

2019 UI Employer Tax Rate Highlights

January 17, 2019

Employer tax rates for 2019 were mailed in October of 2018.

Wisconsin Statute §108.18(3)(m) provides for four separate rate schedules, dependent on the balance of the Trust Fund on June 30. Schedule A has the highest tax rates. The rates are progressively lower as the Trust Fund balance increases.

The balance of the Trust Fund on 6/30/2018 was \$1.6 billion which meant that Wisconsin's employers would be in Schedule D, the lowest schedule, for a second year.

Statutory Tax Schedules

- Wisconsin has 4 separate tax rate schedules. They run from A through D, with A raising the largest amount of tax revenue and D the least.
- The schedule for a year depends on the balance of the UI Trust Fund on June 30 of the preceding tax year.

	Tax Schedule	UI Trust Fund Amount "Trigger Amount"
2010-2015	→ A	Less than \$300 million
2016	→ B	\$300 to \$900 million
2017	→ C	\$900 million to \$1.2 billion
2018-2019	→ D	Greater than \$1.2 billion

- The following shows the number and payroll of employers whose rate in comparison with the previous year either decreased, did not change, increased, or were rated at the new employer rate.

Change in Tax Rate Year to Year Employer Count

	2015 Rates Schedule A		2016 Rates Schedule B		2017 Rates Schedule C		2018 Rates Schedule D		2019 Rates Schedule D	
Tax Rate Change	Employer Count	Percent of Employers	Employer Count	Percent of Employers	Employer Count	Percent of Employers	Employer Count	Percent of Employers	Employer Count	Percent of Employers
A— Decrease	48,882	37.1%	81,363	61.0%	82,234	60.6%	74,672	54.3%	53,380	38.0%
No change	26,727	20.3%	4,824	3.6%	3,343	2.5%	10,819	7.9%	32,299	23.0%
B— Increase	35,841	27.2%	26,881	20.1%	28,876	21.3%	30,447	22.1%	32,042	22.8%
New ER	20,167	15.3%	20,402	15.3%	21,243	15.7%	21,703	15.8%	22,674	16.2%
Total	131,617	100.0%	133,470	100.0%	135,696	100.0%	137,641	100.0%	140,395	100.0%

Change in Tax Rate Year to Year Employer FY '18 Payroll *(\$ in millions)*

	2015 Rates Schedule A		2016 Rates Schedule B		2017 Rates Schedule C		2018 Rates Schedule D		2019 Rates Schedule D	
Tax Rate Change	FY'14 Payroll	Percent of Payroll	FY'15 Payroll	Percent of Payroll	FY '16 Payroll	Percent of Payroll	FY '17 Payroll	Percent of Payroll	FY '18 Payroll	Percent of Payroll
C— Decrease	\$14,960	50.0%	\$24,913	80.6%	\$23,236	73.3%	\$23,428	72.3%	\$14,819	44.9%
No change	6,997	23.4%	739	2.4%	862	2.7%	849	2.6%	8,583	26.0%
Increase	7,266	24.3%	4,434	14.3%	6,752	21.3%	7,364	22.7%	8,790	26.6%
New ER	712	2.4%	824	2.7%	862	2.7%	763	2.4%	816	2.5%
Totals	\$29,935	100.0%	\$30,910	100.0%	\$31,712	100.0%	\$32,406	100.0%	\$33,009	100.0%

- Since this is the second year of Schedule D, all changes are due to employer experience rating, and are not a result of a schedule change.
- Of the "no change" employers, nearly 25% (7,533) were already rated at the lowest possible tax rate (zero for small employers and 0.05% for large). Another 6% remained at the maximum rate of 12%. Substantially all of the "no change" employers (92%) had a positive reserve fund.

2. The following chart shows the history of the number of employers in each of the various rate range categories. The maximum tax rate is 12%. Schedules C and D have a tax rate of zero for employers with payroll under \$500,000.

Number of Employers By Tax Rate Category					
Tax Rate Categories	Number of Employers 2015 (Schedule A)	Number of Employers 2016 (Schedule B)	Number of Employers 2017 (Schedule C)	Number of Employers 2018 (Schedule D)	Number of Employers 2019 (Schedule D)
0%			11,096	11,867	12,745
A— More than 0 and less than 1%	39,351	44,352	45,121	56,319	59,057
1% and less than 2%	24,571	32,336	27,248	20,402	20,617
2% and less than 3%	11,102	10,032	9,441	10,500	10,734
3% and less than 4%	30,092	25,023	26,497	26,416	26,586
4% and less than 5%	8,587	7,734	6,226	3,614	3,205
5% and less than 6%	952	1	1	1	2
6% and less than 7%	4,197	3,638	2,828	2,620	2,177
7% and less than 8%	2,372	1,896	888	733	592
8% and less than 9%	2,233	1,863	1,062	836	799
9% and less than 10%	1,357	1,101	922	736	646
10% and less than 11%	379	303	291	269	211
11% and less than 12%	1,142	937	791	598	549
B— 12%	5,278	4,254	3,284	2,730	2,475
Total	131,613	133,470	135,696	137,641	140,395
C— Employers with Positive Reserve	114,655	119,478	125,630	129,119	132,946
D— Employers with Negative Reserve	16,958	13,992	10,066	8,522	7,449
E— Employers with Positive Reserve	87%	90%	93%	94%	95%
F— Employers with Negative Reserve	13%	10%	7%	6%	5%

*Only Schedule A has a rate between 5% and 6% (large employers' rate of 5.27%). The one or two employers in that rate category in Schedules B, C and D reflect seasonal employers under §108.18(9e) who pay slightly different rates. The number of employers who have chosen to be seasonal in any year is between 10-20.

The green colored rows reflect employers with positive reserve funds.

The peach colored rows are employers with reserve funds less than zero. The reserve fund balance reflects the amount of taxes paid in comparison to the amount of benefits paid for an individual employer's account.

- For 2019, 95% of employers were rated based on a positive reserve fund using the statutory dates for rate calculation.

