

# 2015 STATUS REPORT

## IOWA UNEMPLOYMENT COMPENSATION TRUST FUND

This 2015 Status Report of the  
Iowa Unemployment Compensation Trust Fund  
is a publication of  
Iowa Workforce Development







# 2015 Status Report

## On the Iowa Unemployment Compensation Trust Fund

This 2015 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, 2015. It reviews fund expenditures and revenue. It also discusses the 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 fund.

**Unemployment Insurance (UI) Benefits Payout:** The national recession pushed benefits paid to unemployed workers to a record level of \$788 million in 2009. Benefits declined to \$418 million in 2015, but remain higher than pre-recession levels. 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 2015 first payment level of 92,606 was the lowest since 2007.
- 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 12.7 weeks in 2015.

**UI Trust Fund Revenue:** Fund revenue primarily comes from UI contributions paid by Iowa employers. Contributions reached \$657 million in 2011 due to record UI payouts in 2009 and 2010. Contributions declined to \$392 million in 2015 as the fund grew.

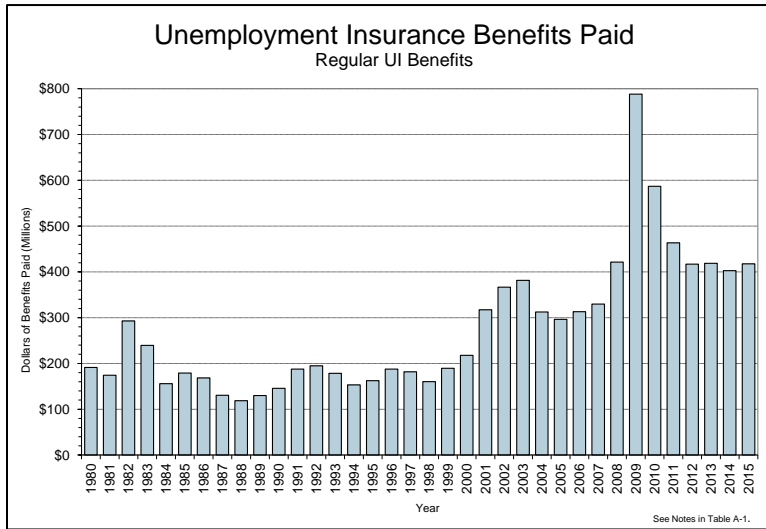
- The average contribution rate remained around 1.6 percent in 2003 through 2009. This is well below the average rate during the 1980s which reached 3.38 percent in 1984.
- Record payouts in 2009 and 2010 caused the trust fund balance to decline. Rate tables 3 and 4 were triggered for 2010 through 2012. The average contribution rate increased to 2.15 percent in 2010, 2.72 percent in 2011 and 2.45 percent in 2012.
- The trust fund balance improved and lower contribution rate tables were triggered. The average contribution rate fell to 1.67 percent in 2014 and 1.36 percent in 2015.
- The fund balance growth has leveled off in 2015. Since fund growth did not keep pace with covered wage growth, contribution rate table six will return in 2016.

**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 combined trust fund balance reached \$865 million in 2008. Record benefit payouts caused the year-end combined fund balance to plummet to \$446 million in 2010. The fund bounced back to over \$1 billion at the end of 2015.

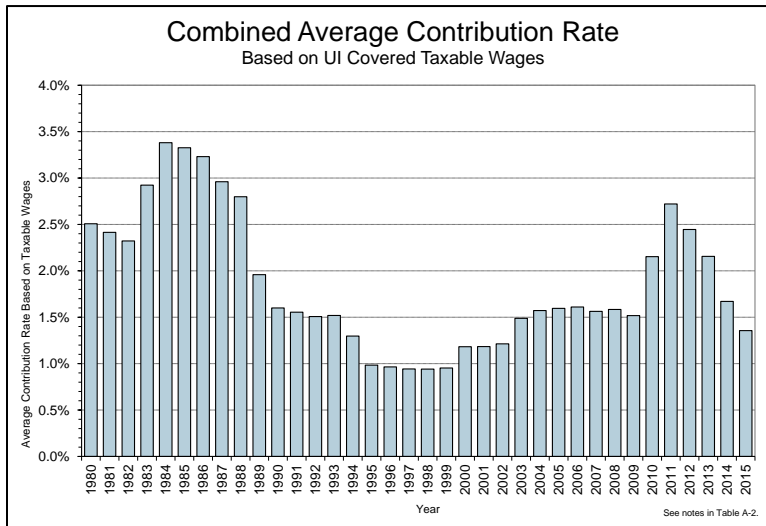
**Conclusions:** Iowa's combined fund balance reached a low point of \$321 million during April 2010, but the fund balance has rebounded through 2015. Benefit payout levels have stabilized over the last four years. Fund solvency measures have rebounded to pre-recession levels and the trust fund should be sufficient to withstand a recession comparable to 2009.

# 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. UI benefits have declined to between \$400 million and \$420 million in 2012 through 2015.

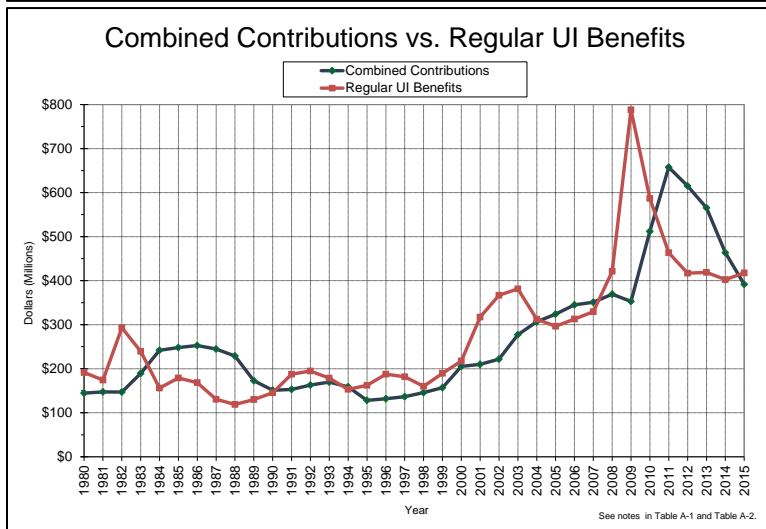
The number of UI first payments in 2015 declined to the lowest level since 2007.



The average contribution rate for 2004 through 2009 was about 1.6 percent.

High UI benefit payouts caused the trust fund to decline and the average contribution rate reached 2.72 percent in 2011.

Fewer layoffs and trust fund growth caused the average rate to decline to 1.36 percent in 2015.

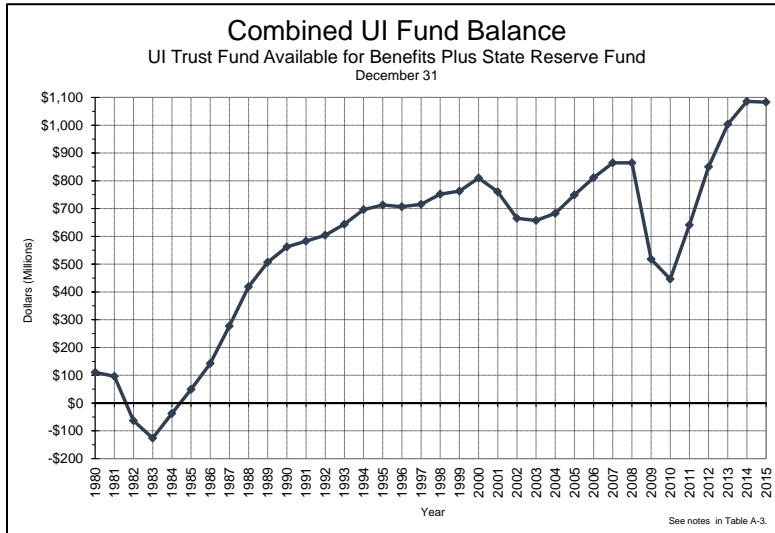


UI benefits exceeded contributions by more than \$400 million during 2009, the largest one year deficit in the lowa UI trust fund history.

Contributions exceeded benefits in 2011 through 2014. This enabled the trust fund to rebuild and enabled rate tables with lower contribution rates to trigger.

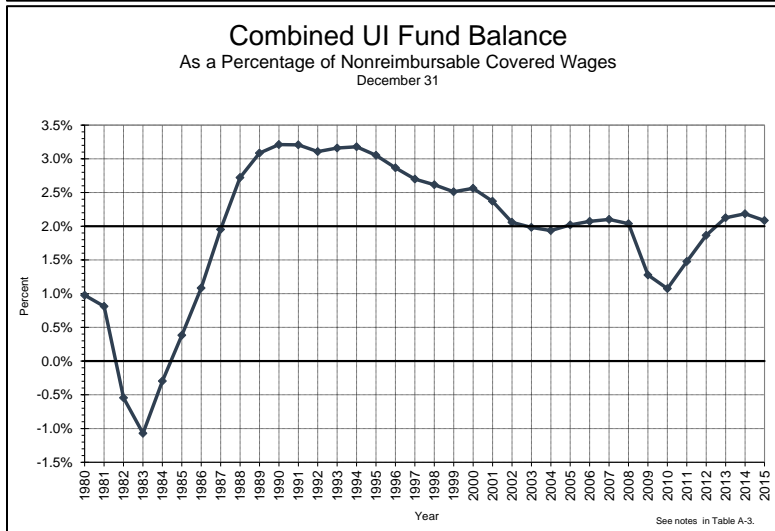


# UI Trust Fund History at a Glance

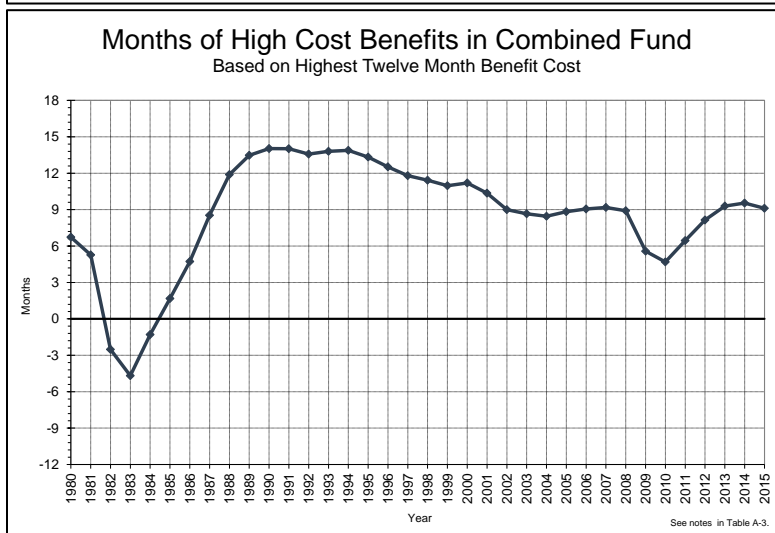


The year-end combined UI fund balance has grown from 2003 through 2007. Record benefit payouts caused the fund to drop sharply in 2009 and 2010. The fund balance has rebounded through 2014 and leveled off in 2015.

Using constant dollars (CPI adjusted) the fund is about the same as 2000.



The UI fund as a percent of covered wages was over 3.0 percent during the first half of the 1990's. In 2002 through 2008 the fund was around two percent of covered wages. This measure dropped to 1.1 percent of covered wages in 2010, but rebounded to just over two percent in 2013 through 2015.



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 was between \$400 million and \$420 million in 2012 through 2015.

