

2019 STATUS REPORT

IOWA UNEMPLOYMENT COMPENSATION TRUST FUND

This 2019 Status Report of the
Iowa Unemployment Compensation Trust Fund
is a publication of
Iowa Workforce Development





2019 Status Report

On the Iowa Unemployment Compensation Trust Fund

This 2019 Status Report of the Iowa Unemployment Compensation Trust Fund is a publication of Iowa Workforce Development.

Pursuant to Iowa Code, Chapter 96.35, Iowa Workforce Development hereby submits an annual status report on the unemployment compensation trust fund to the general assembly.

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Preface – Guide for Interpretation

As a guide to the interpretation and application of this chapter, the public policy of this state is declared to be as follows:

Economic insecurity due to unemployment is a serious menace to the health, morals, and welfare of the people of this state. Involuntary unemployment is therefore a subject of general interest and concern which requires appropriate action by the legislature to prevent its spread and to lighten its burden which now so often falls with crushing force upon the unemployed worker and the worker's family. The achievement of social security requires protection against this greatest hazard of our economic life. This can be provided by encouraging employers to provide more stable employment and by the systematic accumulation of funds during periods of employment to provide benefits for periods of unemployment, thus maintaining purchasing power and limiting the serious social consequences of poor relief assistance. The legislature, therefore, declares that in its considered judgment the public good, and the general welfare of the citizens of this state require the enactment of this measure, under the police powers of the state, for the compulsory setting aside of unemployment reserves to be used for the benefit of persons unemployed through no fault of their own. (Iowa Code 96.2)

Executive Summary

This report evaluates the status of Iowa's unemployment compensation trust fund as of December 31, 2019. It reviews fund expenditures and revenue. It also discusses fund solvency in terms of fund balance, fund balance adjusted for inflation, fund balance adjusted for covered wage growth, and months of benefits in the trust fund.

Unemployment Insurance (UI) Benefits Payout: The national recession pushed regular benefits paid to unemployed workers to a record level of \$788 million in 2009. Benefits declined to \$365 million in 2018 and \$382 million in 2019. Some other facts:

- First payments climbed to 165,030 in 2009 due to increased layoffs caused by the recession. First payments declined as the economy recovered. The 2018 first payment level of 74,064 was the lowest since 1998.
- Average duration of benefits increased from 11.6 weeks in 2008 to 15.6 weeks in 2009 and 15.3 weeks in 2010. Average duration has declined to 12.2 weeks in 2019.
- The benefit payout has stabilized in 2012 through 2017 averaging \$414 million per year. The 2018 benefit level of \$365 million was the lowest payouts since 2007.

UI Trust Fund Revenue: Fund revenue primarily comes from UI contributions paid by Iowa employers. Contributions reached \$658 million in 2011 due to record UI payouts in 2009 and 2010. Contributions declined through 2019 as fund strength improved.

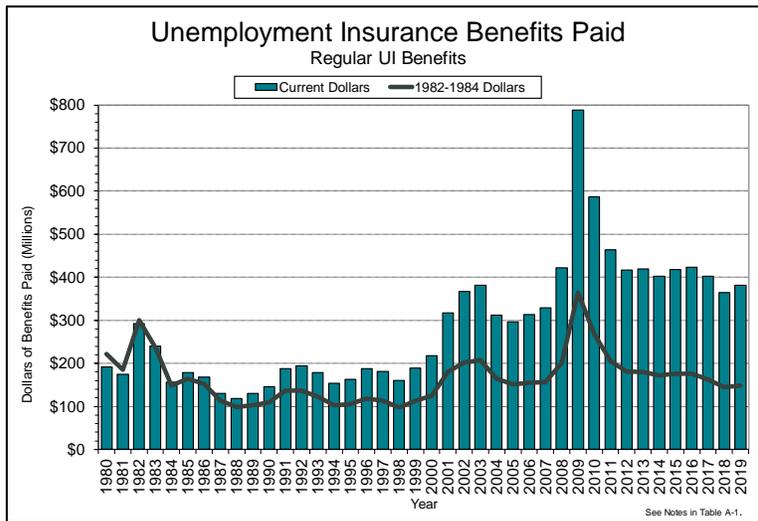
- The average contribution rate stayed around 1.6 percent in 2003 through 2009. This is well below the average rate during the 1980s which reached 3.4 percent in 1984.
- Record payouts in 2009 and 2010 caused the trust fund balance to decline. Rate tables 3 and 4 were triggered for 2010 through 2012. The average contribution rate was 2.2 percent in 2010, 2.7 percent in 2011 and 2.5 percent in 2012.
- The trust fund balance has been sufficient to trigger table 6 or 7 for 2014 through 2019. The average tax rate ranged from 1.27 percent to 1.67 percent during this period.

UI Trust Fund: The philosophy guiding this fund requires balances to be large enough to endure heavy demands during periods of high unemployment, yet not place an excessive burden on employers. The challenge is to determine adequate reserves to ensure the fund's solvency through an economic downturn. The Iowa UI employer contribution system automatically adjusts employer contribution rates based on the strength of the UI trust fund and historical UI benefit experience.

Iowa's year-end UI trust fund balance reached \$715 million in 2008. Record benefit payouts caused the year-end UI trust fund balance to plummet to \$297 million in 2010. The fund bounced back and climbed to \$1.2 billion by the end of 2019.

Conclusions: Iowa's UI trust fund balance fell to \$171 million during April 2010, but the fund balance has rebounded through 2019. Benefit payout levels have stabilized over the last eight years. Fund solvency measures have rebounded to pre-recession levels, contribution rate tables have stabilized, and the trust fund should be sufficient to withstand a benefit payout similar to the 2009 economic downturn.

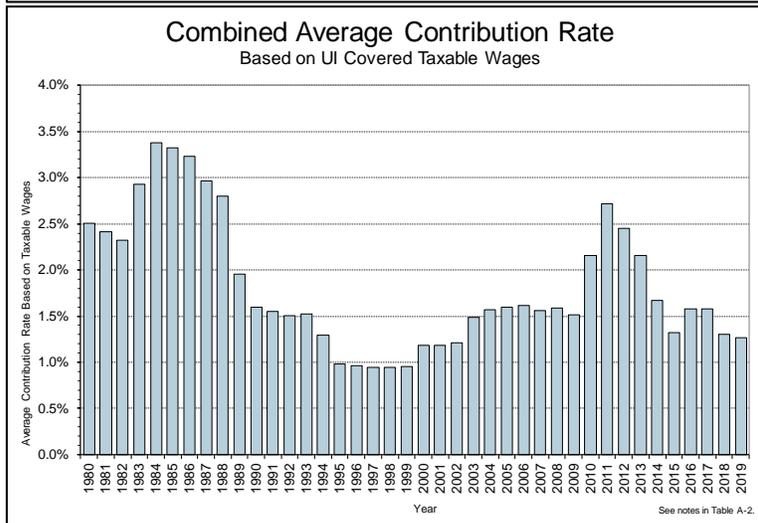
UI Trust Fund History at a Glance



The national recession pushed the UI benefit payout from \$330 million in 2007 to \$788 million in 2009 and \$587 million in 2010.

UI benefits have declined to between \$402 million and \$424 million in 2012 through 2017.

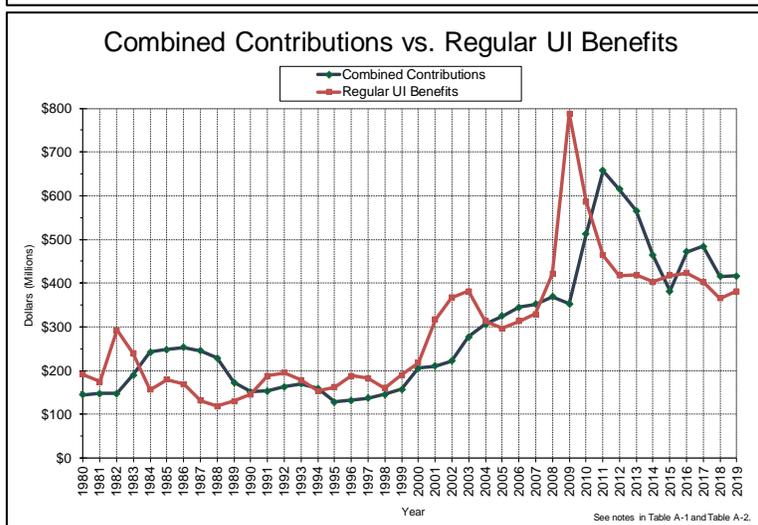
The benefit payout fell to \$365 million in 2018 and \$382 million in 2019, the lowest levels since 2007.



The recession caused the trust fund to decline and the average contribution rate reached 2.7 percent in 2011.

The trust fund balance recovered and tables 6 and 7 were in effect during 2014 through 2019. The six-year average contribution rate declined to 1.5 percent.

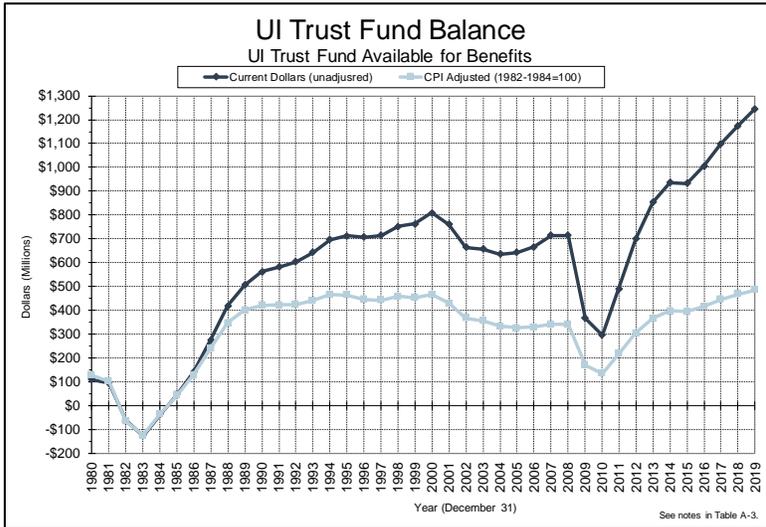
The average contribution rate for 2019 was 1.3 percent.



UI benefits exceeded contributions by more than \$400 million during 2009, the largest one-year deficit in the Iowa UI trust fund history.

Contributions generally exceeded benefits in the 2011 through 2019 post recession period. This enabled the trust fund to rebuild and contribution rates to decline.

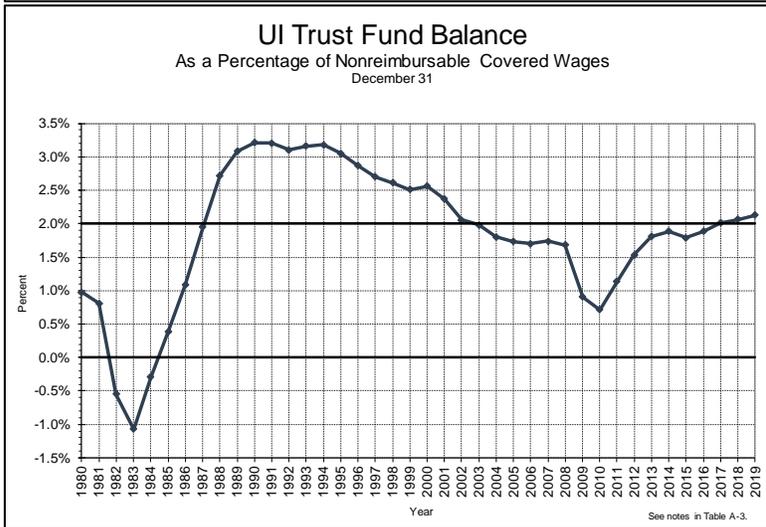
UI Trust Fund History at a Glance



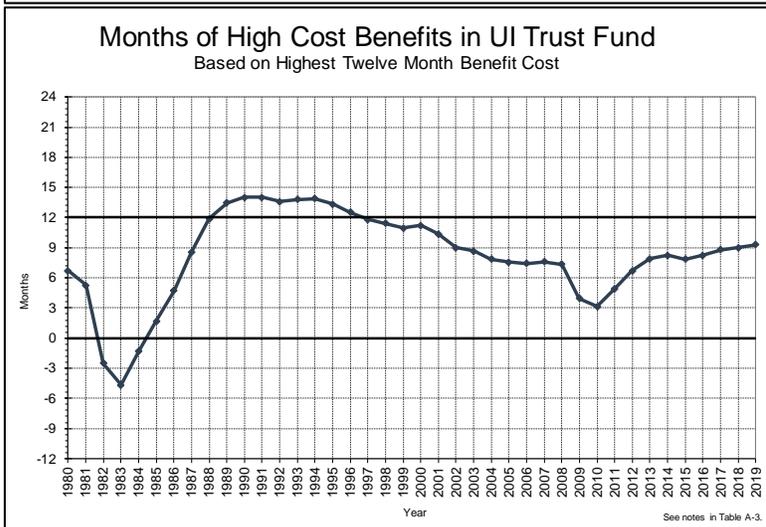
Record UI benefit payouts caused the UI trust fund balance to drop sharply in 2009 and 2010.

The fund balance grew through 2019, but the CPI adjusted fund balance grew at a slower rate.

Fund balance growth rate is expected to level off in 2020 as benefits payouts and contributions stabilize.



The UI fund as a percentage of covered wages was over 3.0 percent during the first half of the 1990's. In 2004 through 2008 the trust fund fell to around 1.7 percent of covered wages. This measure dropped to 0.7 percent of covered wages in 2010, but it rebounded and exceeded 2.0 percent in 2017 through 2019.



The highest benefit payout adjusted for covered employment and wage growth occurred during the 1982-1983 recession.

The trust fund would be sufficient to pay benefits for about nine months if a similar recession were to occur today.

A. Unemployment Insurance Benefits

The national recession caused Iowa’s Unemployment Insurance benefit payout to reach a record level of \$788 million in 2009. Benefit payments decreased as the national economy improved. The benefit payout declined to \$365 million and in 2018 and \$382 million in 2019, the lowest benefits payouts since 2007.

