UI Trust Fund Reserve Factor and Social Cost Calculation

Rates (projected after Rate Year 2009)*~

TF Balance as of:		Min Adequate	Max Adequate	Rate Year	Reserve Factor	Social Cost
FY 2000	$621,831,305	$ 516,599,225	$ 577,930,640	2001	0.90	0.001
FY 2001	$597,903,149	$ 503,232,550	$ 562,147,580	2002	0.90	0.001
FY 2002	$536,808,278	$ 511,885,663	$ 572,404,165	2003	1.10	0.001
FY 2003	$410,479,072	$ 503,876,130	$ 563,447,692	2004	1.20	0.003
FY 2004	$357,430,362	$ 516,819,985	$ 577,921,855	2005	1.40	0.004
FY 2005	$443,349,626	$ 556,497,422	$ 622,290,221	2006	1.25	0.004
FY 2006	$608,932,574	$ 636,792,920	$ 713,592,066	2007	1.05	0.003
FY 2007	$776,678,787	$ 678,248,835	$ 758,247,416	2008	0.95	0.001
FY 2008	$846,618,918	$ 650,511,143	$ 867,348,191	2009	1.00	0.002
FY 2009	$636,072,548	$ 550,838,639	$ 736,836,102	2010	1.00	0.002
FY 2010	$341,043,662	$ 594,255,719	$ 792,340,959	2011	1.45	0.003
FY 2011	$64,454,390	$ 595,526,439	$ 794,035,251	2012	1.50	0.004
FY 2012	-$137,987,754	$ 578,946,162	$ 771,928,216	2013	2.00	0.005
FY 2013	-$248,731,963	$ 569,620,313	$ 763,621,434	2014	2.00	0.007

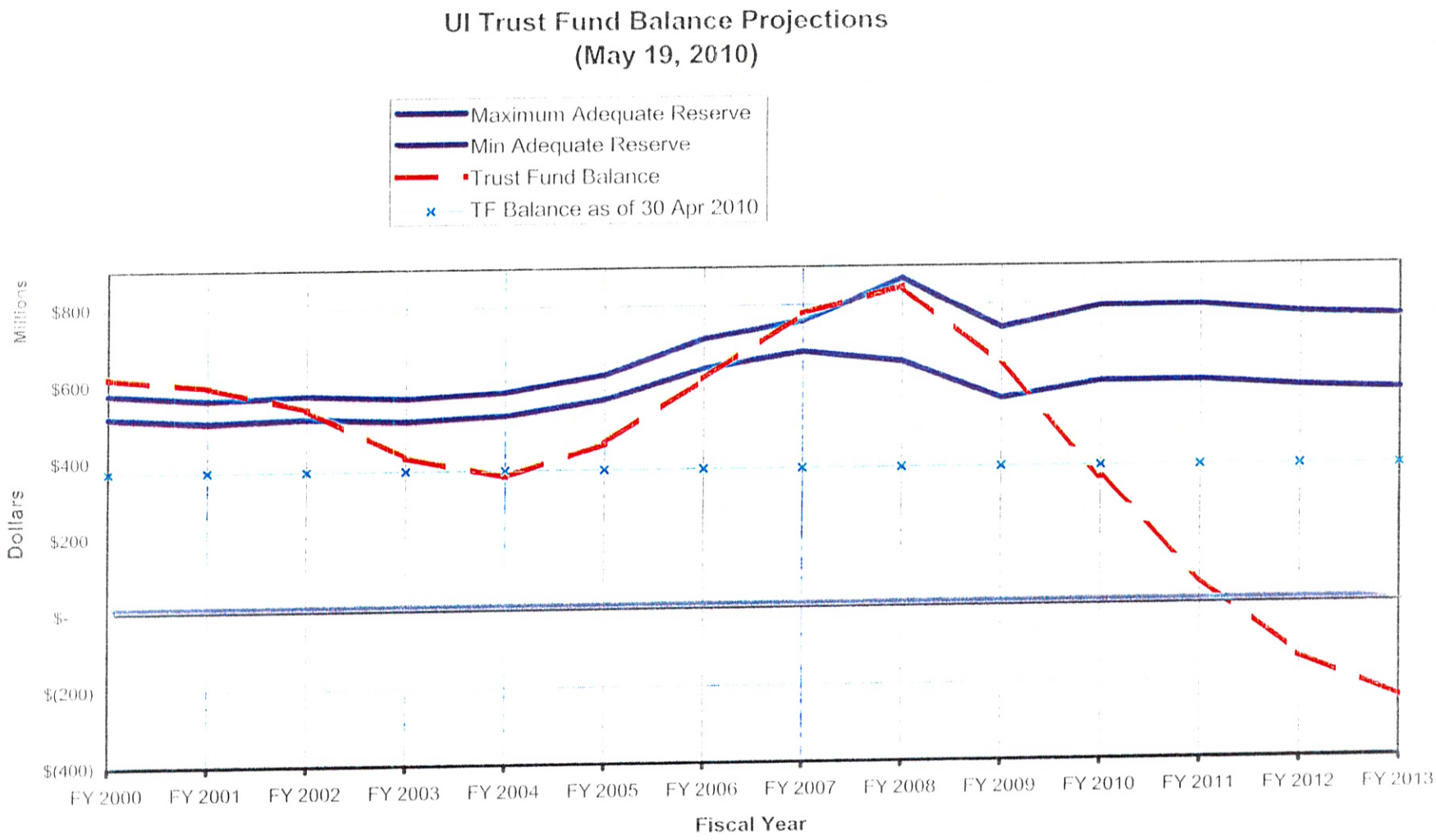
***Min/Max adequate 18-24 months after Rate Year 2008.**