**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 2014	Percent of Average Weekly Wage	Maximum Weekly Benefit July 2015
0	\$813.99	53%	\$431
1	\$813.99	55%	\$447
2	\$813.99	57%	\$463
3	\$813.99	60%	\$488
4	\$813.99	65%	\$529

**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 \$9,900 to qualify for the maximum weekly benefit.

The AWB growth rate rose sharply in 2009 due to layoffs in higher paid industries then declined in 2010 and 2011. The average weekly benefit grew by 5.9 percent from \$335.05 in 2014 to \$354.91 in 2015 due in part to increases in the average wage and increased manufacturing layoffs.

**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 benefit decreased from 15.6 weeks in 2009 to 12.7 weeks in 2015.

**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 2015 as the economy improved.

**Weeks Compensated:** The number of weeks of UI benefits compensated declined by 2.1 percent to 1,176,537 in 2015. The number of weeks compensated stands at the lowest level since 2006.

**UI Benefit Summary:** The number of new layoffs has declined from 2009 through 2012. This caused UI benefit payments to fall from a record high of \$788 million in 2009 to \$417 million in 2012. The benefit payout stood between \$400 million and \$420 million in 2012 through 2015. Benefit payments increased by 3.7 percent to \$418 million in 2015 due to an upsurge in the average weekly benefit.

## B. Unemployment Insurance Revenue

Fund revenue decreased by 15 percent from \$484 million in 2014 to \$413 million in 2015. This decrease was primarily due to triggering a rate table with lower contribution rates as the trust fund balance recovered from record payouts.

**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 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.

Rate table 6 was triggered for 2003 because of an economic slowdown. The average rate was 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 2.72 percent in 2011.

Higher contribution rates and a lower benefit payout enabled the trust fund rebound. The trigger formula moved to rate tables with lower rates and the average contribution rate fell to 1.67 percent in 2014. The average contribution rate continued to fall to an estimated 1.36 percent in 2015.

**Individual Employer Rates:** Even though the average contribution rate was 1.36 percent, contribution rates for individual employers rates ranged from zero to 7.5 percent in 2015.

Iowa's contribution rates are based on each individual employer's benefit experience. About 44 percent of private employers qualified for a zero rate because they had low benefit charges over the last five years.

**Taxable Wages:** During 2015, Iowa employers paid contributions on the first \$27,300 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 and slow growth in 2010 and 2011. Covered employment, wages and hours worked rebounded in 2012 through 2015.

**Contributions:** Lower contribution rate tables have triggered over the past four years due to a rebound in the UI trust fund. Contributions paid have declined by 40% over the past four years from a high of \$657 million in 2011 to \$392 million in 2015.

**Interest:** Interest received from the federal government on the trust fund totaled to \$22 million in 2015.

**Revenue Summary:** Benefits paid exceeded total revenue in 2009 and 2010 and the trust fund dropped sharply. Higher rate tables were triggered to replenish the trust fund. Revenue declined in 2012 through 2015 due triggering rate tables with lower average contribution rates.

## C. UI Fund Balance

The year-end combined trust fund balance was \$865 million in 2008. Recession level benefit payouts caused the fund to fall to \$446 million in 2010. A reduction in UI benefits combined with an increase in employer contributions enabled the combined fund to rebound to \$1,086 million in 2014 and \$1,083 million in 2015.

**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 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 2003. The number of new layoffs declined and UI benefits paid were lower in 2005 through 2008. This enabled the combined trust fund balance to rebound to \$865 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 combined trust fund to fall to \$447 million at the end of 2010, the lowest fund level in more than 20 years. The fund rebounded to \$1,086 million in 2014 and \$1,083 million in 2015.

**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 2015 fund balance is slightly lower 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 2.0 percent in 2002 through 2008.

Record benefit payouts caused this percentage to decline to 1.1 percent in 2010, but it has rebounded to 2.1 percent in 2015.

**UI Trust Fund Balance Summary:** The year-end fund balance dropped to \$447 million in 2010 due to a high benefit payout in 2009 and 2010. The fund grew through 2014, but the growth rate flattened out in 2015. The fund balance as a percent of covered wages fell slightly from 2.2 percent in 2014 to 2.1% in 2015.

## 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:**

A popular measure of fund adequacy is the number of months of benefits in the fund. This report covers three different UI solvency measures.

### **Months of Benefits at High Cost:**

The 2015 trust fund balance would be sufficient to pay benefits for 9.1 months at the historic highest adjusted benefit level.

### **Federal Solvency Standards:**

The U. S. Department of Labor recommends a solvency standard of 12 months of benefits at the highest three-year average benefit cost rate. Iowa's 2015 figure was 11.6 months.

### **Recession Level Benefits:**

Iowa's highest benefit cost level is based on the 12-month period ending April 1983. Fund expenditures totaled \$317 million and wages totaled \$11.6 billion. Total expenditures for the 12-month period equaled 2.7 percent of wages. If an economic downturn had pushed 2015 benefits to this 1983 recession level, benefits would have reached \$1.43 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. This is the first time these tables triggered in since 1988.

The trust fund has started to rebuild. Lower contribution rate tables have triggered for 2012 through 2015.

**State Comparison:** Over 30 states have borrowed funds from the federal government in order to pay benefits. The total amount borrowed since 2009 exceeded \$40 billion. Employers in seven states paid higher federal FUTA taxes in 2015 order to help repay state trust fund loans. Other states have sold bonds to rebuild their UI trust funds.

**Fund Solvency Summary:** Iowa's unemployment rate was substantially below the national average during the recent national recession. This enabled the fund to remain solvent.

UI benefit payments have declined and fund solvency measures have rebounded to pre-recession levels.



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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%

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. 1/21/2015



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	1.36%	-18.6%	27.72	3.9%	391.7	-15.5%	21.7	5.3%	0.0	413.3	-14.6%

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. 2/22/2016

Table A-3  
**UI Fund Balances**

December 31

Year	UI Trust Fund Balance		Iowa Reserve Fund Balance		Combined UI Fund Balance					
	#	Δ%	#	Δ%	Balance (\$ millions)		CPI-U Adjusted (1982-1984=100)		As Percent of Covered Wages	
					#	Δ%	#	Δ%	#	Δ%
1980	110.2	----	0.0	----	110.2	----	127.7	----	0.98%	----
1981	96.5	-12.4%	0.0	----	96.5	-12.4%	102.6	-19.7%	0.81%	-17.3%
1982	-63.3	----	0.0	----	-63.3	----	-64.9	----	-0.55%	----
1983	-126.3	----	0.0	----	-126.3	----	-124.7	----	-1.07%	----
1984	-37.4	----	0.0	----	-37.4	----	-35.5	----	-0.30%	----
1985	49.3	----	0.0	----	49.3	----	45.1	----	0.38%	----
1986	142.5	189.0%	0.0	----	142.5	189.0%	129.0	186.0%	1.08%	184.2%
1987	276.9	94.3%	0.0	----	276.9	94.3%	239.9	86.0%	1.95%	80.6%
1988	418.6	51.2%	0.0	----	418.6	51.2%	347.4	44.8%	2.72%	39.5%
1989	506.7	21.0%	0.0	----	506.7	21.0%	401.8	15.7%	3.08%	13.2%
1990	562.4	11.0%	0.0	----	562.4	11.0%	420.3	4.6%	3.21%	4.2%
1991	582.6	3.6%	0.0	----	582.6	3.6%	422.4	0.5%	3.21%	0.0%
1992	604.0	3.7%	0.0	----	604.0	3.7%	425.6	0.8%	3.11%	-3.1%
1993	643.8	6.6%	0.0	----	643.8	6.6%	441.6	3.8%	3.16%	1.6%
1994	696.4	8.2%	0.0	----	696.4	8.2%	465.2	5.3%	3.18%	0.6%
1995	712.9	2.4%	0.0	----	712.9	2.4%	464.5	-0.2%	3.05%	-4.1%
1996	706.9	-0.8%	0.0	----	706.9	-0.8%	445.7	-4.0%	2.87%	-5.9%
1997	715.1	1.2%	0.0	----	715.1	1.2%	443.4	-0.5%	2.70%	-5.9%
1998	752.1	5.2%	0.0	----	752.1	5.2%	458.9	3.5%	2.61%	-3.3%
1999	762.7	1.4%	0.0	----	762.7	1.4%	453.2	-1.2%	2.51%	-3.8%
2000	809.8	6.2%	0.0	----	809.8	6.2%	465.4	2.7%	2.56%	2.0%
2001	760.3	-6.1%	0.0	----	760.3	-6.1%	430.3	-7.5%	2.37%	-7.4%
2002	665.0	-12.5%	0.0	----	665.0	-12.5%	367.6	-14.6%	2.06%	-13.1%
2003	657.2	-1.2%	0.0	----	657.2	-1.2%	356.6	-3.0%	1.98%	-3.9%
2004	635.2	-3.3%	47.5	----	682.8	3.9%	358.8	0.6%	1.93%	-2.5%
2005	643.2	1.3%	105.6	122.3%	748.8	9.7%	380.5	6.0%	2.02%	4.7%
2006	665.8	3.5%	145.4	37.7%	811.2	8.3%	402.0	5.7%	2.07%	2.5%
2007	714.9	7.4%	149.8	3.0%	864.6	6.6%	411.7	2.4%	2.10%	1.4%
2008	714.9	0.0%	149.6	-0.1%	864.6	0.0%	411.2	-0.1%	2.04%	-2.9%
2009	368.4	-48.5%	149.6	0.0%	518.0	-40.1%	239.8	-41.7%	1.28%	-37.3%
2010	296.9	-19.4%	149.6	0.0%	446.5	-13.8%	203.7	-15.1%	1.07%	-16.4%
2011	491.1	65.4%	149.6	0.0%	640.7	43.5%	283.9	39.4%	1.48%	38.3%
2012	700.5	42.6%	149.6	0.0%	850.1	32.7%	370.2	30.4%	1.86%	25.7%
2013	853.9	21.9%	149.6	0.0%	1003.5	18.0%	430.6	16.3%	2.13%	14.5%
2014	936.1	9.6%	149.6	0.0%	1085.7	8.2%	462.3	7.4%	2.18%	2.3%
2015	933.5	-0.3%	149.6	0.0%	1083.1	-0.2%	457.9	-1.0%	2.08%	-4.6%

The UI Trust Fund balance excludes Reed Act distributions, except for amounts transferred to the trust fund under Iowa Law. The Iowa Reserve Fund refers to the principal in the unemployment compensation reserve fund set up to under S.F. 458 (2003). Principal in the fund can only be used to pay UI benefits if the UI trust fund is insufficient to pay benefits. 2/24/2016

