

Actuarial Evaluation 2015

Financial Operations of the
Pennsylvania Unemployment Compensation Program



Commonwealth of Pennsylvania
Tom Wolf, Governor

Department of Labor & Industry
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Introduction

The 2015 Actuarial Evaluation of the Financial Operations of the Pennsylvania Unemployment Compensation (UC) Program is issued pursuant to Section 204.1 of the Pennsylvania UC law as amended July 1985. The projections contained in this report are based on the January 2016 Baseline Forecast of economic activity for Pennsylvania from IHS Forecasting.

The report analyzes Pennsylvania's UC Trust Fund activity in 2015 and provides a forecast for 2016 through 2018. For each period, the report examines benefit costs, employer and employee contributions, and the net impact on the UC Trust Fund. The forecast incorporates the UC solvency mechanism provided for by the 1988 UC law amendments and an impact analysis of the mechanism on the UC Trust Fund cash flow. Highlights of the analyses and an overview of the economic forecasts and methodologies used to estimate UC activity are provided in the report.

Tables and figures contained within this report provide detailed information and data based in part on the January 2016 IHS Baseline Forecast. Appendix A contains tables pertinent to Pennsylvania's UC program. Definitions of terms used in the tables appear on the page preceding each table.

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Executive Summary

Pennsylvania's annual average total unemployment rate fell from 5.9 percent in 2014 to 5.1 percent in 2015. Annual average resident employment increased from 6.02 million in 2014 to 6.09 million in 2015.

In 2015, a maximum of 26 weeks of regular UC benefits were available to qualified claimants. No extended benefits (EB) or federal emergency benefits (EUC) were available in 2015.

The status of the UC program in Pennsylvania for 2015 is summarized below. Program details and projections for 2016 through 2018 are included later in this report.

Benefit costs

- Annual benefit costs decreased from \$2.28 billion in 2014 to \$2.15 billion in 2015. This is the sixth consecutive year that benefits costs have decreased since the peak of \$4.74 billion in 2009.
- The number of individuals who received UC benefits decreased from 527,550 in 2014 to 495,478 in 2015.
- The average duration of benefits decreased from 16.9 weeks in 2014 to 16.1 weeks in 2015.
- The average weekly benefit amount increased from \$363.77 in 2014 to \$376.30 in 2015. The minimum weekly benefit amount under current UC law is \$70. The maximum benefit amount remains frozen by law at \$573 until 2019.

Employer and Employee Contributions

- Total employer plus employee contributions were essentially unchanged at approximately \$2.55 billion for both 2014 and 2015. Contributions are projected to increase to \$2.63 billion in 2016.
- The average tax rate for employers was 6.1 percent for both 2014 and 2015. It is projected to decrease to 6 percent in 2016.
- The interest tax rate for 2015 was 1.1 percent. Revenue from the interest tax was used for repayment of UC bonds.
- The employee tax rate for 2015 was 0.07 percent and will continue at the same rate for 2016.

UC Trust Fund

- The UC Trust Fund balance increased by \$427 million in 2015, from a beginning balance of \$540 million to the year-end balance of \$967 million. The Trust Fund balance is projected to increase to \$1.54 billion at the end of 2016.
- No federal loans were needed in 2015, and none are expected for 2016.
- The outstanding balance remaining on UC bonds (issued in October 2012 to generate \$3.24 billion in bond proceeds to cover outstanding UC debt) decreased from \$2.24 billion at the beginning of 2015 to \$1.87 billion at the end of the year. The bond balance is projected to decrease to \$1.46 billion at the end of 2016.
- The UC Trust Fund solvency percentage – i.e., the Trust Fund balance minus the outstanding bond balance – as of June 30, 2015 was 0 percent, and is projected to be 2 percent on June 30, 2016. Solvency measures will be in effect for 2016 through 2018, and will continue until the solvency percentage exceeds 250 percent.

Section 1: 2015 In Review

Population, Labor Force, and Unemployment Rate

In 2015, Pennsylvania's annual average total unemployment rate (TUR) was 5.1 percent, down from 5.9 percent in 2014. Employment in Pennsylvania increased from 6.02 million in 2014 to 6.09 million in 2015, while unemployment dropped from 376,000 to 330,000. The civilian labor force increased from 6.39 million in 2014 to 6.42 million in 2015.

Table A-12 shows population and labor force data for calendar years 1996 through 2015, as well as a monthly breakdown for 2015 and definitions for each field in the table.

Covered Employment and Wages

As of Dec. 31, 2015, there were 302,997 active employers in Pennsylvania, of which 296,231 were contributory employers and 6,766 were reimbursable employers. This is an increase of 9,855 from the 293,142 active employers at the end of 2014. For the first six months of 2015, the average monthly covered employment was 5.6 million, up from 5.5 million for all of 2014. Total wages for the first six months of 2015 were \$142.8 billion and taxable wages were \$36.1 billion.

Table A-9 shows covered employment and wages for calendar years 1996 through 2015.

Claims Data

Initial UC claims decreased from 1.15 million in 2014 to 1.07 million in 2015. Weeks claimed decreased from 8.4 million in 2014 to 7.4 million in 2015. The annual average insured unemployment rate (IUR), which reflects

the ratio of regular UC claims to covered employment, fell from 2.9 percent in 2014 to 2.6 percent for 2015. (The 2015 IUR is based on claims for the full year and the average monthly covered employment for the first six months of the year.)

Table A-2 contains claims data and IUR values for 1996 through 2015.

Payment Data

Regular UC benefit costs decreased from \$2.28 billion in 2014 to \$2.15 billion in 2015. The number of weeks paid decreased from 7 million in 2014 to 6.3 million in 2015. The average weekly benefit amount increased from \$363.77 in 2014 to \$376.30 in 2015.

The number of individuals who received regular UC benefits decreased from 527,550 in 2014 to 495,478 in 2015. The number of first payments decreased from 413,685 in 2014 to 391,726 in 2015.

Claimants who received first payments in 2015 had an estimated average duration of 16.1 weeks of benefits, a decrease from the 2014 average duration of 16.9 weeks.

Non-monetary determinations decreased from 270,546 in 2014 to 264,260 in 2015.

Table A-3 contains payment data for 1996 through 2015. Table A-4 is a breakdown by county of UC benefit recipients for 2015. Table A-5 is a breakdown by industry sector of UC benefit recipients for 2015. Table A-6 shows nonmonetary determinations for 1996 through 2015.