- The percent of employers with a positive reserve fund has grown from 87% to 95% from the 2015 tax year to the 2019 tax year.
- There are 12,745 employers who will have a zero-tax rate for 2019. Although these employers will pay no UI taxes for 2019 payrolls, the employers are still required to file tax and wage reports. Of these zero-rated employers, 7,153 (56%) were also at the zero-tax rate for 2018.
- Note that the number of employers with a positive reserve fund (in green) increased by 3,827 employers in 2019 rates compared to 2018. The percentage of employers with a positive reserve fund has increased every year since 2015 as employers recover from the recession.
- Likewise, the number of employers at the maximum rate of 12% has decreased from 5,278 in 2018 to 2,475 for 2019.

3. Each year, when rates are run, a calculation is done on the change in the tax collected. By holding payroll constant, the effect of the changes in tax rates can be measured. This is not a forecast or projection. Since 2019 rates are based on the same schedule as 2018, the reduction of taxes is solely due to the improvement on individual employer's experience.

Taxes 2019 Compared to 2018						
Rates X FY'18 Payroll*						
(\$ in millions)						
Tax Rate Change	Employer Count	FY Payroll '18 Payroll	Percent of FY '18 Payroll	Calculated Tax	Percent of 2019 Calculated Tax	Tax increase (decrease)*
A— Decrease	53,380	\$ 14,819	45%	\$ 185	35%	\$ (103)
No change	32,299	8,583	26%	137	26%	-
B— Increase	32,042	8,790	27%	182	34%	56.7
New ER	22,674	816	2%	26	5%	0.4
Total	140,395	\$ 33,009	100%	\$ 530	100%	\$ (45)

**(2019 employer tax rate X 2018 fiscal payroll) less (2018 employer tax rate X 2018 fiscal payroll)*

- On the next page is a calculation of the savings in each NAICS code based on holding payroll constant and using the 2019 and 2018 rates.
- All NAICS codes have lower rates in 2019 except for 22-Utilities which had a large employer that skewed the results.

**2019 Tax Rate Analysis
(NAICS Who Pays and Saves)
2019 Tax Savings***

(\$ in millions)

NAICS Number and Description	Calculated Tax 2018	Calculated Tax 2019	Sorted by \$ Tax Difference	
			\$ Tax Difference 2019 Less 2018	Percent Change
31-33 Manufacturing	\$ 124.9	\$ 114.8	\$ (10.0)	(8.0%)
23 Construction	95.5	88.9	(6.7)	(7.0%)
44-45 Retail Trade	51.1	45.1	(6.0)	(11.8%)
72 Accommodation and Food Services	37.4	32.4	(5.0)	(13.3%)
62 Health Care and Social Assistance	40.8	36.9	(3.8)	(9.4%)
56 Administrative and Support and Waste Management and Remediation Services	54.9	51.2	(3.7)	(6.7%)
42 Wholesale Trade	29.0	27.0	(2.0)	(6.9%)
48-49 Transportation and Warehousing	30.1	28.6	(1.5)	(5.1%)
54 Professional, Scientific, and Technical Services	25.9	24.4	(1.4)	(5.6%)
81 Other Services (except Public Administration)	12.3	11.0	(1.3)	(10.7%)
71 Arts, Entertainment, and Recreation	9.3	8.4	(0.9)	(9.4%)
51 Information	9.6	8.9	(0.7)	(7.7%)
52 Finance and Insurance	23.6	22.9	(0.7)	(2.9%)
11 Agriculture, Forestry, Fishing and Hunting	7.6	7.0	(0.6)	(8.5%)
53 Real Estate and Rental and Leasing	6.1	5.8	(0.4)	(5.9%)
55 Management of Companies and Enterprises	5.8	5.6	(0.3)	(4.4%)
61 Educational Services	2.4	2.2	(0.3)	(10.5%)
92 Public Administration	1.8	1.7	(0.1)	(7.3%)
21 Mining, Quarrying, and Oil and Gas Extraction	3.1	3.0	(0.1)	(2.6%)
99/00 Unclassified	3.0	3.0	(0.0)	(1.3%)
22 Utilities	1.4	1.4	0.1	5.8%
Total	\$ 575.8	\$ 530.3	\$ (45.5)	(7.9%)

**(2019 employer tax rate X FY '18 payroll) less (2018 employer tax rate X FY '18 payroll)*

4. The following charts show the distribution of tax rates by employer sector. The first chart shows the distribution by employer count and the second shows the distribution by employer FY '18 payroll. The small charts below each spotlight Construction, Manufacturing and Health Care, and are helpful in deciphering how the chart is laid out.