UI Benefits: Benefits payments are a function of:

- average weekly benefit amount,
- duration of benefits, and
- number of persons receiving first payments for benefits

Maximum Weekly Benefit Amount:

The maximum weekly benefit (MWB) is computed each year based on the previous year’s average weekly wage. The current MWB amounts are listed below:

Number of Dependents	Average Weekly Wage 2018	Percent of Average Weekly Wage	Maximum Weekly Benefit July 2019
0	\$909.43	53%	\$481
1	\$909.43	55%	\$500
2	\$909.43	57%	\$518
3	\$909.43	60%	\$545
4	\$909.43	65%	\$591

Average Weekly Benefit (AWB):

Claimants’ weekly benefit amounts are based on their high quarter earnings, subject to the above maximums. About half of claimants draw the maximum weekly benefit. A claimant would need high quarter earnings of about \$11,000 to qualify for the maximum weekly benefit.

The average weekly benefit had an average annual growth rate of about 3.5 percent from 2012 through 2019. The 2019 AWB was \$396.41.

Duration of UI Benefits: The maximum duration of UI benefits in Iowa is 26 weeks. In the case of a plant closing, it is extended to 39 weeks.

The economic slowdown increased the number of long-term unemployed and the average benefit duration in 2009. This figure has declined as the economy improved. The average duration decreased from 15.6 weeks in 2009 to 12.2 weeks in 2019.

First Payments: The number of UI claimants who received their first payment for a new benefit year reached a record high in 2009. The number of first payments decreased each year through 2018 as the employment situation improved.

First payments grew by 6.3 percent in 2019 due to temporarily layoffs in manufacturing and construction.

Weeks Compensated: The number of weeks of UI benefits compensated grew slightly from 946,846 in 2018 to 963,111 in 2019. The 2018 figure was the lowest since 1999.

UI Benefit Summary: UI payments fell from a record high of \$788 million in 2009 to \$417 million in 2012 as the economy recovered from the recession. UI benefit paid averaged around \$400 million during 2012 through 2019. UI benefits totaled \$382 million in 2019.

The UI benefits cost rate fell from 1.90 percent of covered wages in 2009 to 0.63 percent in 2019. The last two years have had the lowest benefit cost rates since 1999.

B. Unemployment Insurance Revenue

Fund revenue fell from 2011 through 2015 primarily due to triggering rate tables with lower contribution rates as the trust fund balance recovered from record payouts. Contribution rates have been rather stable during 2014 through 2019.

Average Contribution Rate: The Iowa Code has eight rate tables. Rate tables are triggered based on the relative trust fund strength. The average contribution rate ranges from about 3.5 percent in Table 1 to about 0.9 percent in Table 8.

The average contribution rate was over 3.0 percent during in the 1980's as the trust fund was rebuilding from the early 1980's recession. The fund balance grew enough to trigger the lowest rate table in the late 1990's.

The contribution rate averaged about 1.6 percent from 2003 through 2009. Record benefit levels caused the trust fund to fall in 2009 and 2010. This caused rate tables with higher contribution rates to trigger. The average contribution rate rose to 2.7 percent in 2011.

Higher contribution rates and a lower benefit payout enabled the trust fund to rebound. The trigger formula then moved to tables with lower tax rates.

Rate table 6 was in effect during 2014, 2016 and 2017 with an average contribution rate of 1.6 percent. Rate table 7 was in effect in 2015, 2018 and 2019 with an average contribution rate of 1.3 percent.

Individual Employer Rates: Even though the average contribution rate was 1.3 percent, contribution rates for individual employers ranged from zero to 7.5 percent in 2019.

Iowa's contribution rates are based on each individual employer's benefit experience. About 48 percent of private employers qualified for a zero rate because they had low benefit charges over the last five years.

Taxable Wages: During 2019, Iowa employers paid contributions on the first \$30,600 of each employee's wages. This taxable wage base is updated each year based on the average annual covered wage.

The national recession caused a decrease in taxable wages in 2009. Covered employment, and wage levels have rebounded since 2010 causing taxable wages to grow by about 3.7 percent per year.

Contributions: Lower contribution rate tables have triggered since 2011 due to a rebound in the UI trust fund. Contributions reached a record high of \$658 million in 2011 and then fell to \$464 million in 2014.

Rate table 6 or rate table 7 have been in effect for the last six years. Contributions averaged \$473 million during the three table 6 years and \$405 million during the three table 7 years.

Interest: Interest received from the federal government on the trust fund totaled to \$28 million in 2019.

Revenue Summary: Contributions accounted for 96 percent of trust fund revenue since 2010.

C. UI Fund Balance

The year-end UI trust fund balance was \$715 million in 2008. Recession level benefit payouts caused the fund to fall to \$297 million in 2010. A reduction in UI benefits combined with an increase in employer contributions enabled the UI trust fund to rebound to \$1.18 billion in 2018 and \$1.25 billion in 2019.

Trust Fund Balance History: The lowest historic year-end trust fund balance was a deficit of \$126 million in 1983. The fund grew rapidly from this low to \$562 million in 1990. This growth was caused by lower levels of insured unemployment and some of the highest average contribution rates in trust fund history.

Trust fund growth slowed during the 1990's, as higher trust fund balances triggered tax rate tables with lower average contribution rates.

The fund reached \$810 million in 2000. Economic conditions caused the year-end fund balance to fall in 2001 through 2004. The number of new layoffs declined and UI benefits paid were lower in 2005 through 2008. This enabled the UI trust fund balance to rebound to \$715 million in 2007 and 2008.

UI benefits began to increase during 2008 and UI benefits paid reached record levels during 2009 and 2010. This caused the UI trust fund to fall to \$297 million at the end of 2010, the lowest fund level in more than 20 years. The fund rebounded to \$1.18 billion in 2018 and \$1.24 billion in 2019.

Effect of Wage Growth: Examining the trust fund balance in terms of absolute dollar amounts can be misleading. The fund balance must grow as covered wages and covered

employment grow in order to keep pace with potential fund liabilities.

CPI Adjusted Fund Balance: One method of adjusting the fund balance to account for inflation is to use the Consumer Price Index (CPI) to adjust the fund to 1982-1984 dollars. Using inflation adjusted dollars the 2019 fund balance is only 4 percent higher than the 2000 fund level.

Fund Balance as a Percent of UI Covered Wages: The UI fund is expressed as a percentage of covered wages in order to control for employment and wage growth. The contribution rate table formulas use 2.0 percent of covered wages as a minimum safety factor.

This indicator grew to exceed 3.0 percent of wages in early 1990's. It then gradually decreased to around 1.7 percent in 2005 through 2008.

Record benefit payouts caused this percentage to decline to 0.7 percent in 2010, but it has rebounded and grown to 2.1 percent in 2019.

UI Trust Fund Balance Summary: The year-end fund balance dropped to \$297 million in 2010 due to high benefit payouts. The trust fund has rebounded \$1,246 million in 2019.

The trust fund balance as a percent of covered wages has improved from 0.7 percent in 2010 to 2.1 percent in 2018 and 2019.

D. UI Fund Solvency

Unemployment Insurance theory requires the trust fund balance be large enough to endure heavy demands during periods of high unemployment, yet not place an excessive burden on employers. The challenge is to determine an adequate reserve level to ensure the fund's solvency through an economic downturn.

Months of Benefits in Trust Fund:

The fund balance is sufficient to pay benefits for 39 months at the current payout. This measure is deceptive because it does not consider the effects of an economic slowdown.

Months of Benefits at High Cost:

The 2019 trust fund balance would be sufficient to pay benefits for only nine months at the highest historic adjusted benefit payment level.

Federal Solvency Standard: This solvency measure uses the benefits paid for highest three calendar years during the last 20 years or three recessions. The recommended level is 12 months of benefits. The Iowa trust fund has 18 months using this measure. Currently 2009, 2010 and 2002 are included in the calculation. This method excludes the farm crisis recession of the early 1980's.

Recession Level Benefits: Iowa's highest benefit cost level is based on the 12-months ending April 1983. Benefits totaled \$317 million and wages totaled \$11.6 billion. Benefits paid equaled 2.7 percent of wages. If an economic downturn had pushed 2019 benefits to the April 1983 level, benefits paid would have reached \$1.6 billion.

Rate Table Calculations: The Iowa UI rate system is designed to automatically adjust contribution rates based on fund strength. This system

is designed to maintain solvency while reducing rate fluctuations. If the fund strength starts to decline, the formula will trigger a rate table with higher contribution rates. This helps the fund start rebuilding before fund reserves reach a critical point. The system is designed to fortify the trust fund in small increments. This method diminishes the chances of a drastic contribution increase in any single year.

The national recession caused the fund balance to fall to the lowest level in 20 years. This lower fund balance caused rate tables 3 and 4 to trigger in 2010 through 2012, the highest rate tables since 1988.

The trust fund strength has improved and over the last eight years. This enabled rate tables 6 or 7 to trigger for 2014 through 2019.

State Loans: Iowa's unemployment rate was below the national average during the "great recession" and Iowa's trust fund remained solvent. Over 30 states needed to borrow funds from the federal government in order to pay UI benefits

Fund Solvency Summary: UI benefit payments have declined and trust fund solvency measures have rebounded to pre-recession levels. The trust fund should be sufficient to endure a benefit payout similar to the 2009 economic downturn.

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Table A-1
Unemployment Insurance Benefit Data

Year	First Payments		Average Duration (Weeks)		Weeks Compensated		Average Weekly Benefit (\$)		UI Regular Benefits Paid (\$ millions)	
	#	Δ%	#	Δ%	#	Δ%	#	Δ%	#	Δ%
1980	141,617	-----	11.9	-----	1,679,090	-----	113.97	-----	191.4	-----
1981	111,712	-21.1%	13.2	10.9%	1,472,110	-12.3%	118.46	3.9%	174.4	-8.9%
1982	151,520	35.6%	14.6	10.6%	2,218,692	50.7%	132.02	11.4%	292.9	67.9%
1983	117,681	-22.3%	15.1	3.4%	1,781,786	-19.7%	134.39	1.8%	239.5	-18.2%
1984	97,603	-17.1%	13.0	-13.9%	1,265,144	-29.0%	123.28	-8.3%	156.0	-34.9%
1985	97,124	-0.5%	14.4	10.8%	1,401,655	10.8%	127.70	3.6%	179.0	14.7%
1986	84,882	-12.6%	14.7	2.1%	1,250,942	-10.8%	134.63	5.4%	168.4	-5.9%
1987	66,865	-21.2%	14.3	-2.7%	955,227	-23.6%	136.78	1.6%	130.7	-22.4%
1988	67,023	0.2%	12.4	-13.3%	831,553	-12.9%	142.79	4.4%	118.7	-9.2%
1989	73,393	9.5%	11.9	-4.0%	874,264	5.1%	148.71	4.1%	130.0	9.5%
1990	82,251	12.1%	11.5	-3.4%	946,804	8.3%	153.74	3.4%	145.6	12.0%
1991	92,823	12.9%	12.7	10.4%	1,176,440	24.3%	159.61	3.8%	187.8	29.0%
1992	88,604	-4.5%	13.5	6.3%	1,200,374	2.0%	162.28	1.7%	194.8	3.7%
1993	82,565	-6.8%	12.9	-4.4%	1,062,863	-11.5%	167.96	3.5%	178.5	-8.4%
1994	71,184	-13.8%	12.4	-3.9%	882,883	-16.9%	173.44	3.3%	153.1	-14.2%
1995	78,467	10.2%	11.2	-9.7%	879,273	-0.4%	184.68	6.5%	162.4	6.1%
1996	78,846	0.5%	12.5	11.6%	984,078	11.9%	190.62	3.2%	187.6	15.5%
1997	79,155	0.4%	11.8	-5.6%	931,796	-5.3%	195.08	2.3%	181.8	-3.1%
1998	72,383	-8.6%	10.8	-8.5%	783,500	-15.9%	204.44	4.8%	160.2	-11.9%
1999	80,519	11.2%	10.8	0.0%	869,517	11.0%	218.08	6.7%	189.6	18.4%
2000	84,455	4.9%	11.2	3.7%	949,794	9.2%	229.25	5.1%	217.7	14.8%
2001	113,983	35.0%	11.6	3.6%	1,324,644	39.5%	239.42	4.4%	317.1	45.7%
2002	111,411	-2.3%	13.4	15.5%	1,498,185	13.1%	244.76	2.2%	366.7	15.6%
2003	113,570	1.9%	13.5	0.7%	1,532,402	2.3%	248.94	1.7%	381.5	4.0%
2004	88,976	-21.7%	14.1	4.4%	1,253,028	-18.2%	249.39	0.2%	312.5	-18.1%
2005	91,540	2.9%	12.5	-11.3%	1,141,540	-8.9%	259.57	4.1%	296.3	-5.2%
2006	92,610	1.2%	12.5	0.0%	1,161,526	1.8%	269.38	3.8%	312.9	5.6%
2007	91,367	-1.3%	12.9	3.2%	1,176,569	1.3%	280.17	4.0%	329.6	5.3%
2008	126,309	38.2%	11.6	-10.1%	1,459,395	24.0%	288.81	3.1%	421.5	27.9%
2009	165,030	30.7%	15.6	34.5%	2,571,688	76.2%	306.45	6.1%	788.1	87.0%
2010	125,564	-23.9%	15.3	-1.9%	1,920,298	-25.3%	305.61	-0.3%	586.9	-25.5%
2011	107,937	-14.0%	14.2	-7.2%	1,536,467	-20.0%	301.60	-1.3%	463.4	-21.0%
2012	99,107	-8.2%	13.5	-4.9%	1,342,482	-12.6%	310.58	3.0%	417.0	-10.0%
2013	94,474	-4.7%	13.7	1.5%	1,294,587	-3.6%	323.50	4.2%	418.8	0.4%
2014	93,158	-1.4%	12.9	-5.8%	1,201,658	-7.2%	335.05	3.6%	402.6	-3.9%
2015	92,606	-0.6%	12.7	-1.6%	1,176,537	-2.1%	354.91	5.9%	417.6	3.7%
2016	88,566	-4.4%	13.0	2.4%	1,147,806	-2.4%	368.97	4.0%	423.5	1.4%
2017	79,125	-10.7%	13.4	3.1%	1,062,805	-7.4%	378.83	2.7%	402.6	-4.9%
2018	74,064	-6.4%	12.8	-4.5%	946,846	-10.9%	385.19	1.7%	364.7	-9.4%
2019	78,695	6.3%	12.2	-4.7%	963,111	1.7%	396.41	2.9%	381.8	4.7%

Regular UI Benefits paid by IWD. Table does not include extended benefits, voluntary shared work and net adjustments for transfers to other states. Source: ETA-5159.

