

UI Reserve Fund Highlights

October 15, 2020

1. Regular UI benefit payments through October 10 total \$1.2 billion, an increase of \$926.3 million or 305.1% when compared to benefits paid through the same week in 2019.

Benefits Paid	2020 YTD* <i>(in millions)</i>	2019 YTD* <i>(in millions)</i>	Change <i>(in millions)</i>	Change <i>(in percent)</i>
Total Regular UI Paid**	\$1,229.9	\$303.6	\$926.3	305.1%

**Total Regular UI Paid includes payments funded by employers through the UI Trust Fund. It excludes benefits funded and reimbursed to the state by the federal government and reimbursable employers.

Claimants have been paid over \$4 billion in a combination of federal and state programs since the beginning of the year.

There have been 546,875 claimants paid this year. For comparison, in calendar year 2018 and 2019, the number of claimants paid were 130,710 and 129,888, respectively. Since 2002, the only years that exceeded half a million claimants were 2009 and 2010.

The federal programs include:

Program	Benefits Paid
Federal Pandemic Unemployment Compensation (FPUC)	\$2.5 billion
Pandemic Unemployment Assistance (PUA)	\$137.1 million
Pandemic Emergency Unemployment Compensation (PEUC)	\$63.3 million

FPUC was the additional \$600 per week benefit which expired the week ending July 25, 2020.

PUA provides up to 39 weeks of unemployment benefits to individuals who are not eligible for regular UI such as:

- Individuals who are self-employed;
- Certain independent contractors;
- Individuals with limited recent work history; and
- Other workers not covered by Regular UI.

PEUC provides up to 13 additional weeks of payments to individuals who have exhausted their regular UI benefits.

2. Tax receipts through October 10, declined by \$41.1 million or 8.7% when compared to tax receipts through the same period in 2019. Since both tax years were rated in Schedule D, any change reflects the anticipated reduction in taxes based on improvement of employer's experience but also a reduction in taxable wages.

Tax Receipts	2020 YTD* <i>(in millions)</i>	2019 YTD* <i>(in millions)</i>	Change <i>(in millions)</i>	Change <i>(in percent)</i>
Total Tax Receipts	\$432.3	\$473.4	(\$41.1)	(8.7%)

*All calendar year-to-date (YTD) numbers are through October 10, 2020 and a comparable 2019 period. The Financial statements for September are not yet final as of this meeting date.

3. The trust fund cash balance on October 1 was \$1.26 billion.

Interest earned on the Trust Fund is received quarterly. Interest for the first three quarters of 2020 was \$30.7 million compared to \$32.8 million for the same period last year. The U.S. Treasury annualized interest rate for this quarter is 2.3%.

UI Trust Fund Interest	2020 YTD* <i>(in millions)</i>	2019 YTD* <i>(in millions)</i>	Change <i>(in millions)</i>	Change <i>(in percent)</i>
Total Interest Earned	\$30.7	\$32.8	(\$2.1)	(6.4%)

**All calendar year-to-date (YTD) numbers are through October 10, 2020 and a comparable 2019 period. The Financial statements for September are not yet final as of this meeting date.*

FINANCIAL STATEMENTS

For the Month Ended August 31, 2020



Unemployment Insurance Division

Bureau of Tax and Accounting

DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
BALANCE SHEET
FOR THE MONTH ENDED August 31, 2020