Table A-4  
**UI Fund Solvency Measures**  
December 31

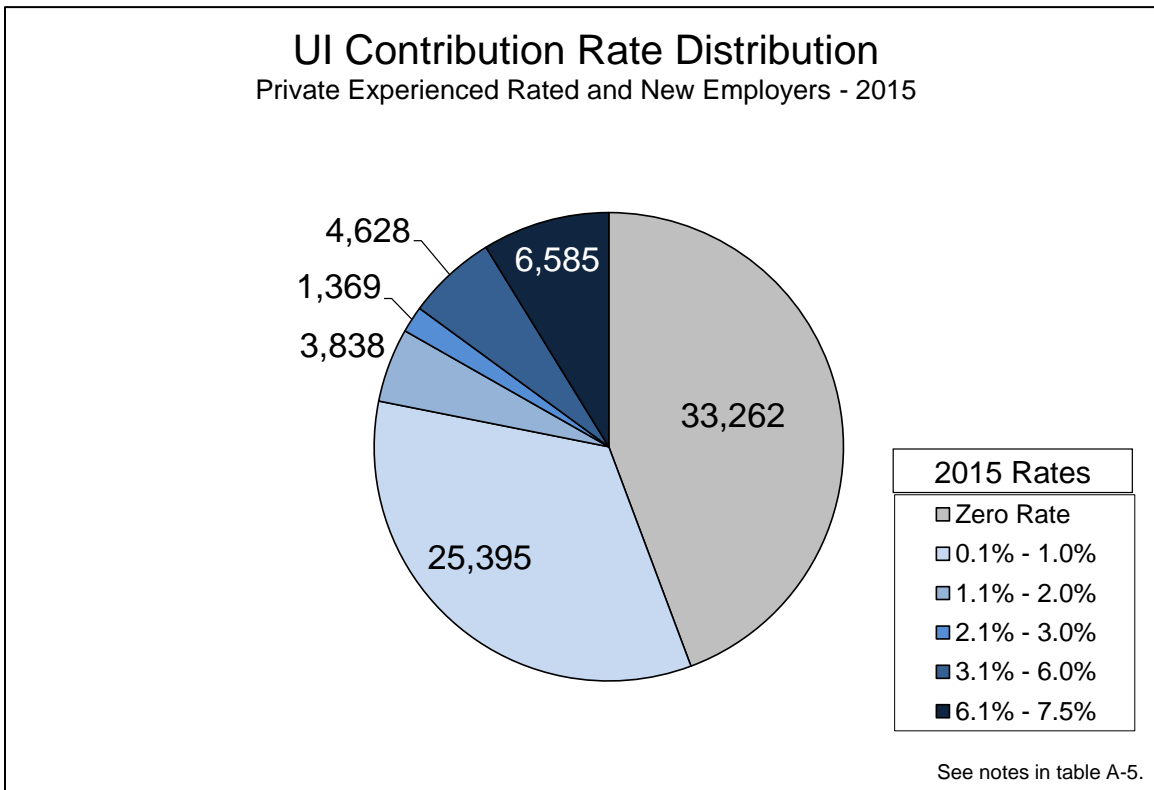
Year	Months of Benefits in Combined UI Fund						UI Benefits At Highest Level (\$ millions)	
	Current Benefit Level		Highest Twelve Month Level		Average 3 Year High Level		#	Δ%
	#	Δ%	#	Δ%	#	Δ%		
1980	6.7	----	6.7	----	8.4	----	196.5	----
1981	6.7	0.0%	5.3	-20.9%	7.0	-16.7%	219.6	11.8%
1982	-2.4	----	-2.5	----	-3.4	----	302.5	37.8%
1983	-6.0	----	-4.7	----	-6.0	----	323.6	7.0%
1984	-2.9	----	-1.3	----	-1.6	----	346.3	7.0%
1985	3.3	----	1.7	----	2.1	----	352.5	1.8%
1986	10.4	215.2%	4.7	176.5%	6.0	185.7%	361.6	2.6%
1987	26.3	152.9%	8.5	80.9%	10.8	80.0%	389.5	7.7%
1988	44.0	67.3%	11.9	40.0%	15.1	39.8%	422.6	8.5%
1989	49.3	12.0%	13.5	13.4%	17.1	13.2%	451.3	6.8%
1990	47.7	-3.2%	14.0	3.7%	17.8	4.1%	481.0	6.6%
1991	38.0	-20.3%	14.0	0.0%	17.8	0.0%	498.8	3.7%
1992	38.4	1.1%	13.6	-2.9%	17.2	-3.4%	533.9	7.0%
1993	44.4	15.6%	13.8	1.5%	17.5	1.7%	559.5	4.8%
1994	55.7	25.5%	13.9	0.7%	17.6	0.6%	601.8	7.6%
1995	53.8	-3.4%	13.3	-4.3%	16.9	-4.0%	641.7	6.6%
1996	46.1	-14.3%	12.5	-6.0%	15.9	-5.9%	677.5	5.6%
1997	47.8	3.7%	11.8	-5.6%	15.0	-5.7%	727.7	7.4%
1998	57.1	19.5%	11.4	-3.4%	14.5	-3.3%	789.8	8.5%
1999	48.8	-14.5%	11.0	-3.5%	13.9	-4.1%	834.3	5.6%
2000	45.1	-7.6%	11.2	1.8%	14.2	2.2%	867.8	4.0%
2001	29.2	-35.3%	10.4	-7.1%	13.2	-7.0%	880.5	1.5%
2002	22.0	-24.7%	9.0	-13.5%	11.4	-13.6%	887.0	0.7%
2003	21.2	-3.6%	8.7	-3.3%	11.0	-3.5%	910.6	2.7%
2004	26.5	25.0%	8.5	-2.3%	10.7	-2.7%	969.0	6.4%
2005	30.6	15.5%	8.8	3.5%	11.2	4.7%	1,018.3	5.1%
2006	31.4	2.6%	9.1	3.4%	11.5	2.7%	1,075.2	5.6%
2007	31.5	0.3%	9.2	1.1%	11.7	1.7%	1,130.1	5.1%
2008	24.8	-21.3%	8.9	-3.3%	11.3	-3.4%	1,165.3	3.1%
2009	7.8	-68.5%	5.6	-37.1%	7.1	-37.2%	1,114.6	-4.4%
2010	9.0	15.4%	4.7	-16.1%	6.0	-15.5%	1,140.8	2.4%
2011	16.3	81.1%	6.5	38.3%	8.2	36.7%	1,191.9	4.5%
2012	23.9	46.6%	8.1	24.6%	10.3	25.6%	1,252.5	5.1%
2013	28.4	18.8%	9.3	14.8%	11.8	14.6%	1,296.2	3.5%
2014	32.2	13.4%	9.5	2.2%	12.1	2.5%	1,364.9	5.3%
2015	30.8	-4.3%	9.1	-4.2%	11.6	-4.1%	1,427.1	4.6%

The UI Trust Fund balance excludes Reed Act distributions, except for amounts transferred to the trust fund under Iowa Law. The Iowa Reserve Fund refers to the principal in the unemployment compensation reserve fund set up to under S.F. 458 (2003). Principal in the fund can only be used to pay UI benefits if the UI trust fund is insufficient to pay benefits. 2/24/2016

Table A-5 Employer Contribution Rate Distribution Based on Original Employer Rate Notices All Private Contributory Employers Rate Year 2015		
Contribution Rate Table 7	Private Contributory Firms	
	Number	Percent
Zero Rate	33,262	44.3%
0.1% - 1.0%	25,395	33.8%
1.1% - 2.0%	3,838	5.1%
2.1% - 3.0%	1,369	1.8%
3.1% - 6.0%	4,628	6.2%
6.1% - 7.5%	6,585	8.8%
<b>Total</b>	<b>75,077</b>	<b>100.0%</b>

Table includes private experience rated employers and private employers receiving a new employer contribution rates.  
Source: Iowa Workforce Development,  
Labor Market Information Division

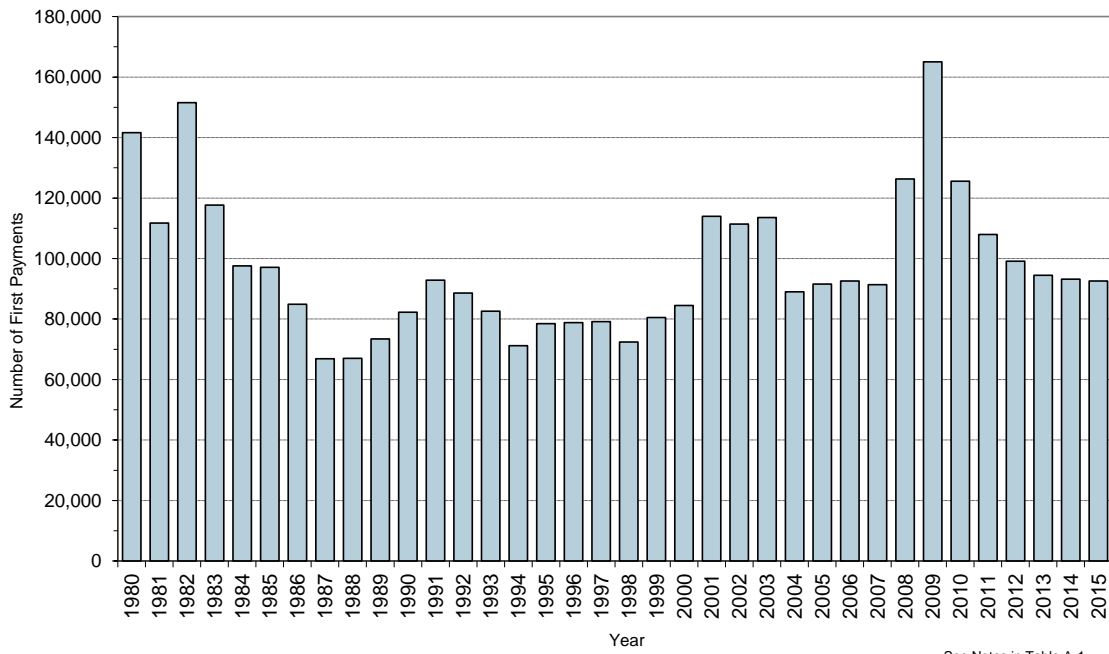
12/02/2014



## Appendix B – Graphs

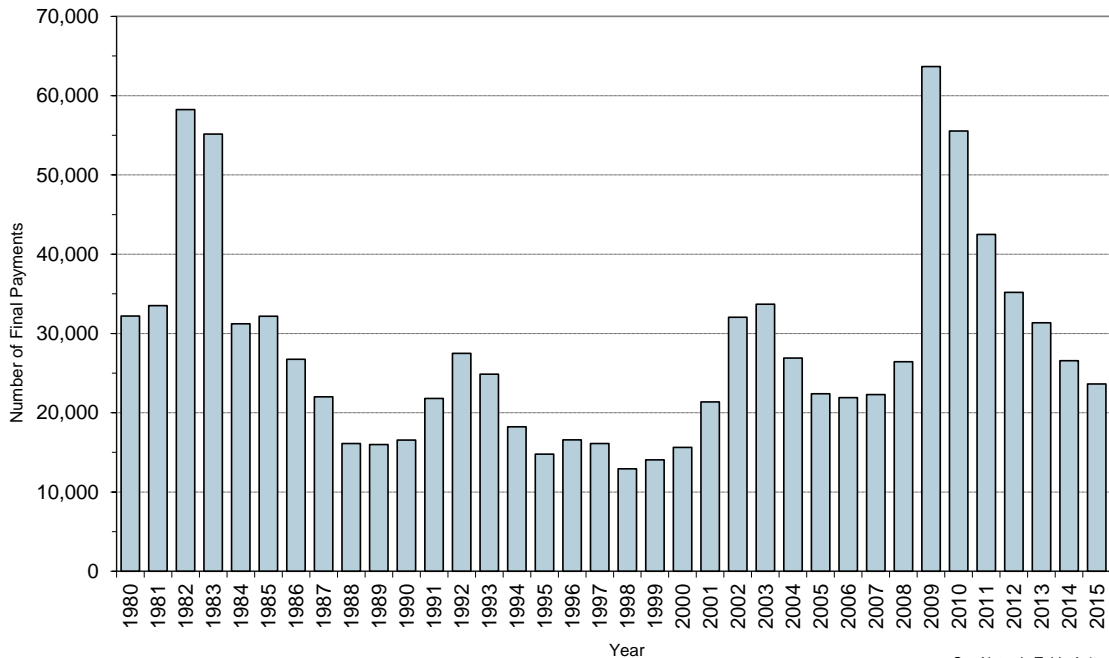
First Payments .....	18
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## First Payments Regular Unemployment Insurance