Voluntary shared work benefits total \$10.7 million in 2009 and \$3.8 million in 2010. Workshare accounted for less than 0.3% of benefits paid in other years.

1/16/2020

Table A-2
Unemployment Insurance Revenue Data

Year	Combined Average Tax Rate		Taxable Wages (\$ billions)		Combined Contributions (\$ millions)		Interest on Trust Fund (\$ millions)		Other Incm. (\$ mil.)	Combined Total Revenue (\$ millions)	
	#	Δ%	#	Δ%	#	Δ%	#	Δ%	#	#	Δ%
1980	2.51%	-----	5.63	-----	144.5	-----	11.8	-----	0.0	156.3	-----
1981	2.42%	-3.6%	5.87	4.3%	147.3	1.9%	10.0	-15.3%	0.0	157.3	0.6%
1982	2.32%	-4.1%	5.99	2.0%	146.9	-0.3%	5.0	-50.0%	0.0	152.0	-3.4%
1983	2.92%	25.9%	6.24	4.2%	189.6	29.1%	0.0	-100.0%	0.0	189.6	24.7%
1984	3.38%	15.8%	6.97	11.7%	241.9	27.6%	0.0	----	0.0	241.9	27.6%
1985	3.33%	-1.5%	7.28	4.4%	248.0	2.5%	0.9	----	16.5	265.4	9.7%
1986	3.23%	-3.0%	7.67	5.4%	252.7	1.9%	6.5	622.2%	4.5	263.7	-0.6%
1987	2.96%	-8.4%	8.10	5.6%	244.8	-3.1%	15.7	141.5%	0.0	260.6	-1.2%
1988	2.80%	-5.4%	8.02	-1.0%	228.8	-6.5%	26.9	71.3%	0.1	255.8	-1.8%
1989	1.96%	-30.0%	8.65	7.9%	172.9	-24.4%	38.3	42.4%	0.2	211.3	-17.4%
1990	1.60%	-18.4%	9.20	6.4%	151.0	-12.7%	46.1	20.4%	0.0	197.0	-6.8%
1991	1.55%	-3.1%	9.54	3.7%	153.1	1.4%	48.8	5.9%	0.0	201.9	2.5%
1992	1.51%	-2.6%	10.23	7.2%	162.8	6.3%	46.6	-4.5%	0.0	209.4	3.7%
1993	1.52%	0.7%	10.66	4.2%	169.8	4.3%	44.8	-3.9%	0.0	214.5	2.4%
1994	1.30%	-14.5%	11.69	9.7%	158.9	-6.4%	43.9	-2.0%	0.0	202.8	-5.5%
1995	0.98%	-24.6%	12.41	6.2%	128.1	-19.4%	48.1	9.6%	0.0	176.2	-13.1%
1996	0.97%	-1.0%	13.11	5.6%	132.0	3.0%	48.9	1.7%	0.0	180.9	2.7%
1997	0.94%	-3.1%	13.90	6.0%	136.6	3.5%	47.3	-3.3%	0.0	183.9	1.7%
1998	0.94%	0.0%	14.94	7.5%	145.9	6.8%	48.5	2.5%	0.0	194.3	5.7%
1999	0.95%	1.1%	15.98	7.0%	156.9	7.5%	49.8	2.7%	0.0	206.7	6.4%
2000	1.18%	24.2%	16.93	5.9%	205.4	30.9%	51.1	2.6%	0.0	256.4	24.0%
2001	1.18%	0.0%	17.21	1.7%	210.1	2.3%	51.7	1.2%	0.0	261.8	2.1%
2002	1.21%	2.5%	17.40	1.1%	221.7	5.5%	48.7	-5.8%	0.0	270.3	3.2%
2003	1.49%	23.1%	17.76	2.1%	277.1	25.0%	43.2	-11.3%	40.0	360.3	33.3%
2004	1.57%	5.4%	18.60	4.7%	306.5	10.6%	39.3	-9.0%	0.0	345.8	-4.0%
2005	1.60%	1.9%	19.61	5.4%	324.0	5.7%	35.1	-10.7%	0.0	359.1	3.8%
2006	1.61%	0.6%	20.77	5.9%	345.2	6.5%	31.2	-11.1%	0.0	376.5	4.8%
2007	1.56%	-3.1%	21.73	4.6%	351.1	1.7%	32.6	4.5%	0.0	383.7	1.9%
2008	1.58%	1.3%	22.60	4.0%	369.3	5.2%	35.0	7.4%	0.0	404.3	5.4%
2009	1.52%	-3.8%	22.07	-2.3%	352.8	-4.5%	28.4	-18.9%	70.8	452.0	11.8%
2010	2.15%	41.4%	22.59	2.4%	511.9	45.1%	13.9	-51.1%	0.0	525.7	16.3%
2011	2.72%	26.5%	23.36	3.4%	657.5	28.4%	12.4	-10.8%	0.0	669.9	27.4%
2012	2.45%	-9.9%	24.33	4.2%	615.0	-6.5%	15.3	23.4%	0.0	630.4	-5.9%
2013	2.16%	-11.8%	25.36	4.2%	565.5	-8.0%	18.3	19.6%	0.0	583.8	-7.4%
2014	1.67%	-22.7%	26.68	5.2%	463.5	-18.0%	20.6	12.6%	0.0	484.1	-17.1%
2015	1.32%	-21.0%	27.74	4.0%	382.0	-17.6%	21.7	5.3%	0.0	403.7	-16.6%
2016	1.58%	19.7%	28.93	4.3%	471.4	23.4%	21.0	-3.2%	0.0	492.5	22.0%
2017	1.58%	0.0%	29.67	2.6%	483.9	2.7%	22.7	8.1%	0.0	506.6	2.9%
2018	1.30%	-17.7%	30.78	3.7%	415.7	-14.1%	25.0	10.1%	0.0	440.7	-13.0%
2019	1.27%	-2.3%	31.79	3.3%	416.4	0.2%	28.1	12.4%	0.0	444.5	0.9%

Combined contributions include payments made to the Unemployment Trust Fund account of the US Treasury and the Unemployment Compensation Reserve Fund account in the State Treasury. Other Income includes revenue from a trust fund debt repayment tax collected by the federal government in 1985 and 1986 and special transfers 2003 and 2009.

2/4/2020

Table A-3
UI Fund Balances

December 31

Year	UI Trust Fund ¹						Benefits at Highest Benefit Levels			
	Balance		CPI-U Adjusted (1982-1984=100)		As Percent of Covered Wages		Highest Historic Twelve Months ²		Average Highest Three Years ³	
	\$ M.	Δ%	\$ M.	Δ%	%	Δ%	\$ M.	Δ%	\$ M.	Δ%
1980	110.2	----	127.7	----	0.98%	----	196.5	----	176.2	----
1981	96.5	-12.4%	102.6	-19.7%	0.81%	-16.8%	219.6	11.8%	185.1	5.1%
1982	-63.3	----	-64.9	----	-0.55%	----	302.5	37.8%	227.0	22.6%
1983	-126.3	----	-124.7	----	-1.07%	----	323.6	7.0%	253.1	11.5%
1984	-37.4	----	-35.5	----	-0.30%	----	346.3	7.0%	270.9	7.0%
1985	49.3	----	45.1	----	0.38%	----	352.5	1.8%	275.7	1.8%
1986	142.5	189.0%	129.0	186.0%	1.08%	181.9%	361.6	2.6%	282.8	2.6%
1987	276.9	94.3%	239.9	86.0%	1.95%	80.3%	389.5	7.7%	304.7	7.7%
1988	418.6	51.2%	347.4	44.8%	2.72%	39.4%	422.6	8.5%	330.5	8.5%
1989	506.7	21.0%	401.8	15.7%	3.08%	13.3%	451.3	6.8%	353.0	6.8%
1990	562.4	11.0%	420.3	4.6%	3.21%	4.1%	481.0	6.6%	376.2	6.6%
1991	582.6	3.6%	422.4	0.5%	3.21%	-0.1%	498.8	3.7%	390.2	3.7%
1992	604.0	3.7%	425.6	0.8%	3.11%	-3.1%	533.9	7.0%	417.6	7.0%
1993	643.8	6.6%	441.6	3.8%	3.16%	1.7%	559.5	4.8%	437.6	4.8%
1994	696.4	8.2%	465.2	5.3%	3.18%	0.6%	601.8	7.6%	470.7	7.6%
1995	712.9	2.4%	464.5	-0.2%	3.05%	-4.0%	641.7	6.6%	501.9	6.6%
1996	706.9	-0.8%	445.7	-4.0%	2.87%	-6.1%	677.5	5.6%	529.9	5.6%
1997	715.1	1.2%	443.4	-0.5%	2.70%	-5.8%	727.7	7.4%	569.1	7.4%
1998	752.1	5.2%	458.9	3.5%	2.61%	-3.1%	789.8	8.5%	617.8	8.6%
1999	762.7	1.4%	453.2	-1.2%	2.51%	-4.0%	834.3	5.6%	652.5	5.6%
2000	809.8	6.2%	465.4	2.7%	2.56%	2.1%	867.8	4.0%	678.7	4.0%
2001	760.3	-6.1%	430.3	-7.5%	2.37%	-7.5%	880.5	1.5%	653.6	-3.7%
2002	665.0	-12.5%	367.6	-14.6%	2.06%	-13.2%	887.0	0.7%	658.5	0.7%
2003	657.2	-1.2%	356.6	-3.0%	1.98%	-3.7%	910.6	2.7%	676.0	2.7%
2004	635.2	-3.3%	333.8	-6.4%	1.80%	-9.2%	969.0	6.4%	719.4	6.4%
2005	643.2	1.3%	326.8	-2.1%	1.73%	-3.7%	1018.3	5.1%	755.9	5.1%
2006	665.8	3.5%	329.9	0.9%	1.70%	-2.0%	1075.2	5.6%	798.2	5.6%
2007	714.9	7.4%	340.4	3.2%	1.74%	2.2%	1130.1	5.1%	838.9	5.1%
2008	714.9	0.0%	340.1	-0.1%	1.68%	-3.0%	1165.3	3.1%	865.1	3.1%
2009	368.4	-48.5%	170.6	-49.8%	0.91%	-46.1%	1114.6	-4.4%	548.4	-36.6%
2010	296.9	-19.4%	135.5	-20.6%	0.71%	-21.3%	1140.8	2.4%	603.4	10.0%
2011	491.1	65.4%	217.6	60.6%	1.13%	58.3%	1191.9	4.5%	630.4	4.5%
2012	700.5	42.6%	305.1	40.2%	1.54%	35.7%	1252.5	5.1%	662.5	5.1%
2013	853.9	21.9%	366.4	20.1%	1.81%	17.8%	1296.2	3.5%	685.6	3.5%
2014	936.1	9.6%	398.6	8.8%	1.88%	4.1%	1364.9	5.3%	721.9	5.3%
2015	933.5	-0.3%	394.7	-1.0%	1.79%	-4.8%	1429.6	4.7%	756.1	4.7%
2016	1005.8	7.7%	416.6	5.5%	1.89%	5.2%	1464.6	2.4%	774.6	2.4%
2017	1099.8	9.3%	446.1	7.1%	2.01%	6.7%	1500.9	2.5%	793.8	2.5%
2018	1175.0	6.8%	467.7	4.8%	2.06%	2.5%	1563.8	4.2%	827.1	4.2%
2019	1246.3	6.1%	485.0	3.7%	2.13%	3.1%	1608.9	2.9%	851.0	2.9%

¹ UI Trust Fund balance represents the fund balance available to pay UI benefits. It excludes the Iowa reserve fund and Reed Act distributions, except for amounts transferred to the trust fund under Iowa Law.

² Based on the highest moving twelve month period in program history.

