

NEBRASKA

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DEPARTMENT OF LABOR



Pete Ricketts, Governor

December 27, 2019

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 2019, as administered by the Nebraska Department of Labor under the Nebraska Employment Security Law. This report covers the period of October 1, 2018 to September 30, 2019.

Sincerely,

A handwritten signature in black ink that reads "John H. Albin".

John H. Albin
Commissioner of Labor

John H. Albin, Commissioner

Department of Labor

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Unemployment Insurance

Fiscal Year 2019 Annual Report



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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.

Benefits

In the federal fiscal year (FFY) ending on September 30, 2019, the State of Nebraska paid \$67,529,758 in regular and reimbursable unemployment benefits.

	FFY	Regular	Reimbursable Unemployment Benefits	Total
	2013	\$113,327,591	\$9,733,507	\$123,061,098
	2014	\$98,469,109	\$7,684,522	\$106,153,631
	2015	\$86,550,512	\$6,373,893	\$92,924,405
	2016	\$74,841,678	\$4,334,304	\$79,175,982
	2017	\$76,218,144	\$4,435,075	\$80,653,220
	2018	\$68,866,256	\$7,136,483	\$76,002,739
	2019	\$62,388,282	\$5,141,476	\$67,529,758

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 2019

Initial Claims Filed	41,940
Initial Claims Receiving the First Payment	16,205
Continued Weeks Filed	235,114
Continued Weeks Paid	187,113

UI Monthly Claims

Month	Initial Claims	Max. Weekly Benefit Amount	Avg. Weekly Benefit Amount	
2018	Oct	3,209	\$414	\$277
	Nov	3,909	\$414	\$239
	Dec	6,744	\$414	\$225
2019	Jan	5,186	\$426	\$284
	Feb	3,088	\$426	\$301
	Mar	3,025	\$426	\$276
	Apr	2,616	\$426	\$318
	May	3,460	\$426	\$256
	Jun	3,434	\$426	\$206
	Jul	2,717	\$426	\$281
	Aug	2,822	\$426	\$256
	Sep	1,730	\$426	\$279

The average weekly benefit amount ranged from a high of \$318 in April 2019 to a low of \$206 in June 2019.

The number of initial claims ranged from a high of 6,744 in December 2018 to a low of 1,730 in September 2019.

Tax

Historical (CY 2013 – 2019) Combined Tax Rates

Category	2013	2014	2015	2016	2017	2018	2019
1	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	0.42%	0.35%	0.29%	0.25%	0.19%	0.19%	0.17%
3	0.67%	0.56%	0.47%	0.40%	0.30%	0.30%	0.28%
4	0.76%	0.62%	0.53%	0.45%	0.34%	0.34%	0.31%
5	0.84%	0.69%	0.58%	0.50%	0.37%	0.38%	0.35%
6	1.01%	0.83%	0.70%	0.60%	0.45%	0.46%	0.42%
7	1.09%	0.90%	0.76%	0.65%	0.49%	0.49%	0.45%
8	1.18%	0.97%	0.82%	0.70%	0.52%	0.53%	0.49%
9	1.35%	1.11%	0.93%	0.80%	0.60%	0.61%	0.56%
10	1.52%	1.25%	1.05%	0.90%	0.67%	0.68%	0.63%
11	1.60%	1.32%	1.11%	0.95%	0.71%	0.72%	0.66%
12	1.68%	1.39%	1.17%	1.00%	0.75%	0.76%	0.70%
13	1.77%	1.46%	1.23%	1.05%	0.79%	0.80%	0.73%
14	1.85%	1.53%	1.28%	1.10%	0.82%	0.84%	0.77%
15	2.02%	1.67%	1.40%	1.20%	0.90%	0.91%	0.83%
16	2.27%	1.87%	1.58%	1.35%	1.01%	1.03%	0.94%
17	2.61%	2.15%	1.81%	1.55%	1.16%	1.18%	1.08%
18	3.03%	2.50%	2.10%	1.80%	1.35%	1.37%	1.25%
19	3.62%	2.98%	2.51%	2.15%	1.61%	1.63%	1.50%
20	5.40%	5.40%	5.40%	5.40%	5.40%	5.40%	5.40%

Employer Unemployment Insurance (UI) taxes are assessed by the State of Nebraska based on wages paid for covered 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 combined tax rates for 2019 were slightly lower than for 2018. Category 1 continued to have a tax rate of 0.00%, Category 12 decreased to 0.70%, and Category 20 remained 5.40%. In 2019, the taxable wage base remained \$9,000 per employee per year for all categories.

Historical (CY 2013 – 2019) Combined Tax Rates – New Employers

Category	2013	2014	2015	2016	2017	2018	2019
Non-construction	1.68%	1.39%	1.25%	1.25%	1.25%	1.25%	1.25%
Construction	5.40%	5.40%	5.40%	5.40%	5.40%	5.40%	5.40%

Contributions from Employers to Unemployment Trust Fund

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Combined tax	\$132,440,876	\$110,991,856	\$100,444,301	\$94,030,102	\$78,129,624	\$74,322,874	\$72,662,838
Payments in lieu of contributions	\$10,408,074	\$12,894,110	\$6,654,251	\$4,853,264	\$4,336,230	\$4,821,376	\$3,662,887

Trust Fund

FFY Unemployment Trust Fund (UTF) and State Unemployment Insurance Trust (SUIT) Balances							
	2013	2014	2015	2016	2017	2018	2019
UTF Available for Benefits	\$356,089,528	\$356,089,528	\$351,594,772	\$388,852,371	\$417,589,713	\$442,103,077	\$460,191,767
SUIT Balance	\$51,614,189	\$51,614,189	\$50,124,392	\$56,667,033	\$60,250,459	\$66,016,324	\$68,681,698
Total Funds Available to Pay Benefits	\$407,703,717	\$407,703,717	\$401,719,164	\$445,519,405	\$477,840,172	\$508,365,614	\$528,873,465
State Reserve Ratio	1.14%	1.14%	1.09%	1.15%	1.16%	1.15%	1.18%

	UTF Balance		SUIT Fund Balance	
The UTF is established within the federal treasury as a reserve to pay liability against future benefits. The SUIT Fund is a state account reserved for the payment of unemployment benefits if needed.	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
	9/30/2016	\$419,015,436	9/30/2016	\$60,250,459
	9/30/2017	\$428,264,969	9/30/2017	\$61,646,295
	9/30/2018	\$441,472,601	9/30/2018	\$66,016,324
	9/30/2019	\$459,558,575	9/30/2019	\$68,681,698

Recommendations for Legislature

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