Weekly Benefit Rates and Earning Requirements

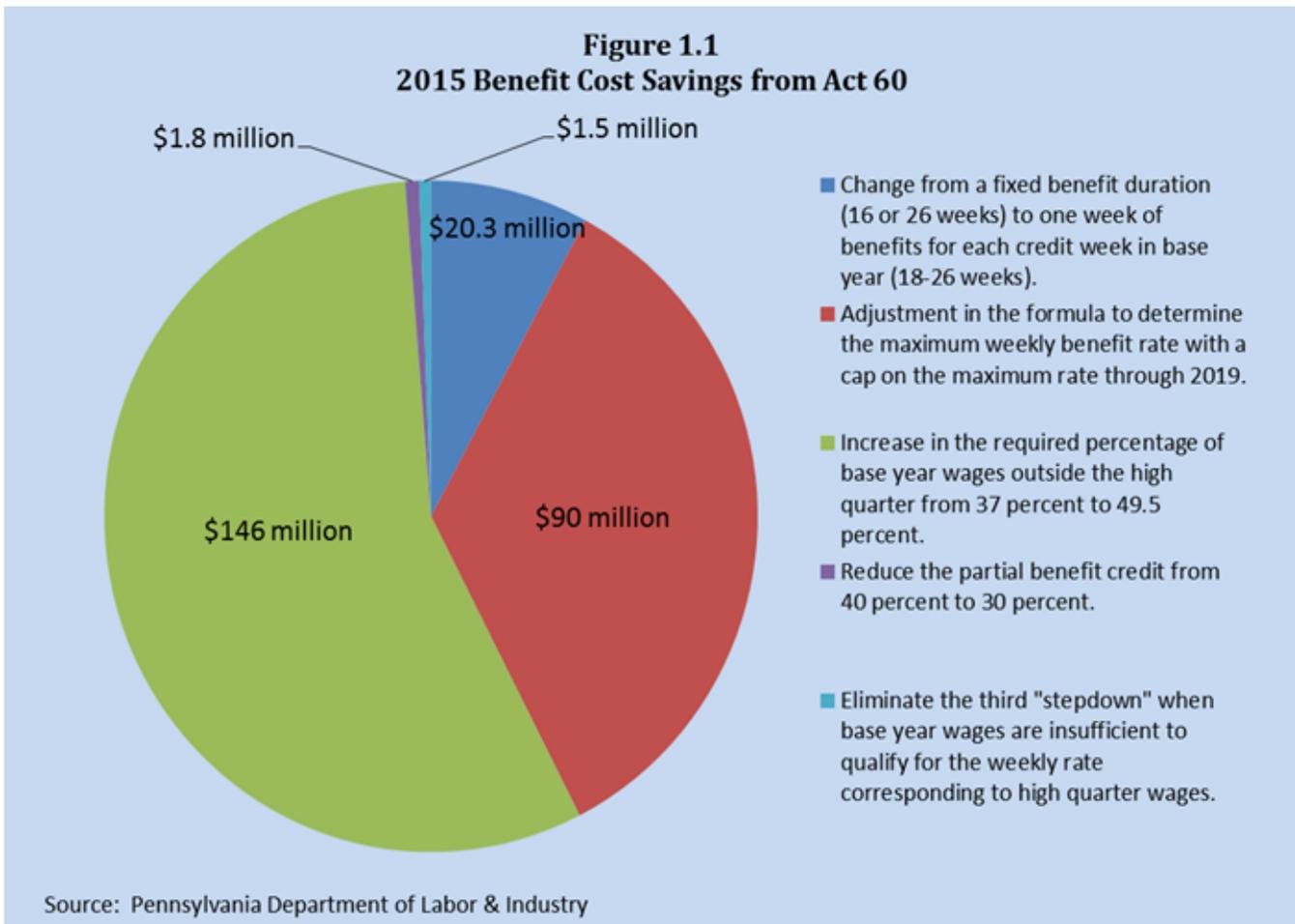
For 2015, the minimum weekly benefit rate was \$70, requiring base year earnings of \$3,391 and high quarter earnings of \$1,688-\$1,712. The maximum weekly benefit rate of \$573 required base year earnings of \$28,292 and high quarter earnings of \$14,263, with at least 49.5 percent of wages earned outside of the high quarter. These rates and requirements are defined by state UC law and are unchanged since 2014. The maximum weekly benefit rate of \$573 is frozen by state law until 2019. Because the solvency measures were in effect in 2015, all weekly

benefit rates were reduced by 1.7 percent. In addition to their weekly benefit amount, claimants received a dependent allowance of \$5 per week for a spouse or other dependent, as well as an additional \$3 per week if they had two or more dependents.

Weekly benefit rates and earning requirements are contained in Table A-1. The benefit rates shown in the table do not include the benefit reduction or the dependent allowances.

Benefit Cost Savings from Act 60 (2012)

Figure 1.1 breaks down the cost savings from provisions of Act 60 of 2012.



Employer and Employee Contributions

Total employer and employee contributions to the UC Trust Fund were essentially the same for both 2014 and 2015 at approximately \$2.55 billion. In 2015, employers contributed \$2.4 billion to the UC Trust Fund and employees contributed \$139 million.

The average tax rate for employers was also unchanged at 6.1 percent for both 2014 and 2015.

The taxable wage base increased from \$8,750 in 2014 to \$9,000 in 2015. The interest tax rate for 2015 was 1.1 percent, the same as it was in 2014. In addition to the UC Trust Fund revenue, employers contributed \$467.2 million in interest tax revenue in 2015 compared to \$448.1 million in 2014. Interest tax revenue is used to service the UC bond debt.

The employee tax was 0.07 percent for both 2014 and 2015. Five percent of employee tax revenue, or approximately \$10 million, was deposited in the Reemployment Fund, and \$51.8 million was deposited in the Service and Infrastructure Improvement Fund.

Table A-7 includes the taxable wage base and the average tax rate for calendar years 1996 through 2015. Table A-8 is a summary of tax rates by industry sector for 2015.

UC Trust Fund

The UC Trust Fund balance increased from \$540 at the end of 2014 to \$967 million at the end of 2015. Employer and employee contributions exceeded benefit payments for the fourth straight year.

Due to an outstanding bond balance that exceeded the balance in the Trust Fund, the solvency percentage calculated on June 30, 2014, was zero percent. Since the solvency percentage was less than 250 percent, solvency

measures were activated for 2015 at the rates calculated in 2012 to meet the dollar amounts specified by state UC law. The following solvency measures were in effect for 2015:

- Employer surcharge of 5.1 percent (yielded \$96 million in contributions due)
- Employer additional tax of 0.65 percent (yielded \$273 million in contributions due)
- Employee tax of 0.07 percent (yielded \$202 million in contributions due)
- Benefit reduction of 1.7 percent (yielded \$37 million in savings)

Table A-11 is a summary of the UC Trust Fund from 1996 through 2015. Table A-10 shows the solvency measure rates and amounts due, as well as the solvency percentages for 1996 through 2015. The solvency percentage calculation and the determination of solvency measure rates are explained in Section 3: UC Trust Fund Solvency Trigger Mechanism.