³ Based on highest three calendar years during the last 20 years or three recessions (if longer). 2/7/2020

Table A-4
UI Fund Solvency Measures

December 31

Year	Months of Benefits in UI Trust Fund						Benefit Cost Rate		High Cost Multiple ³	
	Current Benefit Level		Highest Twelve Month Level ¹		Average Highest 3 Year Level ²		Highest Historical Year ¹	Average Highest 3 Years ²	Highest Historical Year ¹	Average Highest 3 Years ²
	#	Δ%	#	Δ%	#	Δ%				
1980	6.7	----	6.7	----	7.5	----	1.74%	1.56%	0.56	0.63
1981	6.7	0.0%	5.3	-20.9%	6.3	-16.0%	1.85%	1.56%	0.44	0.52
1982	-2.4	----	-2.5	----	-3.3	----	2.61%	1.96%	-0.21	-0.28
1983	-6.0	----	-4.7	----	-6.0	----	2.75%	2.15%	-0.39	-0.50
1984	-2.9	----	-1.3	----	-1.7	----	2.75%	2.15%	-0.11	-0.14
1985	3.3	----	1.7	----	2.1	----	2.75%	2.15%	0.14	0.18
1986	10.4	215.2%	4.7	176.5%	6.0	185.7%	2.75%	2.15%	0.39	0.50
1987	26.3	152.9%	8.5	80.9%	10.9	81.7%	2.75%	2.15%	0.71	0.91
1988	44.0	67.3%	11.9	40.0%	15.2	39.4%	2.75%	2.15%	0.99	1.27
1989	49.3	12.0%	13.5	13.4%	17.2	13.2%	2.75%	2.15%	1.12	1.44
1990	47.7	-3.2%	14.0	3.7%	17.9	4.1%	2.75%	2.15%	1.17	1.49
1991	38.0	-20.3%	14.0	0.0%	17.9	0.0%	2.75%	2.15%	1.17	1.49
1992	38.4	1.1%	13.6	-2.9%	17.4	-2.8%	2.75%	2.15%	1.13	1.45
1993	44.4	15.6%	13.8	1.5%	17.7	1.7%	2.75%	2.15%	1.15	1.47
1994	55.7	25.5%	13.9	0.7%	17.8	0.6%	2.75%	2.15%	1.16	1.48
1995	53.8	-3.4%	13.3	-4.3%	17.0	-4.5%	2.75%	2.15%	1.11	1.42
1996	46.1	-14.3%	12.5	-6.0%	16.0	-5.9%	2.75%	2.15%	1.04	1.33
1997	47.8	3.7%	11.8	-5.6%	15.1	-5.6%	2.75%	2.15%	0.98	1.26
1998	57.1	19.5%	11.4	-3.4%	14.6	-3.3%	2.75%	2.15%	0.95	1.22
1999	48.8	-14.5%	11.0	-3.5%	14.0	-4.1%	2.75%	2.15%	0.91	1.17
2000	45.1	-7.6%	11.2	1.8%	14.3	2.1%	2.75%	2.15%	0.93	1.19
2001	29.2	-35.3%	10.4	-7.1%	14.0	-2.1%	2.75%	2.04%	0.86	1.16
2002	22.0	-24.7%	9.0	-13.5%	12.1	-13.6%	2.75%	2.04%	0.75	1.01
2003	21.2	-3.6%	8.7	-3.3%	11.7	-3.3%	2.75%	2.04%	0.72	0.97
2004	24.7	16.5%	7.9	-9.2%	10.6	-9.4%	2.75%	2.04%	0.66	0.88
2005	26.3	6.5%	7.6	-3.8%	10.2	-3.8%	2.75%	2.04%	0.63	0.85
2006	25.8	-1.9%	7.4	-2.6%	10.0	-2.0%	2.75%	2.04%	0.62	0.83
2007	26.0	0.8%	7.6	2.7%	10.2	2.0%	2.75%	2.04%	0.63	0.85
2008	20.5	-21.2%	7.4	-2.6%	9.9	-2.9%	2.75%	2.04%	0.61	0.83
2009	5.6	-72.7%	4.0	-45.9%	8.1	-18.2%	2.75%	1.35%	0.33	0.67
2010	6.0	7.1%	3.1	-22.5%	5.9	-27.2%	2.75%	1.45%	0.26	0.49
2011	12.5	108.3%	4.9	58.1%	9.3	57.6%	2.75%	1.45%	0.41	0.78
2012	19.7	57.6%	6.7	36.7%	12.7	36.6%	2.75%	1.45%	0.56	1.06
2013	24.2	22.8%	7.9	17.9%	14.9	17.3%	2.75%	1.45%	0.66	1.25
2014	27.8	14.9%	8.2	3.8%	15.6	4.7%	2.75%	1.45%	0.69	1.30
2015	26.8	-3.6%	7.8	-4.9%	14.8	-5.1%	2.75%	1.45%	0.65	1.23
2016	28.4	6.0%	8.2	5.1%	15.6	5.4%	2.75%	1.45%	0.69	1.30
2017	32.7	15.1%	8.8	7.3%	16.6	6.4%	2.75%	1.45%	0.73	1.39
2018	38.6	18.0%	9.0	2.3%	17.0	2.4%	2.75%	1.45%	0.75	1.42
2019	39.1	1.3%	9.3	3.3%	17.6	3.5%	2.75%	1.45%	0.77	1.46

¹ Based on the highest moving twelve month period in program history.

² Based on highest three calendar years during the last 20 years or three recessions (if longer).

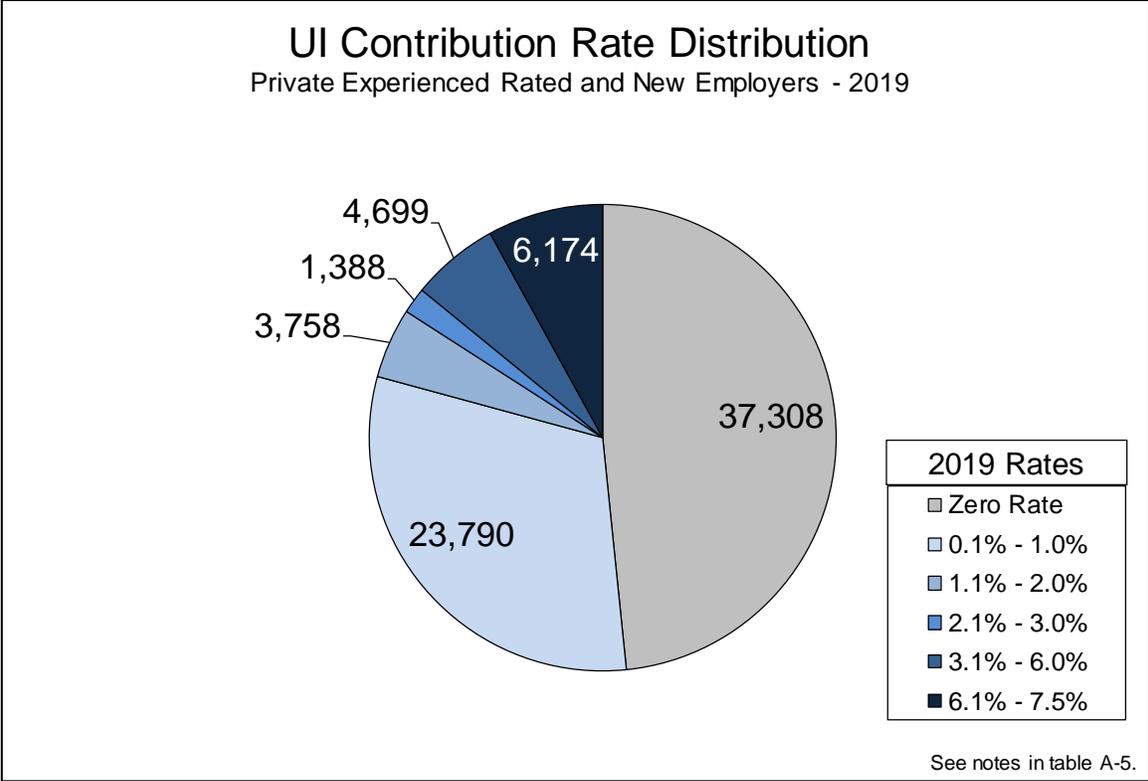
³ A trust fund solvency measure equal to the ratio of the trust fund balance (as a percent of total wages) divided by appropriate high cost rate.

2/6/2020

Table A-5
Employer Contribution Rate Distribution
 Based on Original Employer Rate Notices
 All Private Contributory Employers
 Rate Year 2019

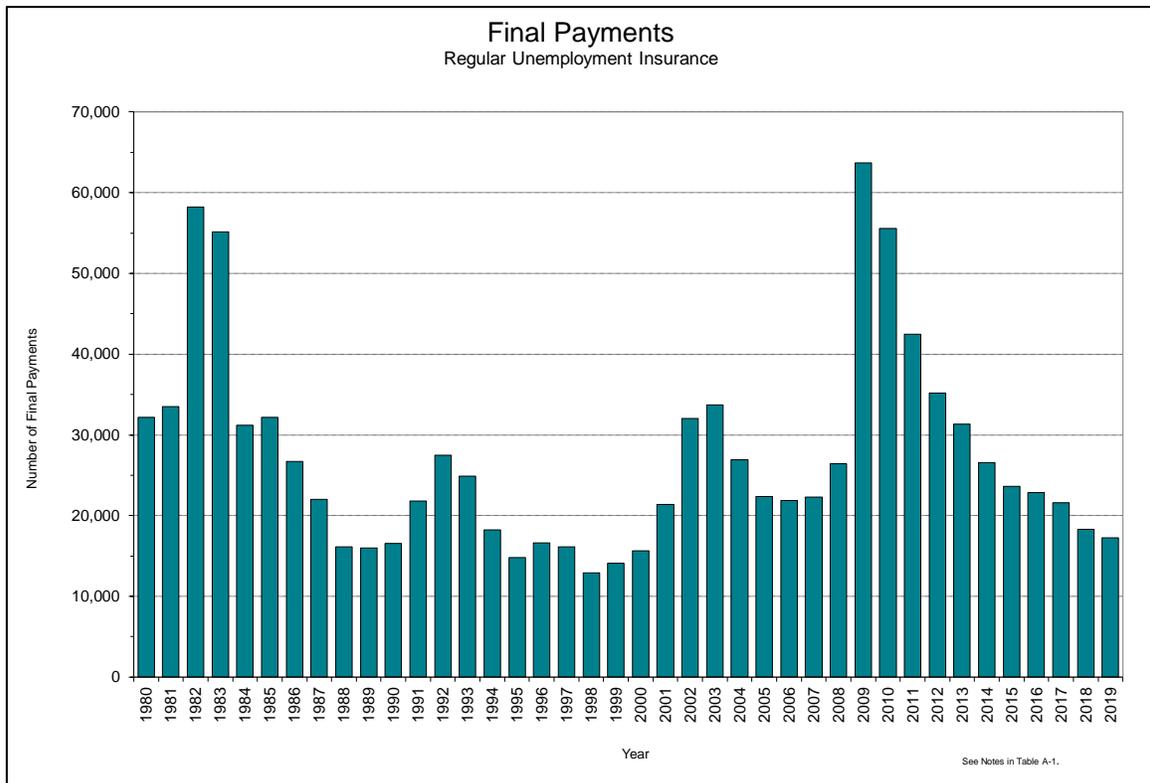
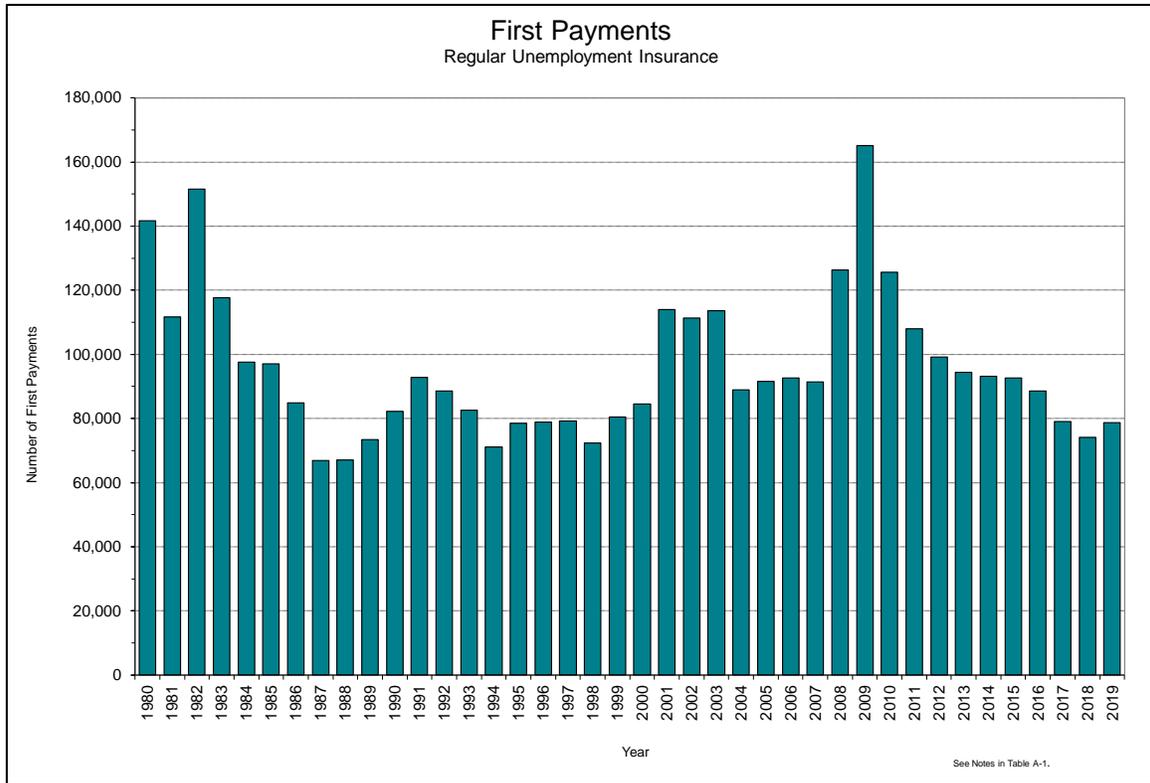
Contribution Rate Table 7	Private Contributory Firms	
	Number	Percent
Zero Rate	37,308	48.4%
0.1% - 1.0%	23,790	30.8%
1.1% - 2.0%	3,758	4.9%
2.1% - 3.0%	1,388	1.8%
3.1% - 6.0%	4,699	6.1%
6.1% - 7.5%	6,174	8.0%
Total	77,117	100.0%