~ Social Costs rounded to third decimal place after FY 2008.

Trust Fund Balance as of May 11, 2010 $382.3 million

Utah Unemployment Insurance Trust Fund

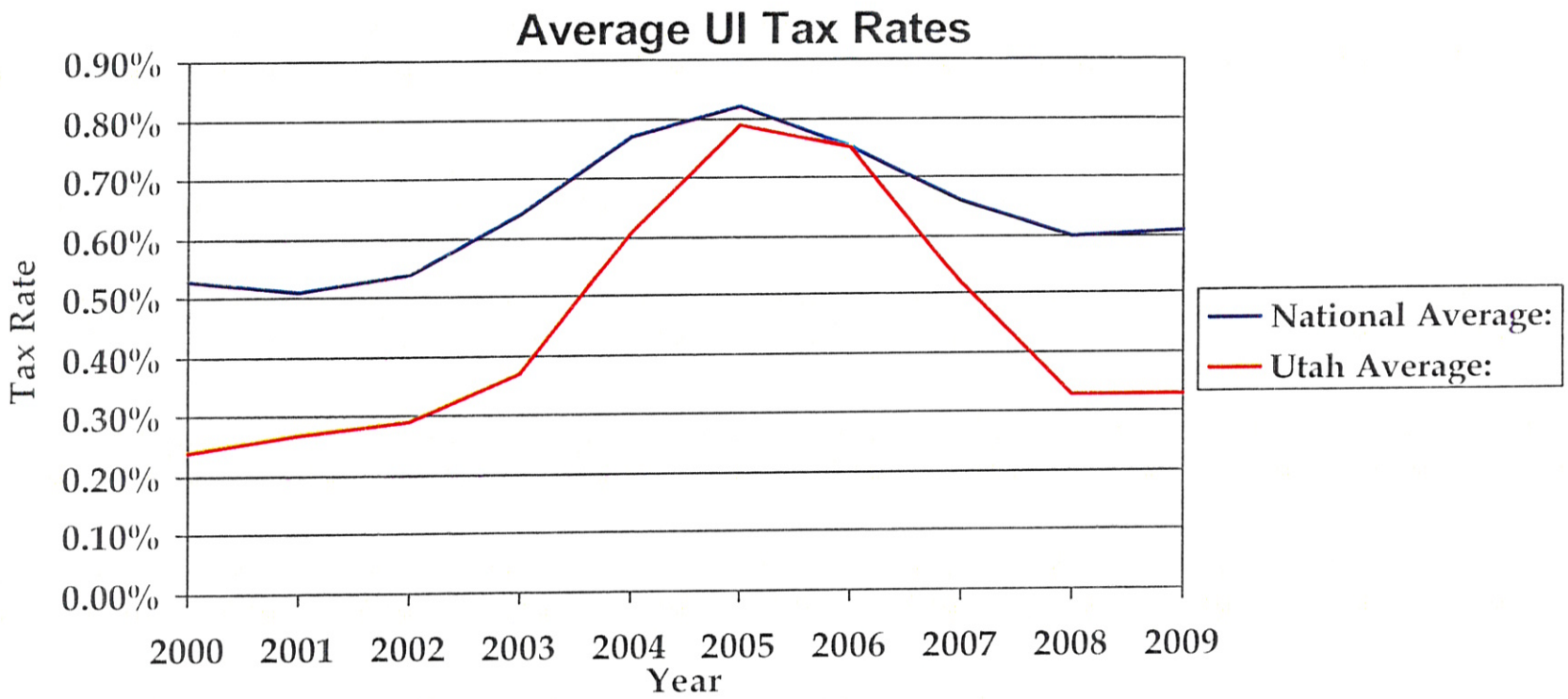
Utah has $382 million remaining in their UI Trust Fund, currently the fourth highest amount in the country. However this is down almost $500 million from a high of $855 million in July 2008 and is in jeopardy of going insolvent as early as the fall of 2011 if the unemployment claims level remains elevated for the next year. Fiscal year 2011 UI contributions are anticipated to be $155 million however benefits paid may be as high as $432 million using current OMB and GOBP forecast assumptions. While most Utah employers did not experience much, if any, UI tax increases in CY 2010, we anticipate most Utah employers will experience a 50 percent or more increase in CY 2011 based on statutory rate calculation increases. The Workforce Services Employment Advisory Council will begin meeting to discuss options for potential solutions to address the shortfall that may include temporary or permanent modifications to the tax rate calculation, benefit amounts, and eligibility provisions. Currently 35 states UI Trust