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For Immediate Release

Date: September 18, 2019

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Unemployment Tax Rate Table Remains the Same for 2020

DES MOINES – On Wednesday, Iowa Workforce Development officials announced that the unemployment tax rate table will remain unchanged for 2020. Tax rates will be the second lowest allowed by law.

Iowa Law requires Iowa Workforce Development to establish the tax table, which determines the unemployment tax rate for eligible employers each year. The unemployment insurance rate table trigger formula is primarily based on the trust fund balance, unemployment benefit payment history and covered wage growth. The formula is designed to enable the trust fund to keep pace with potential liabilities as covered unemployment and wages grow. Based on this formula, the contribution rate table will remain in table 7 of 8 possible tables in 2020.

"The unemployment insurance tax rate for Iowa's employers will remain in Table 7, the same table it has been since calendar year 2018," said Director Beth Townsend, Iowa Workforce Development. "Remaining in Table 7 for the third year ensures unemployment taxes remain low for most Iowa employers. This contributes to a favorable business environment as well as contributing to sustained economic and job growth around the state."

Iowa Workforce Development is the state agency charged with collecting unemployment insurance taxes from employers and operating Iowa's unemployment insurance payment program for workers. Through a network of IowaWORKS centers, the agency also connects job seekers with opportunities and employers with workforce solutions.