Taxable Employer Count by 2019 Rates NAICS Code Count

Open, Subject, Taxable 10/6/18

NAICS Code	Less than 2%	2.0% to 3.9%	4.0% to 5.9%	6.0% to 7.9%	8% to 9.9%	Greater than 10%	Total							
11 Agriculture, Forestry, Fishing and Hunting	2,047	77%	324	12%	78	3%	63	2%	90	3%	2,642	2%		
21 Mining, Quarrying, and Oil and Gas Extraction	63	40%	32	20%	18	11%	10	6%	12	8%	24	15%	159	0%
22 Utilities	81	82%	14	14%	1	1%	2	2%	0	0%	1	1%	99	0%
23 Construction	7,501	53%	3,128	22%	704	5%	834	6%	512	4%	1,523	11%	14,202	10%
31-33 Manufacturing	6,259	76%	1,402	17%	215	3%	171	2%	57	1%	133	2%	8,237	6%
42 Wholesale Trade	8,411	75%	2,186	20%	221	2%	198	2%	82	1%	78	1%	11,176	8%
44-45 Retail Trade	8,686	80%	1,603	15%	181	2%	136	1%	56	1%	139	1%	10,801	8%
48-49 Transportation and Warehousing	2,990	64%	1,036	22%	162	3%	153	3%	103	2%	246	5%	4,690	3%
51 Information	1,096	71%	374	24%	33	2%	24	2%	13	1%	4	0%	1,544	1%
52 Finance and Insurance	4,099	80%	879	17%	66	1%	56	1%	21	0%	15	0%	5,136	4%
53 Real Estate and Rental and Leasing	2,789	73%	835	22%	72	2%	57	1%	24	1%	33	1%	3,810	3%
54 Professional, Scientific, and Technical Services	9,968	71%	3,259	23%	270	2%	215	2%	100	1%	138	1%	13,950	10%
55 Management of Companies and Enterprises	397	72%	134	24%	7	1%	7	1%	3	1%	3	1%	551	0%
56 Administrative and Support and Waste Management and	3,945	55%	1,822	26%	352	5%	343	5%	194	3%	486	7%	7,142	5%
61 Educational Services	974	72%	328	24%	24	2%	17	1%	8	1%	1	0%	1,352	1%
62 Health Care and Social Assistance	12,016	59%	7,613	38%	335	2%	167	1%	66	0%	34	0%	20,231	14%
71 Arts, Entertainment, and Recreation	1,587	67%	491	21%	94	4%	74	3%	32	1%	103	4%	2,381	2%
72 Accommodation and Food Services	8,765	78%	2,045	18%	162	1%	85	1%	44	0%	108	1%	11,209	8%
81 Other Services (except Public Administration)	10,139	81%	1,943	16%	166	1%	143	1%	70	1%	64	1%	12,525	9%
92 Public Administration	47	77%	6	10%	4	7%	1	2%	0	0%	3	5%	61	0%
99/00 Unclassified	559	7%	7,866	93%	42	0%	13	0%	8	0%	9	0%	8,497	6%
Total	92,419		37,320		3,207		2,769		1,445		3,235		140,395	
Percent of Employers	66%		27%		2%		2%		1%		2%		100%	
All Employers														
23 Construction														
Rate Category	Employer Count		Employer Percent		Rate Category		Employer Count		Employer Percent		Rate Category		Employer Count	
Less than 2%	92,419	66%	2.0% to 3.9%	37,320	27%	Less than 2%	6,259	76%	2.0% to 3.9%	1,402	17%	Less than 2%	12,016	59%
2.0% to 3.9%	37,320	27%	4.0% to 5.9%	3,207	2%	2.0% to 3.9%	3,128	22%	4.0% to 5.9%	704	5%	2.0% to 3.9%	7,613	38%
4.0% to 5.9%	3,207	2%	6.0% to 7.9%	2,769	2%	4.0% to 5.9%	704	5%	6.0% to 7.9%	171	2%	4.0% to 5.9%	335	2%
6.0% to 7.9%	2,769	2%	8% to 9.9%	1,445	1%	6.0% to 7.9%	834	6%	8% to 9.9%	512	4%	6.0% to 7.9%	167	1%
8% to 9.9%	1,445	1%	More than 10%	3,235	2%	8% to 9.9%	512	4%	More than 10%	1,523	11%	8% to 9.9%	66	0%
More than 10%	3,235	2%	Total	140,395	100%	More than 10%	1,523	11%	Total	8,237	100%	More than 10%	34	0%
T total	140,395	100%				Total	14,202	100%				Total	20,231	100%

FY 18 Taxable Payroll by 2019 Rates

(\$ in millions)

Open, Subject, Taxable 10/6/18

NAICS Code Payroll

NAICS Code	Less than 2%	2.0% to 3.9%	4.0% to 5.9%	6.0% to 7.9%	8% to 9.9%	More than 10%	Total							
11 Agriculture, Forestry, Fishing and Hunting	\$ 344	79%	\$ 49	11%	\$ 17	4%	\$ 7	2%	\$ 3	1%	\$ 14	3%	\$ 434	1%
21 Mining, Quarrying, and Oil and Gas Extraction	32	41%	23	29%	10	13%	2	3%	3	4%	8	10%	78	0%
22 Utilities	170	97%	3	2%	2	1%	0	0%	0	0%	0	0%	175	1%
23 Construction	776	36%	483	23%	311	15%	232	11%	73	3%	260	12%	2,135	6%
31-33 Manufacturing	6,485	85%	939	12%	101	1%	76	1%	11	0%	58	1%	7,670	23%
42 Wholesale Trade	1,595	81%	308	16%	38	2%	14	1%	4	0%	4	0%	1,963	6%
44-45 Retail Trade	3,782	91%	304	7%	60	1%	13	0%	3	0%	7	0%	4,169	13%
48-49 Transportation and Warehousing	1,049	74%	192	14%	34	2%	76	5%	17	1%	47	3%	1,414	4%
51 Information	628	88%	79	11%	6	1%	2	0%	1	0%	0	0%	716	2%
52 Finance and Insurance	1,754	89%	207	10%	16	1%	3	0%	1	0%	0	0%	1,980	6%
53 Real Estate and Rental and Leasing	292	76%	77	20%	10	3%	4	1%	1	0%	2	1%	387	1%
54 Professional, Scientific, and Technical Services	1,289	78%	287	17%	46	3%	13	1%	6	0%	15	1%	1,655	5%
55 Management of Companies and Enterprises	466	94%	24	5%	1	0%	3	1%	0	0%	0	0%	495	2%
56 Administrative and Support and Waste Management and	1,674	66%	614	24%	109	4%	71	3%	20	1%	60	2%	2,547	8%
61 Educational Services	136	81%	28	16%	3	2%	1	1%	0	0%	0	0%	169	1%
62 Health Care and Social Assistance	2,252	80%	510	18%	53	2%	9	0%	3	0%	5	0%	2,831	9%
71 Arts, Entertainment, and Recreation	289	70%	64	16%	31	7%	16	4%	4	1%	10	2%	414	1%
72 Accommodation and Food Services	2,205	83%	347	13%	42	2%	22	1%	11	0%	26	1%	2,652	8%
81 Other Services (except Public Administration)	743	82%	133	15%	14	2%	10	1%	3	0%	3	0%	906	3%
92 Public Administration	86	86%	1	1%	13	13%	0	0%	0	0%	0	0%	100	0%
99/00 Unclassified	31	26%	84	71%	2	2%	1	0%	0	0%	0	0%	119	0%
Total	\$ 26,080		\$ 4,755		\$ 920		\$ 574		\$ 163		\$ 518		\$ 33,009	
Percent of Payroll	79%		14%		3%		2%		0%		0%		2%	100%
All Employers														
23 Construction														
31-33 Manufacturing														
62 Health Care and Social Assistance														
Rate Category	FY '18 Payroll	Percent	Rate Category	FY '18 Payroll	Percent	Rate Category	FY '18 Payroll	Percent	Rate Category	FY '18 Payroll	Percent	Rate Category	FY '18 Payroll	Percent
Less than 2%	\$ 26,080	79%	Less than 2%	\$ 776	36%	Less than 2%	\$ 6,485	85%	Less than 2%	\$ 2,252	80%	Less than 2%	\$ 2,252	80%
2.0% to 3.9%	4,755	14%	2.0% to 3.9%	483	23%	2.0% to 3.9%	939	12%	2.0% to 3.9%	510	18%	2.0% to 3.9%	510	18%
4.0% to 5.9%	920	3%	4.0% to 5.9%	311	15%	4.0% to 5.9%	101	1%	4.0% to 5.9%	53	2%	4.0% to 5.9%	53	2%
6.0% to 7.9%	574	2%	6.0% to 7.9%	232	11%	6.0% to 7.9%	76	1%	6.0% to 7.9%	9	0%	6.0% to 7.9%	9	0%
8% to 9.9%	163	0%	8% to 9.9%	73	3%	8% to 9.9%	11	0%	8% to 9.9%	3	0%	8% to 9.9%	3	0%
More than 10%	518	2%	More than 10%	260	12%	More than 10%	58	1%	More than 10%	5	0%	More than 10%	5	0%
Total	\$ 33,009	100%	Total	\$ 2,135	100%	Total	\$ 7,670	100%	Total	\$ 2,831	100%	Total	\$ 2,831	100%

