

Unemployment Insurance Annual Report

FFY October 1, 2021 — September 30, 2022



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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.

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.

Regular State UI Claims FFY 2022	
Initial Claims Filed	38,818
Initial Claims Receiving the First Payment	12,152
Continued Weeks Filed	186,250
Continued Weeks Paid	\$54,791,874

Benefits

FFY	Total State Benefits Paid
2022	\$53,806,406
2021	\$121,254,610
2020	\$330,381,921
2019	\$67,529,758
2018	\$76,002,739

	Unemployment Weeks Compensated		Benefits Paid
	Month	Regular UI	Regular UI
2022	Sep	10,149	\$2,928,133
	Aug	12,847	\$4,282,052
	Jul	17,398	\$4,414,675
	Jun	10,675	\$2,829,449
	May	12,531	\$3,534,499
	Apr	11,220	\$3,631,227
	Mar	18,528	\$6,883,385
2021	Feb	22,091	\$7,727,045
	Jan	26,858	\$7,472,388
	Dec	15,555	\$3,839,508
	Nov	13,104	\$3,606,357
	Oct	15,294	\$3,643,156

Short-Time Compensation

The Short-Time Compensation program helps prevent layoffs by allowing employers to uniformly reduce affected employees' hours by 10 to 60 percent while the employees receive a prorated unemployment benefit. STC benefits are paid based on a percentage reduction of regular UI benefits equal to the percentage reduction in regular work hours.

	2021-2022	2020-2021	2019-2020	2018-2019
Number of employers filing STC applications:	7	56	614	5
Number of layoffs averted through the STC program:	322	1,030	7,718	85
Amount of STC program benefits paid:	\$212,551	\$1,769,472	\$6,205,686	\$34,608

Tax

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.

For calendar year 2023, Nebraska’s Unemployment Insurance (UI) average combined tax rate (category 12) will be .34% of the first \$9,000 in wages for employers in categories 1-19. The rate is a reduction from the 2022 rate of 0.49%. For category 20 employers, the taxable wage base is the first \$24,000 in wages. Category 1 will continue to have a tax rate of 0.00% and category 20 will continue at 5.40%.

Historical (CY 2018 – 2022) Combined Tax Rates by Calendar Year

Category	2022	2021	2020	2019	2018
1	0.00%	0.00%	0.00%	0.00%	0.00%
2	0.12%	0.13%	0.14%	0.17%	0.19%
3	0.20%	0.20%	0.22%	0.28%	0.30%
4	0.22%	0.23%	0.25%	0.31%	0.34%
5	0.25%	0.25%	0.27%	0.35%	0.38%
6	0.29%	0.30%	0.33%	0.42%	0.46%
7	0.32%	0.33%	0.35%	0.45%	0.49%
8	0.34%	0.35%	0.38%	0.49%	0.53%
9	0.39%	0.40%	0.44%	0.56%	0.61%
10	0.44%	0.45%	0.49%	0.63%	0.68%
11	0.47%	0.48%	0.52%	0.66%	0.72%
12	0.49%	0.50%	0.55%	0.70%	0.76%
13	0.51%	0.53%	0.57%	0.73%	0.80%
14	0.54%	0.55%	0.60%	0.77%	0.84%
15	0.59%	0.60%	0.65%	0.83%	0.91%
16	0.66%	0.68%	0.74%	0.94%	1.03%
17	0.76%	0.78%	1.85%	1.08%	1.18%
18	0.88%	0.90%	1.98%	1.25%	1.37%
19	1.05%	1.08%	1.17%	1.50%	1.63%
20	5.40%	5.40%	5.40%	5.40%	5.40%

Historical (CY 2018 – 2022) Combined Tax Rates – New Employers

Category	2022	2021	2020	2019	2018
Non-construction	1.25%	1.25%	1.25%	1.25%	1.25%
Construction	5.40%	5.40%	5.40%	5.40%	5.40%

Contributions from Employers to Unemployment Trust Fund

	FY2022	FY2021	FY2020	FY2019	FY2018
Combined tax	\$77,679,312	\$68,004,045	\$87,098,716	\$72,662,838	\$74,322,913
Payments in lieu of contributions	\$1,995,207	\$2,810,232	\$3,412,649	\$3,662,887	\$4,821,376

Trust Fund

FFY Unemployment Trust Fund (UTF) and State Unemployment Insurance Trust (SUIT) Balances

	2022	2021	2020	2019	2018
UTF Available	\$510,837,654	\$482,448,028	\$479,310,125	\$460,191,767	\$442,103,077
SUIT Balance	\$75,932,879	\$72,939,849	\$71,019,975	\$68,681,698	\$66,016,324
Total Funds Available to Pay Benefits	\$587,607,271	\$555,983,520	\$551,852,081	\$528,873,465	\$508,365,614
State Reserve Ratio	1.09%	1.12%	1.19%	1.18%	1.15%

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.

	UTF Balance		SUIT Fund Balance	
9/30/2022	\$510,837,654	9/30/2022	\$75,932,879	
9/30/2021	\$482,448,028	9/30/2021	\$72,939,849	
9/30/2020	\$479,310,125	9/30/2020	\$71,019,975	
9/30/2019	\$459,558,575	9/30/2019	\$68,681,698	
9/30/2018	\$441,472,601	9/30/2018	\$66,016,324	

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.