UC Bonds and Federal Loans

The UC bond balance decreased from \$2.24 billion at the end of 2014 to \$1.87 billion at the end of 2015. Pennsylvania made repayments of \$244.6 million on July 1, 2015 and \$120.8 million on Jan. 1, 2016 on the bond principal. The total interest rate on the bond is 1.29 percent, compared to the 2015 federal loan interest rate of 2.34 percent. Pennsylvania did not obtain any federal loans in 2015.

Table A-11 includes bond and loan balances for 1996 through 2015.

Figure 1.2
January 2015 Forecast Compared to Actual Data
(Dollars in Millions)

	<u>Forecast</u>	<u>Actual</u>
Beginning Trust Fund Balance	\$540	\$540
Beginning Federal Loan Balance	0	0
Beginning Bond Balance	2,240	2,240
Revenue	2,556	2,572
Employer and Employee Trust Fund Contributions	2,527	2,549
Other Trust Fund Revenues ¹	28	23
Interest Factor Contributions	464	467
Disbursements	2,102	2,146
Benefit Payments	2,102	2,146
Other ²	0	0
Title XII Federal Loans	0	0
Title XII Federal Loan Repayment from Trust Fund	0	0
Title XII Federal Loan Repayment from FUTA Credit Reduction ³	0	0
Title XII Federal Loan Interest Due on September 30	0	0
Bonds ⁴	0	0
Bond Repayment	371	365
Ending Trust Fund Balance	994	967
Ending Federal Loan Balance	0	0
Ending Bond Balance	1,869	1,874
Trust Fund Balance as of June 30	1,176	1,127
Three-year Average Benefit Cost as of June 30	2,437	2,435
Solvency Percentage as of June 30 ⁵	0%	0%

Sources: Pennsylvania Department of Labor & Industry
US Bureau of Public Debt
IHS January 2015 Baseline Forecast for Pennsylvania

¹Includes other deposits to the Trust Fund such as special Reed Act distributions from the federal government, interest earnings on Trust Fund reserves, and excess FUTA credit reduction revenues.

²Includes other withdrawals from the Trust Fund such as expenditures from Reed Act subaccounts for administrative purposes.

³The FUTA credit reduction was reduced to zero in 2012 due to the repayment in full of the federal loan.

⁴On October 18, 2012, Pennsylvania closed on a \$2.827 billion (par value) UC bond sale generating a total of \$3.244 billion in funds to repay the \$3.185 billion in interim financing that covered the federal loan balance and \$382 million in UC benefit funding through 2012, establish a \$75 million Bond Reserve Fund, and cover the cost of issuance.

⁵Per Act 60 of 2012, the solvency percentage calculation starting in 2012 is based on the nominal Trust Fund balance minus the amount of outstanding federal loans and bond principal.

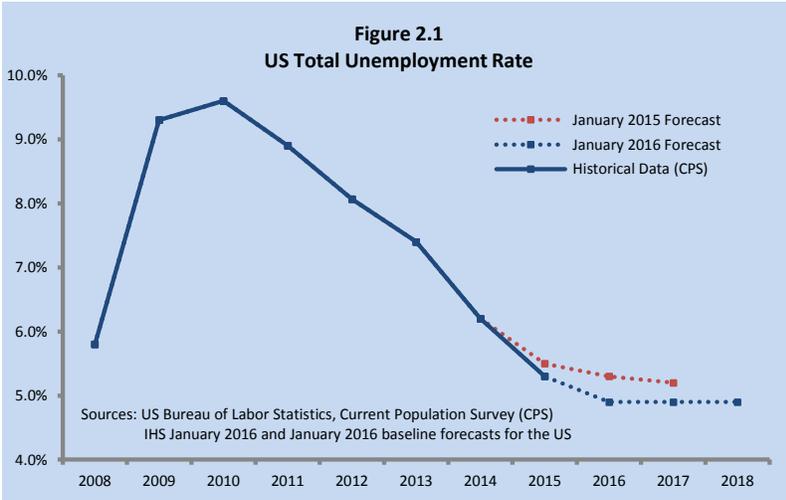
Section 2: Outlook for 2016-2018

The Pennsylvania Department of Labor & Industry uses IHS Forecasting’s economic projections for Pennsylvania and the United States as the basis for projections of UC Trust Fund activity. The key economic forecast indicators used to determine UC benefit costs are Pennsylvania’s total unemployment rate and nonagricultural wage and salary employment. Pennsylvania’s nonagricultural wages and employment are used to forecast UC revenue activity.

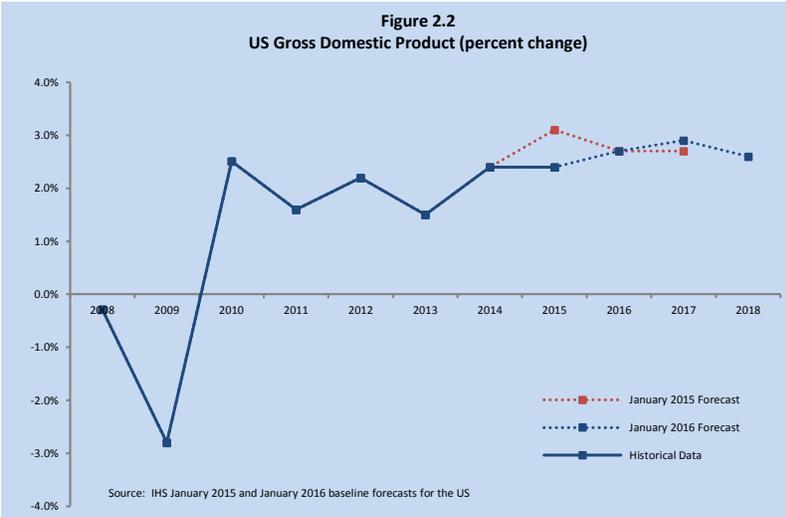
The outlook for 2016-2018 UC activity provided in this report is based on the January 2016 baseline forecast for the nation and Pennsylvania (referred to as the January 2016 IHS forecast). Figures 2.1 through 2.11 provide a comparison of the economic forecast indicators under the January 2016 IHS forecast versus the January 2015 IHS forecast used for the 2014 Actuarial Evaluation of the UC Trust Fund.