Funds have gone insolvent, forcing them to borrow $40 billion (currently interest free) from the federal government to continue to pay benefits. Utah's UI Trust last went insolvent in 1982 and 1983, to which Utah repaid the loan in less than one year.


UI Trust Fund Balance Projections
(May 19, 2010)
Maximum Adequate Reserve
Min Adequate Reserve
Trust Fund Balance
TF Balance as of 30 Apr 2010
Millions
Dollars
$800
$600
$400
$200
$-
$(200)
$(400)
FY 2000
FY 2001
FY 2002
FY 2003
FY 2004
FY 2005
FY 2006
FY 2007
FY 2008
FY 2009
FY 2010
FY 2011
FY 2012
FY 2013
Fiscal Year

AVERAGE EMPLOYER UNEMPLOYMENT INSURANCE TAX RATES*

Year:	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
National Average:	.61%	.60%	.66%	.75%	.82%	.77%	.64%	.54%	.51%	.53%
National Average Range:	.23%-1.30	.23%-1.29%	.26%-1.5%	.16%-1.83%	.18%-1.89%	.21%-1.7%	.20%-1.40%	.15%-1.58%	.14%-1.64%	.14%-1.75%
Utah Average:	.33%	.33%	.52%	.75%	.79%	.61%	.37%	.29%	.27%	.24%
Utah Ranking: (1=Highest 50=Lowest)	42nd	40th	33rd	31st	34th	32nd	42nd	44th	43rd	42nd

* Information and national rankings provided by USDOL as the level of taxation relative to total wages for all 50 states. Year 2010 is not available as of May 19, 2010.