<u>ASSETS</u>	<u>CURRENT YEAR</u>	<u>PRIOR YEAR</u>
CASH:		
U.I. CONTRIBUTION ACCOUNT	1,577,351.00	1,173,852.62
U.I. BENEFIT ACCOUNTS	(15,702,577.18)	40,661.51
U.I. TRUST FUND ACCOUNTS (1) (2) (3)	<u>1,401,457,439.93</u>	<u>1,961,630,347.64</u>
TOTAL CASH	1,387,332,213.75	1,962,844,861.77
ACCOUNTS RECEIVABLE:		
BENEFIT OVERPAYMENT RECEIVABLES	76,611,801.92	70,825,141.36
LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS (4)	<u>(30,473,543.60)</u>	<u>(33,299,180.83)</u>
NET BENEFIT OVERPAYMENT RECEIVABLES	46,138,258.32	37,525,960.53
TAXABLE EMPLOYER RFB & SOLVENCY RECEIV (5) (6)	31,088,890.93	28,609,252.15
LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS (4)	<u>(16,201,015.81)</u>	<u>(15,782,719.70)</u>
NET TAXABLE EMPLOYER RFB & SOLVENCY RECEIV	14,887,875.12	12,826,532.45
OTHER EMPLOYER RECEIVABLES	65,678,514.16	22,477,625.83
LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS	<u>(9,295,572.07)</u>	<u>(7,998,911.47)</u>
NET OTHER EMPLOYER RECEIVABLES	56,382,942.09	14,478,714.36
TOTAL ACCOUNTS RECEIVABLE	<u>117,409,075.53</u>	<u>64,831,207.34</u>
TOTAL ASSETS	<u><u>1,504,741,289.28</u></u>	<u><u>2,027,676,069.11</u></u>
<u>LIABILITIES AND EQUITY</u>		
LIABILITIES:		
CONTINGENT LIABILITIES (7)	37,723,237.11	27,797,673.80
OTHER LIABILITIES	15,139,004.31	13,376,400.33
FEDERAL BENEFIT PROGRAMS	(8,200,570.41)	178,279.22
CHILD SUPPORT HOLDING ACCOUNT	280,072.00	6,473.00
FEDERAL WITHHOLDING TAXES DUE	2,052,075.74	69,488.00
STATE WITHHOLDING TAXES DUE	35,335,279.46	1,107,417.65
DUE TO OTHER GOVERNMENTS (8)	<u>507,337.64</u>	<u>513,424.38</u>
TOTAL LIABILITIES	82,836,435.85	43,049,156.38
EQUITY:		
RESERVE FUND BALANCE	1,834,495,072.73	2,442,361,340.79
BALANCING ACCOUNT	<u>(412,590,219.30)</u>	<u>(457,734,428.06)</u>
TOTAL EQUITY	<u>1,421,904,853.43</u>	<u>1,984,626,912.73</u>
TOTAL LIABILITIES AND EQUITY	<u><u>1,504,741,289.28</u></u>	<u><u>2,027,676,069.11</u></u>

1. \$20,806,685 of this balance is for administration purposes and is not available to pay benefits.
2. \$2,128,551 of this balance is the remaining amount set aside for charging of benefits financed by Reimbursable Employers in cases of Identity Theft.
3. \$38,513,400 of this balance is Emergency Unemployment Compensation Relief (EUR) reserved exclusively for funding 50% of the benefits paid for Reimbursable Employers for UI Weeks 12/20-52/20 per 2103 of the CARES Act.
4. The allowance for uncollectible benefit overpayments is 50.2%. The allowance for uncollectible delinquent employer taxes is 46.3%. This is based on the historical collectibility of our receivables. This method of recognizing receivable balances is in accordance with generally accepted accounting principles.
5. The remaining tax due at the end of the current month for employers utilizing the 1st quarter deferral plan is \$1,262,430. Deferrals for the prior year were \$662,704.
6. \$12,217,603, or 39.3%, of this balance is estimated.
7. \$23,777,013 of this balance is net benefit overpayments which, when collected, will be credited to a reimbursable or federal program. \$13,946,224 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.
8. This balance includes SAFI Payable of \$2,886. The 08/31/2020 balance of the Unemployment Interest Payment Fund (DWD Fund 214) is \$25,771. Total Life-to-date transfers from DWD Fund 214 to the Unemployment Program Integrity Fund (DWD Fund 298) were \$9,501,460.

DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
RESERVE FUND ANALYSIS
FOR THE MONTH ENDED August 31, 2020

