

## OCTOBER 2020 UNEMPLOYMENT INSURANCE (UI) FUND FORECAST

### INTRODUCTION

---

This report provides the status of the California UI Fund and includes information on the current and projected fund balance, receipts, disbursements, and contribution rates. In addition, this report will provide information on some of the new UI extended and enhanced benefit programs being implemented in response to the global pandemic known as COVID-19.

During late March 2020, the federal government authorized a series of UI initiatives in response to the COVID-19 pandemic through the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020. Among the provisions of the Act, three new programs were formed, Pandemic Unemployment Assistance (PUA), Pandemic Emergency Unemployment Compensation (PEUC) and Federal Pandemic Unemployment Compensation (FPUC – known in California as Pandemic Additional Compensation or PAC). All of these new UI initiatives will be funded with federal dollars.

The PUA program provides up to 46 weeks of benefits and is available starting with weeks of unemployment beginning February 2, 2020, through the week ending December 26, 2020. This program covers individuals who are business owners, independent contractors, self-employed workers, freelance workers, or gig economy workers affected by COVID-19. Additionally, these individuals must not otherwise qualify for regular unemployment compensation (UC) or extended benefits (EB) under state or federal law or PEUC.

The PEUC program provides up to 13 weeks of benefits to those who have exhausted their regular UI claims and is available in California from March 28, 2020 through December 31, 2020.

The PAC program provided an additional \$600 per week to individuals who are collecting regular UI, as well as those newly created pandemic assistance programs PUA and PEUC.

The PAC program was available in California from March 28, 2020 through July 31, 2020.

Once PAC ended, the Federal government approved payments in the amount of \$300 per week called the Lost Wages Assistance (LWA). These payments were available from week ending August 1, 2020 for six weeks. These payments were also funded with federal dollars.

Beginning June 7, 2020, California also became eligible for the Federal Extended Benefit program, also known as FED-ED. This program adds up to 20 weeks for eligible claimants who have exhausted their regular and PEUC claims. With the provisions of the CARES Act, the Federal government will pay all of the FED-ED benefits through the end of 2020.

The UI Fund ended 2019 with a balance of \$3.3 billion. Due to the sudden and immense impact of COVID-19, the UI Fund became temporarily insolvent on April 29, 2020, and fluctuated in and out of solvency until maintaining a deficit starting June 3, 2020. California is continuing to borrow funds to pay regular UI benefits in 2020. It is estimated that California will end the year with a loan balance of \$21.5 billion.

Unemployment levels were 801,000 in 2019, and are projected to reach an average of nearly 3.5 million covered in regular UI in 2020 and 3.4 million in 2021

The UI regular benefit payments covered by the State's UI Fund were \$5.1 billion in 2019. The UI regular benefit payments are estimated at this time to be \$30.6 billion in 2020 as California grapples with this crisis. Benefit payments are expected to drop to \$26.5 billion in 2021. Current legislation will require the state to contribute one half of FED-ED, which is reflected in the totals for 2021.

For 2020 employers' UI contributions were based on the "F" contribution rate schedule, plus a 15 percent surcharge, which is required by current statute when the UI Fund reserve ratio dips below a specified level. Employers will continue on this schedule throughout the forecast period and beyond. Total receipts were \$6.0 billion in 2019, and are projected to be \$5.8 billion in 2020 as employers lay off workers in response to COVID-19.

During the Great Recession, California began borrowing from the federal government to pay UI benefits. As part of the American Recovery and Reinvestment Act, interest owed on borrowed funds was waived through December 31, 2010. Interest began accruing on January 1, 2011, and resulted in seven interest payments made to the Department of Labor on September 30th of each year from 2011 through 2018, respectively. No interest payment was made in 2019 as California did not have an outstanding loan balance. Although California is insolvent during 2020, the federal government via the CARES Act has waived interest through December 31, 2020 therefore, no interest was due on September 30th of this year. However, interest will start accruing on January 1, 2021, and the first interest payment will be due September 30, 2021.

Beginning in 2012, the amount owed to the federal government on the outstanding loan was reduced due to the Federal Unemployment

Tax Act (FUTA) credit reduction. This occurs to offset the loan balance when a state UI Fund is in deficit for two consecutive years. Once this occurs, the state loses 0.3 percent of the FUTA tax credit each year. California experienced a 0.3 percent loss each year from tax years 2011 through 2017. California no longer had an outstanding loan balance after March of 2018, therefore, no 2018 or 2019 reduction was assessed. Despite an anticipated loan balance at the end of 2020, the FUTA tax credit reduction will not be assessed for 2020 as California had not been in deficit for two consecutive years as of January 1, 2020. It is currently anticipated that FUTA credit reductions would start occurring for tax year 2022, with the higher federal taxes coming due in 2023.

Typically, the basis for this forecast would be the June 2020 Labor Market Information Division's economic outlook, however a review of the actual data reflecting recent impacts of the COVID-19 pandemic suggest use of the California Department of Finance's April 2020 economic outlook, would be more appropriate.

The data contained in this document represent only projections to the California UI Fund and do not include any of the extended or emergency unemployment benefit dollars paid for by the federal government.