Economic Indicators for the United States

Although they are not used directly in projections of Pennsylvania’s UC Trust Fund activity, the U.S. total unemployment rate and the U.S. gross domestic product (GDP) are included as general indicators of the outlook for the U.S. economy in 2016 through 2018.

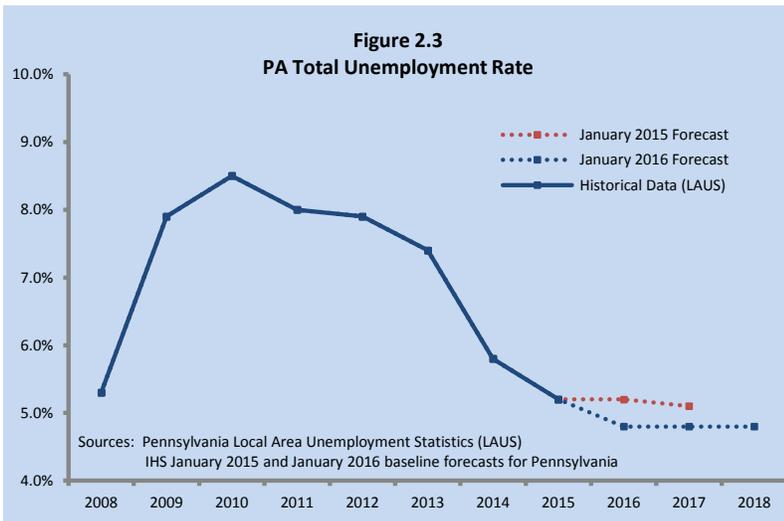


The U.S. total unemployment rate is projected to decrease to 4.9 percent in 2016. For 2017 and 2018, little to no change is expected.

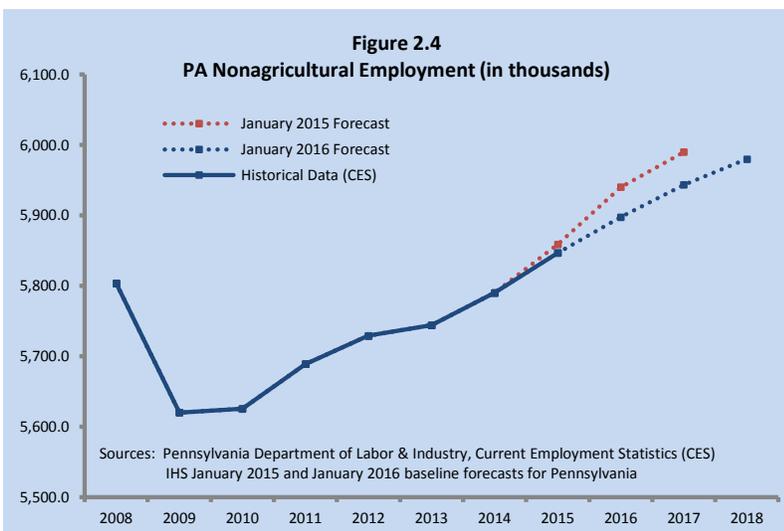


The U.S. gross domestic product is expected to increase by 2.7 percent in 2016, 2.9 percent in 2017, and 2.6 percent in 2018.

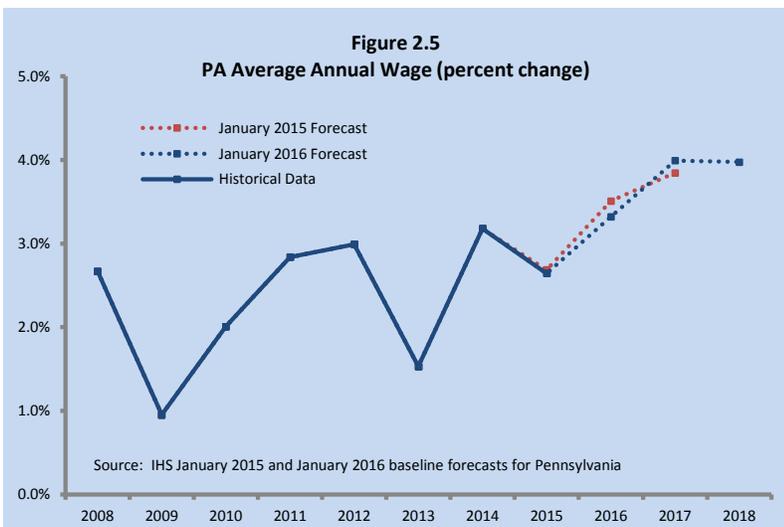
Economic Indicators for Pennsylvania



Pennsylvania's total unemployment is projected to decrease from 5.2 percent in 2015 to 4.8 percent in 2016, then to remain steady through 2018.



Pennsylvania's nonagricultural employment is projected to increase from 5.85 million in 2015 to 5.9 million in 2016, 5.94 million in 2017, and 5.98 million in 2018.



Pennsylvania's average annual wage was \$52,200 in 2015. It is projected to increase by 3.0 percent in 2016, by 3.5 percent in 2017, and again by 3.8 percent in 2018.

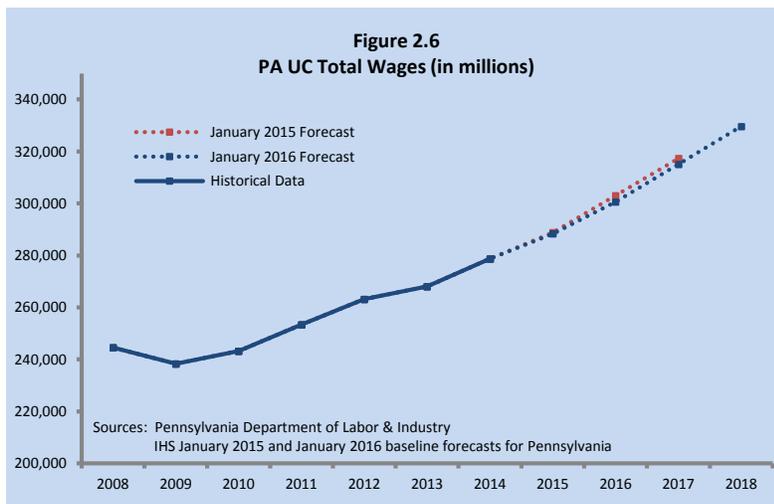
UC Wages

UC total wages are all wages paid by employers that are subject Pennsylvania’s UC law, which includes most employers, with few exceptions. UC taxable wages are wages paid by contributory employers, up to the taxable wage base for each employee. Under the provisions of Act 60, the taxable wage base for 2015 was \$9,000. It will increase to \$9,500 for 2016; to \$9,750 for 2017; and to \$10,000 for 2018 and thereafter.