	<u>CURRENT ACTIVITY</u>	<u>YTD ACTIVITY</u>	<u>PRIOR YTD</u>
BALANCE AT BEGINNING OF MONTH/YEAR:			
U.I. TAXABLE ACCOUNTS	2,390,152,725.06	2,909,863,506.12	2,794,896,813.36
BALANCING ACCOUNT	<u>(852,077,257.59)</u>	<u>(916,159,078.07)</u>	<u>(1,030,187,761.19)</u>
TOTAL BALANCE	1,538,075,467.47	1,993,704,428.05	1,764,709,052.17
INCREASES:			
TAX RECEIPTS/RFB PAID	1,863,282.45	306,337,114.30	338,259,814.40
ACCRUED REVENUES	2,832,390.00	3,765,865.69	(626,932.78)
SOLVENCY PAID	497,459.48	122,970,590.64	131,472,684.93
FORFEITURES	8,351.00	92,257.72	26,989.00
BENEFIT CONCEALMENT INCOME	19,558.58	406,289.81	491,028.02
INTEREST EARNED ON TRUST FUND	0.00	22,425,381.53	20,995,429.94
FUTA TAX CREDITS	273.00	4,510.60	17,373.78
OTHER CHANGES	<u>13,172,180.24</u>	<u>57,777,534.15</u>	<u>294,000.57</u>
TOTAL INCREASES	18,393,494.75	513,779,544.44	490,930,387.86
DECREASES:			
TAXABLE EMPLOYER DISBURSEMENTS	110,612,542.45	917,981,395.51	229,745,799.21
QUIT NONCHARGE BENEFITS	20,569,035.73	142,307,966.62	33,120,948.02
OTHER DECREASES	125,060.25	405,047.25	(2,380,010.49)
OTHER NONCHARGE BENEFITS	<u>3,257,470.36</u>	<u>24,884,709.68</u>	<u>10,525,790.56</u>
TOTAL DECREASES	134,564,108.79	1,085,579,119.06	271,012,527.30
BALANCE AT END OF MONTH/YEAR:			
RESERVE FUND BALANCE	1,834,495,072.73	1,834,495,072.73	2,442,361,340.79
BALANCING ACCOUNT	<u>(412,590,219.30)</u>	<u>(412,590,219.30)</u>	<u>(457,734,428.06)</u>
TOTAL BALANCE (9) (10) (11) (12)	<u>1,421,904,853.43</u>	<u>1,421,904,853.43</u>	<u>1,984,626,912.73</u>

9. This balance differs from the cash balance related to taxable employers of \$1,388,257,071 because of non-cash accrual items.

10. \$20,806,685 of this balance is set up in the Trust Fund in three subaccounts to be used for administration purposes and is not available to pay benefits.

11. \$2,128,551 of this balance is the remaining amount set aside for charging of benefits financed by Reimbursable Employers in cases of Identity Theft.

12. \$38,513,400 of this balance is Emergency Unemployment Compensation Relief (EUR) reserved exclusively for funding 50% of the benefits paid for Reimbursable Employers for UI Weeks 12/20-52/20 per 2103 of the CARES Act.

09/28/2020

**DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
RECEIPTS AND DISBURSEMENTS STATEMENT
FOR THE MONTH ENDED 08/31/20**