5. For a three-year period of 2015 through 2018, a calculation of taxes paid and benefits charged, by NAICS, is below.

Taxes Paid and Benefits Charges						
July 1, 2015 to June 30, 2018						
NAICS Code	Payments Credited to Reserve Fund	Benefit Charges	Difference	% Taxable Payroll	% Benefit Charge	% Taxes Paid
<i>(Sorted by NAICS Employment Sector)</i>	<i>(in millions)</i>			<i>(in percent)</i>		
11 Agriculture, Forestry, Fishing and Hunting	\$ 22.9	\$ 14.7	\$ 8.1	1.3%	1.4%	1.3%
21 Mining, Quarrying, and Oil and Gas Extraction	7.7	7.6	0.1	0.2%	0.7%	0.4%
22 Utilities	3.2	3.0	0.2	0.5%	0.3%	0.2%
23 Construction	274.8	300.7	(25.9)	6.5%	28.0%	14.4%
31-33 Manufacturing	347.3	221.7	125.6	23.2%	20.7%	21.8%
42 Wholesale Trade	76.6	42.6	34.0	6.0%	4.0%	4.9%
44-45 Retail Trade	140.3	60.6	79.7	12.7%	5.7%	9.6%
48-49 Transportation and Warehousing	82.5	59.9	22.6	4.3%	5.6%	4.8%
51 Information	25.6	16.3	9.3	2.2%	1.5%	1.7%
52 Finance and Insurance	56.8	33.5	23.4	6.0%	3.1%	4.0%
53 Real Estate and Rental and Leasing	16.5	9.1	7.4	1.2%	0.9%	1.0%
54 Professional, Scientific, and Technical Services	66.9	45.0	21.9	5.0%	4.2%	4.1%
55 Management of Companies and Enterprises	16.0	10.6	5.4	1.5%	1.0%	1.1%
56 Adm and Suprt and Waste Magt	181.6	115.2	66.5	7.7%	10.7%	10.6%
61 Educational Services	7.1	4.3	2.8	0.5%	0.4%	0.4%
62 Health Care and Social Assistance	105.9	40.2	65.7	8.6%	3.7%	6.8%
71 Arts, Entertainment, and Recreation	30.2	19.7	10.5	1.3%	1.8%	1.7%
72 Accommodation and Food Services	98.9	40.4	58.4	8.0%	3.8%	6.3%
81 Other Services (except Public Administration)	33.5	17.4	16.1	2.7%	1.6%	2.1%
92 Public Administration	6.6	3.6	3.0	0.3%	0.3%	0.4%
99 Unclassified Establishment	18.3	4.6	13.7	0.3%	0.4%	1.1%
00 Undeclared Industry	18.9	2.1	16.7	0.0%	0.2%	1.1%
Total	\$ 1,638.1	\$ 1,072.7	\$ 565.4	100.0%	100.0%	100.0%

6. Below is a chart calculating the share of tax payments in 2019 by employee sector.

NAICS (Who Pays)						
2019 Tax Rates X FY '18 Payroll						
Sorted by Calculated Tax						
NAICS Number and Description	Number of Employers	Percent of Employers	FY '18 Payroll (\$ in millions)	Percentage of Payroll	2019 Calculated tax (\$ in millions)	Percentage of Calculated Tax
31-33 Manufacturing	8,237	5.9%	\$ 7,669.8	23.2%	\$ 114.8	21.7%
23 Construction	14,202	10.1%	2,135.3	6.5%	88.9	16.8%
56 Administrative and Support and Waste Management and Remediation Services	7,142	5.1%	2,547.3	7.7%	51.2	9.7%
44-45 Retail Trade	10,801	7.7%	4,169.4	12.6%	45.1	8.5%
62 Health Care and Social Assistance	20,231	14.4%	2,831.1	8.6%	37.0	7.0%
72 Accommodation and Food Services	11,209	8.0%	2,652.0	8.0%	32.4	6.1%
48-49 Transportation and Warehousing	4,690	3.3%	1,414.0	4.3%	28.6	5.4%
42 Wholesale Trade	11,176	8.0%	1,962.6	5.9%	27.0	5.1%
54 Professional, Scientific, and Technical Services	13,950	9.9%	1,655.1	5.0%	24.4	4.6%
52 Finance and Insurance	5,136	3.7%	1,980.4	6.0%	22.9	4.3%
81 Other Services (except Public Administration)	12,525	8.9%	906.1	2.7%	11.0	2.1%
51 Information	1,544	1.1%	715.6	2.2%	8.9	1.7%
71 Arts, Entertainment, and Recreation	2,381	1.7%	413.6	1.3%	8.4	1.6%
11 Agriculture, Forestry, Fishing and Hunting	2,642	1.9%	434.2	1.3%	7.0	1.3%
53 Real Estate and Rental and Leasing	3,810	2.7%	386.5	1.2%	5.8	1.1%
55 Management of Companies and Enterprises	551	0.4%	494.7	1.5%	5.6	1.1%
99/00 Unclassified	8,497	6.1%	118.6	0.4%	3.0	0.6%
21 Mining, Quarrying, and Oil and Gas Extraction	159	0.1%	77.7	0.2%	3.0	0.6%
61 Educational Services	1,352	1.0%	168.9	0.5%	2.2	0.4%
92 Public Administration	61	0.0%	100.4	0.3%	1.7	0.3%
22 Utilities	99	0.1%	175.1	0.5%	1.5	0.3%
Total	140,395	100.0%	\$ 33,008.5	100.0%	\$ 530.3	100.0%

