



**Pete Ricketts**  
Governor

## STATE OF NEBRASKA

**DEPARTMENT OF LABOR**

John H. Albin, Commissioner  
P.O. Box 94600 • Lincoln, NE 68509-4600  
Phone: 402.471.9000 • [dol.nebraska.gov](http://dol.nebraska.gov)

December 31, 2015

Pete Ricketts, Governor  
State of Nebraska  
State Capitol NW Corner  
Lincoln, Nebraska 68509-4848

Pursuant to Neb Rev. Stat. § 48-606, the Commissioner of Labor is required to submit an annual report to the Governor on or before December 31 of each year concerning the administration and operation of the Nebraska Employment Security Law for the previous fiscal year. I am pleased to provide you with the Unemployment Insurance Program Annual Report for Fiscal Year 2015, as administered by the Nebraska Department of Labor under the Nebraska Employment Security Law. This report covers the period of October 1, 2014 to September 30, 2015.

The Unemployment Trust Fund has improved, while unemployment insurance benefit payments, including regular and reimbursable, have decreased to \$90,489,661. As a result, in 2016 there will be a reduction in Nebraska's Unemployment Insurance tax rates from 2015.

Sincerely,

A handwritten signature in cursive script that reads "John H. Albin".

John H. Albin  
Commissioner of Labor



Unemployment  
**Insurance**  
PROGRAM

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# Overview

The Nebraska Unemployment Insurance (UI) program, was created to provide a temporary partial wage replacement to workers unemployed through no fault of their own. The UI program is a federal-state partnership based upon the implementation of The Social Security Act of 1935. The federal government sets broad overall policy for administration of the program and provides money to the states for the proper and efficient administration of the state unemployment programs. The United States Department of Labor (USDOL) monitors state performance and compliance and holds and invests all money in the unemployment trust fund until drawn down by states for the payment of benefits.

The Nebraska Employment Security Law (NESL) sets forth benefit eligibility requirements for workers and the tax structure applicable to subject employers. The State directly administers the unemployment program, takes claims from unemployed workers, determines eligibility, insures timely payment of benefits, determines employer liability, and assesses and collects combined tax payments.

In the federal fiscal year (FFY) ending on September 30, 2015, the State of Nebraska paid \$90,489,661 in regular and reimbursable unemployment benefits. The amount of benefits paid continued to decline as the state moved beyond the effects of the Great Recession.

FFY	Regular	Reimbursable	Total
2009	\$186,215,475	\$9,997,702	\$196,213,177
2010	\$198,759,384	\$13,491,823	\$212,251,207
2011	\$167,872,106	\$13,240,292	\$181,112,398
2012	\$130,399,527	\$12,419,076	\$142,818,603
2013	\$110,128,422	\$9,733,507	\$119,861,929
2014	\$95,618,663	\$7,863,825	\$103,482,488
2015	\$84,115,768	\$6,373,893	\$90,489,661

# Benefits

Nearly all wage and salary workers are covered by the UI program. Railroad workers are covered by a separate federal UI program. Ex-service members with recent service in the Armed Forces and civilian federal employees are covered by a federal UI program, with states paying benefits from federal funds as agents of the federal government.

## UI Claims FFY 2015

Initial Claims Filed	40,951
Initial Claims Receiving the First Payment	23,955
Continued Weeks Filed	374,384
Continued Weeks Paid	294,495

## UI Monthly Claims

Month	Initial Claims	Max. Weekly Benefit Amount	Avg. Weekly Benefit Amount	
2014	Oct	3,227	\$372	\$287
	Nov	4,071	\$372	\$286
	Dec	5,945	\$372	\$292
2015	Jan	5,006	\$380	\$297
	Feb	3,121	\$380	\$297
	Mar	3,117	\$380	\$299
	Apr	2,714	\$380	\$292
	May	3,309	\$380	\$290
	Jun	3,308	\$380	\$281
	Jul	2,648	\$380	\$285
	Aug	2,254	\$380	\$283
	Sep	2,231	\$380	\$301

The average weekly benefit amount ranged from a low of \$281 in June 2015 to a high of \$301 in September 2015.

The number of initial claims ranged from a low of 2,231 in September of 2015 to a high of 5,945 in December of 2014.

## CY 2009 - 2015 Combined Tax Rates

Unemployment insurance (UI) taxes are taxes assessed by the State of Nebraska upon wages earned in employment. The state “combined tax” is comprised of contributions which are deposited to the federal Unemployment Trust Fund and a state unemployment insurance tax which is deposited to the State Unemployment Insurance Trust Fund. The federal government collects a separate federal unemployment tax pursuant to the Federal Unemployment Tax Act (FUTA). Tax rates are established for the calendar year.

The 2016 UI Combined Tax Rates have dropped from the 2015 UI Combined Tax Rates. Category 1 will continue to have a tax rate of 0.00%, Category 12 will drop to 1.00%, and Category 20 will continue at 5.40%. The 2016 taxable wage base is \$9,000 per employee per year.