## FUND BALANCE

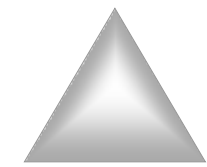
In 2019, the Fund ended the year with a balance of \$3.3 billion. The Fund is expected to end 2020 with a deficit of \$21.5 billion and a deficit of \$48.3 billion by the end of 2021.

The sudden and immense impact of the COVID-19 pandemic has increased benefit payments to levels not previously experienced in the UI program. This unprecedented demand for UI benefits has led to a deficit in the UI Fund.

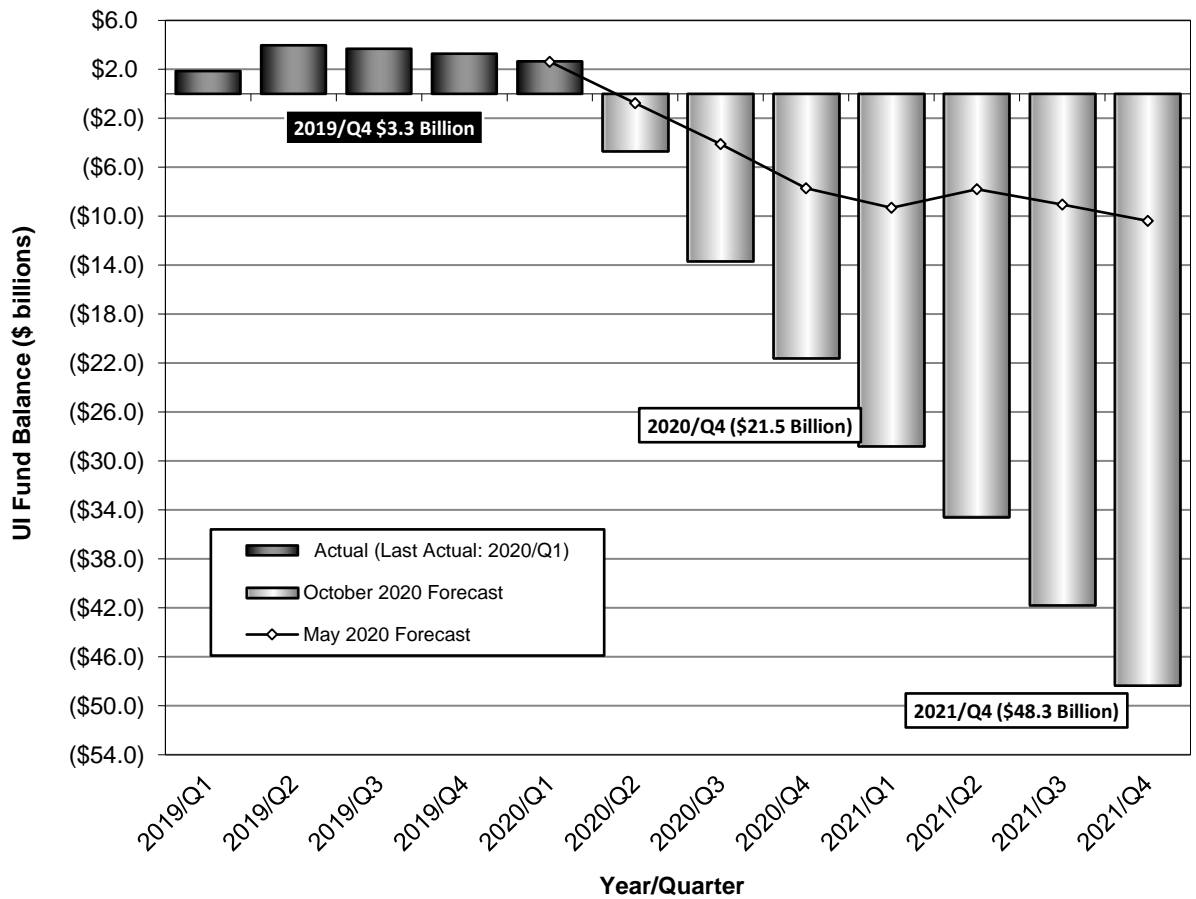
These estimates differ from the May 2020 forecast due to the historic levels of unemployment that were brought on by the COVID-19 pandemic.

The chart below shows the projected quarterly UI Fund balance through 2021. These estimated balances are based on limited data about the impact of COVID-19 and may change significantly, depending upon actual employment levels and claims filed.

UI Fund Balance 2019 - 2021



The UI Fund has a projected deficit of \$21.5 billion at the end of 2020.



