

# **Unemployment Insurance Annual Report**

FFY October 1, 2023 — September 30, 2024



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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 2024	
Initial Claims Filed	39,317
Initial Claims Receiving the First Payment	17,522
Continued Weeks Filed	265,832
Continued Weeks Paid	209,818

## Benefits

FFY	Total State Benefits Paid
2024	\$89,382,551
2023	\$65,920,876
2022	\$54,425,689
2021	\$118,648,052
2020	\$318,941,116

	Unemployment Weeks Compensated		Benefits Paid
	Month	Regular UI	Regular UI
2024	Sep	16,146	\$7,212,358
	Aug	15,227	\$6,547,527
	Jul	21,150	\$8,641,654
	Jun	15,721	\$6,485,329
	May	13,374	\$5,859,673
	Apr	16,593	\$7,038,535
	Mar	19,165	\$7,910,541
2023	Feb	24,035	\$10,166,128
	Jan	27,726	\$12,022,733
	Dec	15,240	\$6,535,079
	Nov	12,135	\$5,291,967
	Oct	13,306	\$5,671,030

## Short-Time Compensation

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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.

	2023-2024	2022-2023	2021-2022	2020-2021
<b>Number of employers filing STC applications:</b>	14	14	7	56
<b>Number of layoffs averted through the STC program:</b>	1,022	120	322	1,030
<b>Amount of STC program benefits paid:</b>	\$155,879	\$146,335	\$212,551	\$1,769,472

## 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.

### Historical (CY 2020 – 2024) Combined Tax Rates

Category	2024	2023	2022	2021	2020
1	0.00%	0.00%	0.00%	0.00%	0.00%
2	0.12%	0.08%	0.12%	0.13%	0.14%
3	0.19%	0.13%	0.20%	0.20%	0.22%
4	0.21%	0.15%	0.22%	0.23%	0.25%
5	0.24%	0.17%	0.25%	0.25%	0.27%
6	0.28%	0.20%	0.29%	0.30%	0.33%
7	0.31%	0.22%	0.32%	0.33%	0.35%
8	0.33%	0.23%	0.34%	0.35%	0.38%
9	0.38%	0.27%	0.39%	0.40%	0.44%
10	0.43%	0.30%	0.44%	0.45%	0.49%
11	0.45%	0.32%	0.47%	0.48%	0.52%
12	0.48%	0.34%	0.49%	0.50%	0.55%
13	0.50%	0.35%	0.51%	0.53%	0.57%
14	0.52%	0.37%	0.54%	0.55%	0.60%
15	0.57%	0.40%	0.59%	0.60%	0.65%
16	0.64%	0.45%	0.66%	0.68%	0.74%
17	0.74%	0.52%	0.76%	0.78%	1.85%
18	0.86%	0.61%	0.88%	0.90%	1.98%
19	1.03%	0.73%	1.05%	1.08%	1.17%
20	5.40%	5.40%	5.40%	5.40%	5.40%

### Historical (CY 2020 – 2024) Combined Tax Rates – New Employers

Category	2024	2023	2022	2021	2020
Non-construction	1.25%	1.25%	1.25%	1.39%	1.25%
Construction	5.40%	5.40%	5.40%	5.40%	5.40%

### Contributions from Employers to Unemployment Trust Fund

	FY2024	FY2023	FY2022	FY2021	FY2020
Combined tax	\$80,077,023	\$79,113,883.92	\$77,679,311.57	\$68,004,045	\$87,098,716
Payments in lieu of contributions	\$4,652,764	\$4,267,380.49	\$1,995,207.48	\$2,810,232	\$3,412,649

## Trust Fund

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

	2024	2023	2022	2021	2020
UTF Available for Benefits	\$533,641,780	\$524,830,607	\$510,837,654	\$482,448,028	\$479,310,125
SUIT Balance	\$8,950,221	\$77,013,770	\$75,932,879	\$72,939,849	\$71,019,975
Total Funds Available to Pay Benefits	\$542,592,001	\$601,844,377	\$587,607,271	\$555,983,520	\$551,852,081
State Reserve Ratio	0.92%	1.05%	1.09%	1.12%	1.19%

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	
9/30/2024	\$533,641,780	9/30/2024	\$8,950,221	
9/30/2023	\$524,830,607	9/30/2023	\$77,013,770	
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	

## 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.

The Nebraska account in the federal Unemployment Trust Fund is greater than what would be needed to pay benefits in any reasonably foreseeable recession. Consideration should be given to whether measures can be taken to ensure the payment of unemployment benefits in a recession without overtaxing employers in non-recessionary times.