Appendix 1

Tax Rate Tables Schedule A through Schedule D

Wisconsin Statute 108.18 Tax Table

		SCHEDULE A 2015		SCHEDULE B 2016		SCHEDULE C 2017		SCHEDULE D 2018	
RESERVE PERCENTAGE		Tax Rate % Payroll		Tax Rate % Payroll		Tax Rate % Payroll		Tax Rate % Payroll	
At least	But less than	Under \$500K	\$500K or over	Under \$500K	\$500K or over	Under \$500K	\$500K or over	Under \$500K	\$500K or over
Greater than 15%		0.27	0.70	0.05	0.10	0.00	0.05	0.00	0.05
10.00%	15.00%	0.27	0.70	0.25	0.30	0.22	0.25	0.12	0.15
9.50%	10.00%	0.45	1.05	0.40	0.50	0.37	0.40	0.27	0.30
9.00%	9.50%	0.53	1.23	0.50	0.65	0.47	0.50	0.37	0.40
8.50%	9.00%	0.92	1.42	0.85	0.95	0.75	0.80	0.65	0.70
8.00%	8.50%	1.09	1.59	1.00	1.15	0.90	1.00	0.80	0.90
7.50%	8.00%	1.26	1.76	1.10	1.30	1.00	1.15	0.90	1.05
7.00%	7.50%	1.47	1.97	1.30	1.50	1.20	1.35	1.10	1.25
6.50%	7.00%	1.83	2.23	1.60	1.80	1.45	1.65	1.35	1.55
6.00%	6.50%	2.18	2.58	1.95	2.15	1.80	2.00	1.70	1.90
5.50%	6.00%	2.62	3.02	2.40	2.55	2.20	2.40	2.10	2.30
5.00%	5.50%	3.06	3.46	2.80	2.95	2.60	2.80	2.50	2.70
4.50%	5.00%	3.40	3.90	3.20	3.35	3.00	3.20	2.90	3.10
4.00%	4.50%	3.84	4.34	3.60	3.70	3.40	3.55	3.30	3.45
3.50%	4.00%	4.28	4.78	4.10	4.15	3.85	4.00	3.75	3.90
0.00%	3.50%	4.77	5.27	4.65	4.70	4.40	4.55	4.30	4.45
Less									
Than 0	-1.00%	6.60	6.60	6.60	6.60	6.40	6.40	6.40	6.40
-1.00%	-2.00%	7.10	7.10	7.10	7.10	6.90	6.90	6.90	6.90
-2.00%	-3.00%	7.60	7.60	7.60	7.60	7.40	7.40	7.40	7.40
-3.00%	-4.00%	8.10	8.10	8.10	8.10	7.90	7.90	7.90	7.90
-4.00%	-5.00%	8.60	8.60	8.60	8.60	8.50	8.50	8.50	8.50
-5.00%	-6.00%	9.10	9.10	9.10	9.10	9.05	9.05	9.05	9.05
-6.00%	-7.00%	9.80	9.80	9.80	9.80	9.80	9.80	9.75	9.75
-7.00%	-8.00%	10.55	10.55	10.55	10.55	10.55	10.55	10.55	10.55
-8.00%	-9.00%	11.30	11.30	11.30	11.30	11.30	11.30	11.30	11.30
-9.00%		12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Rates unaffected by schedule									
New Employer		3.60	4.10	3.25	3.40	3.05	3.25	3.05	3.25

Appendix 2

Rate History

Historic Rates

Years	Schedule
1990	Schedule B
1991-1997	Schedule C
1998-2003	Schedule D
2004	Schedule C
2005-2009	Schedule B
2010 – 2015	Schedule A
2016	Schedule B
2017	Schedule C
2018-2019	Schedule D

UI Reserve Fund Highlights

January 17, 2019
2018 Year End Statement

- Benefit payments in 2018 declined \$32.1 million or (7.9%) when compared to benefits paid in 2017.

Benefits Paid	2018		2017		Change	Change
	<i>(in millions)</i>		<i>(in millions)</i>		<i>(in millions)</i>	<i>(in percent)</i>
Total Regular UI Paid	\$	375.9	\$	408.0	\$ (32.1)	(7.9%)

- Total tax receipts declined by (13.2%) compared to last year. This decrease is attributable to a change in tax schedule and to the improvement of individual employer reserve fund balances resulting in lower tax rates.

Tax Receipts	2018		2017		Change	Change
	<i>(in millions)</i>		<i>(in millions)</i>		<i>(in millions)</i>	<i>(in percent)</i>
		<i>Schedule D</i>		<i>Schedule C</i>		
Total Tax Receipts	\$	592.8	\$	683.1	\$ (90.3)	(13.2%)

- The 2018 Year End Trust Fund balance was over \$1.7 billion, an increase of 17.6% when compared to last year. The trigger amount of \$1.2 billion on June 30 was exceeded this year by \$400 million. (June 30, 2018 ending UI Cash Balance was \$1.6 billion.) Schedule D tax rates were mailed to employers in October.

UI Trust Fund Balance	2018		2017		Change	Change
	<i>(in millions)</i>		<i>(in millions)</i>		<i>(in millions)</i>	<i>(in percent)</i>
Cash Analysis Statement	\$	1,730.8	\$	1,471.8	\$ 259.0	17.6%

- Interest earned on the Trust Fund is received quarterly. Interest earned for 2018 was \$36.9 million compared to \$29.7 million in 2017. The U.S. Treasury annualized interest rate for the third quarter was 2.3%.