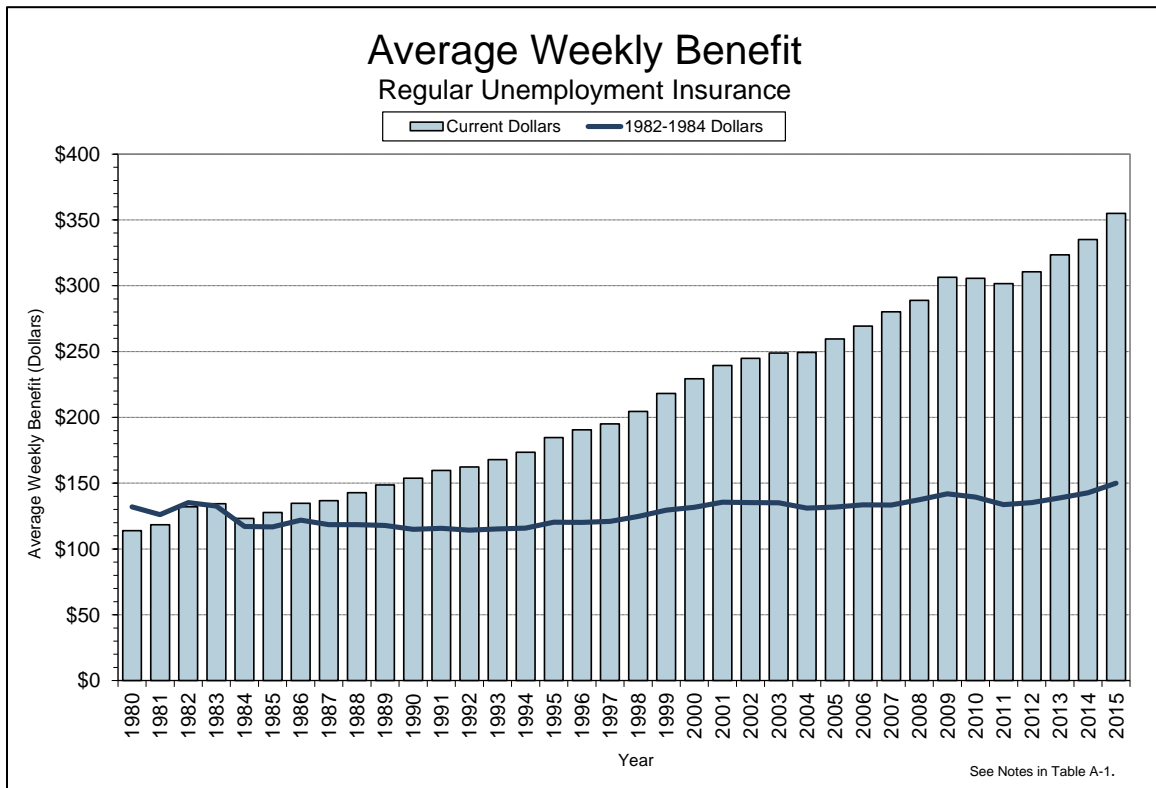
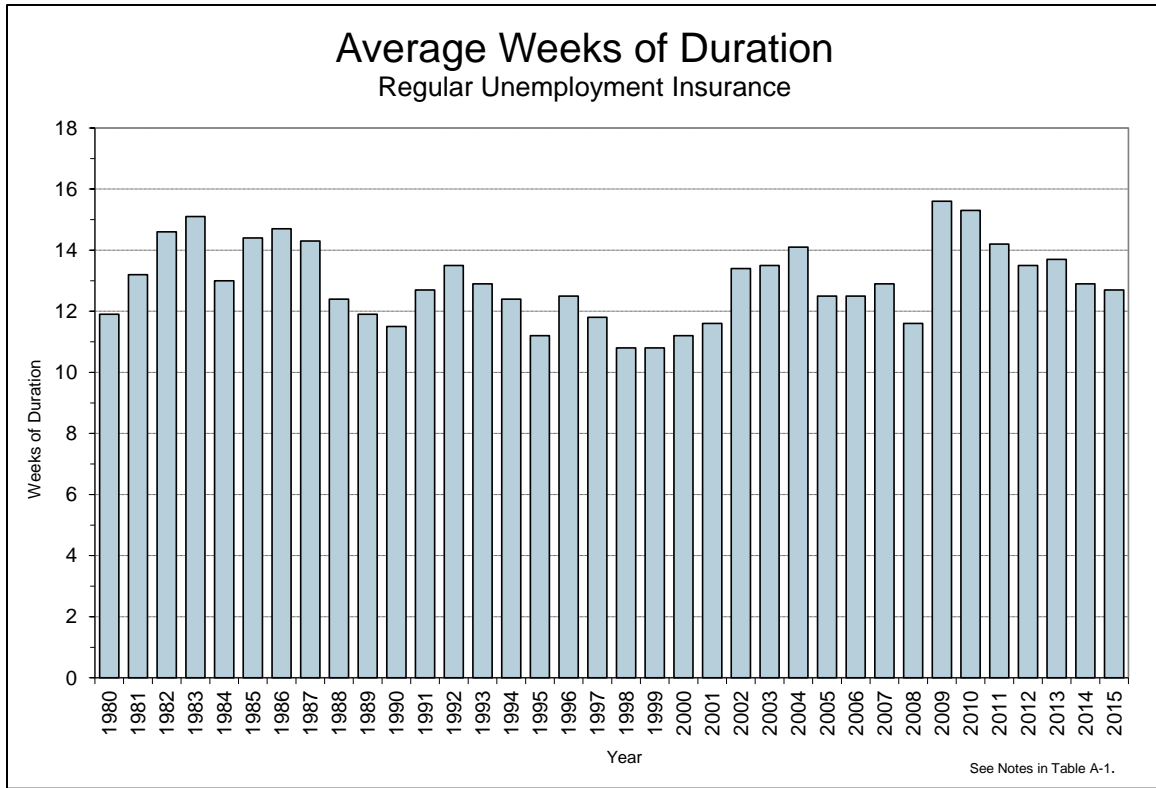


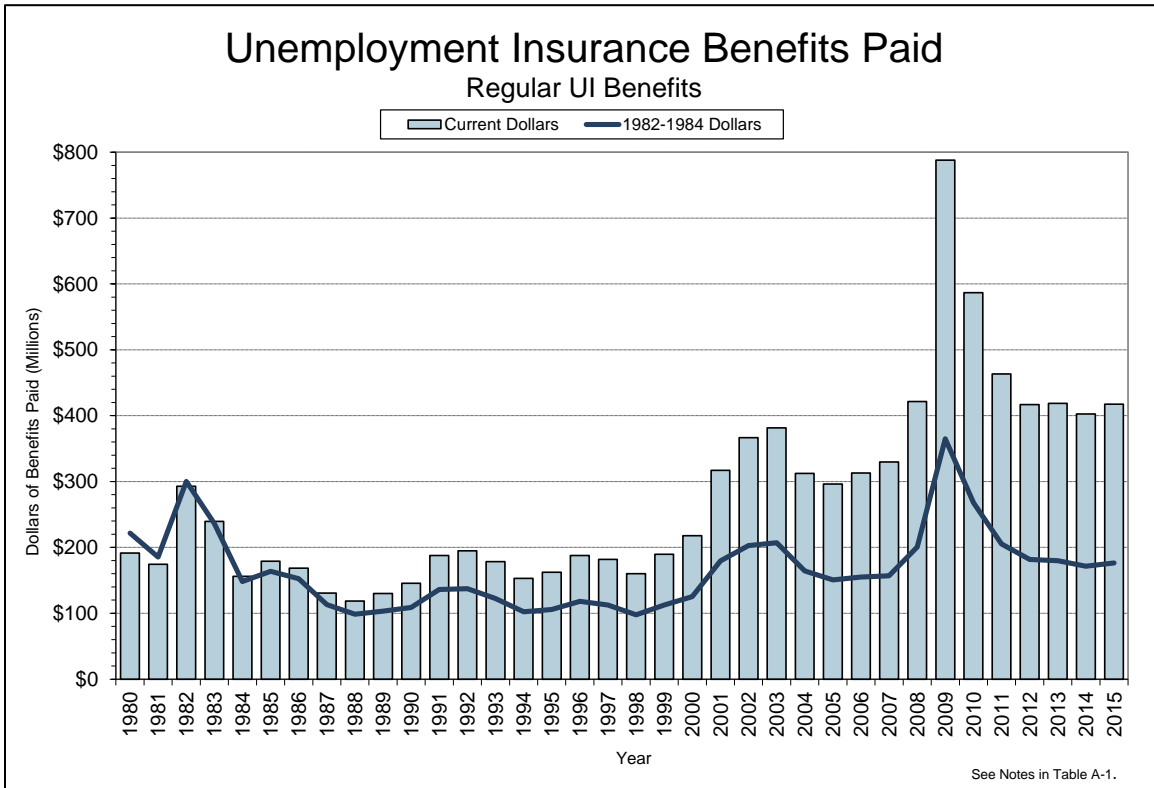
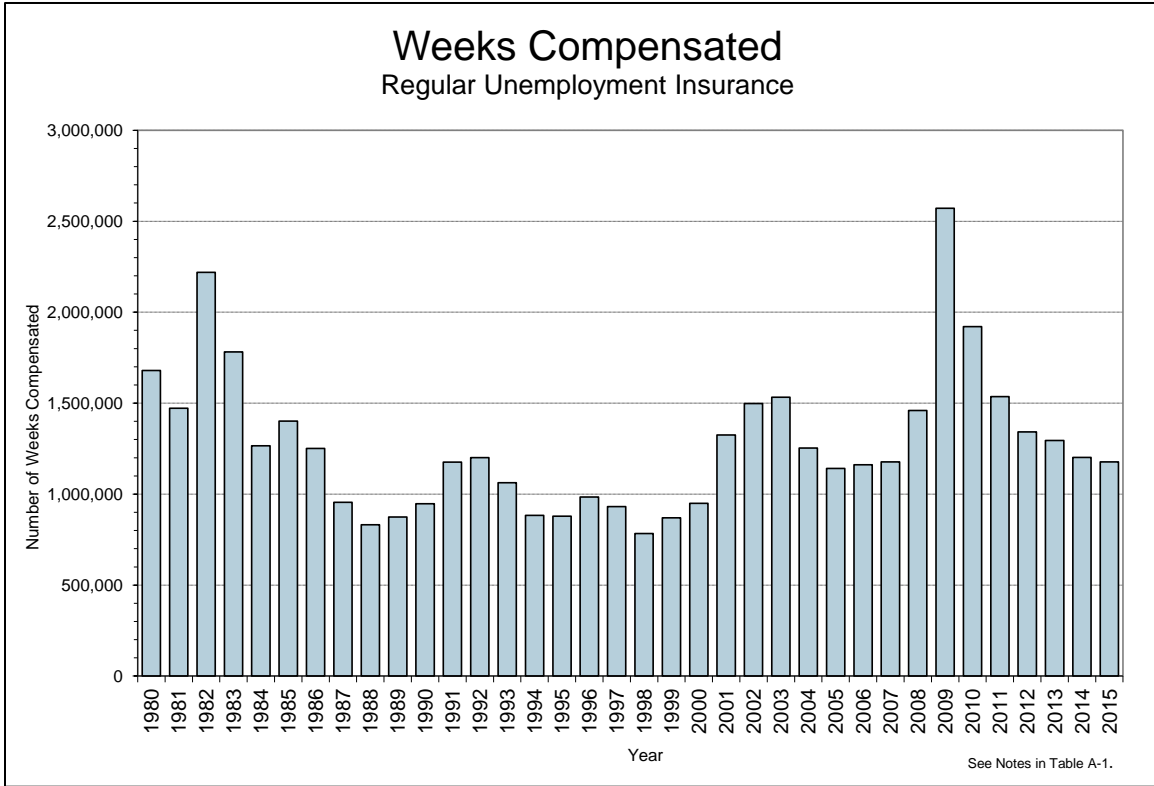
See Notes in Table A-1.