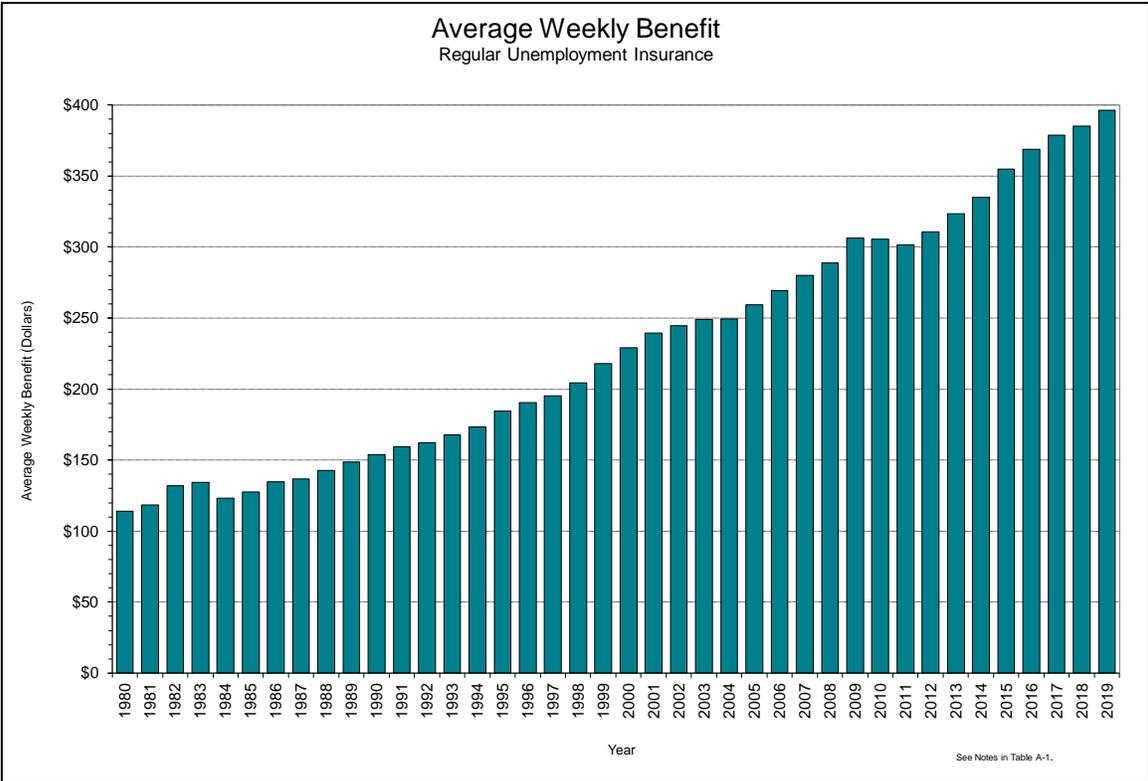
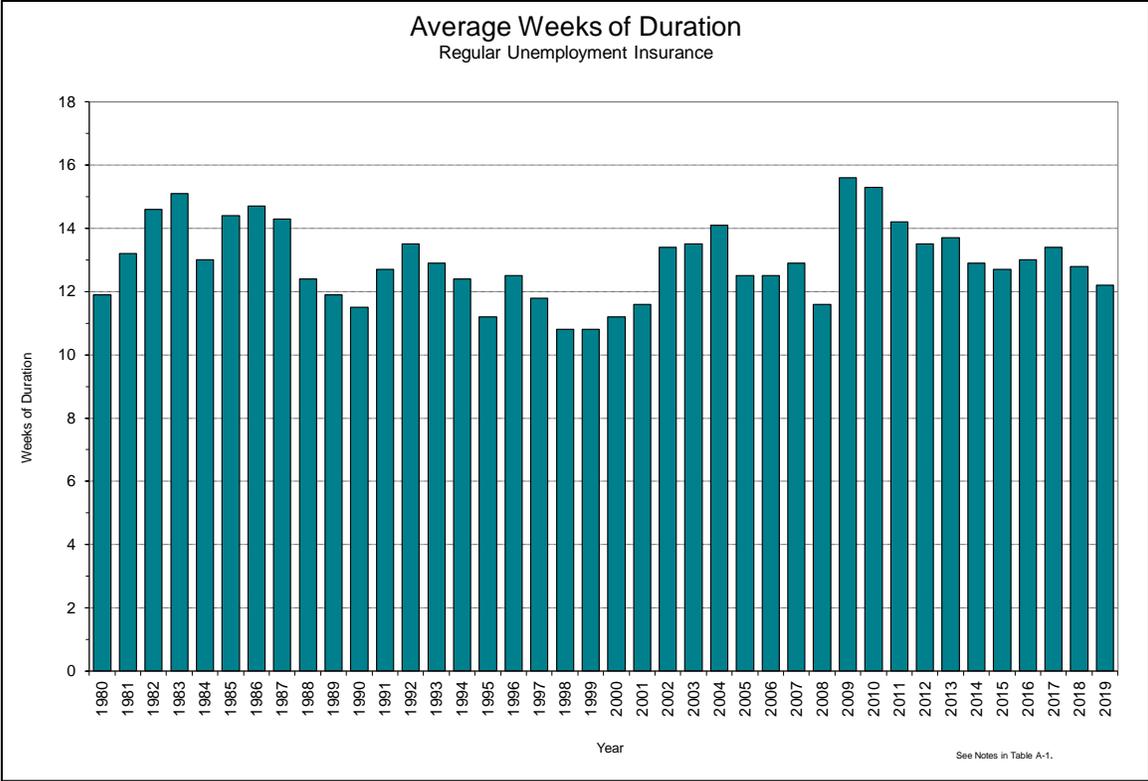
Table includes private experience rated employers and private employers receiving new employer rates.
 Source: Iowa Workforce Development,
 Labor Market Information Division 01/10/2019

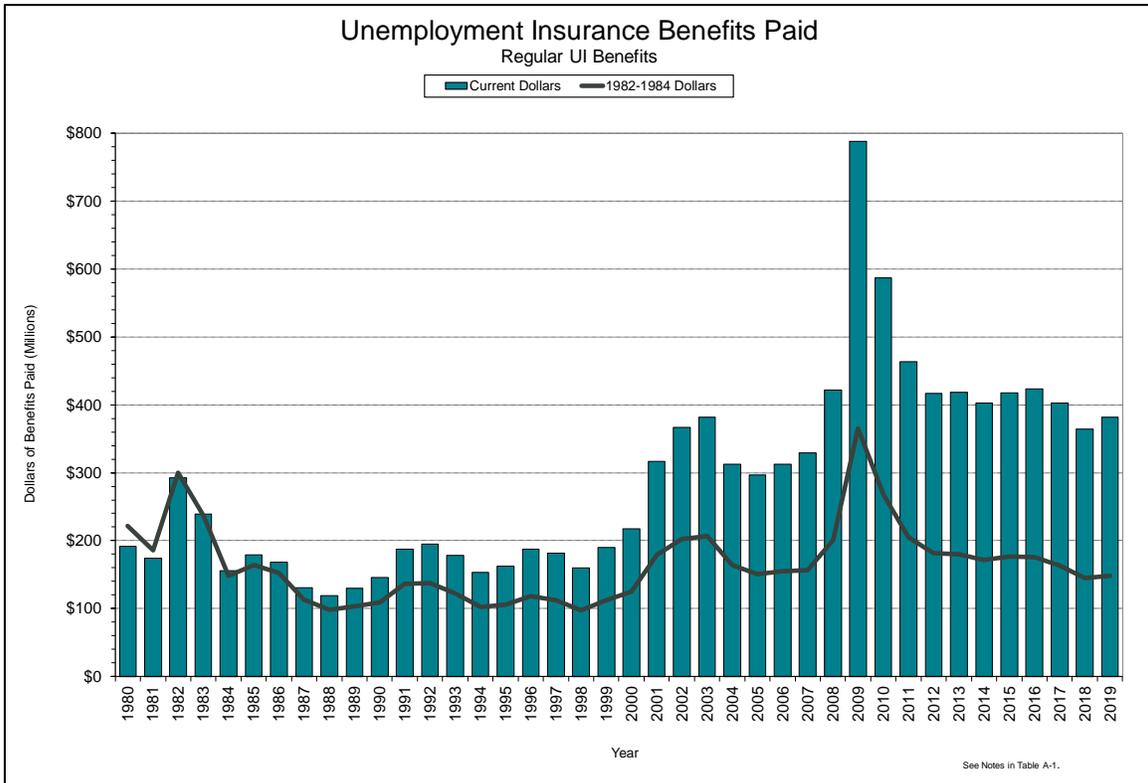
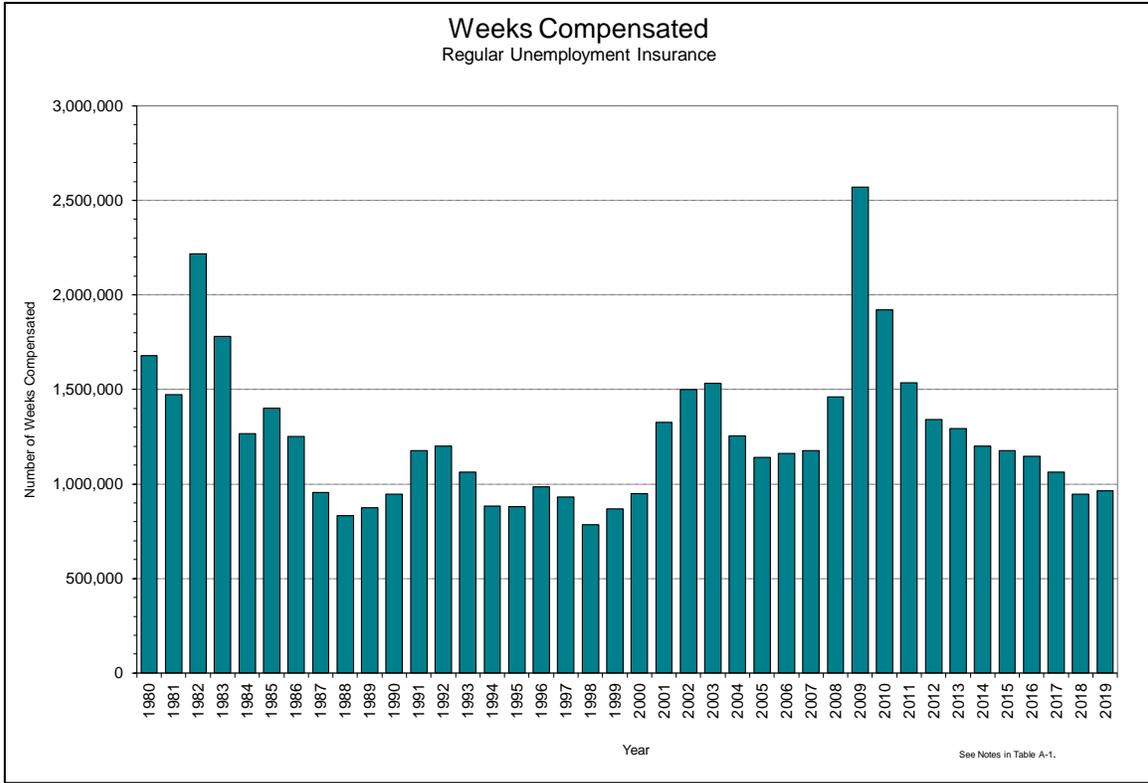


