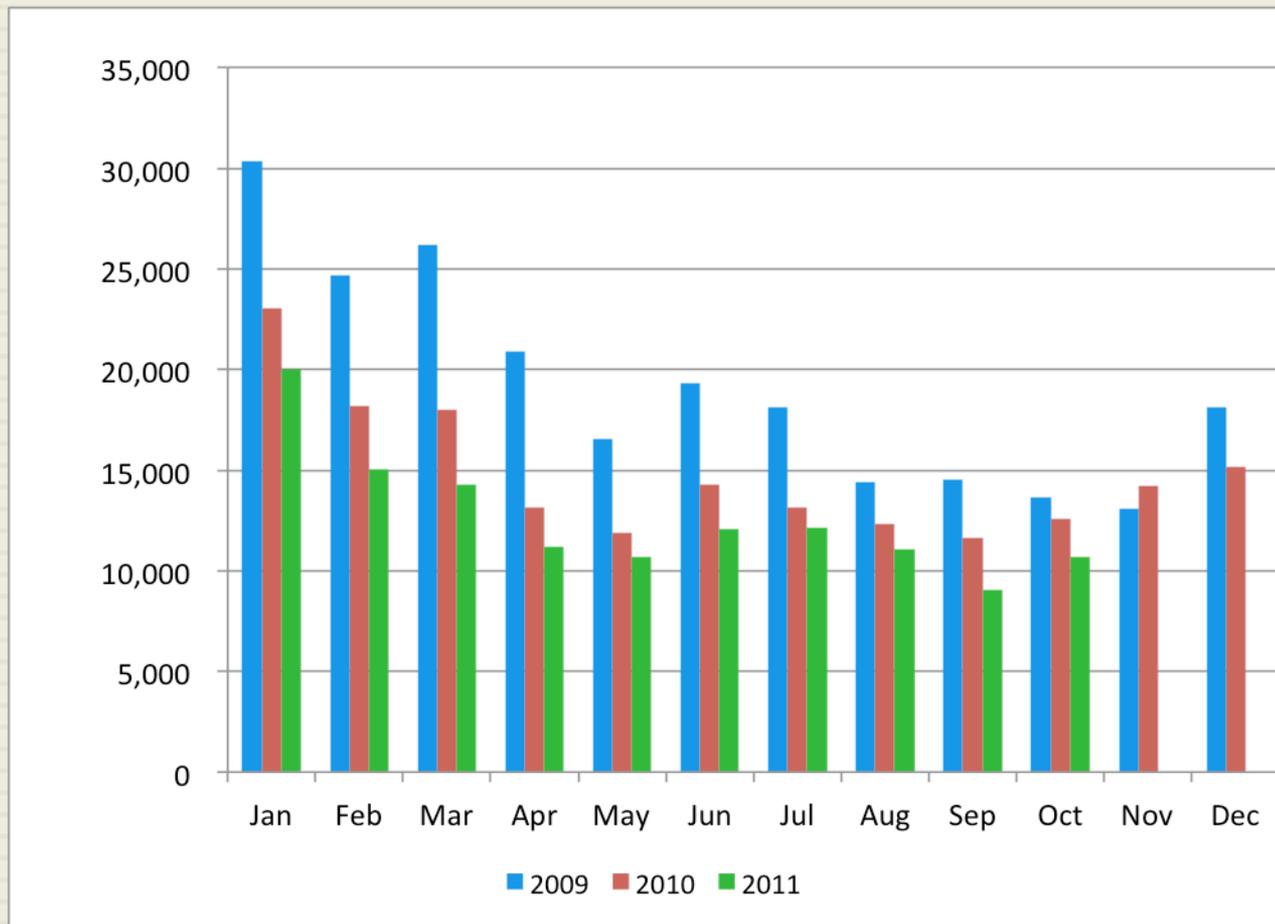
- Total initial claims through October this year are down 14.1% because of fewer manufacturing, construction, wholesale trade, and mining layoffs. For the same period, initial claims are down 33.2% from 2009.