## Final Payments Regular Unemployment Insurance

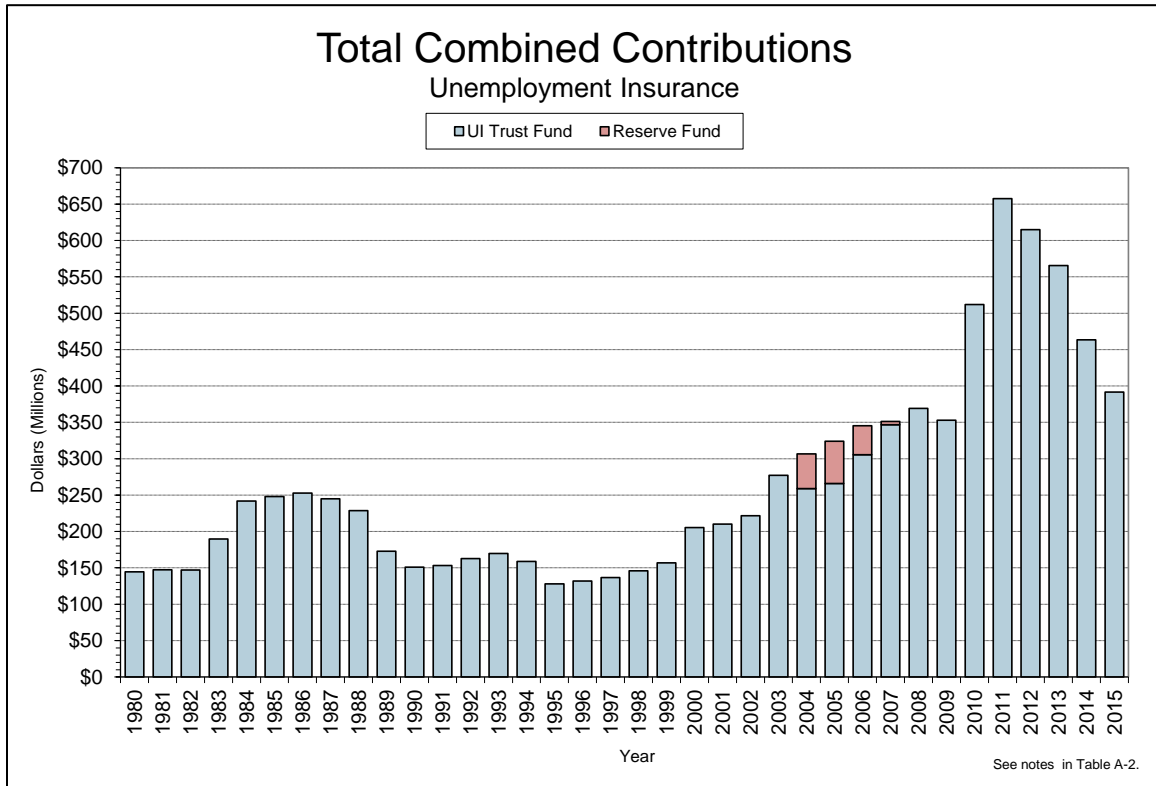
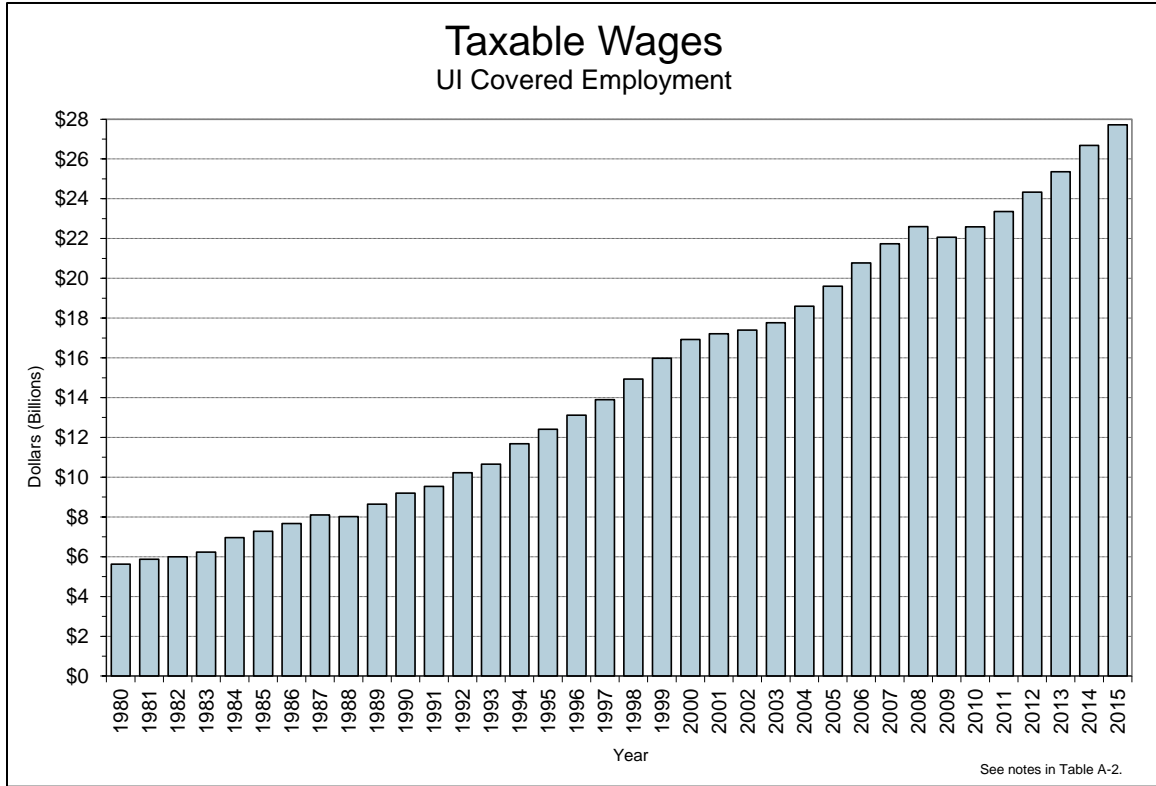


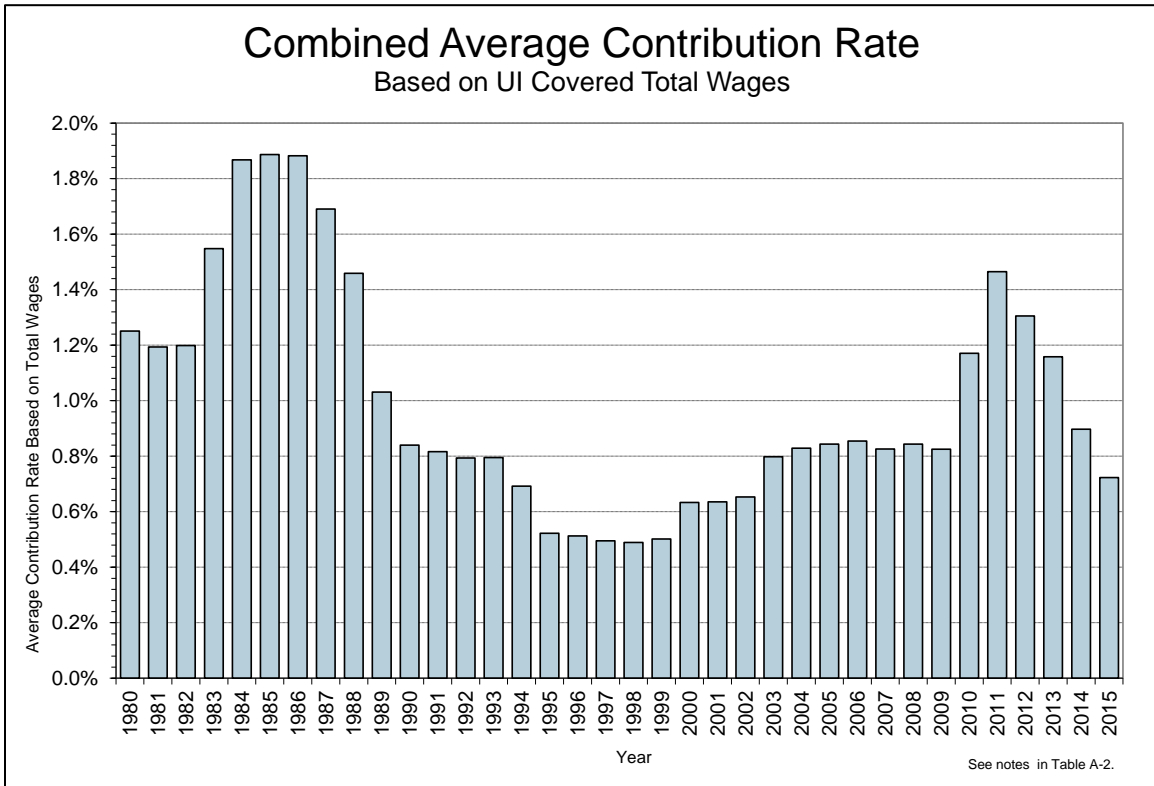
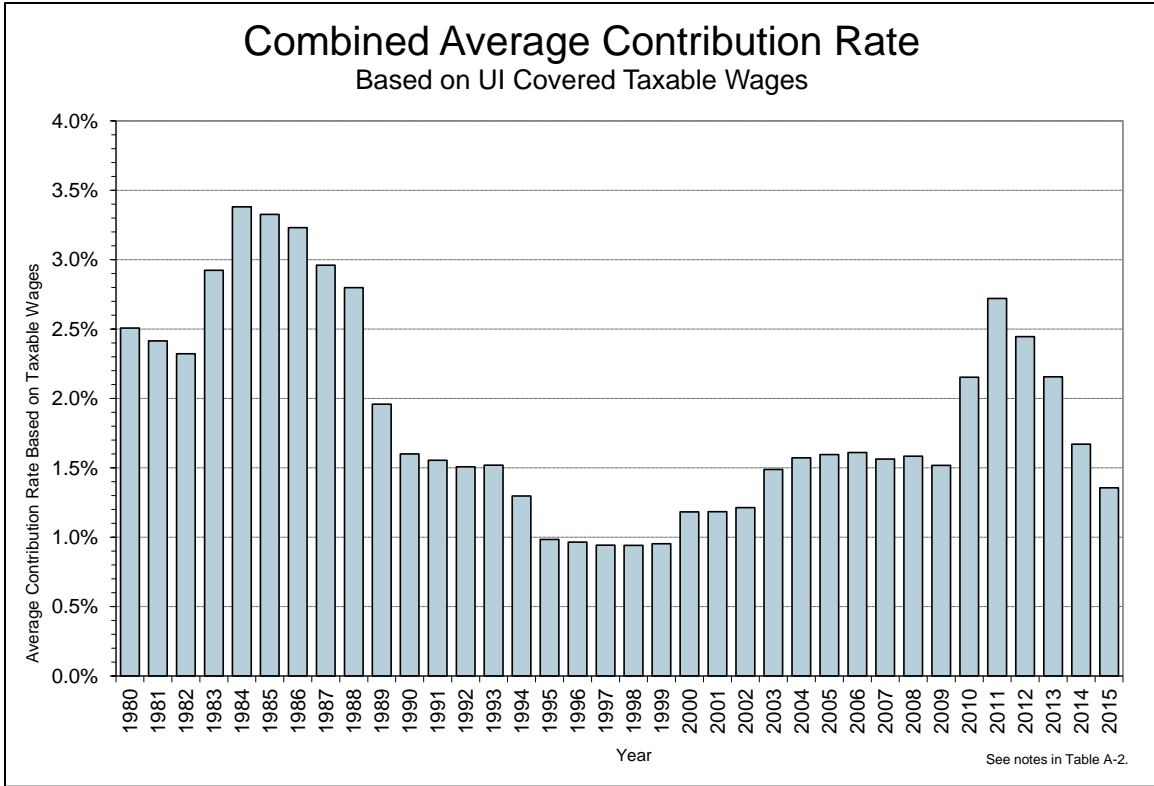
See Notes in Table A-1.