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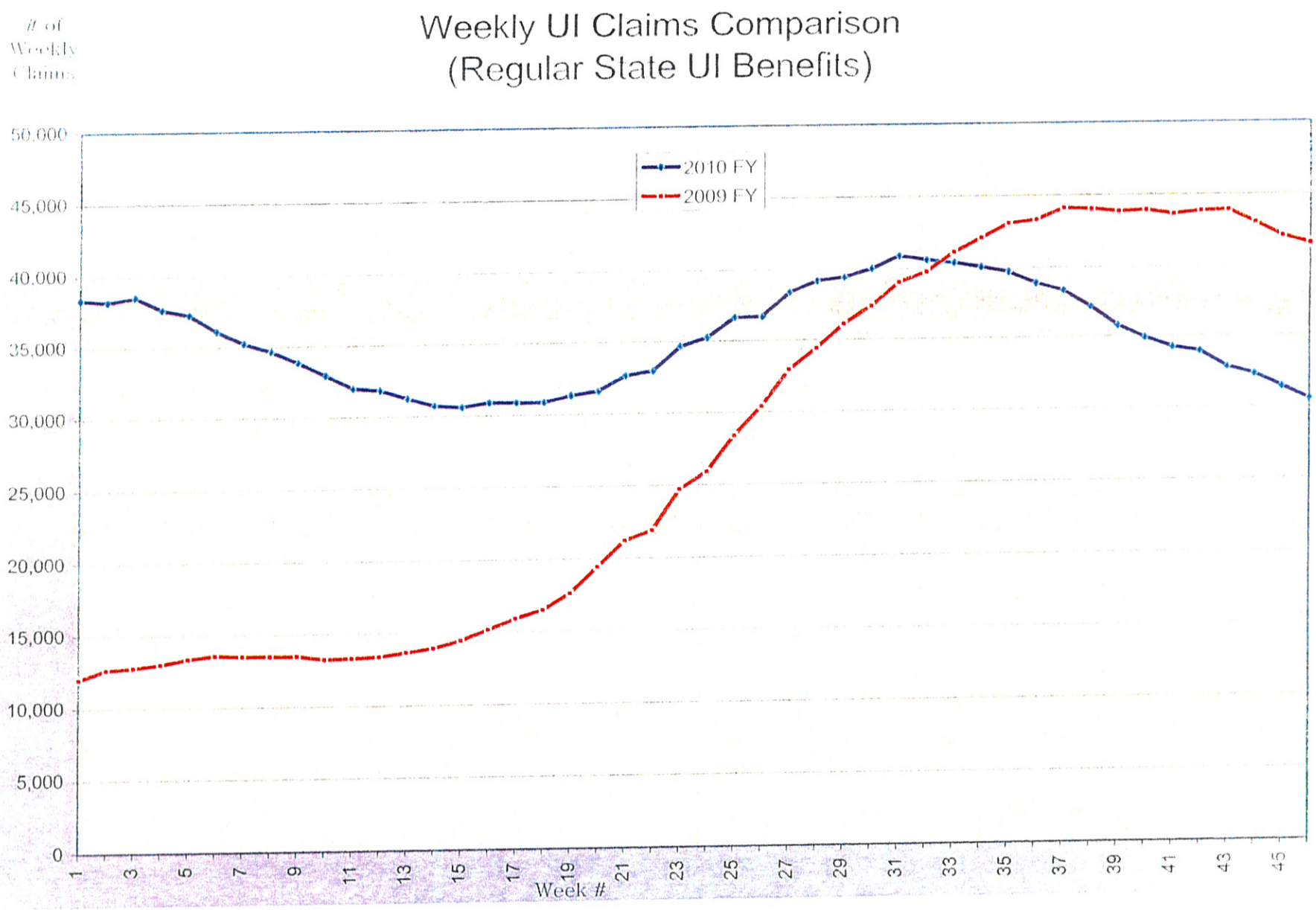
Weekly UI Claims Comparison
(Regular State UI Benefits)
# of Weekly Claims
50,000
45,000
40,000
35,000
30,000
25,000
20,000
15,000
10,000
5,000
0
2010 FY
2009 FY
1
3
5
7
9
11
13
15
17
19
21
23
25
27
29
31
33
35
37
39
41
43
45
Week #