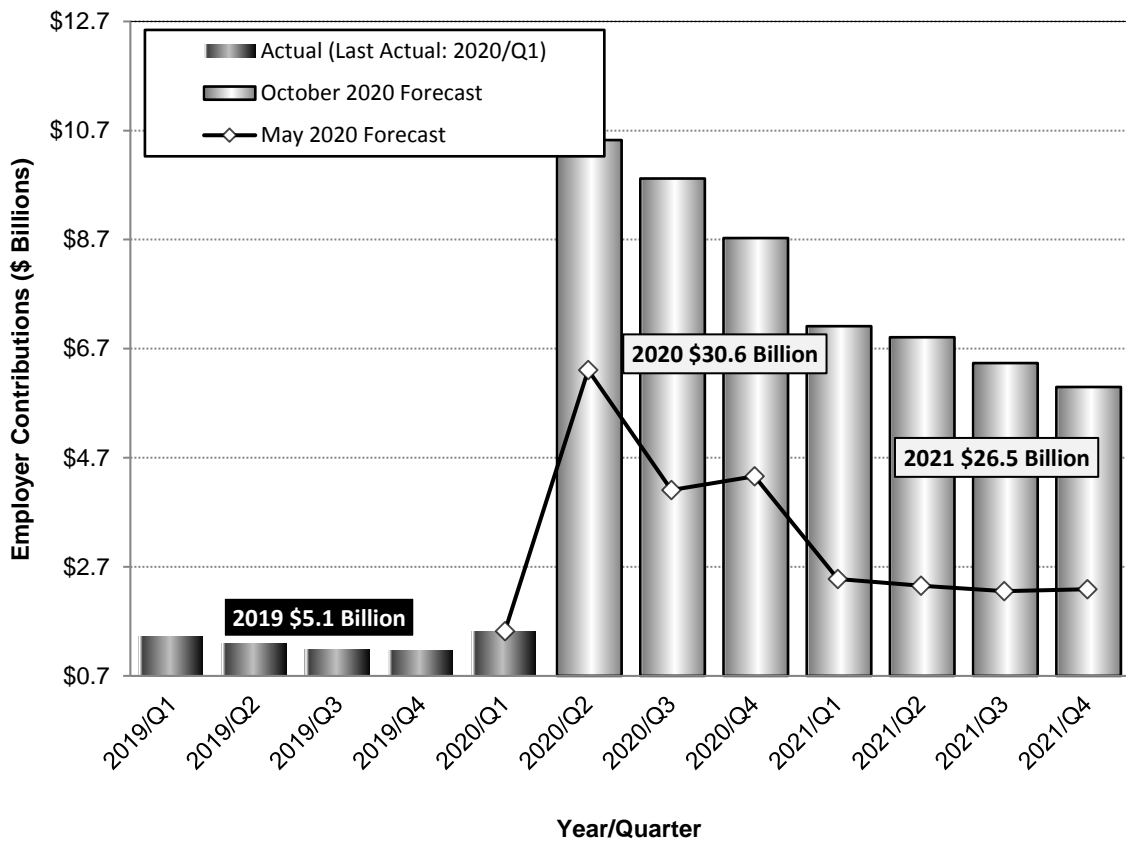
## DISBURSEMENTS, REGULAR UI BENEFITS

Total regular UI benefit payments remained stable at \$5.1 billion in 2019. Regular UI benefit payments are projected to increase dramatically to \$30.6 billion in 2020 in response to the economic conditions brought on by the COVID-19 pandemic and shelter at home order. The number of unemployed has increased dramatically as non-essential businesses were forced to shut down. Despite the easing of restrictions on keeping businesses open, regular

benefit payments continue at a record pace. UI benefit payments are forecast at \$26.5 billion in 2021, as the State recovers from the current recession.

The chart below shows the projected quarterly disbursements through 2021. These estimates are based on limited data about the impact of COVID-19 and may change, depending upon actual employment levels and claims filed.

**Regular UI Benefit Disbursements 2019 - 2021**



Regular UI benefit payments are projected to be \$30.6 billion in 2020.

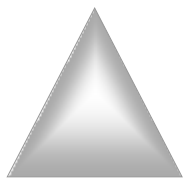
## EMPLOYER CONTRIBUTIONS

Employer contributions were \$5.6 billion in 2019. Contributions are projected to fall to \$5.2 billion in 2020 and \$4.3 billion in 2021. The fall in contributions in 2020 reflect the lower level of employment as California responds to the COVID-19 pandemic and shelter in place. Additionally, California passed Assembly Bill (AB) 103 in June of 2020, alleviating all tax rated employer reserve accounts of charges related to the COVID-19 pandemic through the end of 2020. Total receipts were \$6.0 billion in 2019 and are projected to be \$5.8 billion in 2020 and \$5.3 billion in 2021. Total receipts include employer contributions, interest, reimbursements, and other receipts (see Table1, page 5).