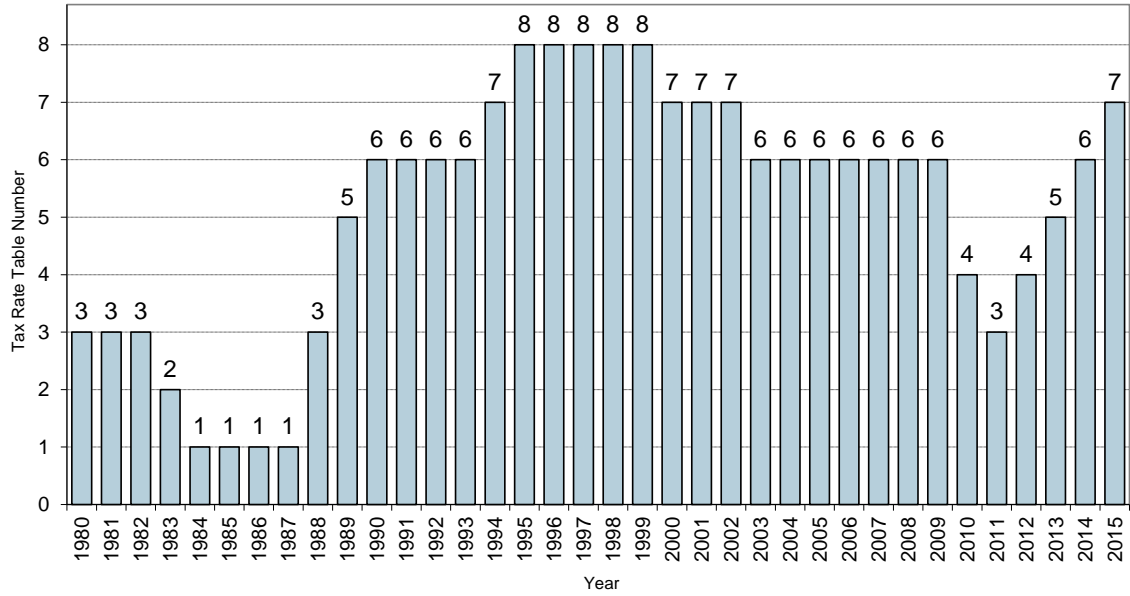


## UI Contribution Rate Table

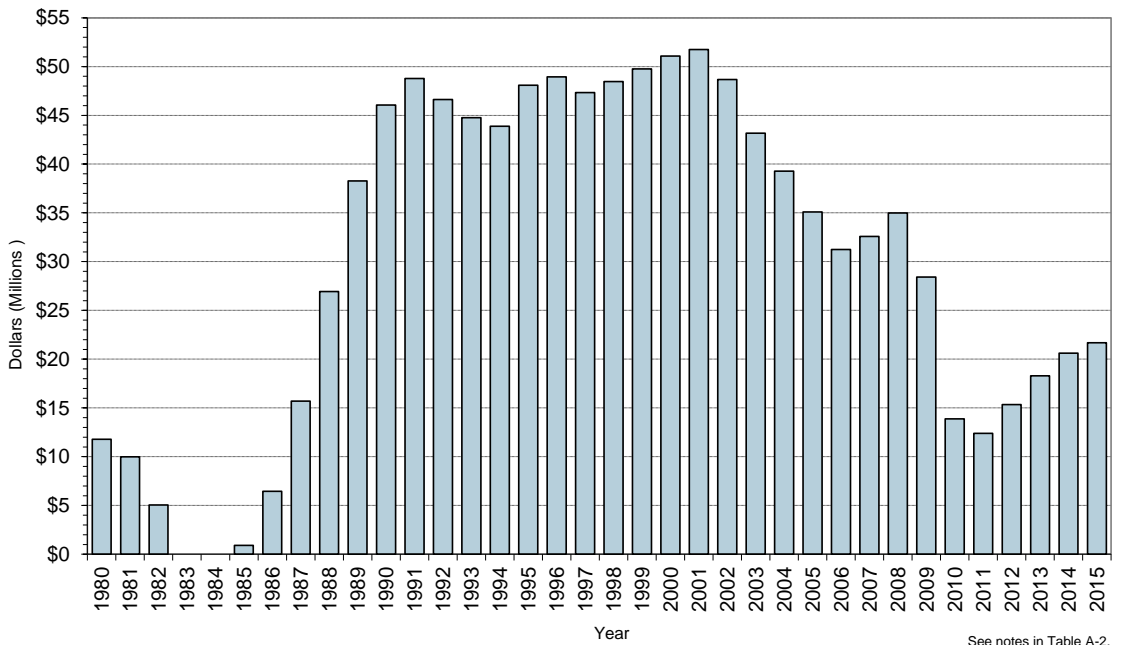
Iowa Code Provides Eight Rate Tables

(Table 1 = Highest Rates)

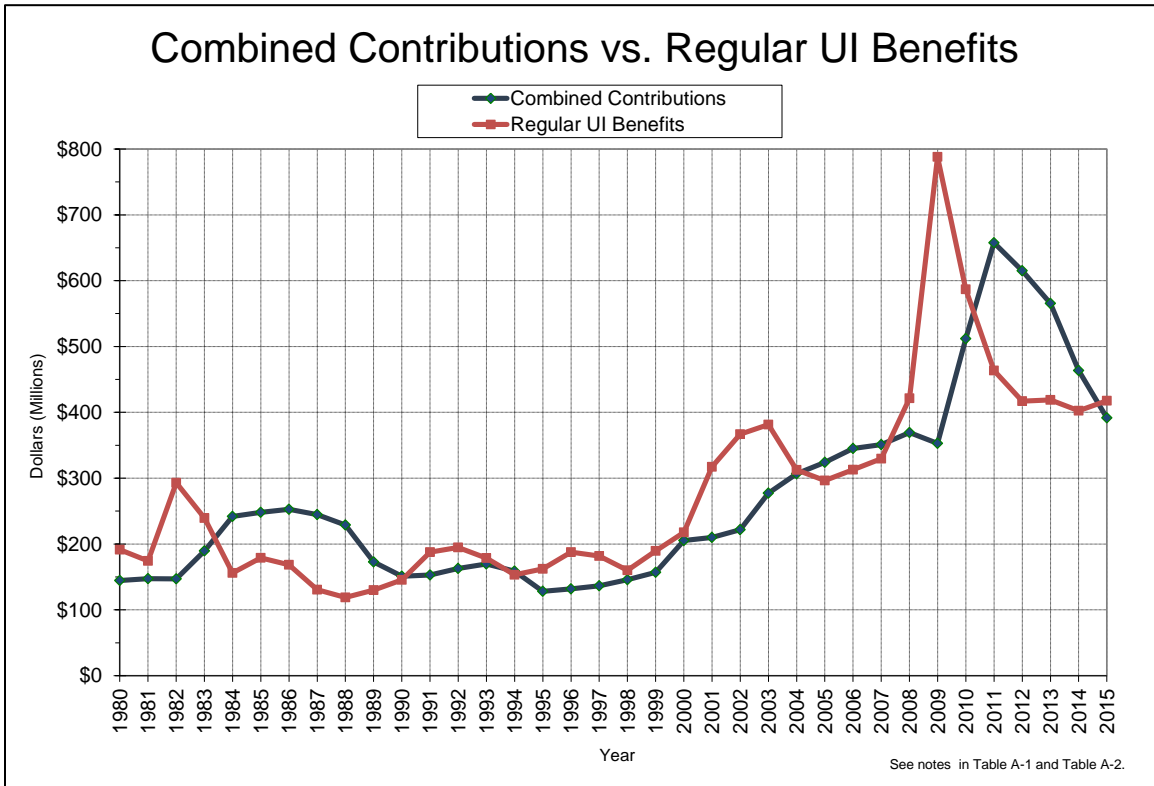
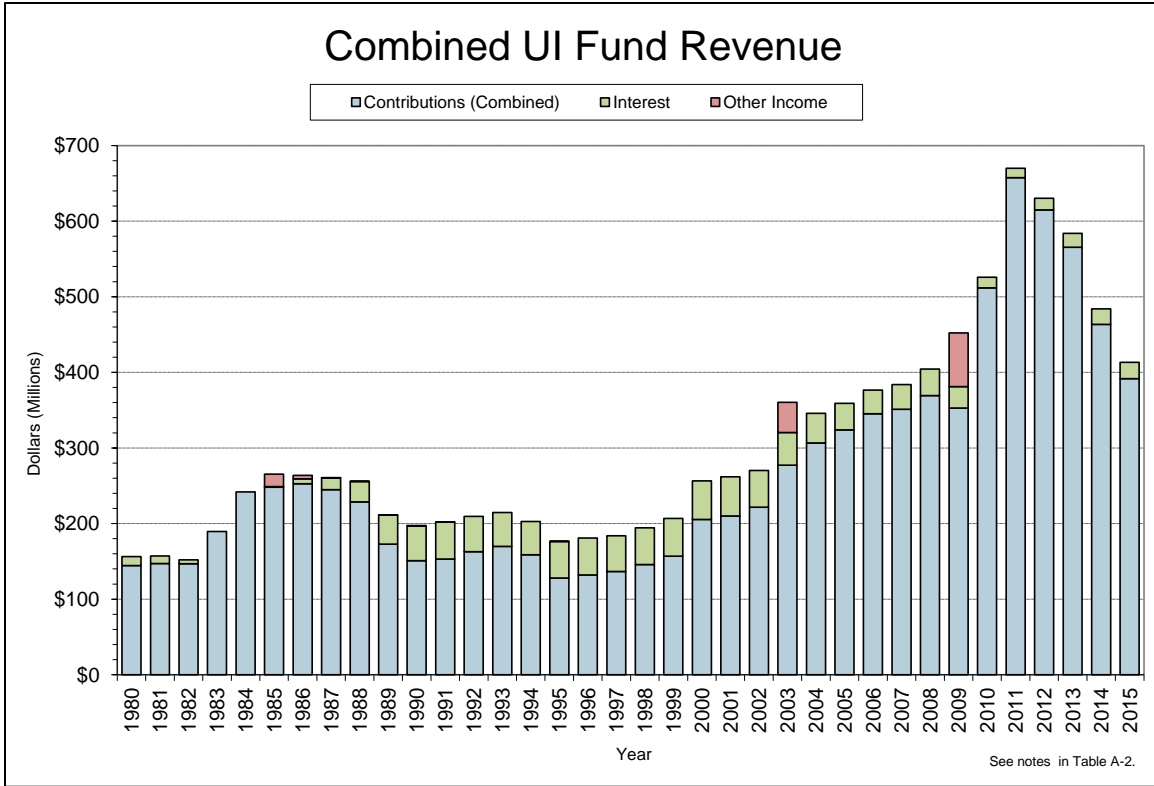
(Table 8 = Lowest Rates)