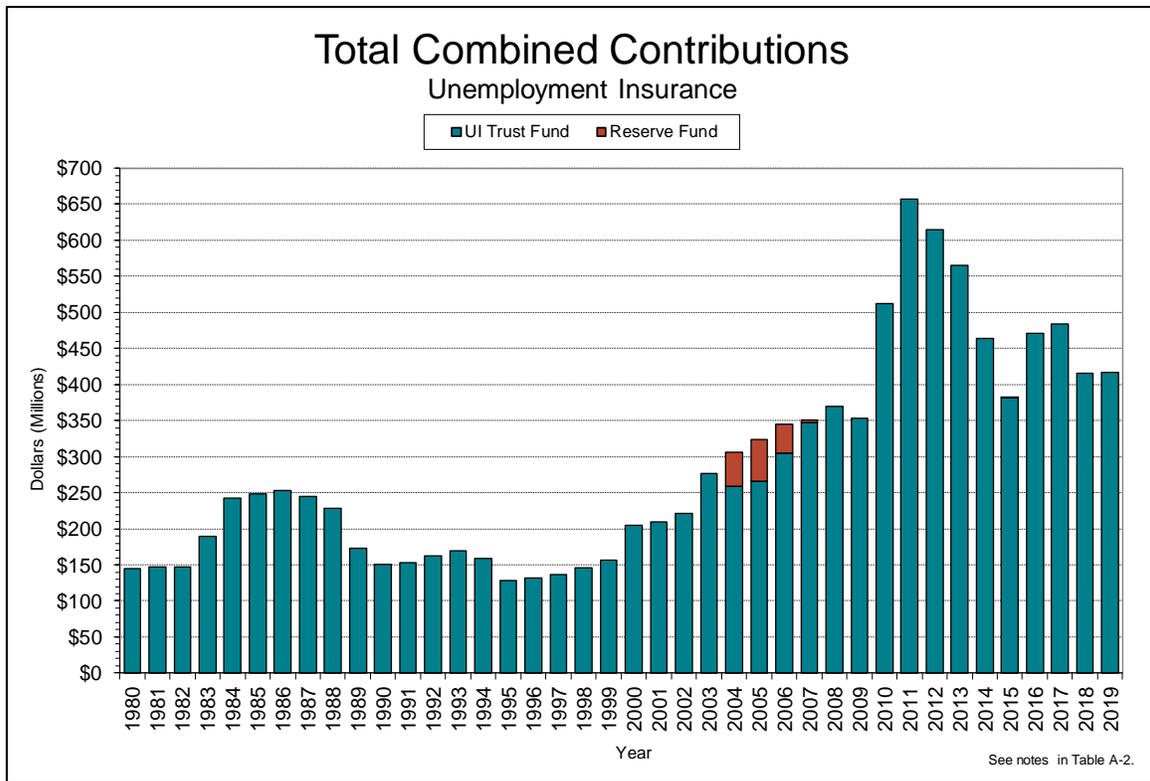
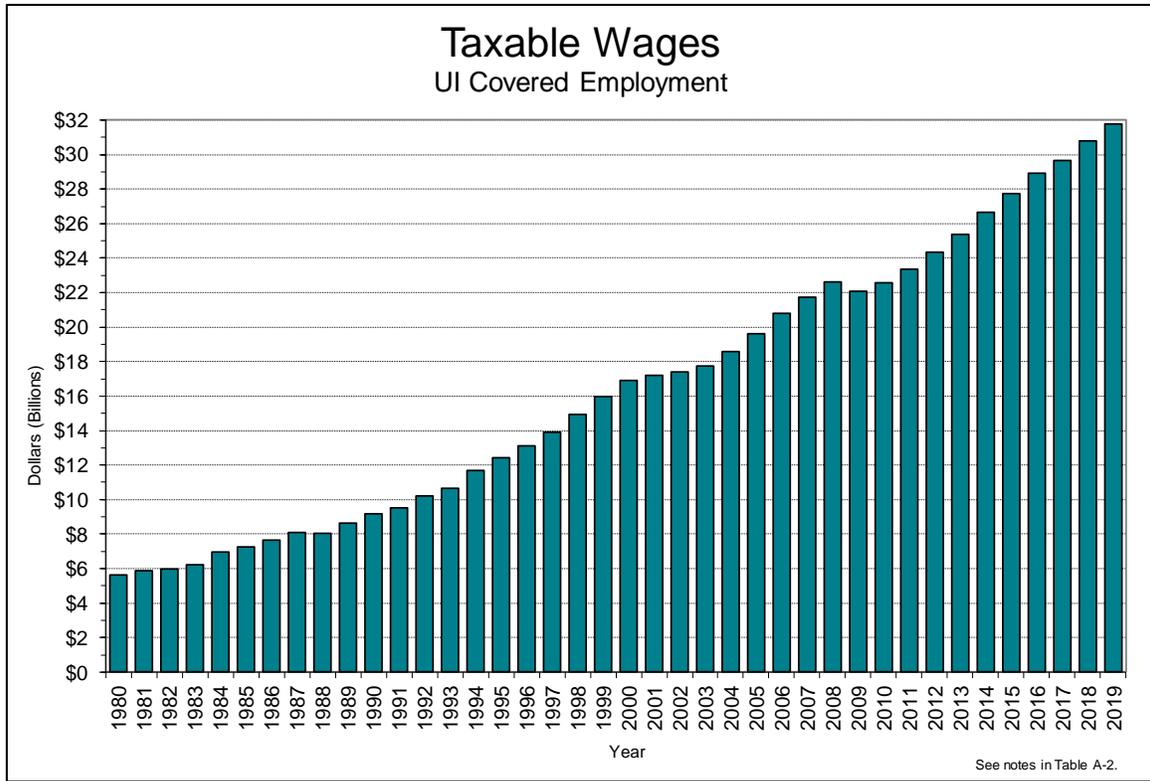
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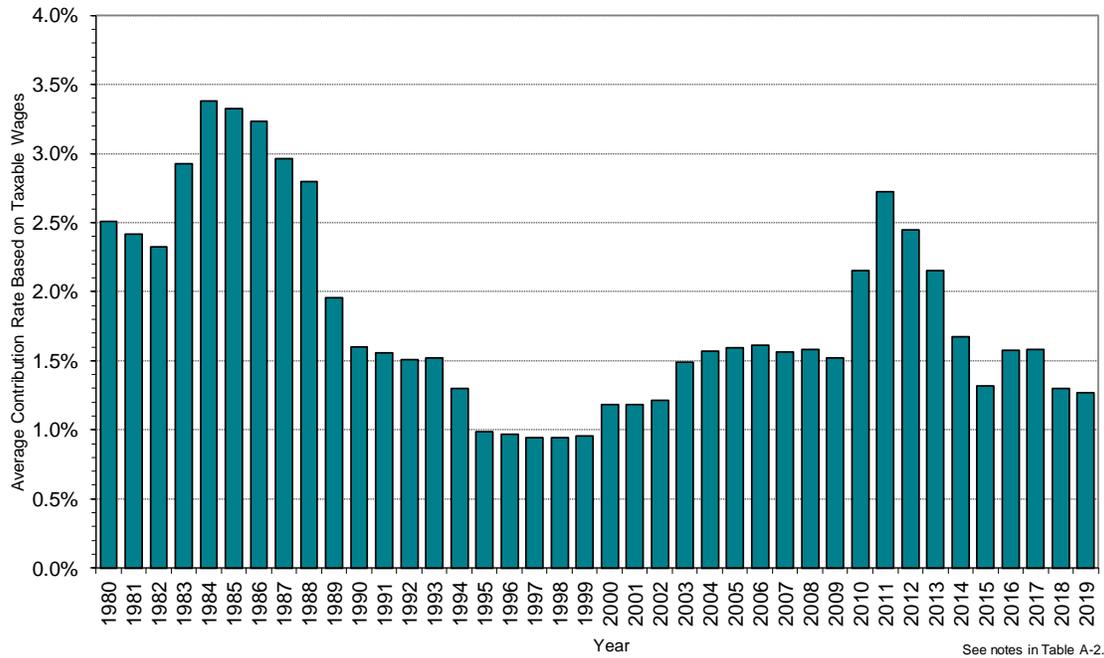




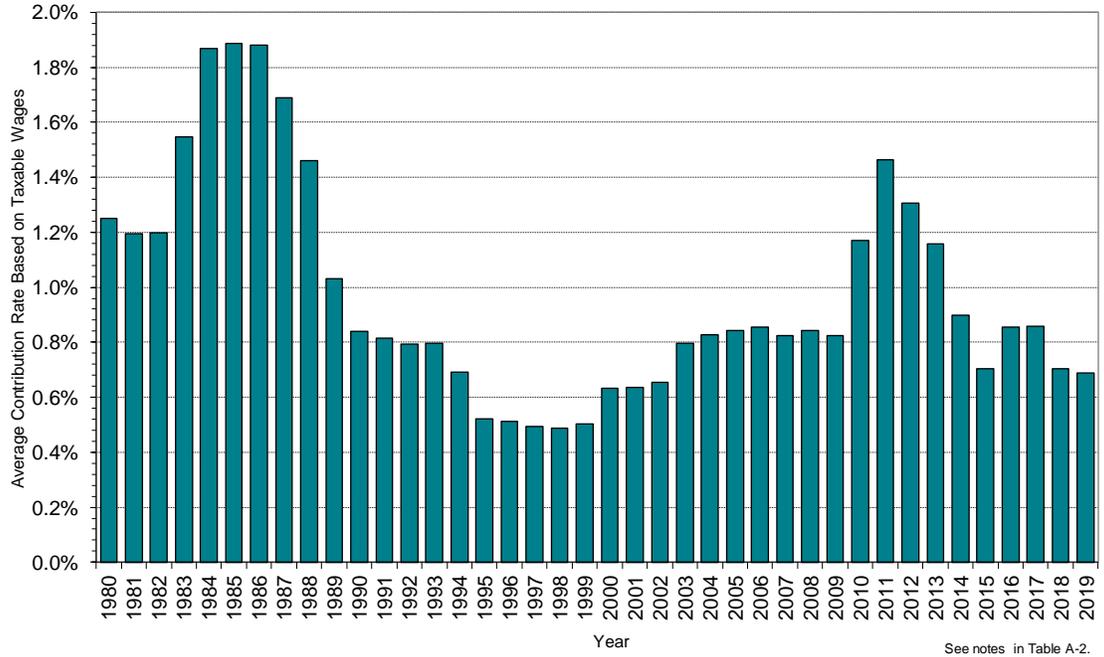




Combined Average Contribution Rate Based on UI Covered Taxable Wages



Combined Average Contribution Rate Based on UI Covered Total Wages

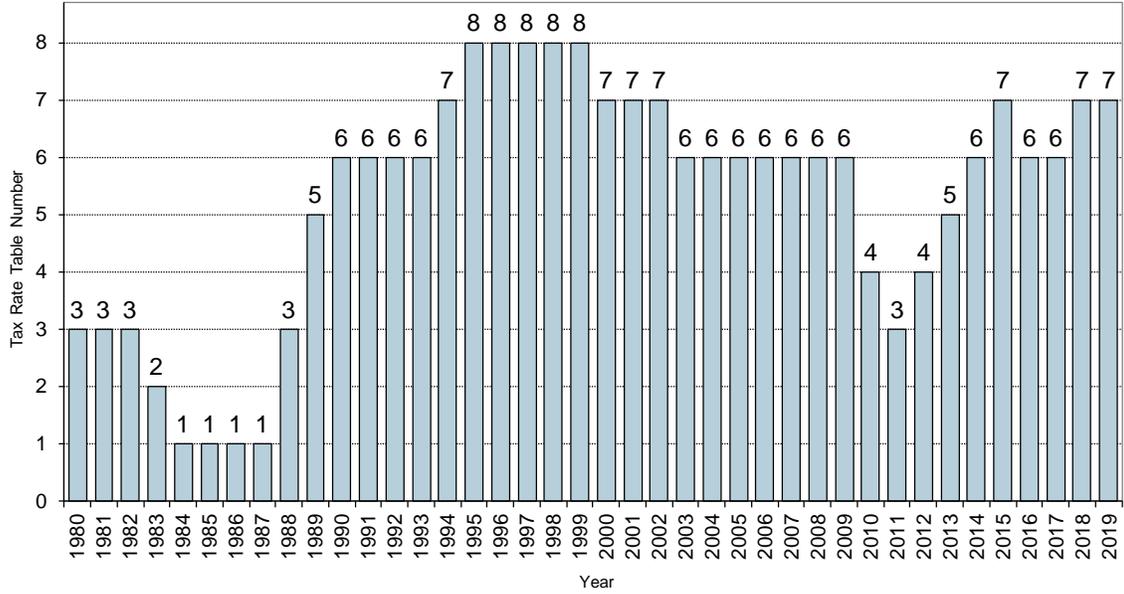


UI Contribution Rate Table

Iowa Code Provides Eight Rate Tables

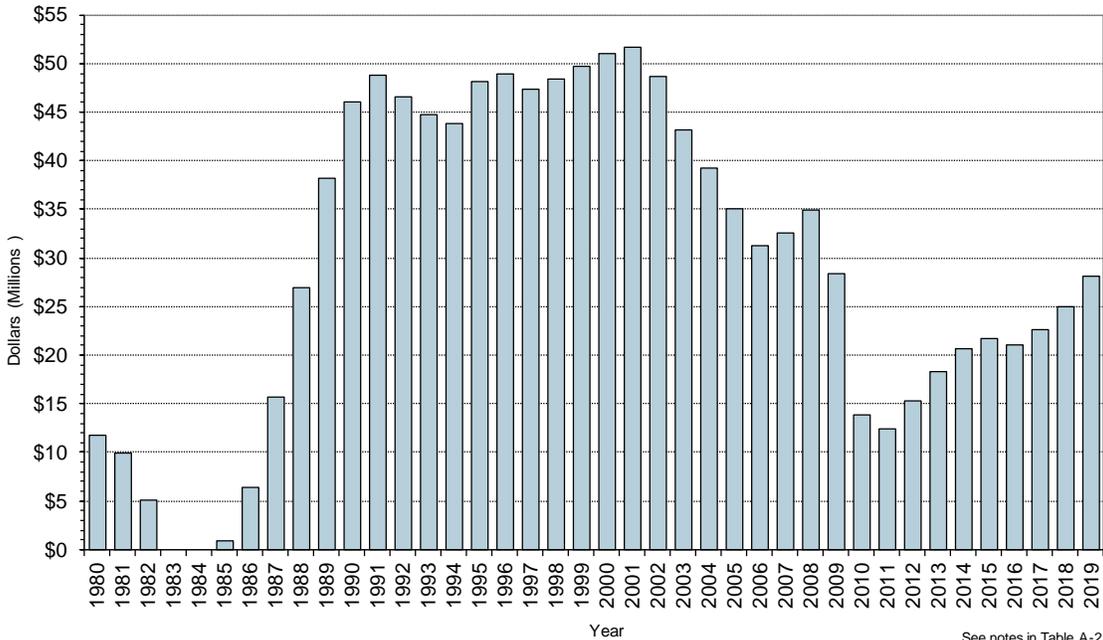
(Table 1 = Highest Rates)

(Table 8 = Lowest Rates)