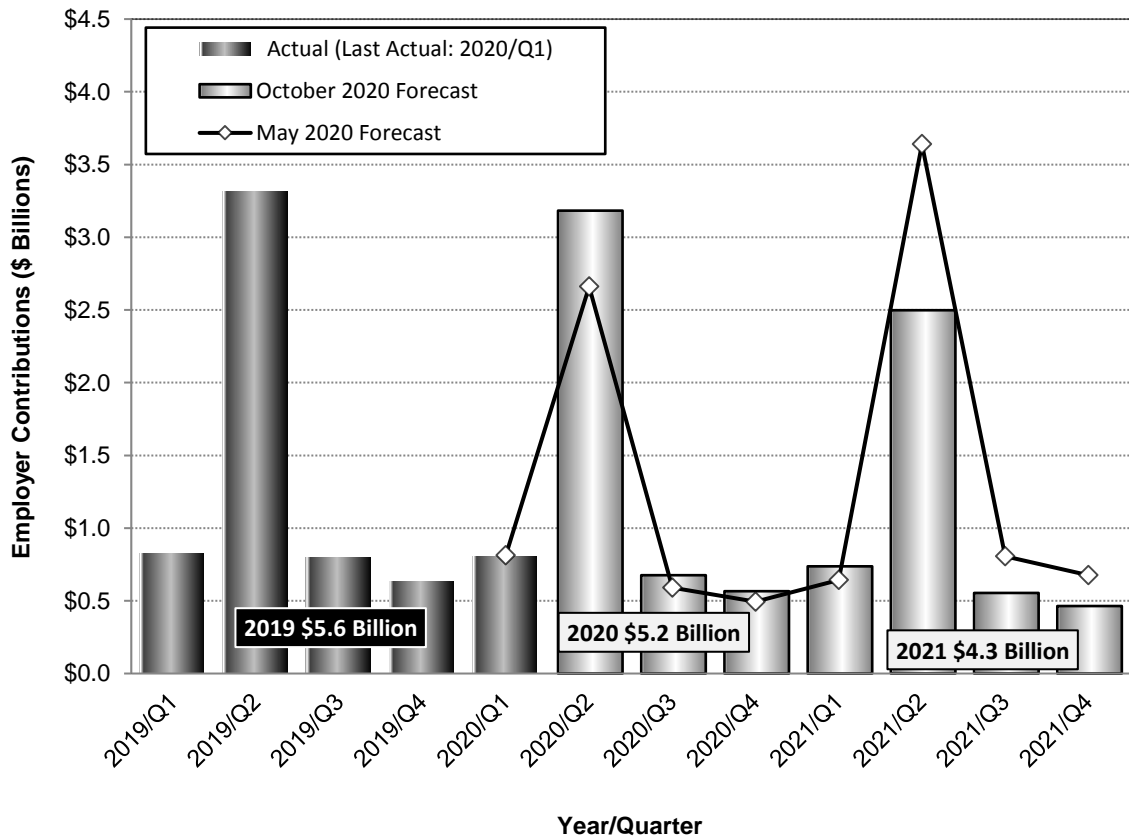
Employers are currently on the “F” contribution rate schedule in 2020, plus a 15 percent surcharge. Employers are projected to be on this same schedule throughout the forecast period and beyond if changes are not made to the financing structure (refer to page A4 in the Appendix for an explanation of the contribution rate schedules).

The following chart shows the projected quarterly employer contributions through 2021. These estimated employer contributions could change depending upon actual employment levels.

**Employer Contributions 2019 - 2021**



*Employer Contributions are projected to total \$5.2 billion in 2020.*



UNEMPLOYMENT INSURANCE FUND  
FORECAST FOR CALENDAR YEARS 2019 – 2021

Table 1\*  
(Dollars in millions)

	2019	2020 (F)	2021(F)
YEAR END FUND BALANCE	\$3,280.5	<b>(\$21,540.2)</b>	<b>(\$48,323.9)</b>
RECEIPTS PLUS FUTA CREDIT REDUCTION RECEIPTS MINUS DISBURSEMENTS	\$943.8	<b>(\$24,820.7)</b>	<b>(\$26,783.7)</b>
RECEIPTS	\$5,978.7	<b>\$5,773.4</b>	<b>\$5,289.5</b>
Employer Contributions	\$5,570.1	<b>\$5,193.3</b>	<b>\$4,252.3</b>
Interest	\$74.7	<b>\$24.2</b>	<b>\$0.0</b>
Reimbursements	\$319.5	<b>\$556.9</b>	<b>\$1,037.2</b>
Other (a)	\$14.3	<b>(\$0.9)</b>	<b>\$0.0</b>
FUTA (b)	\$34.2	<b>(\$2.2)</b>	<b>\$0.0</b>
DISBURSEMENTS	\$5,069.1	<b>\$30,591.9</b>	<b>\$32,073.2</b>
Regular Benefits	\$5,069.1	<b>\$30,591.9</b>	<b>\$26,454.7</b>
Other (c)	\$0.0	<b>\$0.0</b>	<b>\$0.0</b>
FED-ED Benefits, State's portion	\$0.0	<b>\$0.0</b>	<b>\$5,618.5</b>

**(F) Forecast** Last actual data through the first quarter of 2020. Bolded numbers are estimates. Totals may not be exact due to rounding.

(a) Includes amounts from miscellaneous adjustments such as insurance checks and dues from other funds reverted back to the UI Fund. Unclaimed contributions, Reed Act disbursements, and overpayments refundable to employers or claimants are also examples of other receipts.

(b) FUTA credit reduction calendar year totals do not match the corresponding FUTA tax year collections. This variance is due to calendar year collection totals including multiple tax year transactions occurring within the same calendar year. FUTA credit reductions also fluctuate as tax receipts are processed and can sometimes result in negative entries. Please see the Appendix for additional FUTA collection related information.

(c) Other Disbursements include charges written-off as an uncollectible cashier shortage, transfers to Railroad Retirement Board, and other miscellaneous charges.

