

# Employer Advisor

## NEW 2021 UNEMPLOYMENT INSURANCE TAX RATES

For 2020, 79 percent of Utah's established employers qualify for the minimum tax rate of .002% or approximately \$77 per employee per year. Employers are only taxed on the wage base, which for 2020 is \$38,900. Any wages paid above the wage base are not taxed for unemployment insurance.

The collected tax is deposited into the Utah Unemployment Compensation Trust Fund to pay benefits to workers who become unemployed through no fault of their own. Trust funds in 19 states and territories have become insolvent during the pandemic. Utah's trust fund remains solvent. As a result, Utah will not have to borrow money from the federal government, take out private bonds, or significantly increase taxes in order to maintain solvency.


For information about tools to assist employers with filing taxes and other required reports, visit [jobs.utah.gov/ui/employer](https://jobs.utah.gov/ui/employer).

### WHEN WILL I FIND OUT MY RATE FOR NEXT YEAR?

Employer rate notices are sent out at the end of November each year. If you did not receive your 2021 notice, please contact us using our online live chat feature or by calling 801-526-9235 (option 2, then option 1).

### HOW IS MY RATE CALCULATED?

New employers in Utah are assigned a rate based on the two-year average benefit ratio of all Utah employers in their respective industry. Employers may qualify for a rate based on their own unemployment experience after they have paid wages for a period of one state fiscal year (July 1 – June 30) prior to the rate computation date.



Utah has the  
**9<sup>th</sup>** and the **43<sup>rd</sup>**  
healthiest trust fund in the nation lowest unemployment insurance tax rate in the nation

To calculate a qualified employer's overall tax rate, the following self-adjusting formula is used:  $\text{Benefit Ratio} \times \text{Reserve Factor} + \text{Social Cost Rate} = \text{Unemployment Contribution Rate}$

**Benefit Ratio** is determined by dividing the total of all chargeable unemployment benefits paid to your former employees during the last four state fiscal years (July 1 – June 30) by your taxable wages for the same time period. The benefit ratio is unique to each employer.

**Reserve Factor** is a multiplier that adjusts up or down, depending on the adequacy of the Trust Fund to pay unemployment benefits during times of recession.

**Social Cost Rate** is determined from benefit costs that cannot be attributed to a specific employer and are thus shared equally by all employers. For calendar year 2021, the Social Cost Rate is .002 for all employers. Utah's economy is strong and we continue to enjoy low unemployment, which allowed these costs to trend downward over the last several years.

## VIRTUAL JOB FAIR

The Department of Workforce Services hosts monthly virtual job fairs to connect job seekers with hiring employers. Open positions in health care, transportation, banking, customer service, education, construction and many more are represented.

Virtual job fairs allow job seekers and employers to participate from their own computer or smartphone. After logging in, participants are able to see a digital floor plan with rows of booths, each representing an employer. After clicking on an employer booth, the job seeker can see the company profile, job openings and social media. They can also start a live chat with a hiring representative and share their resume. Employers can schedule interviews or even make job offers on the spot.

## UPCOMING STATEWIDE VIRTUAL JOB FAIRS:

**February 4, 2021 – 10 a.m. - 1 p.m.**

**March 4, 2021 – 10 a.m. - 1 p.m.**

Hiring employers who are interested in participating should contact their local Workforce Development Specialist as soon as possible to sign up.

Job seekers can participate by registering at [jobs.utah.gov](http://jobs.utah.gov) in their job search account, click on the calendar, select the desired date and then register for the desired job fair. The department is also offering an online workshop the day before to help job seekers get the most out of the virtual job fair.

If you are interested in finding out more about our virtual job fairs or other services that are available to meet your hiring needs, contact your local Workforce Development Specialist.

## COVID-19 VACCINATION

The COVID-19 vaccination is an important tool to help stop the pandemic. The Utah Department of Health recommends every Utahn age 16 years and older should get vaccinated for COVID-19. If as many people as possible get vaccinated and we continue to follow health recommendations, we will win the fight against this virus.



Sign up today for Utah's COVID-19 vaccination email newsletter to stay informed about Utah's vaccination plan. You will receive a short series of welcome emails with educational information about the COVID-19 vaccine and will be subscribed to an email newsletter that will be published every 1 to 2 weeks. Subscribe here: [coronavirus.utah.gov/vaccine](http://coronavirus.utah.gov/vaccine)