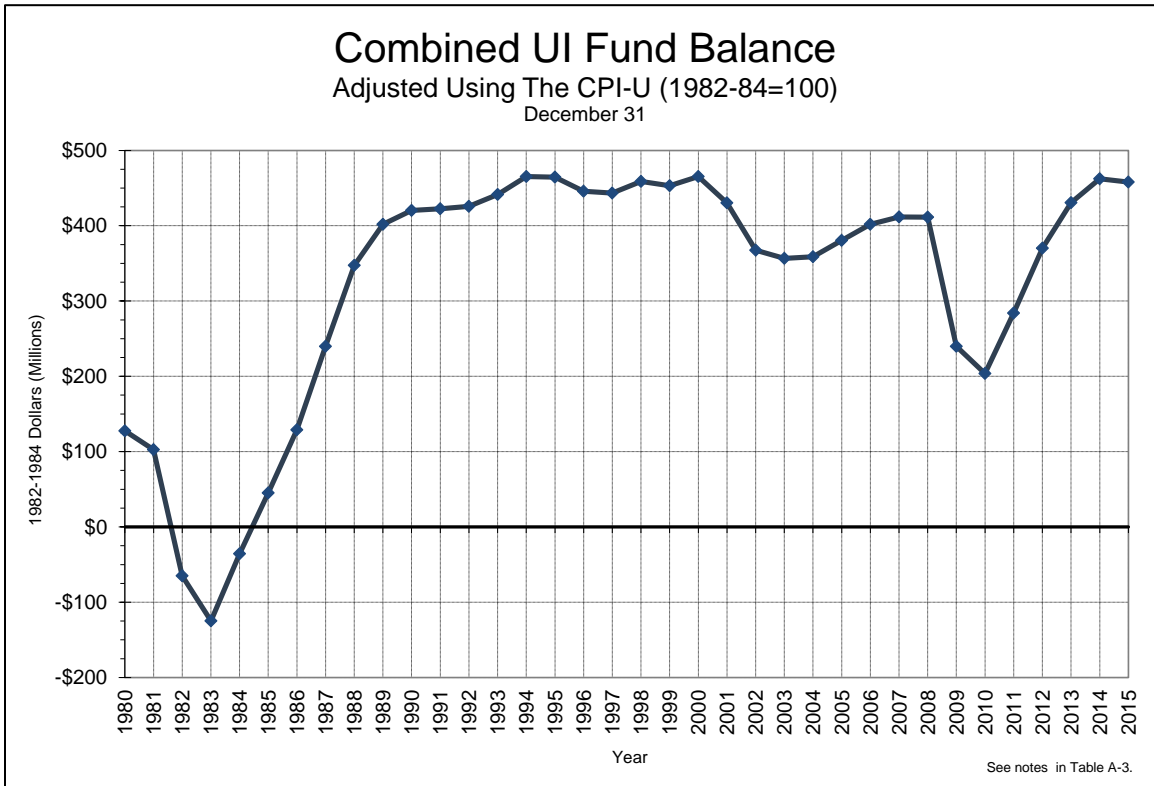
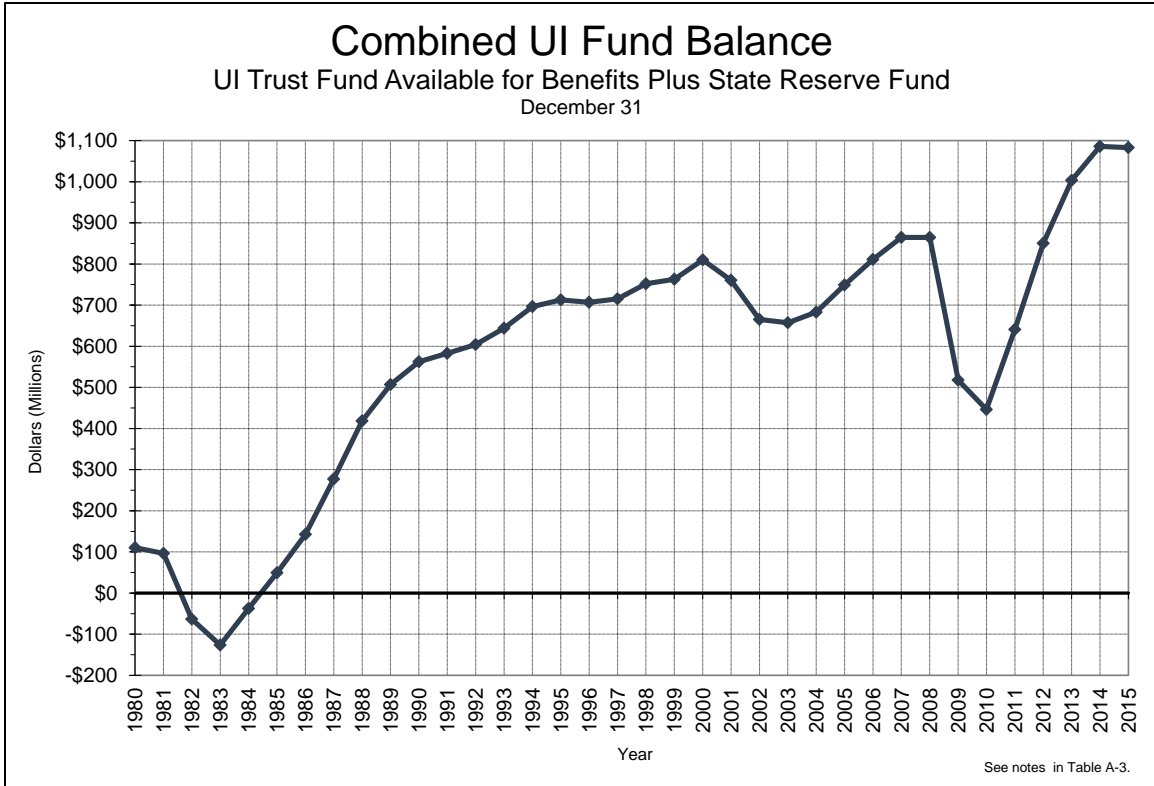


## Interest Received Unemployment Insurance Trust Fund

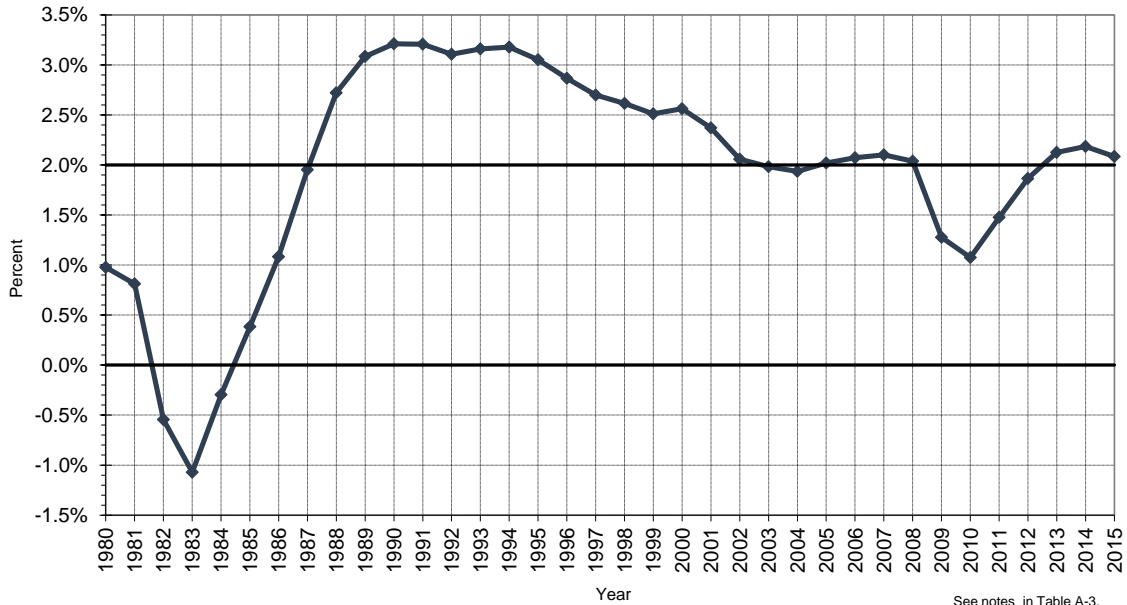


See notes in Table A-2.