\* Typically, the basis for the projections in this fund forecast is the June 2020 Labor Market Information Division's economic outlook, however, due to the immense impact of the COVID-19 pandemic on the California Economy, these figures incorporate as much actual claim and employment data available at the time this report was written in addition to the estimates from the California Department of Finance April 2020 economic outlook.

UNEMPLOYMENT INSURANCE FUND  
FORECAST FOR CALENDAR YEARS 2019 – 2021

Table 2

	2019	2020 (F)	2021(F)
<b>CLAIM ACTION</b>			
New Claims (a)	1,279,213	<b>8,485,000</b>	<b>5,976,000</b>
First Payments	887,018	<b>6,215,000</b>	<b>4,173,000</b>
Weeks Compensated	15,381,153	<b>103,754,000</b>	<b>87,005,000</b>
Average Duration	17.3	<b>16.7</b>	<b>20.8</b>
<b>Weekly Benefit Amount</b>			
Maximum/Minimum	\$450/\$40	<b>\$450/\$40</b>	<b>\$450/\$40</b>
Average (All Claimants)	\$330	<b>\$293</b>	<b>\$304</b>
<b>COVERED WAGES</b>			
Total Wages (Less Reimbursables) (in billions)	\$1,015.9	<b>\$939.5</b>	<b>\$901.4</b>
Average Weekly Wage	\$1,357.7	<b>\$1,412.2</b>	<b>\$1,459.1</b>
Taxable Wages (in billions)	\$136.5	<b>\$128.0</b>	<b>\$112.4</b>
Percent of Total Wages	13.4%	<b>13.6%</b>	<b>12.5%</b>
Benefits/Taxable Wages	3.7%	<b>23.9%</b>	<b>23.5%</b>
<b>TAXES</b>			
Taxable Wage Ceiling	\$7,000	<b>\$7,000</b>	<b>\$7,000</b>
Tax Schedule	F+	<b>F+</b>	<b>F+</b>
Average Tax Rate (b)	4.06%	<b>3.93%</b>	<b>3.66%</b>
<b>EMPLOYMENT</b>			
Average Covered Employment	17,398,441	<b>15,759,000</b>	<b>14,656,000</b>
Reimbursables - Average Covered Employment	3,063,565	<b>3,015,000</b>	<b>2,822,000</b>
All Others - Average Covered Employment	14,334,877	<b>12,744,000</b>	<b>11,834,000</b>
Contributions/Employment All Others (c)	\$391	<b>\$407</b>	<b>\$359</b>
<b>CALIFORNIA LABOR DATA (d)</b>			
California's Civilian Labor Force	19,405,000	<b>19,449,100</b>	<b>19,468,000</b>
California's Unemployment Level	784,000	<b>3,497,800</b>	<b>3,432,000</b>
Civilian Unemployment Rate	4.0%	<b>18.0%</b>	<b>17.6%</b>

**(F) Forecast:** Last actual data for wages and employment through fourth quarter of 2019. All other data actual through the second quarter of 2020. Bolded numbers are estimates. Totals may not be exact due to rounding.

(a) This includes intrastate, interstate, and transitional claims.

(b) The average contribution rate is calculated based on contributions from April - March each year. This varies from the average contribution rate reported to the Department of Labor that is calculated based on calendar year contributions.

(c) This row includes the FUTA Credit Reduction totals.

(d) Estimates for California Labor Data is from the California Department of Finance April 2020 economic outlook. The exact level of unemployment is not known at this time and, due to the COVID-19 pandemic, is subject to change.

# A P P E N D I X

## UNEMPLOYMENT INSURANCE (UI) DEFINITIONS

The definitions below are informational only and arranged in the order of their appearance in the text of the report and/or in Tables 1 and 2. The law is the California Unemployment Insurance Code (CUIC). Interpretations of the law are contained in opinions of the Attorney General, administrative and court decisions, and Title 22 of the California Code of Regulations.

### YEAR-END FUND BALANCE

---

The sum of all money remaining in the Unemployment Fund at the end of the year after all receipts and disbursements have been recorded but before the unamortized balance invested in capital assets is recorded.

### RECEIPTS

---

#### ***Receipts:***

This includes all income to the Unemployment Fund. Receipt items are on an “as received” basis rather than on an “as earned” basis.

#### ***Employer Contributions:***

Contributions paid by an employer based on a contribution rate derived from the Experience Rating System. This system determines each individual employer’s contribution rate based on the employer’s employment experience and the condition of the UI Fund. New employers are required to pay a rate of 3.4 percent for up to three years. (See Employer Contribution Factors on page A4.)

#### ***Interest:***

Income produced by investing a portion of the Unemployment Fund. This investment is made by the federal government and California has no discretion in investment decisions.

#### ***Reimbursements:***

Amounts received from employers (nonprofit organizations, state and local governments) required to reimburse the Unemployment Fund for benefits paid to their former employees.

Due to the sudden and immense impact of the Covid-19 pandemic, the federal CARES Act provided emergency relief to state and local governmental entities, certain nonprofit organizations, and federally recognized Indian tribes. The law allowed a 50 percent reimbursement for weekly benefit amounts paid beginning on or after March 13, 2020, and ending on or before December 31, 2020, even if the unemployed individual is not unemployed as a result of COVID-19.