UI First Payments

2009 - 2011 (year to date)

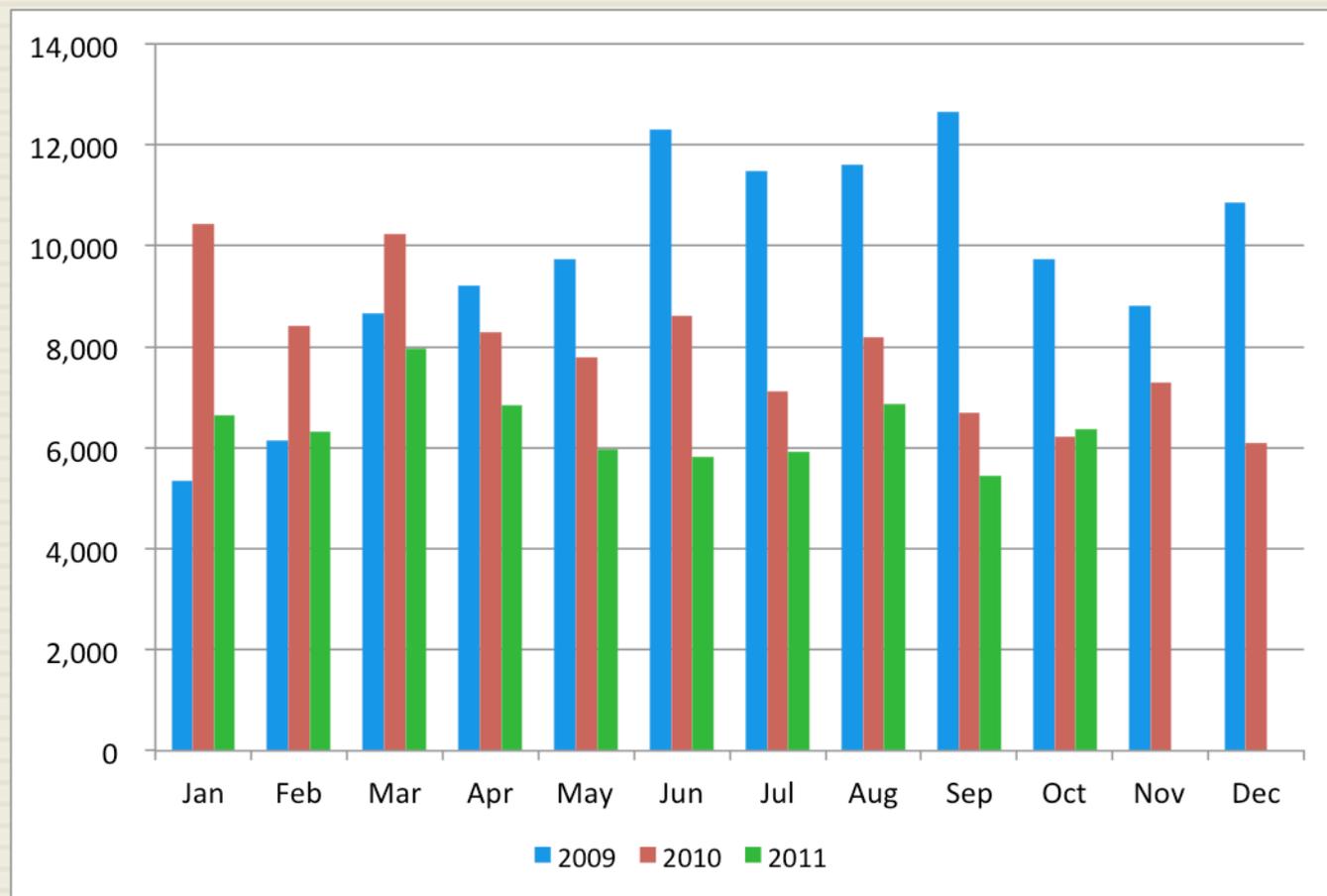
- A claimant can receive only one first payment in his benefit year; so first payments are a good indication of the number of claimants receiving unemployment benefits.
- Through October, first payments are down 14.8% from last year, and 36.5% from 2009.
- The average duration in October was 15.0 weeks, down from last October's 15.7 weeks.