Category	2009	2010	2011	2012	2013	2014	2015
1	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	0.31%	0.83%	0.83%	0.62%	0.42%	0.35%	0.29%
3	0.50%	1.33%	1.33%	1.00%	0.67%	0.56%	0.47%
4	0.57%	1.50%	1.50%	1.12%	0.76%	0.62%	0.53%
5	0.63%	1.67%	1.67%	1.25%	0.84%	0.69%	0.58%
6	0.75%	2.00%	2.00%	1.50%	1.01%	0.83%	0.70%
7	0.82%	2.17%	2.16%	1.62%	1.09%	0.90%	0.76%
8	0.88%	2.33%	2.33%	1.75%	1.18%	0.97%	0.82%
9	1.01%	2.67%	2.66%	2.00%	1.35%	1.11%	0.93%
10	1.13%	3.00%	3.00%	2.25%	1.52%	1.25%	1.05%
11	1.19%	3.17%	3.16%	2.37%	1.60%	1.32%	1.11%
12	1.26%	3.33%	3.33%	2.49%	1.68%	1.39%	1.17%
13	1.32%	3.50%	3.50%	2.62%	1.77%	1.46%	1.23%
14	1.38%	3.67%	3.66%	2.74%	1.85%	1.53%	1.28%
15	1.51%	4.00%	4.00%	2.99%	2.02%	1.67%	1.40%
16	1.70%	4.50%	4.50%	3.37%	2.27%	1.87%	1.58%
17	1.95%	5.16%	5.16%	3.87%	2.61%	2.15%	1.81%
18	2.26%	6.00%	5.99%	4.49%	3.03%	2.50%	2.10%
19	2.70%	7.16%	7.16%	5.36%	3.62%	2.98%	2.51%
20	5.40%	8.66%	8.66%	6.49%	5.40%	5.40%	5.40%

## CY 2009 - 2015 Combined Tax Rates - New Employers

Category	2009	2010	2011	2012	2013	2014	2015
Non-construction	1.26%	2.50%	2.50%	2.49%	1.68%	1.39%	1.25%
Construction	5.40%	8.66%	8.66%	6.49%	5.40%	5.40%	5.40%

## Contributions from Employers to Unemployment Trust Fund

	FFY2009	FFY2010	FFY2011	FFY2012	FFY2013	FFY2014	FFY2015
Combined tax	\$92,464,371	\$184,464,371	\$214,313,646	\$180,832,151	\$128,357,876	\$110,991,856	\$100,444,301
Payments in lieu of contributions	\$8,672,031	\$12,397,970	\$12,116,879	\$15,409,833	\$10,408,074	\$9,296,119	\$6,654,052

# Trust Fund

## FFY 2009 - 2015 Combined UTF and SUIB Balances

	2009	2010	2011	2012	2013	2014	2015
UTF Available for Benefits	\$182,140,826	\$212,826,908	\$260,007,280	\$319,773,037	\$356,089,528	\$351,594,772	\$388,874,342
SUIT Balance	\$40,606,797	\$46,889,720	\$51,082,869	\$49,228,949	\$51,614,189	\$50,124,392	\$56,667,033
Total Funds Available to Pay Benefits	\$222,747,623	\$259,716,628	\$311,090,149	\$369,001,986	\$407,703,717	\$401,719,164	\$445,541,375
State Reserve Ratio	0.684%	0.810%	0.934%	1.075%	1.139%	1.086%	1.145%

State statute provides that the combined UTF and SUIB balances should be between 0.85% and 1.00% of all wages paid in covered employment. The combined balance of the UTF and SUIB balances exceeded the target level at the conclusion of FFY 2015, leading to the automatic reduction in the 2016 unemployment tax rates.

The Nebraska Unemployment Trust Fund (UTF) is established within the federal treasury as a reserve to pay liability against future benefits. The State Unemployment Insurance Trust (SUIT) Fund is a state account reserved for the payment of unemployment benefits if needed.

UTF Balance		SUIT Fund Balance	
9/30/2009	\$207,186,438	9/30/2009	\$40,606,797
9/30/2010	\$232,124,037	9/30/2010	\$46,889,720
9/30/2011	\$276,140,022	9/30/2011	\$51,082,869
9/30/2012	\$333,940,398	9/30/2012	\$49,228,949
9/30/2013	\$364,492,935	9/30/2013	\$51,614,189
9/30/2014	\$385,056,723	9/30/2014	\$50,124,392
9/30/2015	\$392,393,375	9/30/2015	\$56,667,033

## RECOMMENDATIONS FOR LEGISLATION

Because of the continued solvency of the Nebraska unemployment program, no significant changes to the Nebraska Employment Security Law are required at this time.



Equal Opportunity Employer/TDD: 800.833.7352  
Auxiliary aids and services are available upon  
request to individuals with disabilities.

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