#### ***Other Receipts:***

Includes amounts from miscellaneous adjustments such as insurance checks and dues from other funds reverted back to the UI Fund. Unclaimed contributions, Reed Act disbursements, and overpayments refundable to employers or claimants are also examples of other receipts.

#### ***Federal Unemployment Tax Act (FUTA) Credit Reduction:***

If a state has relied on a federal loan for two consecutive years, employers face a federal tax increase for the following tax year. Current federal law provides employers with a 5.4 percent tax credit. However, this credit was reduced, due to California’s insolvency, by 0.3 percent to 5.1 percent for the 2011 tax year due to the outstanding federal loan.

On January 1, 2011, the federal tax rate was set at 6.2 percent. Applying the reduced tax credit, an employer’s federal tax rate increased from 0.8 percent to 1.1 percent. On July 1, 2011, a federal emergency surtax was allowed to expire that lowered the federal tax rate from 6.2 percent to



## **Federal Unemployment Tax Act (FUTA) Credit Reduction (continued):**

6.0 percent. As a result, the federal unemployment tax rate was revised to 0.9 percent for the six-month period from July 1, 2011, through December 31, 2011. The federal tax rate is applied to the first \$7,000 in wages paid to covered employees. Employers' federal tax liability increased up to \$21 per employee during the 2011 tax year up to the first \$7,000 in covered wages.

Due to collections during a calendar year being comprised of amounts related to multiple tax years, calendar year collection totals do not match tax year collection totals. For example, the calendar year total for 2012 was \$288.5 million. However, the 2011 tax year total now stands at \$292.7 million due to collections that have continued each calendar year from 2012 through today. Moreover, an additional 0.3 percent reduction to the federal tax credit was applied for each subsequent year (up to a potential maximum of 5.4 percent credit reduction) while California had an outstanding federal loan. Through January, 2020, California has received the following amounts for each tax year:

Tax Year	Total Collections through September, 2020 (dollars in millions)
2011	\$292.7
2012	\$604.1
2013	\$946.9
2014	\$1,325.5
2015	\$1,735.4
2016	\$2,155.3
2017	\$2,562.0

FUTA tax year collections ended after tax year 2017 as California no longer had an outstanding loan balance at the end of 2018. It is estimated that California will continue to collect FUTA receipts for all prior tax years for the foreseeable future.

## **DISBURSEMENTS**

---

### ***Disbursements:***

All money paid from the Unemployment Insurance Fund.

### ***Regular Benefits:***

Disbursements made to UI claimants under the authority of Division 1, Part 1, of the CUIC. This includes only benefits paid under the California UI program from the UI Fund. Regular benefits paid from the Federal Unemployment Benefit Account, which is separate from the California UI Fund, including Unemployment Compensation for Federal Employees (UCFE) and Unemployment Compensation for Ex-Service Persons (UCX) programs or any combination of these programs are excluded. Benefits paid under extended benefit programs are also excluded.

- ◆ UI: A state program that provides benefits to individuals covered under state and federal unemployment compensation laws.
- ◆ UCFE: The federal program of unemployment compensation for federal employees.
- ◆ UCX: The federal program of unemployment compensation for ex-service personnel.

### ***Other Disbursements:***

Includes the Reed Act Distributions Financing Act of 1954 (Admin) and charges written-off as an uncollectible cashier shortage, transfers to Railroad Retirement Board, and other miscellaneous charges.

## ***Coronavirus Aid, Relief, and Economic Security Act (CARES) Act of 2020:***

### ***Pandemic Unemployment Assistance (PUA):***

The PUA program will provide up to 46 weeks of benefits beginning with weeks of unemployment beginning February 2, 2020, through the week ending December 26, 2020. PUA covers individuals who are business owners, independent contractors, self-employed workers, freelancers, or gig economy workers and only received a 1099 tax form last year, or whom otherwise would not qualify for regular UI or PEUC benefits. Coverage will also include individuals who have exhausted all rights to regular UI or PEUC. This program will be administered similar to the Disaster Unemployment Assistance (DUA) program.

### ***Pandemic Emergency Unemployment (PEUC):***

The PEUC program will provide up to 13 weeks of extended benefits to individuals who have exhausted all rights to regular UI benefits and will be available for weeks of unemployment beginning March 29, 2020 through December 31, 2020.

### ***Federal Pandemic Unemployment Compensation, Referred to as Pandemic Additional Compensation in California (PAC):***

The PAC program will provide an additional \$600 per week to individuals collecting regular UI (including Unemployment Compensation for Federal Employees (UCFE), Unemployment Compensation for Ex-Service members (UCX), Work Sharing (WS), Disaster Unemployment Assistance (DUA), PUA, PEUC, or federal extension claim (TRA). Training Extensions (TE) claims and State Special Schools Benefits (SSSB) payments will **not** qualify for the \$600 PAC payments.

