

NEWS RELEASE

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Idaho's Standard Unemployment Insurance Tax Rate Drops 6.3 Percent for 2017 With a balance of \$674 million, the state's unemployment insurance trust fund remains solvent.

Idaho's standard unemployment insurance tax rate for 2017 will decrease by 6.3 percent to 1.395 percent, down from 1.488 percent in 2016. This follows the rate decrease between 2015 and 2016 of 6 percent.

The standard unemployment insurance tax rate is the rate that all new Idaho employers pay and serves as the foundation for which individual tax rates are calculated for existing Idaho employers.

Individually, each Idaho employer falls into one of 13 rate classes, which range between 0.399 and 5.4 percent based on an experience rating calculated against the volume of unemployment insurance claims filed against their accounts.

All rate classes will see a reduction with the exception of the most deficit-rated employers whose rate is fixed at 5.4 percent as required by federal conformity law.

Almost five years ago, Idaho was forced to sell approximately \$202 million in bonds to pay a debt it owed to the federal government to cover more than \$600 million in unemployment insurance benefits paid out during the Great Recession.

Fast forward to 2016, and today, with a combined unemployment insurance trust fund balance of approximately \$674 million, Idaho ranks among the top states in the United States for unemployment insurance trust fund solvency (the ability to pay all debts).

That's why Labor Director Ken Edmunds believes Idaho's unemployment insurance system is well-positioned to weather most economic uncertainties – without having to borrow from the federal government a second time.

"If Idaho fell into recession today - one roughly the same size as it did during the Great Recession - the state should not need to borrow any money," Edmunds said. "When it comes to unemployment insurance tax rates, businesses want consistency, so they know what the future holds."

While Idaho's rate drop can generally be credited to a strong trust fund and a robust economy, unemployment division administrator Michael Johnson said employers play a direct role in the rise and fall of their own unemployment insurance tax rates.

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"Like the auto insurance industry, a business owner can take actions that will help keep their rates down," Johnson said. "If an Idaho business has multiple claims filed against their company in a year, their rates will go up. That's why, while the overall rate dropped this year, some employers might not feel those savings."

A complete list of the 2017 unemployment insurance tax array for businesses can be found at:

<https://labor.idaho.gov/eServices/EmployerPortal/Links/UITaxRates>.

By accurately reporting when people are no longer employed or when new hires are made, an individual employer not only benefits its company but the welfare of the state's employers, in general, Johnson said.

How can employers make sure they are controlling their own rates in a positive manner? By making certain that they're are in compliance with the Department of Labor and by doing the following:

- 1: Report all new hires within 20 days - go to labor.idaho.gov/newhire.
- 2: Report and pay your unemployment insurance taxes on time - see labor.idaho.gov/employerportal.
- 3: Report unemployment insurance fraud at labor.idaho.gov/reportfraud.
- 4: Respond quickly and efficiently to unemployment claims at labor.idaho.gov/sides.

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