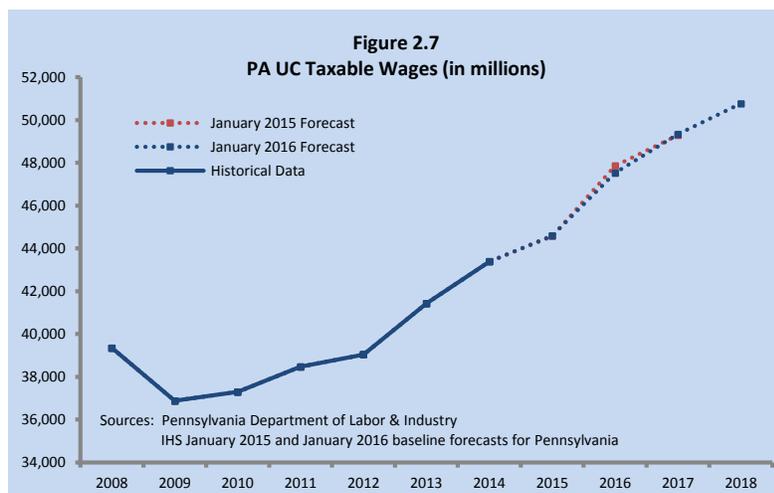
About 98 percent of Pennsylvania employers are contributory employers. Each of these employers is assigned a tax rate each year, which is based on the employer’s UC experience (benefits charged versus taxes paid) and the employer solvency measures in effect. The assigned tax rate is applied to the employer’s taxable wages to generate the amount of contributions due.

The remaining 2 percent of employers are reimbursable employers. These employers have elected to reimburse the UC Trust Fund dollar-for-dollar for benefits paid to former employees, rather than pay UC taxes. Examples of reimbursable employers are political subdivisions and non-profit organizations.

All employees who work for Pennsylvania employers must pay the employee tax whenever solvency measures are in effect. The employee tax is assessed on UC total wages.

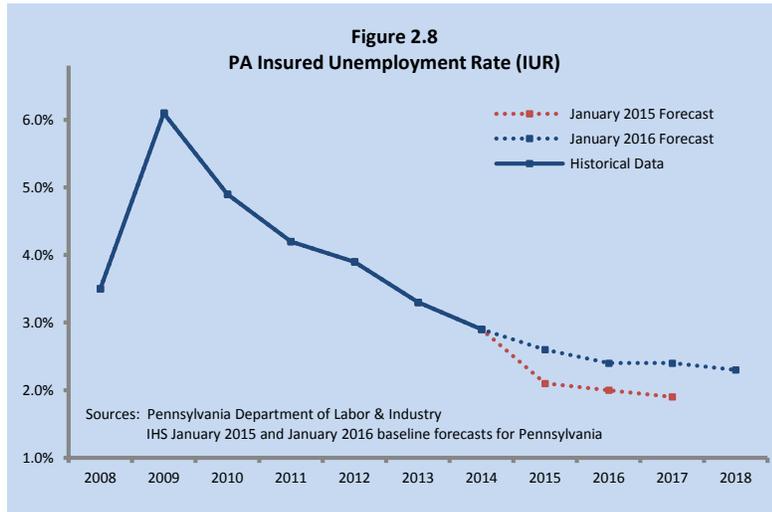


UC total wages are projected to increase from an estimated \$288.3 billion in 2015 to \$300.6 billion in 2016, \$315.1 billion in 2017, and \$329.6 billion in 2018.

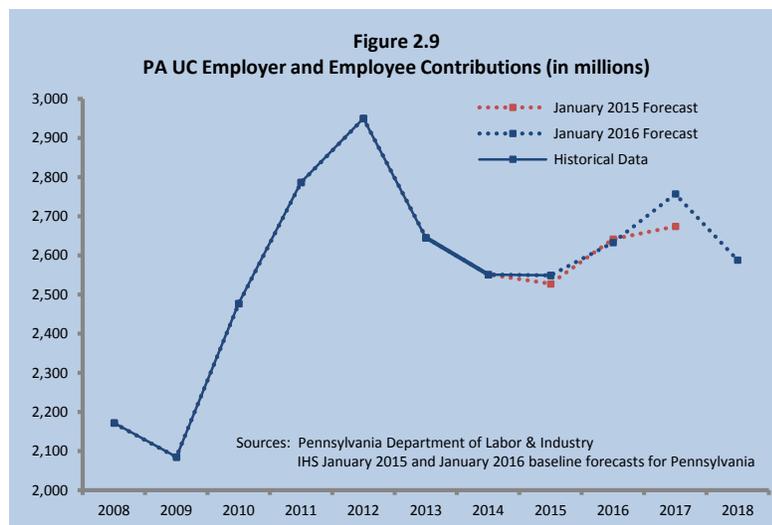


UC taxable wages are projected to increase from an estimated \$44.6 billion in 2015 to \$47.5 billion in 2016, \$49.3 billion in 2017, and \$50.8 billion in 2018. The average UC employer tax rate is projected to be 6 percent in 2016, down from 6.1 percent in 2015. The decrease is projected to continue, with an average tax rate of 5.9 percent in 2017 and 5.4 percent in 2018.

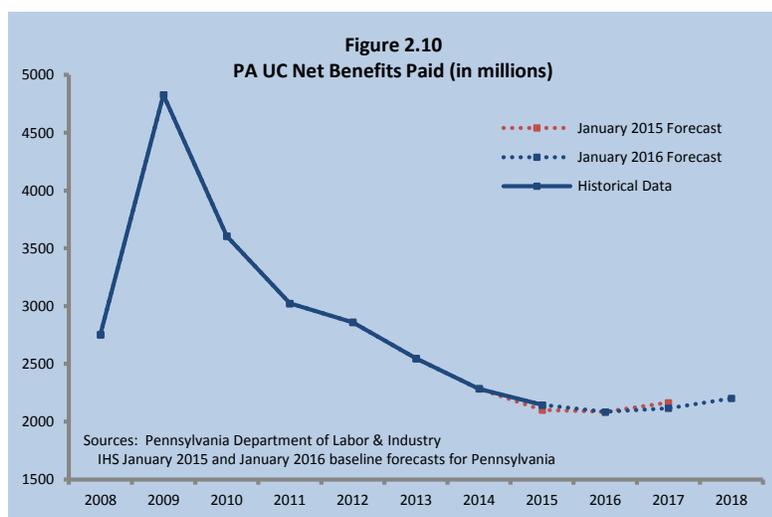
Insured Unemployment Rate (IUR), Benefits Paid and Contributions



Insured unemployment rate (IUR) is the ratio of regular UC claims to UC covered employment. IUR is projected to decrease from 2.9 percent in 2014 to 2.6 percent in 2015. It is then projected to decrease to 2.4 percent in 2016, 2.4 percent in 2017, and 2.3 percent in 2018.