A claimant may be potentially eligible to receive the weekly \$600 PAC payments for weeks beginning March 29, 2020 through week ending July 25, 2020, if they submit a continued claim form for week-ending April 4, 2020, or after and are paid at least \$1 in UI benefits or a full OP offset is taken for that week. For claimants in the Partial or Work Sharing program with a non-Saturday week-ending date will receive the PAC payments through July 31, 2020. A week that is posted as a false statement (FS), appeal (APPL), excessive earnings (XE), fully employed (FE), or a disqualified (DISQ) week will not qualify for the \$600 stimulus payment since the claimant was not paid at least \$1.

### ***Federal-State Extended (FED-ED) Unemployment Compensation Act of 1970:***

The FED-ED Program is available in every state and provides one-half of a claimant's total state benefits up to 13 weeks in states with an activated program, for a combined maximum of 39 weeks of regular and extended benefits. Weekly benefit amounts are identical to the regular State Unemployment Compensation for each claimant, and Federal funds pay half the cost. The program activates in a state under one of two conditions: (1) if the state's 13-week average insured unemployment rate (IUR) in the most recent 13 weeks is at least 5.0 percent and at least 120 percent of the average of its 13-week IURs in the last two years for the same 13-week calendar period; or (2) if its current 13-week average IUR is at least 6.0 percent.

California activated the FED-ED program in May, 2020. As one of the provisions of Assembly Bill 103, California's FED-ED program triggered with an unemployment rate of 6.5 percent or greater and at least 110 percent of the average rate of total unemployment for either or both of the corresponding three month periods ending in the two preceding calendar years. According to the CARES Act of March 2020, states are not required to fund any part of the FED-ED benefits that may occur in 2020.

### ***Lost Wages Assistance Program:***

The Lost Wages Assistance Program was authorized by the August 8, 2020 Presidential Memorandum to provide eligible claimants a supplemental payment of \$300 per week for a minimum of three weeks, in addition to their weekly benefit amount. Claimants who provided a self-certification that they were unemployed or partially unemployed due to COVID-19 and had a weekly benefit amount payment on their regular claim of \$100 or more were eligible for the LWA supplemental payments. Payments began on September 7, 2020 and were entirely funded by the Federal Emergency Management Agency (FEMA).

## CLAIM ACTION

---

### ***New Claims:***

An application for determination of eligibility for benefits, weekly amount, and award which certifies either the beginning of a first period of unemployment within a benefit year, or the continuance of a period of unemployment into a new benefit year.

### ***First Payments:***

The first benefit payment made to a claimant in his/her benefit year.

### ***Weeks Compensated:***

The total number of weeks of unemployment for which regular benefits are paid.

### ***Average Duration:***

The number of weeks of benefits paid divided by the first payments.

### ***Weekly Benefit Amount (WBA): Maximum/Minimum:***

Per Section 1280 of the CUIC, effective January 1, 2005, the maximum weekly benefit amount is \$450. The minimum weekly benefit amount is \$40.

### ***Average Weekly Benefit Amount (AWBA):***

For all claimants, regular benefits divided by the number of weeks compensated including full, partial, and part-total weekly benefit amounts results in the AWBA.

## COVERED WAGES

---

### ***Total Wages:***

All remuneration payable to employees subject to the CUIC for personal services, including tips and gratuities received by workers.

### ***Average Weekly Wage:***

Total wages less reimbursable wages divided by average covered employment less reimbursable employment divided by 52.2 weeks.

### ***Taxable Wages:***

Portion of total wages subject to taxation under Section 930 of the CUIC (see Employer Contribution Factors below).

### ***Percent of Total Wages:***

The ratio of taxable wages divided by total wages, expressed as a percentage.

### ***Benefits/Taxable Wages:***

The ratio of benefit expenditures to taxable wages (Reimbursables excluded).

## EMPLOYER CONTRIBUTION FACTORS

---

### ***Taxable Wage Ceiling:***

The maximum remuneration paid to an individual by an employer during a calendar year, which is subject to Section 930 of the CUIC. The taxable wage ceiling is set by state law. The current ceiling is \$7,000.

### ***Average Contribution Rate:***

The average of the rates assigned to all employers at the beginning of the year.

### ***Contribution Rate Schedule:***

Per Section 977 of the CUIC, the Unemployment Insurance contribution rate schedule for the following calendar year is determined by the ratio of the Unemployment Insurance Fund balance on September 30 of the prior calendar year to total covered wages paid for the prior completed state fiscal year.

Unemployment Insurance Fund Balance (September 30)  
Total UI Covered Wages (July 1 – June 30)

<b>If the ratio is</b>	<b>Use schedule</b>
Greater than 1.8%	AA
From 1.8% to more than 1.6%	A
From 1.6% to more than 1.4%	B
From 1.4% to more than 1.2%	C
From 1.2% to more than 1.0%	D
From 1.0% to 0.8%	E
From less than 0.8% to 0.6%	F
<b>Below 0.6%</b>	<b>F schedule plus 15%</b>

**Contribution Rate Schedule:**

The following tables are used to determine each employer's contribution rate based on its reserve ratio and the schedule in effect for the year.