RECEIPTS	CURRENT ACTIVITY	YEAR TO DATE	PRIOR YEAR TO DATE
TAX RECEIPTS/RFB	\$1,863,282.45	\$306,337,114.30	\$338,259,814.40
SOLVENCY	497,459.48	122,970,590.64	131,472,684.93
ADMINISTRATIVE FEE	(19.33)	367.38	623.65
ADMINISTRATIVE FEE - PROGRAM INTEGRITY	11,164.98	2,821,950.72	2,921,452.27
UNUSED CREDITS	(577,233.02)	2,130,331.80	3,861,588.97
GOVERNMENTAL UNITS	10,270,378.83	40,036,935.95	7,326,224.77
NONPROFITS	7,509,009.78	49,199,643.43	6,992,433.03
INTERSTATE CLAIMS (CWC)	189,624.91	2,110,204.04	3,490,845.48
ERROR SUSPENSE	(109,734.70)	37,924.47	2,786.78
FEDERAL PROGRAMS RECEIPTS	211,416,806.16	2,476,922,303.55	(242,630.62)
OVERPAYMENT COLLECTIONS	3,785,498.17	17,723,854.72	12,774,609.71
FORFEITURES	8,351.00	92,257.72	26,989.00
BENEFIT CONCEALMENT INCOME	19,558.58	406,289.81	491,028.02
EMPLOYER REFUNDS	(371,462.03)	(2,804,556.35)	(3,362,844.64)
COURT COSTS	17,418.71	243,338.02	322,138.01
INTEREST & PENALTY	361,168.42	2,417,521.99	2,540,507.79
CARD PAYMENT SERVICE FEE	1,295.20	10,917.36	2,433.44
BENEFIT CONCEALMENT PENALTY-PROGRAM INTEGRITY	27,732.66	642,664.50	745,848.05
MISCLASSIFIED EMPLOYEE PENALTY-PROG INTEGRITY	639.00	4,653.43	25,838.64
LEVY NONCOMPLIANCE PENALTY-PROGRAM INTEGRITY	5,299.00	10,061.50	0.00
SPECIAL ASSESSMENT FOR INTEREST	1,777.68	13,133.67	13,634.12
EMERGENCY ADMIN GRANT-EUISAA 2020	0.00	18,914,772.00	0.00
EMERGENCY UC RELIEF (EUR)	13,113,200.00	38,513,400.00	0.00
INTEREST EARNED ON U.I. TRUST FUND BALANCE	0.00	22,425,381.53	20,995,429.94
MISCELLANEOUS	10,400.15	123,178.31	52,321.56
TOTAL RECEIPTS	\$248,051,616.08	\$3,101,304,234.49	\$528,713,757.30
DISBURSEMENTS			
CHARGES TO TAXABLE EMPLOYERS	\$114,385,006.97	\$933,975,762.50	\$240,542,311.51
NONPROFIT CLAIMANTS	8,282,311.15	66,790,111.61	6,543,750.77
GOVERNMENTAL CLAIMANTS	9,147,947.29	53,897,131.20	6,566,922.93
INTERSTATE CLAIMS (CWC)	1,533,899.04	9,662,523.62	2,732,613.78
QUITS	20,569,035.73	142,307,966.62	33,120,948.02
OTHER NON-CHARGE BENEFITS	3,967,786.66	23,713,677.37	10,931,124.19
CLOSED EMPLOYERS	1,035.23	(212,417.05)	(11,238.84)
FEDERAL PROGRAMS			
FEDERAL EMPLOYEES (UCFE)	279,603.66	1,640,785.21	869,251.39
EX-MILITARY (UCX)	187,318.07	1,044,899.72	278,882.08
TRADE ALLOWANCE (TRA/TRA-NAFTA)	15,919.00	609,611.09	817,655.28
DISASTER UNEMPLOYMENT (DUA)	0.00	0.00	19,310.00
FEDERAL PANDEMIC UC \$600 ADD-ON (FPUC)	156,270,792.22	2,352,471,701.38	0.00
PANDEMIC UNEMPLOYMENT ASSISTANCE (PUA)	36,751,923.00	97,019,828.00	0.00
PANDEMIC EMERGENCY UC (PEUC)	15,413,092.00	34,174,649.00	0.00
2003 TEMPORARY EMERGENCY UI (TEUC)	(669.13)	(15,966.20)	(15,760.00)
FEDERAL ADD'L COMPENSATION \$25 ADD-ON (FAC)	(5,026.03)	(147,632.49)	(198,857.61)
FEDERAL EMERGENCY UI (EUC)	(82,425.41)	(1,430,304.27)	(1,837,415.07)
FEDERAL EXTENDED BENEFITS (EB)	(14,193.51)	(145,180.12)	(138,142.30)
FEDERAL EMPLOYEES EXTENDED BEN (UCFE EB)	0.00	0.00	(1,331.67)
FEDERAL EX-MILITARY EXTENDED BEN (UCX EB)	0.00	(2,111.09)	(5,109.02)
INTERSTATE CLAIMS EXTENDED BENEFITS (CWC EB)	(168.31)	(3,807.27)	(994.78)
INTEREST & PENALTY	293,241.26	2,332,195.13	2,413,007.86
CARD PAYMENT SERVICE FEE TRANSFER	2,534.84	10,599.87	1,876.14
PROGRAM INTEGRITY	637,269.96	3,511,636.76	3,700,235.22
SPECIAL ASSESSMENT FOR INTEREST	0.00	17,151.12	11,439.97
COURT COSTS	26,982.07	266,569.66	328,852.85
ADMINISTRATIVE FEE TRANSFER	58.44	515.38	641.15
FEDERAL WITHHOLDING	(458,386.74)	(1,895,277.80)	107,108.00
STATE WITHHOLDING	(9,815,917.12)	(33,593,896.21)	480,070.15
STC IMPLEMENT/IMPROVE & PROMOTE/ENROLL EXP	0.00	0.00	114,151.84
FEDERAL LOAN REPAYMENTS	(273.00)	(4,510.60)	(17,373.78)
TOTAL DISBURSEMENTS	\$357,388,697.34	\$3,685,996,212.14	\$307,353,930.06
NET INCREASE(DECREASE)	(109,337,081.26)	(584,691,977.65)	221,359,827.24
BALANCE AT BEGINNING OF MONTH/YEAR	\$1,496,669,295.01	\$1,972,024,191.40	\$1,741,485,034.53
BALANCE AT END OF MONTH/YEAR	\$1,387,332,213.75	\$1,387,332,213.75	\$1,962,844,861.77

DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
CASH ANALYSIS
FOR THE MONTH ENDED August 31, 2020