UI Trust Fund Interest	2018		2017		Change	Change
	<i>(in millions)</i>		<i>(in millions)</i>		<i>(in millions)</i>	<i>(in percent)</i>
Total Interest Earned	\$	36.9	\$	29.7	\$ 7.2	24.2%

FINANCIAL STATEMENTS

For the Month Ended December 31, 2018



Division of Unemployment Insurance

Bureau of Tax and Accounting

DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
BALANCE SHEET
FOR THE MONTH ENDED December 31, 2018

	CURRENT YEAR	PRIOR YEAR
<u>ASSETS</u>		
CASH:		
U.I. CONTRIBUTION ACCOUNT	1,098,930.63	1,057,423.25
U.I. BENEFIT ACCOUNTS	180,336.92	257,950.45
U.I. TRUST FUND ACCOUNTS (1) (2)	1,740,205,766.98	1,479,554,223.71
TOTAL CASH	1,741,485,034.53	1,480,869,597.41
ACCOUNTS RECEIVABLE:		
BENEFIT OVERPAYMENT RECEIVABLES	75,921,647.38	85,773,401.88
LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS (3)	(35,717,316.00)	(38,469,017.78)
NET BENEFIT OVERPAYMENT RECEIVABLES	40,204,331.38	47,304,384.10
TAXABLE EMPLOYER RFB & SOLVENCY RECEIV (4) (5)	29,768,851.97	32,396,105.26
LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS (3)	(18,729,115.64)	(20,014,639.25)
NET TAXABLE EMPLOYER RFB & SOLVENCY RECEIV	11,039,736.33	12,381,466.01
OTHER EMPLOYER RECEIVABLES	22,621,101.20	23,000,749.03
LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS	(8,547,537.59)	(9,931,533.73)
NET OTHER EMPLOYER RECEIVABLES	14,073,563.61	13,069,215.30
TOTAL ACCOUNTS RECEIVABLE	65,317,631.32	72,755,065.41
TOTAL ASSETS	1,806,802,665.85	1,553,624,662.82
<u>LIABILITIES AND EQUITY</u>		
LIABILITIES:		
CONTINGENT LIABILITIES (6)	28,675,990.83	31,762,614.86
OTHER LIABILITIES	11,066,322.66	9,552,293.69
FEDERAL BENEFIT PROGRAMS	209,392.92	337,448.56
CHILD SUPPORT HOLDING ACCOUNT	12,027.00	8,358.00
FEDERAL WITHHOLDING TAXES DUE	176,596.00	26,531.00
STATE WITHHOLDING TAXES DUE	1,587,487.80	1,565,499.23
DUE TO OTHER GOVERNMENTS (7)	365,796.47	397,453.68
TOTAL LIABILITIES	42,093,613.68	43,650,199.02
EQUITY:		
RESERVE FUND BALANCE	2,347,851,629.67	2,186,864,693.07
BALANCING ACCOUNT	(583,142,577.50)	(676,890,229.27)
TOTAL EQUITY	1,764,709,052.17	1,509,974,463.80
TOTAL LIABILITIES AND EQUITY	1,806,802,665.85	1,553,624,662.82

1. \$2,006,065 of this balance is for administration purposes and is not available to pay benefits.

2. \$2,103,000 of this balance is the remaining amount set aside for charging of benefits financed by Reimbursable Employers in cases of Identity Theft.

3. The allowance for uncollectible benefit overpayments is 49.2%. The allowance for uncollectible delinquent employer taxes is 45.4%. This is based on the historical collectibility of our receivables. This method of recognizing receivable balances is in accordance with generally accepted accounting principles.

4. The remaining tax due at the end of the current month for employers utilizing the 1st quarter deferral plan is \$224,299. Deferrals for the prior year were \$296,868.

5. \$7,736,938, or 26.0%, of this balance is estimated.

6. \$14,884,982 of this balance is net benefit overpayments which, when collected, will be credited to a reimbursable or federal program. \$13,791,009 of this balance is net interest, penalties, SAFI, and other fees assessed to employers and penalties and other fees assessed to claimants which, when collected, will be credited to the state fund.

7. This balance includes SAFI Payable of \$3,281. The 12/31/2018 balance of the Unemployment Interest Payment Fund (DWD Fund 214) is \$6,154. Total Life-to-date transfers from DWD Fund 214 to the Unemployment Program Integrity Fund (DWD Fund 298) were \$9,483,715.

DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
RESERVE FUND ANALYSIS
FOR THE MONTH ENDED December 31, 2018

	<u>CURRENT ACTIVITY</u>	<u>YTD ACTIVITY</u>	<u>PRIOR YTD</u>
BALANCE AT BEGINNING OF MONTH/YEAR:			
U.I. TAXABLE ACCOUNTS	2,822,617,860.70	2,635,459,959.45	2,409,958,025.15
BALANCING ACCOUNT	<u>(1,035,314,472.41)</u>	<u>(1,125,485,495.65)</u>	<u>(1,205,742,751.81)</u>
TOTAL BALANCE	1,787,303,388.29	1,509,974,463.80	1,204,215,273.34
<u>INCREASES:</u>			
TAX RECEIPTS/RFB PAID	1,010,743.94	437,062,924.82	514,701,340.31
ACCRUED REVENUES	1,011,231.78	(2,046,869.66)	(5,373,452.46)
SOLVENCY PAID	334,120.62	155,760,888.40	168,379,457.22
FORFEITURES	7,765.00	232,714.16	466,067.69
BENEFIT CONCEALMENT INCOME	46,888.89	772,761.21	977,018.37
INTEREST EARNED ON TRUST FUND	10,178,511.56	36,939,644.90	29,729,533.01
FUTA TAX CREDITS	1,225.00	43,916.63	67,696.86
OTHER CHANGES	<u>54,510.92</u>	<u>439,874.16</u>	<u>420,168.70</u>
TOTAL INCREASES	12,644,997.71	629,205,854.62	709,367,829.70
<u>DECREASES:</u>			
TAXABLE EMPLOYER DISBURSEMENTS	29,493,432.74	315,749,703.74	343,239,326.41
QUIT NONCHARGE BENEFITS	4,517,312.51	44,983,108.08	46,734,053.95
OTHER DECREASES	6,944.54	(567,423.00)	(3,464,146.88)
OTHER NONCHARGE BENEFITS	<u>1,221,644.04</u>	<u>14,305,877.43</u>	<u>17,099,405.76</u>
TOTAL DECREASES	35,239,333.83	374,471,266.25	403,608,639.24
BALANCE AT END OF MONTH/YEAR:			
RESERVE FUND BALANCE	2,347,851,629.67	2,347,851,629.67	2,186,864,693.07
BALANCING ACCOUNT	<u>(583,142,577.50)</u>	<u>(583,142,577.50)</u>	<u>(676,890,229.27)</u>
TOTAL BALANCE (8) (9) (10)	<u><u>1,764,709,052.17</u></u>	<u><u>1,764,709,052.17</u></u>	<u><u>1,509,974,463.80</u></u>