Employer and employee contributions are projected to increase from \$2.5 billion in 2015 to \$2.6 billion in 2016 and \$2.8 billion in 2017, then decrease below \$2.6 billion in 2018. The decrease in 2018 will be due to recalculation of the solvency measures and the statutory decrease of the state adjustment factor (SAF) from 0.85 percent to 0.75 percent.



UC net benefits paid are projected to decrease from \$2.14 billion in 2015 to \$2.09 billion in 2016. After 2016, net benefits paid are projected to increase to \$2.12 billion in 2017 and \$2.2 billion in 2018. These increases are driven by the projected increase in the average weekly benefit amount.

The average weekly benefit amount (based on weeks paid for total unemployment) is forecast to increase from \$376.30 in 2015 to \$384 in 2016, \$399.34 in 2017, and \$415.21 in 2018.

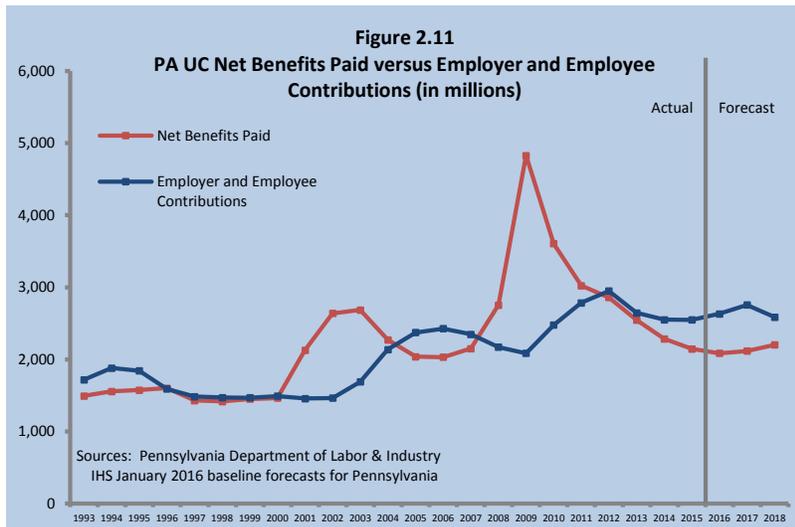


Figure 2.11 illustrates the relationship between benefits and contributions, and also shows how the solvency trigger mechanism causes employer and employee contributions to rise as a delayed response to an increase in benefits during periods of higher unemployment. Contributions increased following the 2009 recession, have exceeded benefits paid since 2012, and are expected to remain greater than benefits paid through 2018.

Section 3: UC Trust Fund Solvency Trigger Mechanism

Pennsylvania's UC law was amended in October 1988 to include a solvency trigger mechanism. The amendment provided that a measurement, in the form of a solvency percentage, be taken each July 1, starting in 1989. The solvency percentage determines the trigger level, which in turn activates specified tax measures for both employers and employees and triggers "on" or "off" a reduction to UC benefits in the subsequent calendar year.

The solvency percentage is calculated annually on July 1 by dividing the UC Trust Fund balance as of June 30 by the average yearly benefit cost for the past three fiscal years. Under Act 60 of 2012, if the solvency percentage is less than 250 percent, all of the solvency measures are triggered "on" for the following calendar year.

Effective in 1992 and each fifth year thereafter, the UC law requires the solvency measure rates to be redetermined to derive a targeted annual dollar amount for each solvency measure. Rates are redetermined based on the prior calendar year's benefit and contribution activity and are effective in the following calendar year. Rates for 2013-2017 were redetermined in 2012 based on contribution and benefit activity for 2011.

Solvency Measures for 2016 and 2017 (based on contribution and benefit activity for 2011)

	<u>Target Amount</u>	<u>Rate</u>
Employer surcharge	\$100,000,000	5.1%
Employer additional contributions	\$225,000,000	0.65%
Employee tax	\$166,666,667	0.07%
Benefit reduction	\$ 52,000,000	1.7%

Solvency Measures for 2018 (based on projected contribution and benefit activity for 2016)

	<u>Target Amount</u>	<u>Rate</u>
Employer surcharge	\$100,000,000	5.1%
Employer additional contributions	\$225,000,000	0.5%
Employee tax	\$166,666,667	0.06%
Benefit reduction	\$ 52,000,000	2.5%

The employer surcharge is assessed on each employer's contributions due. The surcharge is not assessed on additional contributions. Reimbursable employers are excluded from the surcharge.

The rate of employer additional contributions is added to each employer's assigned rate. Additional contributions are not subject to the employer surcharge. New employers and reimbursable employers are excluded from additional contributions.

The employee tax is assessed on all gross UC-covered wages for each employee.

Projected Revenue from Solvency Measures (millions)

	<u>2016</u>	<u>2017</u>	<u>2018</u>
Employer surcharge	\$ 100	\$ 102	\$ 96
Employer additional contributions	\$ 293	\$ 304	\$ 241
Employee tax	\$ 210	\$ 221	\$ 198
Benefit reduction	\$ 36	\$ 37	\$ 56