	<u>CURRENT ACTIVITY</u>	<u>YEAR TO DATE ACTIVITY</u>	<u>PRIOR YTD ACTIVITY</u>
BEGINNING U.I. CASH BALANCE	\$1,508,143,289.67	\$1,960,524,402.01	\$1,730,835,304.79
INCREASES:			
TAX RECEIPTS/RFB PAID	1,863,282.45	306,337,114.30	338,259,814.40
U.I. PAYMENTS CREDITED TO SURPLUS	12,814,334.52	184,554,732.93	134,353,850.37
INTEREST EARNED ON TRUST FUND	0.00	22,425,381.53	20,995,429.94
FUTA TAX CREDITS	273.00	4,510.60	17,373.78
TOTAL INCREASE IN CASH	<u>14,677,889.97</u>	<u>513,321,739.36</u>	<u>493,626,468.49</u>
TOTAL CASH AVAILABLE	<u>1,522,821,179.64</u>	<u>2,473,846,141.37</u>	<u>2,224,461,773.28</u>
DECREASES:			
TAXABLE EMPLOYER DISBURSEMENTS	110,612,542.45	917,981,395.51	229,745,799.21
BENEFITS CHARGED TO SURPLUS	23,951,566.34	167,607,675.01	44,393,232.19
TOTAL BENEFITS PAID DURING PERIOD	<u>134,564,108.79</u>	<u>1,085,589,070.52</u>	<u>274,139,031.40</u>
SHORT-TIME COMPENSATION EXPENDITURES	<u>0.00</u>	<u>0.00</u>	<u>114,151.84</u>
ENDING U.I. CASH BALANCE (13) (14) (15) (16) (17)	<u><u>1,388,257,070.85</u></u>	<u><u>1,388,257,070.85</u></u>	<u><u>1,950,208,590.04</u></u>

13. \$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.

14. \$284,585 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.

15. \$18,914,772 of this balance was set up in 2020 in the Trust Fund as an Emergency Admin Grant (EUISAA) subaccount to be used for administration of the Unemployment Compensation Program and is not available to pay benefits.

16. \$2,128,551 of this balance is the remaining amount set aside for charging of benefits financed by Reimbursable Employers in cases of Identity Theft.

17. \$38,513,400 of this balance is Emergency Unemployment Compensation Relief (EUR) reserved exclusively for funding 50% of the benefits paid for Reimbursable Employers for UI Weeks 12/20-52/20 per 2103 of the CARES Act.

BUREAU OF TAX AND ACCOUNTING
U.I. TREASURER'S REPORT
BALANCING ACCT SUMMARY
FOR THE MONTH ENDED August 31, 2020

	<u>CURRENT ACTIVITY</u>	<u>YEAR TO DATE ACTIVITY</u>	<u>PRIOR YTD ACTIVITY</u>
BALANCE AT THE BEGINNING OF THE MONTH/YEAR	(\$435,091,175.52)	(\$503,517,440.13)	(\$617,016,324.88)
INCREASES:			
U.I. PAYMENTS CREDITED TO SURPLUS:			
SOLVENCY PAID	497,459.48	122,970,590.64	131,472,684.93
FORFEITURES	8,351.00	92,257.72	26,989.00
OTHER INCREASES	12,308,524.04	61,491,884.57	2,854,176.44
U.I. PAYMENTS CREDITED TO SURPLUS SUBTOTAL	<u>12,814,334.52</u>	<u>184,554,732.93</u>	<u>134,353,850.37</u>
TRANSFERS BETWEEN SURPLUS ACCTS	(9,867.54)	17,902,488.20	14,004,304.07
INTEREST EARNED ON TRUST FUND	0.00	22,425,381.53	20,995,429.94
FUTA TAX CREDITS	273.00	4,510.60	17,373.78
TOTAL INCREASES	<u>12,804,739.98</u>	<u>224,887,113.26</u>	<u>169,370,958.16</u>
DECREASES:			
BENEFITS CHARGED TO SURPLUS:			
QUITS	20,569,035.73	142,307,966.62	33,120,948.02
OTHER NON-CHARGE BENEFITS	3,382,530.61	25,299,708.39	11,272,281.17
MISCELLANEOUS EXPENSE	0.00	0.00	3.00
BENEFITS CHARGED TO SURPLUS SUBTOTAL	<u>23,951,566.34</u>	<u>167,607,675.01</u>	<u>44,393,232.19</u>
SHORT-TIME COMPENSATION EXPENDITURES	0.00	0.00	114,151.84
BALANCE AT THE END OF THE MONTH/YEAR	<u>(446,238,001.88)</u>	<u>(446,238,001.88)</u>	<u>(492,152,750.75)</u>

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