UI Final Payments

2009 - 2011 (year to date)

- For the first ten months of 2011, final payments are down 21.8% from 2010, and 33.8% from 2009.
- The exhaustion rate in October was 46.8%, down from last October's 50.8%.

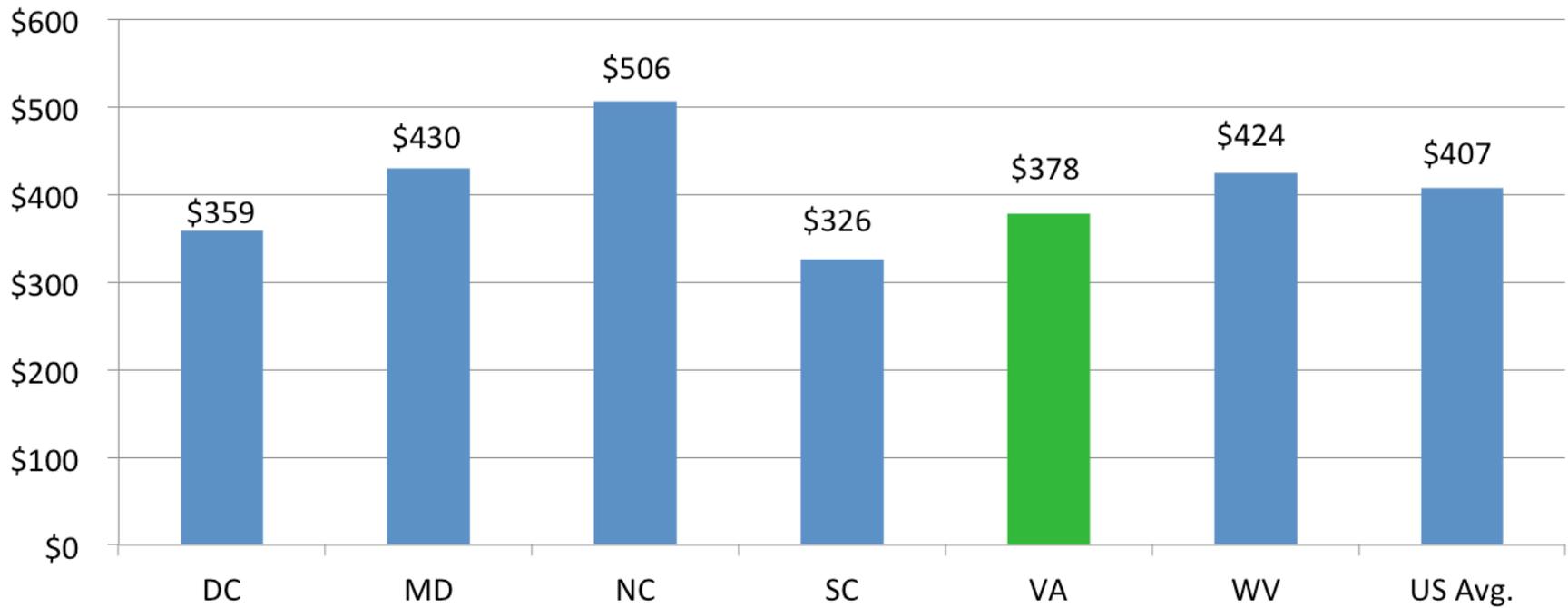


2011 Maximum Weekly Benefit

Fourth Circuit



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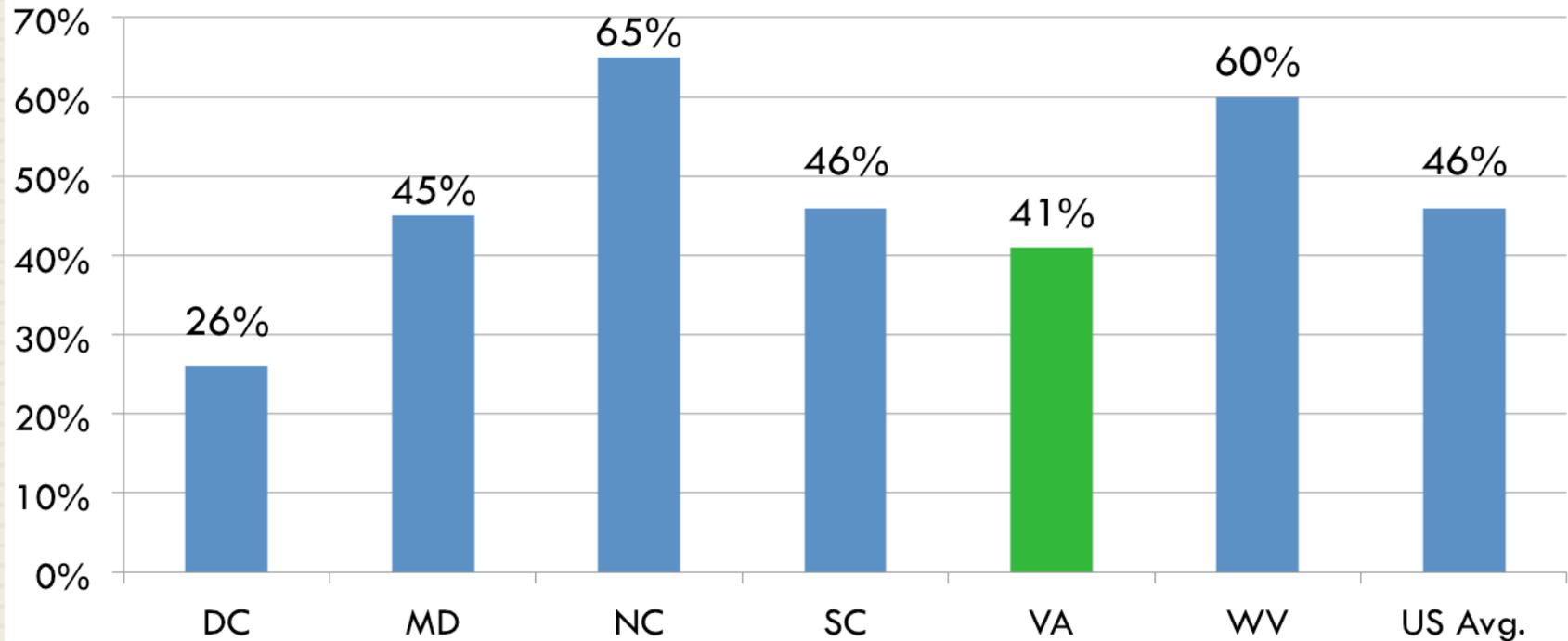
2011 Maximum Weekly Benefit

Replacement Rate

Fourth Circuit



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Weeks of Unemployment Benefits Currently Authorized



State	Federal Emergency Unemployment Compensation (scheduled to expire December 31, 2011)				State-Federal Extended Benefits*	
26	20 (Tier I)	13+1 (Tier II)	13 (Tier III)	7 (Tier IV)	13	7
Maximum weeks in most states	Up to 20 weeks available nationwide	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)	Up to 7 additional weeks paid to states with unemployment rate of 8.5% or more	Up to 13 weeks available in states that have certain levels of unemployment	Up to 7 extra weeks of EB at state option available when unemployment exceeds certain levels
<ul style="list-style-type: none"> • New Program • Benefits July 2008 						

* 100% federally funded after February 17, 2009; last payable in Virginia the week ending 5/14/2011
 Unemployed can qualify for up to 73 weeks of benefits in Virginia: Regular UI and Tiers I-III
 Source: NASWA Bulletin, June 19, 2009