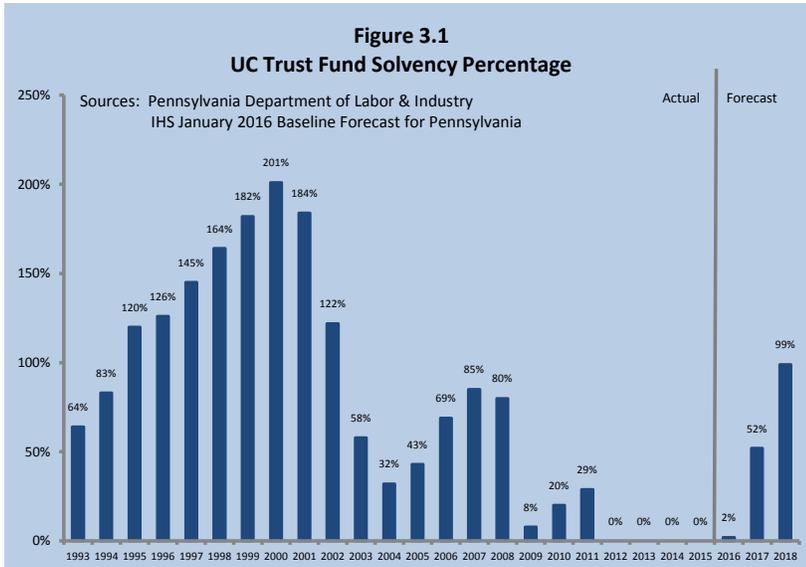
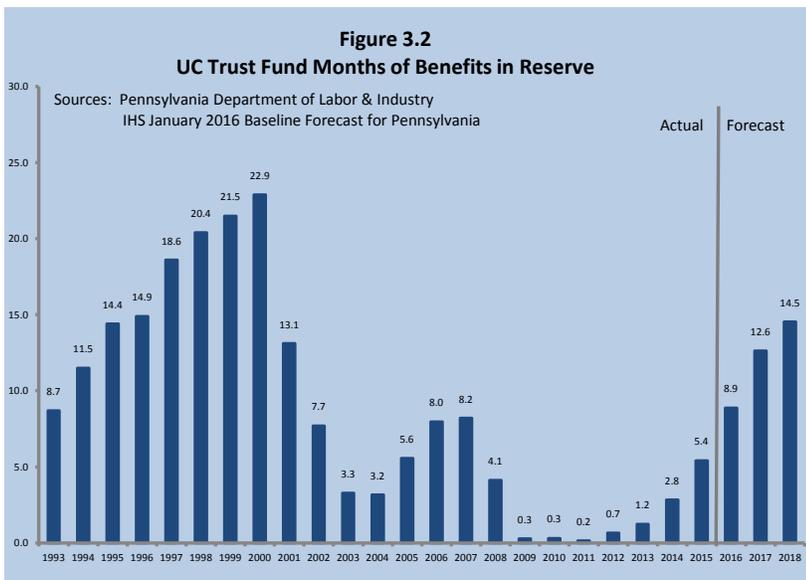


Figure 3.1 shows the annual UC Trust Fund solvency percentage. The solvency percentage for each year is the UC Trust Fund balance on June 30 divided by the three-year average for net benefits paid ending the same day. Per Act 60, starting in 2012 the amount of outstanding bonds or federal loans is subtracted from the Trust Fund balance for this calculation.



The number of months of benefits held in reserve in the UC Trust Fund is calculated using the Trust Fund balance at the end of the year and the total benefits paid during the previous 12 months.

Section 4: Status of UC Programs and Initiatives Accomplishments and Customer Focus

Unemployment Compensation Tax Services (UCTS)

Below are some highlights of activities completed by UCTS during calendar year 2015:

- Provided UC services to over 302,000 employers
- Responded to 120,874 customer telephone calls
- Processed 1,129,097 quarterly tax returns
- Received 38,210 new employer registrations
- Issued over 11,696 clearance certifications
- Revised 16,487 contribution rates
- Established 1,805 payment plans
- Filed 9,860 liens
- Approximately \$2.55 billion dollars were deposited into the UC Trust Fund, representing timely and delinquent payments from employers.
- Increased employer electronic filing of quarterly UC Tax reports to 99.4 percent of all reports filed by the fourth quarter of 2015
- Increased electronic payments to over 92 percent of all dollars submitted for 2015
- Completed 4,371 employer audits on gross payroll of \$5.14 billion
- Discovered 21,672 misclassified or unreported workers and discovered \$8.7 million in underreported taxes
- Issued 3,845 refunds to employers for a total of \$8.9 million
- Recommended 456 writs of executions against bank accounts, of which 461 were closed with a total amount collected of \$1.9 million
- Applied for additional federal monies made available by the U.S. Department of Labor supplemental budget request process and were awarded two grants in 2015 as follows:
 - o UCMS integration of Treasury Offset Program-\$140,000 for 2015-2017
 - o Public Education on Misclassified Workers-\$493,000 for 2015-2017
- Implemented the Treasury Offset Program (TOP) in 2015; a debt collection program that authorizes the United States Department of the Treasury (Treasury) to intercept federal income tax refunds from employers to repay their delinquent state UC tax debt. In 2015, we processed 878 offsets totaling \$1.2 million.

Office of UC Benefits Policy (OUCBP)

State Information Data Exchange System (SIDES)

By implementing the State Information Data Exchange System (SIDES), the Department of Labor & Industry is electronically transmitting UC information requests to participating employers instead of sending them in the mail. As of January 2015, the following third-party administrators participate in SIDES: Equifax, ADP, Employers Edge, Personnel Planners, Thomas & Company, Corporate Cost Control, Dunn Corporate Resources, and Ernst and Young. These third-party administrators handle over 9,000 employer accounts. The Department of Labor & Industry is also committed to developing an aggressive employer outreach plan designed to achieve the goal of transmitting requests and receiving responses from employers not using third-party administrators. There are currently over 9,200 employers enrolled in the SIDES E-Response system that interacts directly with employers, including Labor & Industry. Transmitting UC requests for information electronically saves money and promotes timely and accurate employer responses.

Enhancements to Initial Claim Application

In order to reduce the number of overpayments, the initial claim application has been enhanced to include additional questions regarding the claimant's earnings during their last week of employment before filing a claim for UC benefits. By asking these questions during the initial claim application process, the claimant is made aware of the importance of reporting any earnings received when filing biweekly claims at a later time. It is believed that these new measures will have a significant impact in preventing overpayments due to unreported earnings, which continues to be one of the leading causes of fault overpayments.

Shared-Work Program

The Shared-Work Program is an alternative to employers having to lay off their trained workforce during economic downturns. A Shared-Work plan provides partial benefits to a group of employees when an employer temporarily reduces their work hours. On January 29, 2015, U.S. Department of Labor approved Pennsylvania's two Shared-Work grant requests designed to implement enhancements and promote awareness of the program over the next five years.

Treasury Offset Program (TOP)

During January 2016, the Department of Labor & Industry submitted approximately 29,327 names to the Internal Revenue Service. These claimants have fraudulent UC and EB overpayments totaling \$120 million. During 2015, the Department of Labor & Industry recovered approximately \$20.4 million from 2014 federal income tax returns. Since the program's inception in 2011, the Department of Labor & Industry has recouped approximately \$67.9 million in fraudulent UC and EB overpayments through federal tax refunds.

Interstate Reciprocal Overpayment Recovery Arrangement (IRORA)

During 2015, Pennsylvania allocated \$472,793 in claimants' UC benefits toward their out-of-state overpayments. Pennsylvania also applied \$805,718 in claimants' out-of-state benefits toward their overpayments in Pennsylvania during 2015.

Pennsylvania New Hire Program

During calendar year 2015, the Department of Labor & Industry's new hire cross-match, which includes the State Directory of New Hires (SDNH) and National Directory of New Hires (NDNH), detected 6,784 overpayments in UC benefits. There was a total of \$4.7 million written in overpayments and \$1.8 million of that total was recovered to date.