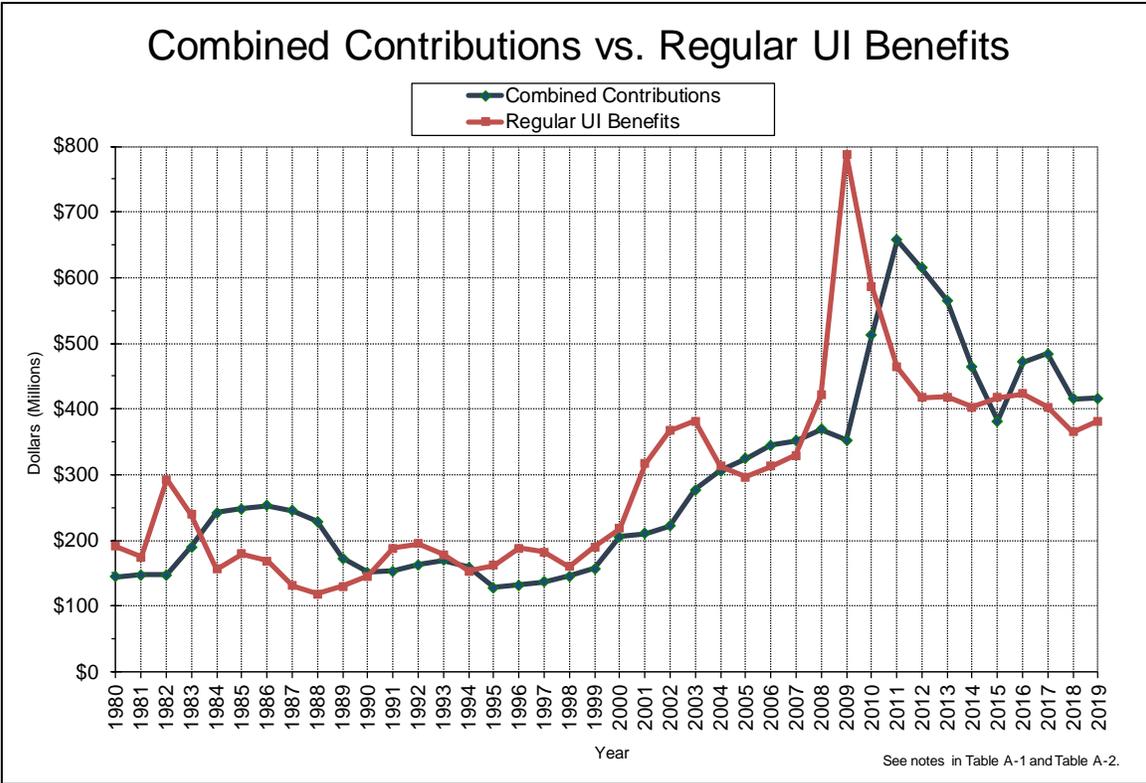
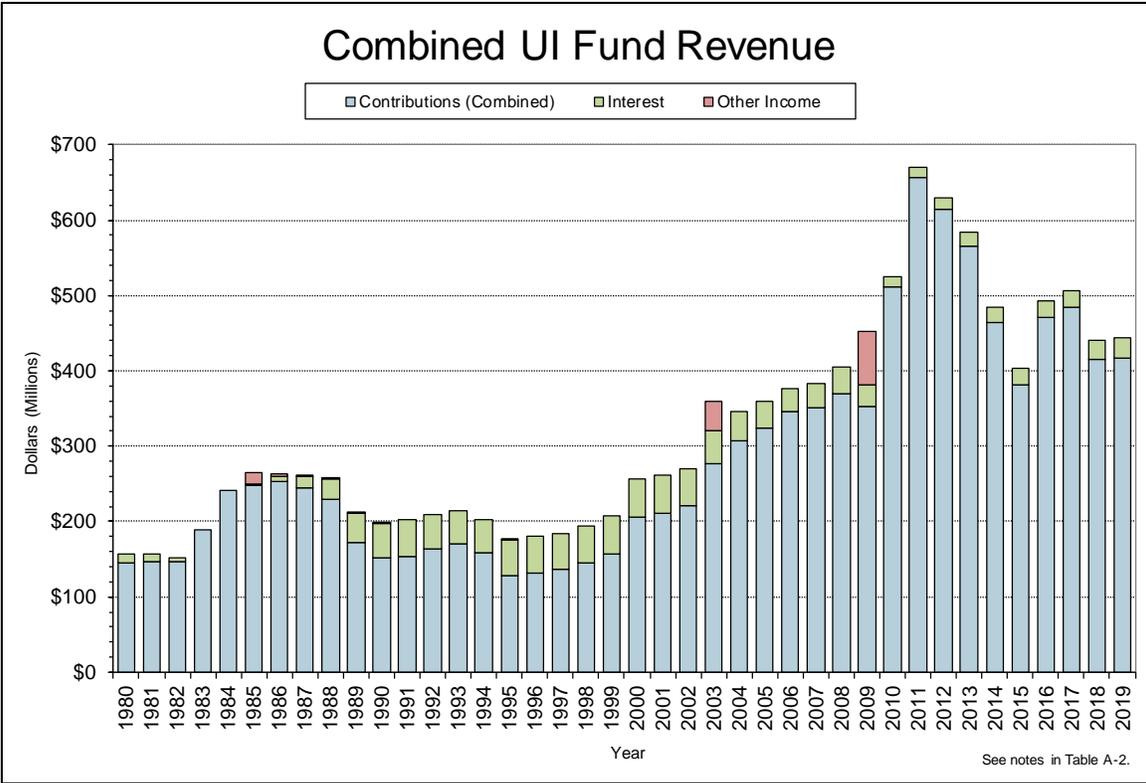


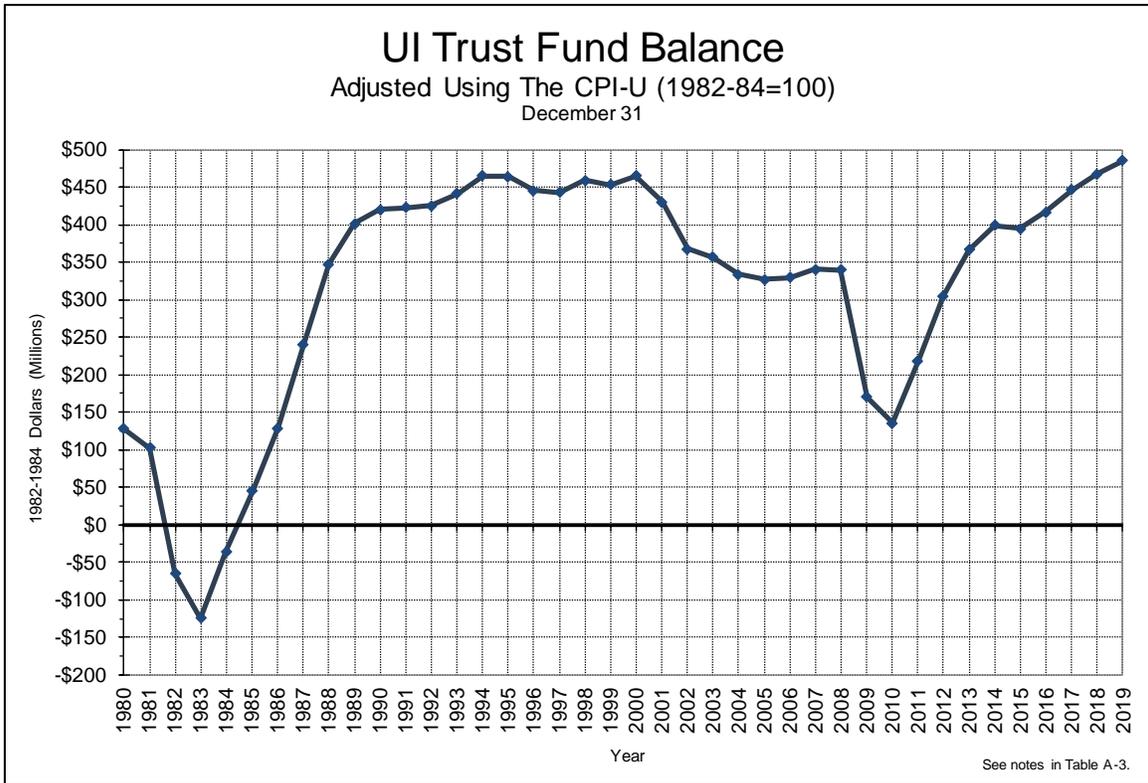
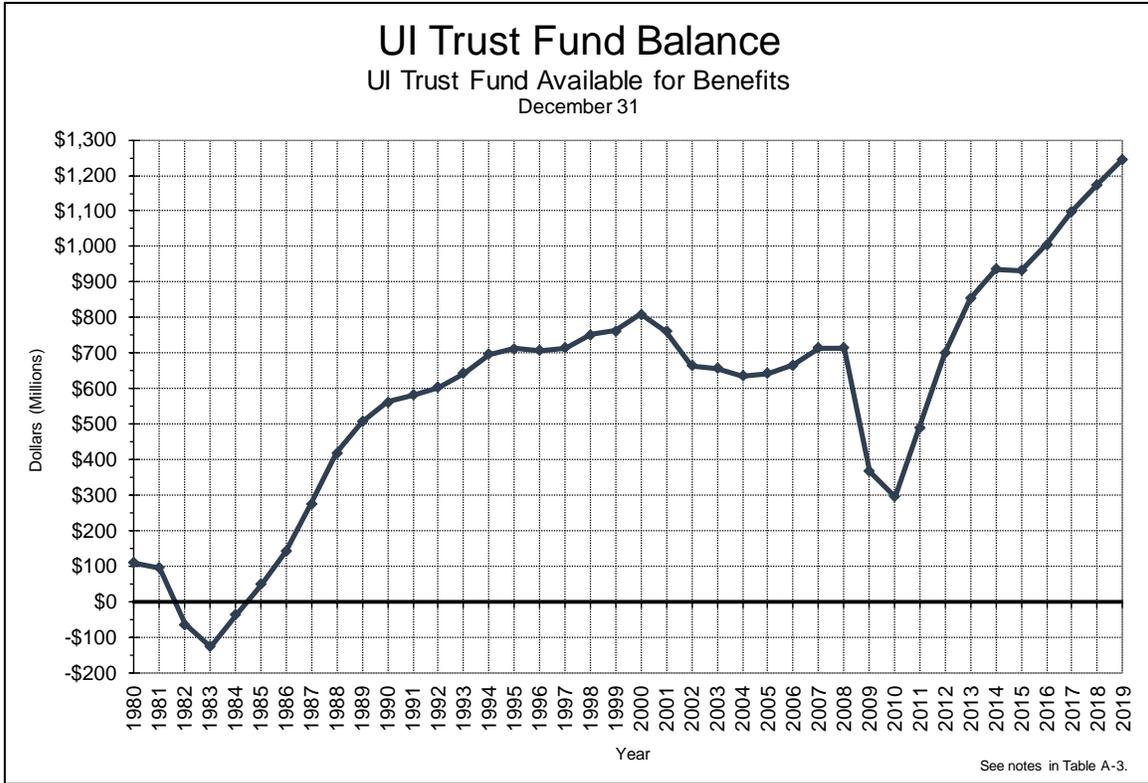
Interest Received

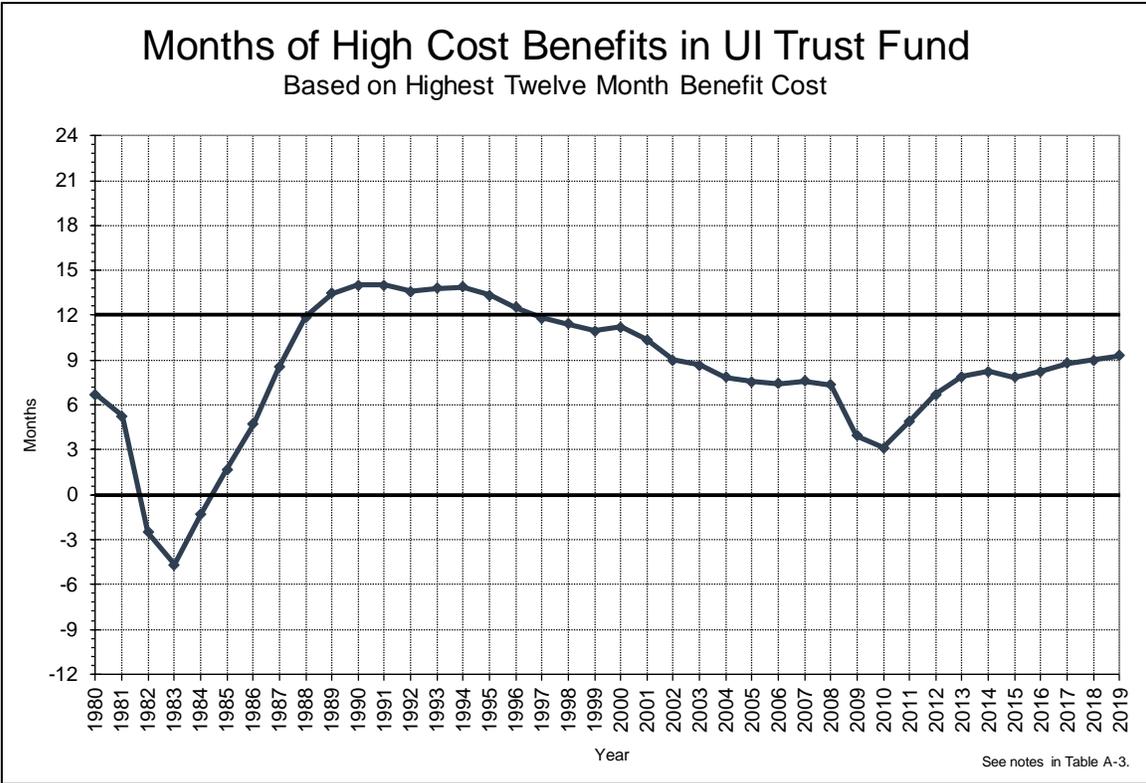
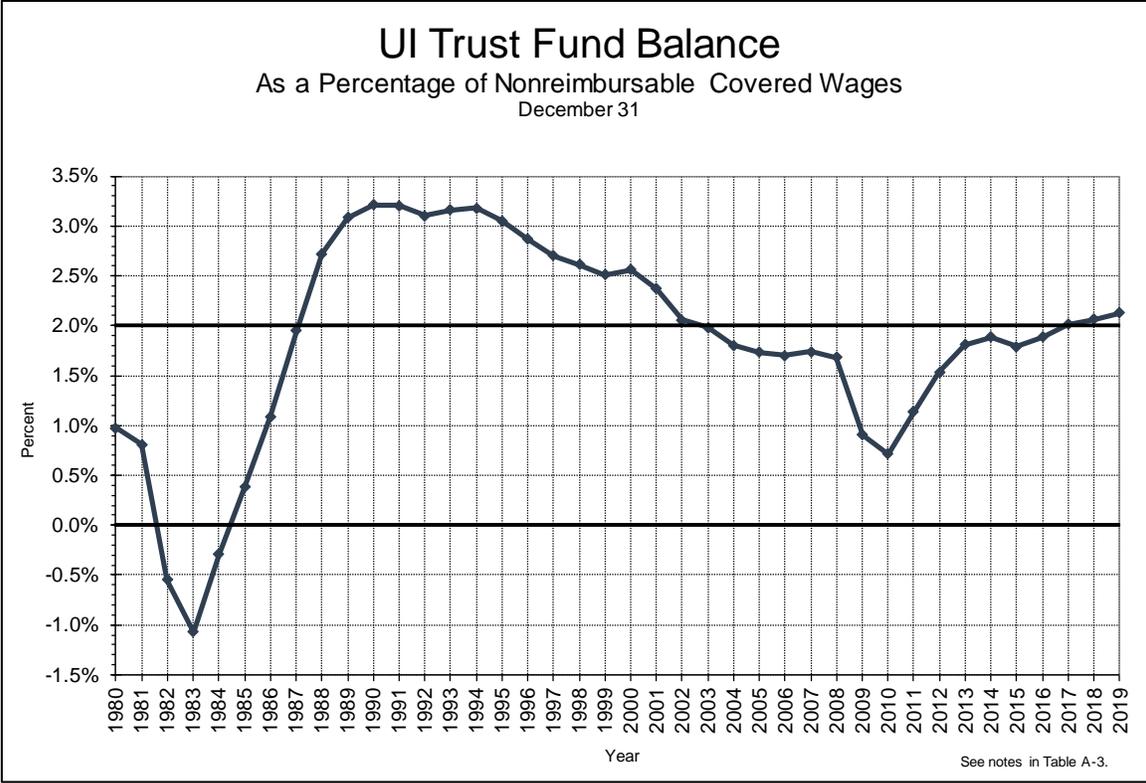
Unemployment Insurance Trust Fund



See notes in Table A-2.