Line	Reserve Ratio			Contribution Rate Schedules							
	Column 1		Column 2	AA	A	B	C	D	E	F	F+ 15%
01	less	than	-20	5.4	5.4	5.4	5.4	5.4	5.4	5.4	6.2
02	-20	to	-18	5.2	5.3	5.4	5.4	5.4	5.4	5.4	6.2
03	-18	to	-16	5.1	5.2	5.4	5.4	5.4	5.4	5.4	6.2
04	-16	to	-14	5.0	5.1	5.3	5.4	5.4	5.4	5.4	6.2
05	-14	to	-12	4.9	5.0	5.3	5.4	5.4	5.4	5.4	6.2
06	-12	to	-11	4.8	4.9	5.2	5.4	5.4	5.4	5.4	6.2
07	-11	to	-10	4.7	4.8	5.1	5.3	5.4	5.4	5.4	6.2
08	-10	to	-09	4.6	4.7	5.1	5.3	5.4	5.4	5.4	6.2
09	-09	to	-08	4.5	4.6	4.9	5.2	5.4	5.4	5.4	6.2
10	-08	to	-07	4.4	4.5	4.8	5.1	5.3	5.4	5.4	6.2
11	-07	to	-06	4.3	4.4	4.7	5.0	5.3	5.4	5.4	6.2
12	-06	to	-05	4.2	4.3	4.6	4.9	5.2	5.4	5.4	6.2
13	-05	to	-04	4.1	4.2	4.5	4.8	5.1	5.3	5.4	6.2
14	-04	to	-03	4.0	4.1	4.4	4.7	5.0	5.3	5.4	6.2
15	-03	to	-02	3.9	4.0	4.3	4.6	4.9	5.2	5.4	6.2
16	-02	to	-01	3.8	3.9	4.2	4.5	4.8	5.1	5.4	6.2
17	-01	to	00	3.7	3.8	4.1	4.4	4.7	5.0	5.4	6.2
18	00	to	01	3.4	3.6	3.9	4.2	4.5	4.8	5.1	5.9
19	01	to	02	3.2	3.4	3.7	4.0	4.3	4.6	4.9	5.6
20	02	to	03	3.0	3.2	3.5	3.8	4.1	4.4	4.7	5.4
21	03	to	04	2.8	3.0	3.3	3.6	3.9	4.2	4.5	5.2
22	04	to	05	2.6	2.8	3.1	3.4	3.7	4.0	4.3	4.9
23	05	to	06	2.4	2.6	2.9	3.2	3.5	3.8	4.1	4.7
24	06	to	07	2.2	2.4	2.7	3.0	3.3	3.6	3.9	4.5
25	07	to	08	2.0	2.2	2.5	2.8	3.1	3.4	3.7	4.3
26	08	to	09	1.8	2.0	2.3	2.6	2.9	3.2	3.5	4.0
27	09	to	10	1.6	1.8	2.1	2.4	2.7	3.0	3.3	3.8
28	10	to	11	1.4	1.6	1.9	2.2	2.5	2.8	3.1	3.6
29	11	to	12	1.2	1.4	1.7	2.0	2.3	2.6	2.9	3.3
30	12	to	13	1.0	1.2	1.5	1.8	2.1	2.4	2.7	3.1
31	13	to	14	0.8	1.0	1.3	1.6	1.9	2.2	2.5	2.9
32	14	to	15	0.7	0.9	1.1	1.4	1.7	2.0	2.3	2.6
33	15	to	16	0.6	0.8	1.0	1.2	1.5	1.8	2.1	2.4
34	16	to	17	0.5	0.7	0.9	1.1	1.3	1.6	1.9	2.2
35	17	to	18	0.4	0.6	0.8	1.0	1.2	1.4	1.7	2.0
36	18	to	19	0.3	0.5	0.7	0.9	1.1	1.3	1.5	1.7
37	19	to	20	0.2	0.4	0.6	0.8	1.0	1.2	1.4	1.6
38	20	or	more	0.1	0.3	0.5	0.7	0.9	1.1	1.3	1.5

## EMPLOYMENT

---

### ***Average Covered Employment:***

The monthly average of the number of workers who earned wages in employment **subject to** the unemployment compensation provisions of the CUIC.

### ***Reimbursables:***

The average number of workers whose employers reimburse the Unemployment Fund (dollar for dollar) for all benefit payments that are attributed to their employment and wages.

### ***All Others:***

The average number of workers whose employers are subject to the regular unemployment tax.

### ***Contributions/Employment All Others:***

All employer contributions divided by the average covered employment, which excludes reimbursables, provides an average cost per non-reimbursable employee.

## CALIFORNIA LABOR DATA

---

### ***Civilian Labor Force:***

Those individuals, 16 years of age and older, who were working or actively seeking work.

### ***Unemployment Level:***

Comprised of non-institutionalized civilians who did not work, but made specific efforts to find a job.

### ***Civilian Unemployment Rate:***

The number of unemployed persons in California expressed as a percentage of the total number of persons in the California civilian labor force.

The UI Fund Forecast report can be accessed at the following website:

[http://www.edd.ca.gov/About EDD/Quick Statistics Overview.htm](http://www.edd.ca.gov/About_EDD/Quick_Statistics_Overview.htm)