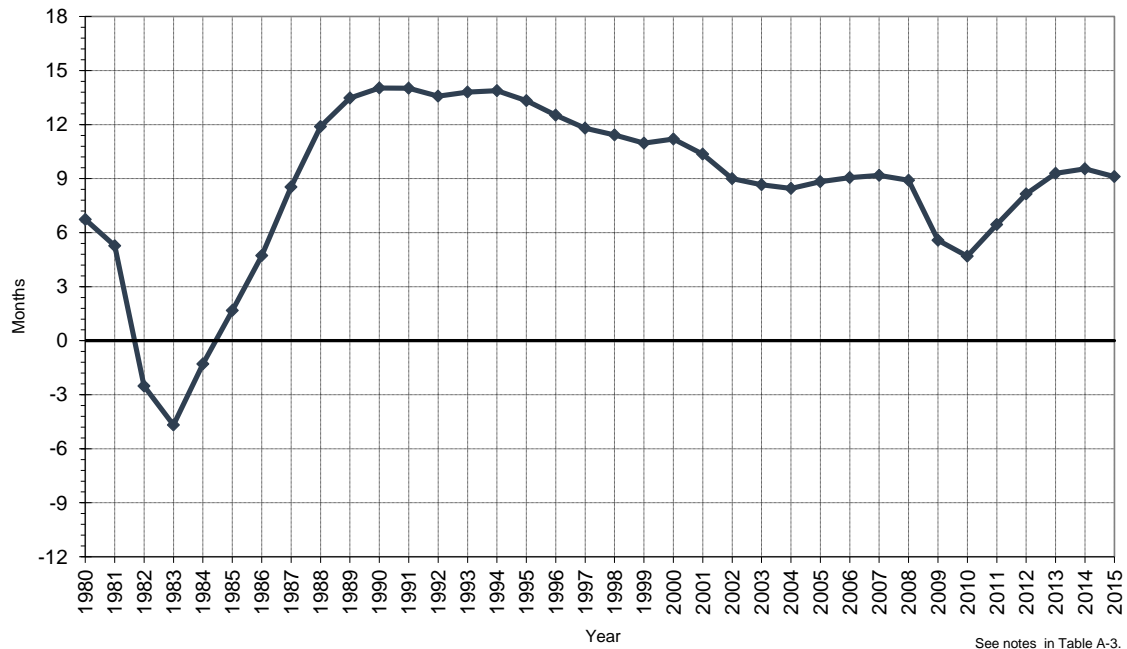




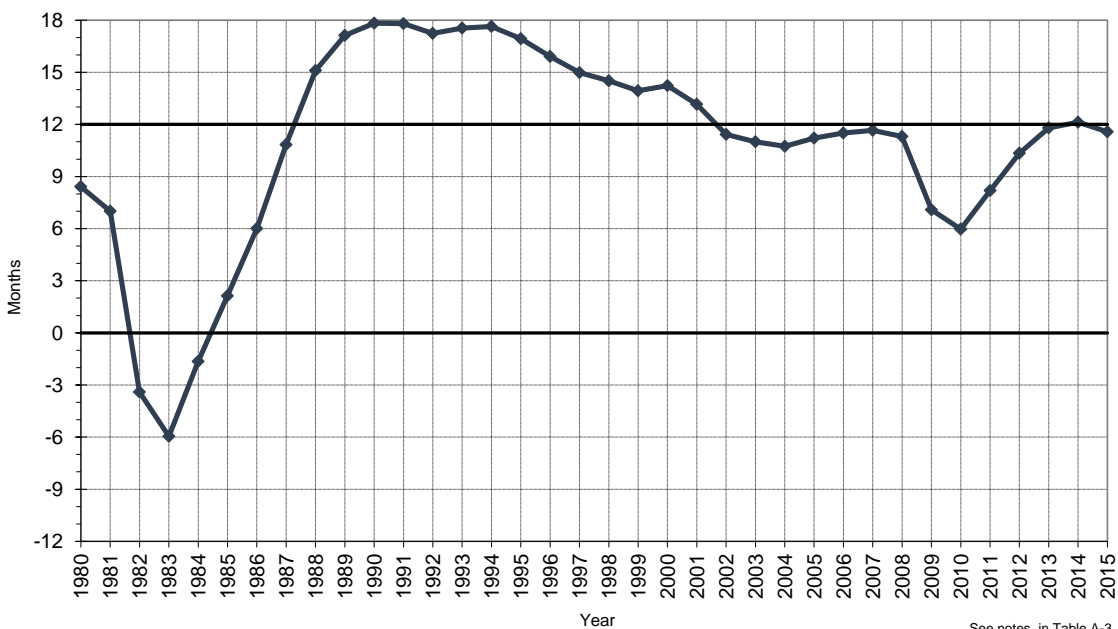
**Combined UI Fund Balance**  
As a Percentage of Nonreimbursable Covered Wages  
December 31



**Months of High Cost Benefits in Combined Fund**  
Based on Highest Twelve Month Benefit Cost

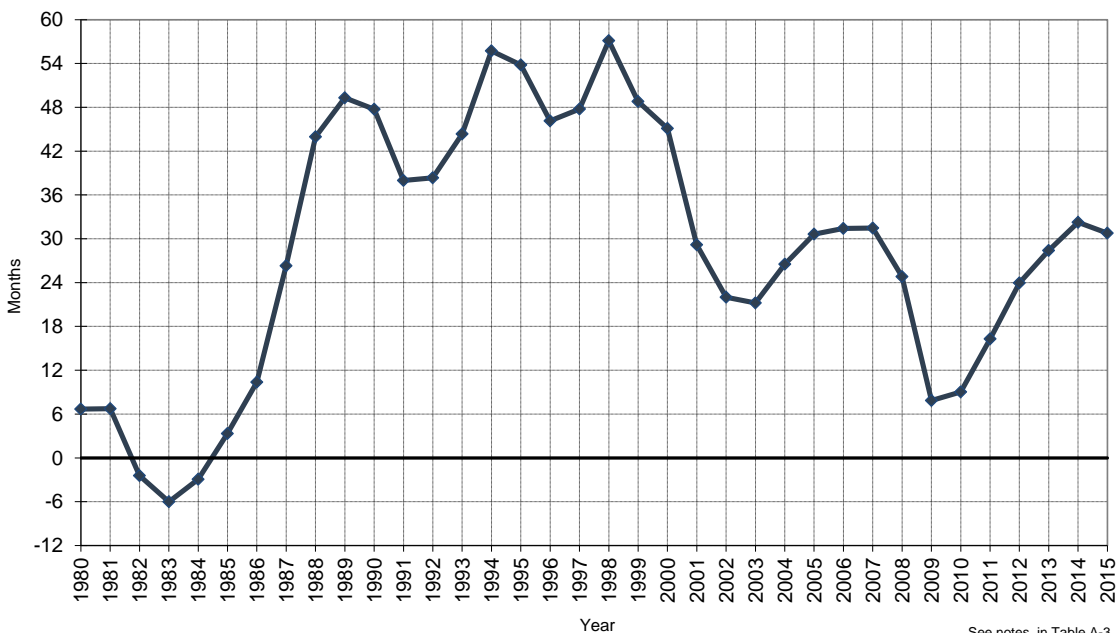


### Months of High Cost Benefits in Combined Fund Based on Highest Three Year Average Benefit Cost



See notes in Table A-3.

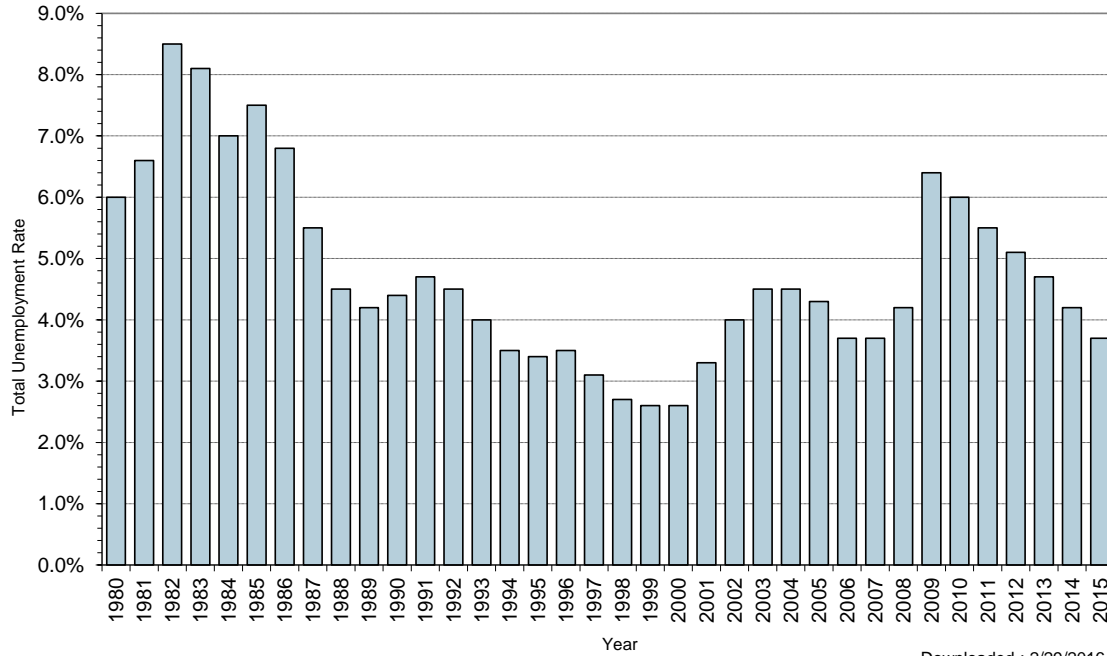
### Months of Benefits in Combined Fund Based on Current Year Benefit Levels



See notes in Table A-3.

## Iowa Total Unemployment Rate

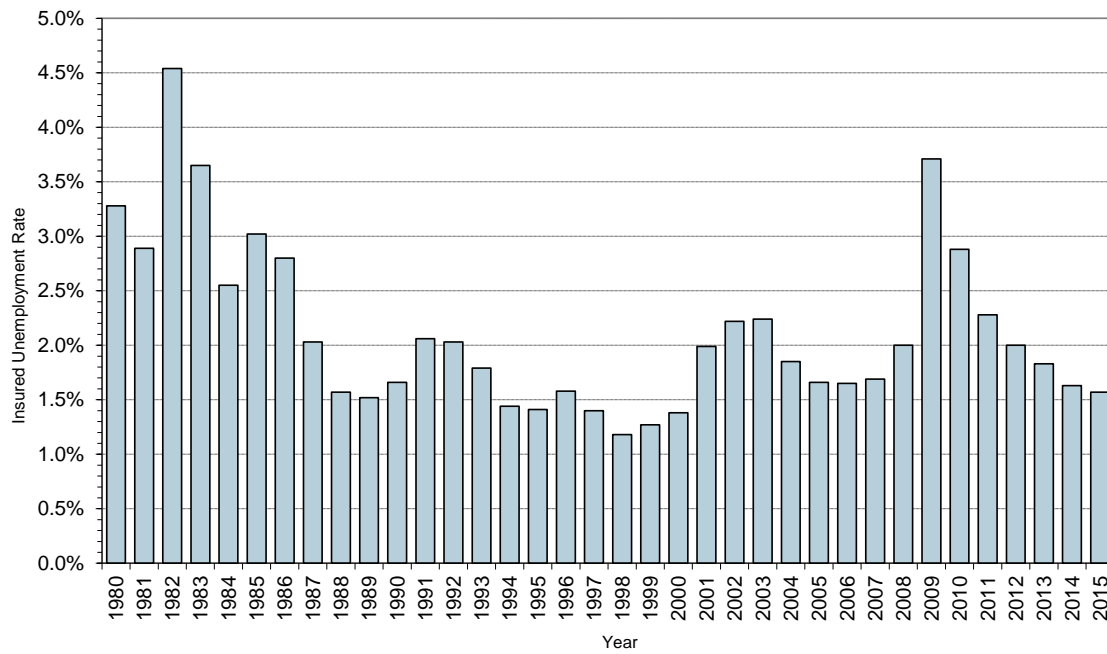
Bureau of Labor Statistics



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## Iowa Insured Unemployment Rate

Average Weeks Claims Divided by Covered Employment





## Appendix C: Definition and Technical Notes

### UI Fund Balance Measures

This report measures the condition of the funds designated to pay unemployment compensation benefits. In the past, unemployment compensation benefits have been paid entirely from the Unemployment Trust Fund. In 2003 the Iowa legislature set up the Unemployment Compensation Reserve Fund in the state treasury to pay benefits if the UI Trust Fund balance is insufficient. Since both funds are available to pay benefits, this report uses the combined balance of the two funds to compute solvency 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.

**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.

**Combined Trust Fund:** This report uses this term to refer to the combined balances of the UI Trust Fund and the Iowa Reserve Fund. The term "fund balance" refers this Combined Trust Fund balance in this report.

### Other Definitions

Most other terms in this report are defined in the *UI Reports Handbook* and the *UI Data Summary* published by the U. S. Department of Labor. These definitions include:

**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 Expenditures:** Trust fund expenditures include regular UI benefits adjusted for net payment to other states and the state's share of extended benefits.

**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](http://www.treasurydirect.gov/govt/rates/rates_tfr.htm).

**Voluntary Shared Work:** Shared work is an unemployment insurance program that provides employers an alternative to laying off employees. To participate in this program, an employer must reduce the normal weekly hours of work for an employee in the affected unit by at least 20 percent (but not more than 50 percent). Employees who share the work under an approved Shared Work Plan collect a percentage of regular unemployment insurance benefits to compensate for reduced hours of work and wages.



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