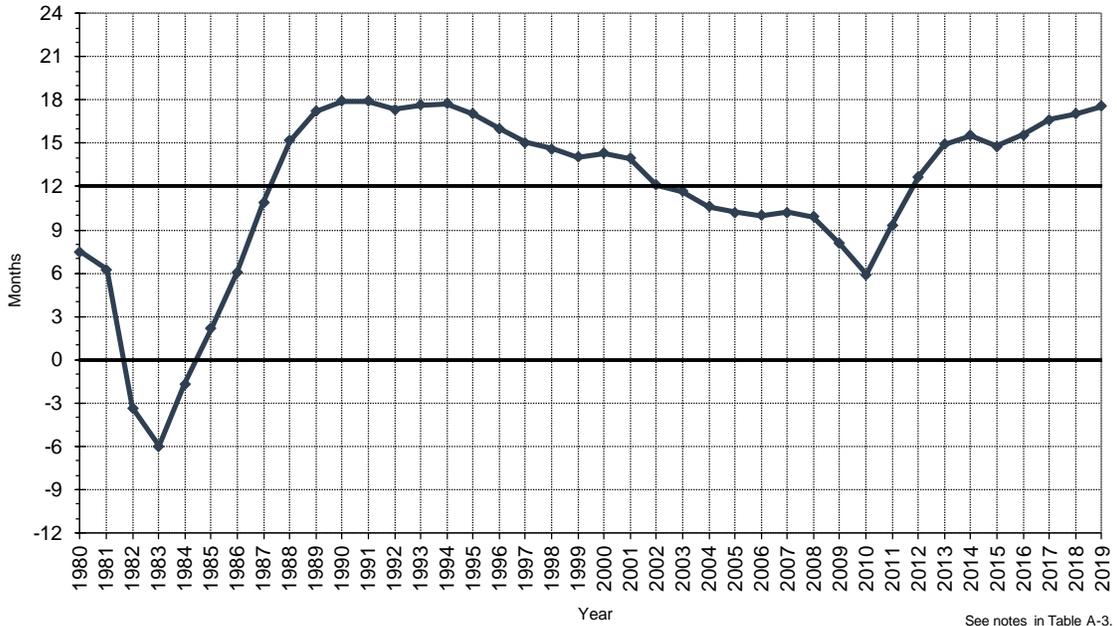






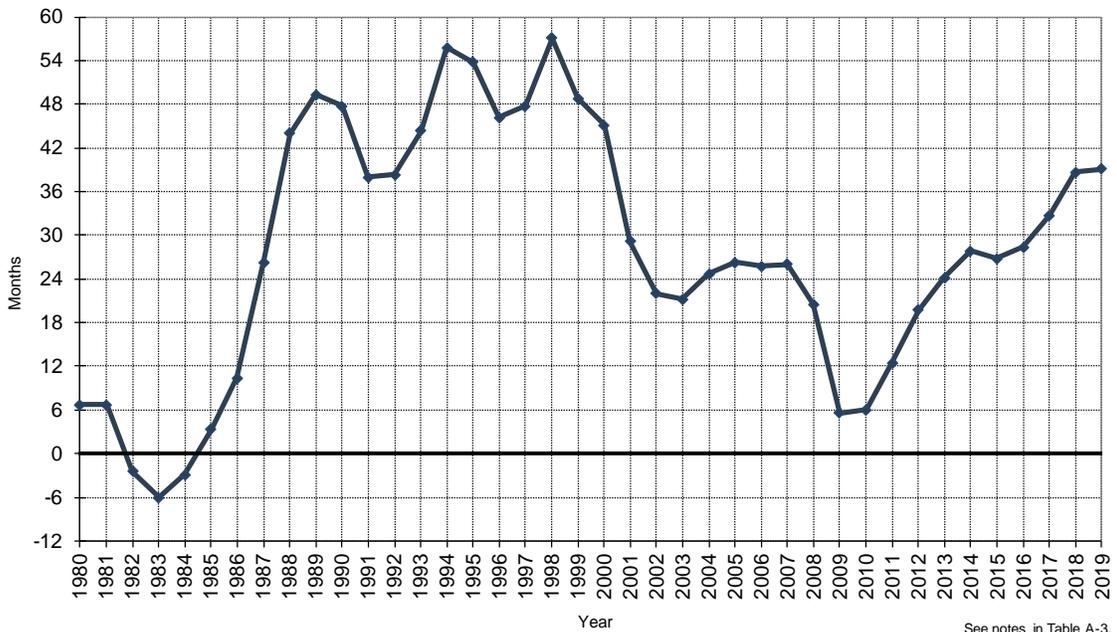
Months of High Cost Benefits in Trust Fund

Based on Highest Three Year Average Benefit Cost
During the Last Twenty Years or Three Recessions



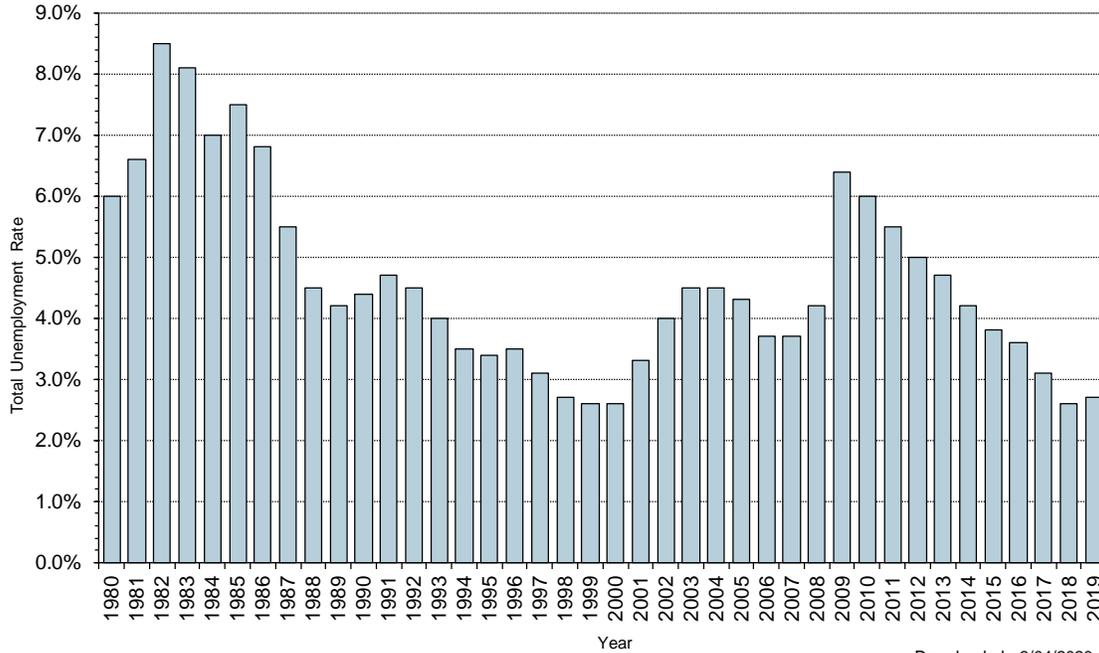
Months of Benefits in UI Trust Fund

Based on Current Year Benefit Levels



Iowa Total Unemployment Rate

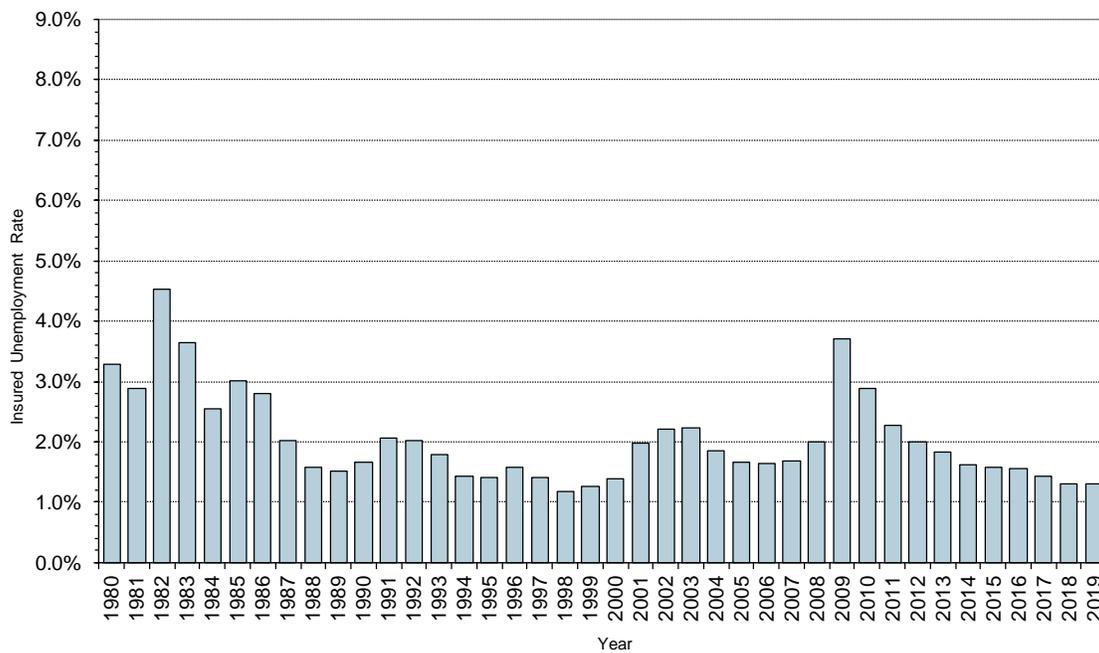
Bureau of Labor Statistics



Downloaded: 3/04/2020

Iowa Insured Unemployment Rate

Average Weeks Claims Divided by Covered Employment



Appendix C: Definition and Technical Notes

UI Fund Balance Measures

Unemployment Trust Fund: A fund established in the Treasury of the United States which contains all monies deposited by state agencies to the credit of their unemployment fund accounts and federal unemployment taxes (FUTA) collected by the Internal Revenue Service.

UI Trust Fund Balance (available for benefits): In this report this term refers to the balance in Iowa's individual account in the Unemployment Trust Fund which is available to pay UI benefits. This balance excludes Reed Act distributions, except for amounts transferred to the trust fund under Iowa Law.

High Benefit Cost Rate: The highest historic reserve ratio. The current high cost rate is based in the twelve months ending April 1983 where benefits totaled \$317 million and covered wages totaled \$11.6 billion. Benefits paid equaled 2.746 percent of covered wages.

Average High Cost Rate: A measure of past high benefit costs. It is equal to the average of the three highest benefit cost rates in the last twenty years or a period including three national recessions, if longer.

High Cost Multiple: A trust fund solvency measure equal to the ratio of the current UI Trust Fund balance (as a percent of total wages) to the High Benefit Cost Rate.

Average High Cost Multiple: A trust fund solvency measure equal to the ratio of the current UI Trust Fund balance (as a percent of total wages) to the Average High Cost Rate.

Iowa Reserve Fund: This refers to the principal in the Unemployment Compensation Reserve Fund created in the state treasury under S. F. 458 in 2003. Monies in the reserve fund shall be used to pay benefits to the extent moneys in the unemployment compensation fund are insufficient to pay benefits during a calendar quarter. The U. S. Department of Labor does not include this fund in the federal trust fund solvency measures used in this report.

Other Definitions

Regular UI Benefits Paid: Unemployment benefits paid under the regular unemployment program. This figure does not include federal unemployment benefits, voluntary shared work benefits and special episodic programs such as Extended Benefits (EB) and Emergency Unemployment Compensation (EUC). (Source: ETA-5159)

Average Duration: The number of weeks compensated for the year divided by the number of first payments.

Exhaustion Rate: A rate computed by dividing the average monthly exhaustions by the average monthly first payments. To allow for the normal flow of claimants through the program, the denominator lags the numerator by 26 weeks,

First Payments: The first payment in a benefit year for a week of unemployment claimed under a specific UI program. (Source: ETA-5159).

Final Payments: The number of claimants drawing the final payment of their original UI entitlement. This is also called benefit exhaustions. (Source: ETA 5159)

Trust Fund Interest: The amount of interest earned on the Unemployment Trust Fund account. Interest paid by the U. S Treasury is credited on the notification date for this report. The interest rate paid to states is available at: http://www.treasurydirect.gov/govt/rates/rates_tfr.htm.

Additional Resources: More definitions can be found in [glossary page](#) if the [UI Data Summary](#). More information about unemployment insurance financing methods and trust fund solvency measures can be found in the [Unemployment Insurance Technical Guide](#). Both are published by Division of Fiscal and Actuarial Services of the Office of Unemployment Insurance in the U.S. Department of Labor.

The background is a blurred image of a document. On the left, there is a vertical bar chart with several bars of varying heights. To the right of the chart is a table with several columns of numbers. The numbers are somewhat out of focus but appear to be integers and decimal values. The overall tone is light gray and blue.

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