8. This balance differs from the cash balance related to taxable employers of \$1,730,835,305 because of non-cash accrual items.

9. \$2,006,065 of this balance is set up in the Trust Fund in two subaccounts to be used for administration purposes and is not available to pay benefits.

10. \$2,103,000 of this balance is the remaining amount set aside for charging of benefits financed by Reimbursable Employers in cases of Identity Theft.

**DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
RECEIPTS AND DISBURSEMENTS STATEMENT
FOR THE MONTH ENDED 12/31/18**

RECEIPTS

	-CURRENT ACTIVITY--	--YEAR TO DATE---	PRIOR YEAR TO DATE
TAX RECEIPTS/RFB	\$1,010,743.94	\$437,062,924.82	\$514,701,340.31
SOLVENCY	334,120.62	155,760,888.40	168,379,457.22
ADMINISTRATIVE FEE	95.11	1,300.38	1,535.46
ADMINISTRATIVE FEE - PROGRAM INTEGRITY	6,375.86	3,279,868.91	2,904,832.60
UNUSED CREDITS	671,565.37	6,146,521.38	6,027,421.59
GOVERNMENTAL UNITS	647,306.85	10,562,922.19	11,988,922.24
NONPROFITS	725,674.61	11,365,973.62	13,314,619.65
REDA PAID	0.00	0.00	0.00
INTERSTATE CLAIMS (CWC)	425,162.99	3,859,338.89	4,746,858.61
ERROR SUSPENSE	(1,406.27)	695.62	(14,498.52)
FEDERAL PROGRAMS RECEIPTS	123,623.52	379,962.27	390,074.57
OVERPAYMENT COLLECTIONS	1,236,464.34	19,563,803.93	23,938,378.55
FORFEITURES	7,765.00	232,714.16	466,067.69
BENEFIT CONCEALMENT INCOME	46,888.89	772,761.21	977,018.37
EMPLOYER REFUNDS	(505,170.47)	(6,274,574.22)	(6,013,344.92)
COURT COSTS	36,986.30	521,184.29	588,523.09
INTEREST & PENALTY	248,510.52	3,738,633.90	4,126,647.84
BENEFIT CONCEALMENT PENALTY-PROGRAM INTEGRITY	66,289.77	1,063,856.10	1,279,370.97
MISCLASSIFIED EMPLOYEE PENALTY-PROGRAM INTEGRIT'	200.00	2,330.41	0.00
SPECIAL ASSESSMENT FOR INTEREST	2,558.39	18,100.98	54,508.84
INTEREST EARNED ON U.I. TRUST FUND BALANCE	10,178,511.56	36,939,644.90	29,729,533.01
MISCELLANEOUS	27,861.13	86,660.38	101,404.58
TOTAL RECEIPTS	\$15,290,128.03	\$685,085,512.52	\$777,688,671.75

DISBURSEMENTS

CHARGES TO TAXABLE EMPLOYERS	\$30,376,466.80	\$331,758,643.93	\$361,718,456.85
NONPROFIT CLAIMANTS	725,356.99	10,619,754.52	12,071,560.80
GOVERNMENTAL CLAIMANTS	846,112.59	9,770,270.86	11,281,548.43
INTERSTATE CLAIMS (CWC)	357,445.76	3,748,886.14	4,176,786.01
QUITS	4,517,312.51	44,983,108.08	46,734,053.95
OTHER NON-CHARGE BENEFITS	1,161,511.72	14,634,944.74	17,359,688.39
CLOSED EMPLOYERS	(639.68)	3,007.46	(37,155.44)
ERROR CLEARING ACCOUNT	0.00	0.00	0.00
FEDERAL PROGRAMS			
FEDERAL EMPLOYEES (UCFE)	154,024.21	1,437,007.83	1,514,892.45
EX-MILITARY (UCX)	44,627.78	509,267.83	758,787.50
TRADE ALLOWANCE (TRA/TRA-NAFTA)	130,870.77	2,409,608.44	3,422,424.25
DISASTER UNEMPLOYMENT (DUA)	14,692.00	20,959.00	0.00
2003 TEMPORARY EMERGENCY UI (TEUC)	(745.86)	(15,579.09)	(27,328.18)
FEDERAL ADD'L COMPENSATION \$25 ADD-ON (FAC)	(20,339.98)	(384,314.62)	(472,220.20)
FEDERAL EMERGENCY UI (EUC)	(191,464.38)	(3,199,189.95)	(4,444,024.13)
FEDERAL EXTENDED BENEFITS (EB)	(13,283.13)	(260,244.55)	(327,919.17)
FEDERAL EMPLOYEES EXTENDED BEN (UCFE EB)	(1,825.93)	(4,847.23)	(874.86)
FEDERAL EX-MILITARY EXTENDED BEN (UCX EB)	(135.00)	(4,649.75)	(9,259.12)
INTERSTATE CLAIMS EXTENDED BENEFITS (CWC EB)	(42.13)	(3,361.39)	(3,883.48)
INTEREST & PENALTY	292,714.77	3,763,460.09	4,133,208.71
PROGRAM INTEGRITY	63,136.69	4,341,991.56	4,192,976.83
SPECIAL ASSESSMENT FOR INTEREST	0.00	22,351.66	57,297.94
COURT COSTS	32,365.00	524,820.47	587,840.00
ADMINISTRATIVE FEE TRANSFER	96.03	1,278.34	1,590.55
FEDERAL WITHHOLDING	(90,976.13)	(150,065.00)	83,985.78
STATE WITHHOLDING	(672,845.98)	(21,988.57)	(62,697.22)
STC IMPLEMENT/IMPROVE & PROMOTE/ENROLL EXP	0.00	8,871.23	4,098.48
FEDERAL LOAN REPAYMENTS	(1,225.00)	(43,916.63)	(67,696.86)
TOTAL DISBURSEMENTS	\$37,723,210.42	\$424,470,075.40	\$462,646,138.26
NET INCREASE(DECREASE)	(22,433,082.39)	260,615,437.12	315,042,533.49
BALANCE AT BEGINNING OF MONTH/YEAR	\$1,763,918,116.92	\$1,480,869,597.41	\$1,165,827,063.92
BALANCE AT END OF MONTH/YEAR	<u>\$1,741,485,034.53</u>	<u>\$1,741,485,034.53</u>	<u>\$1,480,869,597.41</u>

DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
CASH ANALYSIS
FOR THE MONTH ENDED December 31, 2018

	<u>CURRENT ACTIVITY</u>	<u>YEAR TO DATE ACTIVITY</u>	<u>PRIOR YTD ACTIVITY</u>
BEGINNING U.I. CASH BALANCE	\$1,754,058,541.12	\$1,471,761,579.73	\$1,159,159,974.49
INCREASES:			
TAX RECEIPTS/RFB PAID	1,010,743.94	437,062,924.82	514,701,340.31
U.I. PAYMENTS CREDITED TO SURPLUS	825,617.00	160,959,840.40	176,085,877.86
INTEREST EARNED ON TRUST FUND	10,178,511.56	36,939,644.90	29,729,533.01
FUTA TAX CREDITS	<u>1,225.00</u>	<u>43,916.63</u>	<u>67,696.86</u>
TOTAL INCREASE IN CASH	<u>12,016,097.50</u>	<u>635,006,326.75</u>	<u>720,584,448.04</u>
TOTAL CASH AVAILABLE	<u>1,766,074,638.62</u>	<u>2,106,767,906.48</u>	<u>1,879,744,422.53</u>
DECREASES:			
TAXABLE EMPLOYER DISBURSEMENTS	29,493,432.74	315,749,703.74	343,239,326.41
BENEFITS CHARGED TO SURPLUS	<u>5,745,901.09</u>	<u>60,174,026.72</u>	<u>64,739,417.91</u>
TOTAL BENEFITS PAID DURING PERIOD	<u>35,239,333.83</u>	<u>375,923,730.46</u>	<u>407,978,744.32</u>
SHORT-TIME COMPENSATION EXPENDITURES	<u>0.00</u>	<u>8,871.23</u>	<u>4,098.48</u>
ENDING U.I. CASH BALANCE (11) (12) (13)	<u><u>1,730,835,304.79</u></u>	<u><u>1,730,835,304.79</u></u>	<u><u>1,471,761,579.73</u></u>

11. \$1,607,328 of this balance was set up in 2009 in the Trust Fund as a subaccount per the ARRA UI Modernization Provisions and is not available to pay benefits.

12. \$398,737 of this balance was set up in 2015 in the Trust Fund as a Short-Time Compensation (STC) subaccount to be used for Implementation and Improvement of the STC program and is not available to pay benefits.

13. \$2,103,000 of this balance is the remaining amount set aside for charging of benefits financed by Reimbursable Employers in cases of Identity Theft.

DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
BALANCING ACCT SUMMARY
FOR THE MONTH ENDED December 31, 2018

	<u>CURRENT ACTIVITY</u>	<u>YEAR TO DATE ACTIVITY</u>	<u>PRIOR YTD ACTIVITY</u>
BALANCE AT THE BEGINNING OF THE MONTH/YEAR	(\$622,287,708.88)	(\$715,103,113.34)	(\$798,303,306.16)
INCREASES:			
U.I. PAYMENTS CREDITED TO SURPLUS:			
SOLVENCY PAID	334,120.62	155,760,888.40	168,379,457.22
FORFEITURES	7,765.00	232,714.16	466,067.69
OTHER INCREASES	<u>483,731.38</u>	<u>4,966,237.84</u>	<u>7,240,352.95</u>
U.I. PAYMENTS CREDITED TO SURPLUS SUBTOTAL	825,617.00	160,959,840.40	176,085,877.86
TRANSFERS BETWEEN SURPLUS ACCTS (14)	11,931.53	(39,673,715.52)	(57,939,398.52)
INTEREST EARNED ON TRUST FUND	10,178,511.56	36,939,644.90	29,729,533.01
FUTA TAX CREDITS	<u>1,225.00</u>	<u>43,916.63</u>	<u>67,696.86</u>
TOTAL INCREASES	11,017,285.09	158,269,686.41	147,943,709.21
DECREASES:			
BENEFITS CHARGED TO SURPLUS:			
QUITS	4,517,312.51	44,983,108.08	46,734,053.95
OTHER NON-CHARGE BENEFITS	1,228,588.58	15,190,918.64	18,005,363.94
MISCELLANEOUS EXPENSE	<u>0.00</u>	<u>0.00</u>	<u>0.02</u>
BENEFITS CHARGED TO SURPLUS SUBTOTAL	5,745,901.09	60,174,026.72	64,739,417.91
SHORT-TIME COMPENSATION EXPENDITURES	<u>0.00</u>	<u>8,871.23</u>	<u>4,098.48</u>
BALANCE AT THE END OF THE MONTH/YEAR	<u>(617,016,324.88)</u>	<u>(617,016,324.88)</u>	<u>(715,103,113.34)</u>

14. The 10% writeoff for 2018 was \$47 million and is included in this balance. The 10% writeoff shifts employer benefit charges to the balancing account. The 10% writeoff has no effect on receivable balances.

Cash Activity Related to Taxable Employers with WI Unemployment Rate (for all years from January to December)