Trade Adjustment Assistance (TAA)

The TAA Program was set to expire Sept. 30, 2015. However, new law, the TAARA 2015, was enacted that extended the TAA program through June 30, 2021. During 2015, 14 TAA petitions were certified under the Trade Act Reversion 2014 and 35 TAA petitions were certified under the TAARA 2015. As a result, 10,884 Pennsylvania workers were notified of their eligibility to apply for TAA. During this period, approximately \$22.2 million of TRA benefits were paid. In 2015, 444 claimants were paid RTAA benefits and 69 claimants were paid ATAA benefits, for a total of \$1.8 million.

Office of UC Service Centers (OUCSC)

In 2015, Pennsylvania's OUCSC:

- Completed a total of 1.7 million telephone calls
- Processed 1 million initial claims, including 556,768 new and additional internet claims
- Processed 5.4 million continued claims via the Internet
- Issued 263,024 non-monetary determinations for UC eligibility

Limited English Proficiency (LEP)

OUCSC updates its Service Plan for Individuals with LEP on an annual basis in accordance with federal regulation and law.

Claimants who primarily speak Spanish are able to utilize both Internet and telephone applications to open claims and file for UC benefits. In 2015, 3,602 Spanish initial claims were filed, and 50,400 Spanish continued claims were filed via the Internet. Pennsylvania Teleclaims (PAT), an interactive voice response continued claims filing system, is available in Spanish at a special toll-free number. Currently, OUCSC and OUCBP have 70 forms and publications available in Spanish.

If the individual has difficulty communicating in English, the UC representative utilizes an over-the-phone language contractor to assist in determining the claimant’s language needs, and provides appropriate service. In 2015, OUCSC and OUCBP used language services for 30,674 calls in 61 different languages. Additionally, 18 bi-lingual service center agents are available to assist Spanish-speaking claimants. Changes to OUCSC’s automated call distribution system allowed for expanded use of Spanish-speaking agents to assist claimants, instead of relying more on the language contractor, resulting in a cost savings of \$20,586 from Nov. 19, 2015 to Dec. 31, 2015.

Videophone Service for the Deaf

OUCSC provides videophone service for claimants who are deaf. Individuals who are deaf may use the videophone service to file claims for UC benefits and ask questions about their claims. Videophone service is provided in the Harrisburg Overflow Center and is available every Wednesday, from noon to 4 p.m. In 2015, 2,024 calls were handled from the deaf community.

The UC Role in Rapid Response Services

The Department of Labor & Industry’s Rapid Response Services is a collaboration between OUCSC and the Bureau of Workforce Development Partnership. When separations become necessary, Rapid Response Services can help by providing information on UC and reemployment services. The sooner the process can begin with a Rapid Response meeting, the sooner the effects of the layoff can be diminished.

To illustrate, here are the number of meetings held by Rapid Response Services since the economic downturn:

<u>Year</u>	<u>Rapid Response Meetings</u>	<u>Rapid Response Meeting Attendees</u>
2013	408	10,289
2014	460	8,911
2015	507	9,592

The OUCSC Role with Employers

OUCSC supports the Department of Labor & Industry’s speaker bureau by helping to explain the UC program to employers at various interactive settings. Workforce development representatives located throughout the commonwealth at each of the service centers conduct presentations explaining all of the basic issues relating to employers as well as specific topics. In addition, experts from UC Tax Services and the UC Board of Review are available to help employers better understand UC and, in turn, help keep their UC costs at a minimum. The Department of Labor & Industry has increased efforts to educate employers in understanding the many new laws and procedures enacted to restore the UC Trust Fund balance and reduce UC costs for all employers.

<u>Year</u>	<u>Employer Seminars</u>	<u>Attendees</u>
2013	237	2,195
2014	101	1,995
2015*	83	1,127

*Please note: The PA commonwealth budget impasse necessitated the cessation of the majority of employer seminars as of Oct. 1, 2015.

Appendix A: Statistical Appendix

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Definitions for Weekly Benefit Rates And Earning Requirements

Minimum Weekly Benefit Rate

Lowest amount of weekly unemployment compensation (UC) benefits available under Pennsylvania's UC law before deductions (e.g., for pensions).

Maximum Weekly Benefit Rate

Highest amount of weekly UC benefits established by Pennsylvania's UC law before deductions (e.g., for pensions) or supplements (e.g., for dependent allowance).

Earning Requirement, High Quarter

Amount of an individual's highest quarterly wages needed to qualify for a particular weekly benefit rate – used in combination with the base year earning requirement to determine benefit eligibility.

Earning Requirement, Base Year

Amount of wages during a four quarter period needed to qualify for benefits – used in conjunction with the high quarter earning requirement to determine the weekly benefit rate.

Table A-1
Weekly Benefit Rates and Earning Requirements

Year	Minimum			Maximum		
	Weekly Benefit Rate ¹	High Quarter Earnings	Base Year Earnings	Weekly Benefit Rate ¹	High Quarter Earnings	Base Year Earnings
1996	\$35	\$800-\$812	\$1,320	\$352	\$8,738	\$14,000
1997	35	800-812	1,320	362	8,988	14,400
1998	35	800-812	1,320	375	9,313	14,920
1999	35	800-812	1,320	393	9,763	15,640
2000	35	800-812	1,320	408	10,138	16,240
2001	35	800-812	1,320	430	10,688	17,120
2002	35	800-812	1,320	442	10,988	17,600
2003	35	800-812	1,320	451	11,213	17,960
2004	35	800-812	1,320	461	11,463	18,360
2005	35	800-812	1,320	478 ²	11,888	19,040
2006	35	800-812	1,320	497 ²	12,363	19,800
2007	35	800-812	1,320	520	12,938	20,720
2008	35	800-812	1,320	539	13,413	21,480
2009	35	800-812	1,320	558	13,888	22,240
2010	35	800-812	1,320	564 ²	14,038	22,480
2011	35	800-812	1,320	573 ²	14,263	22,840
2012	35	800-812	1,320	573 ²	14,263	22,840
2013	70	1,688-1,712	3,391	573 ³	14,263	28,292 ⁴
2014	70	1,688-1,712	3,391	573 ³	14,263	28,292 ⁴
2015	70	1,688-1,712	3,391	573 ³	14,263	28,292 ⁴

Source: Pennsylvania Department of Labor & Industry

¹Does not include \$5 for first dependent and \$3 for second dependent which became effective Oct. 1, 1971.

²In 2005, 2006, 2010, 2011, and 2012 all weekly benefit checks were subject to a 2.3 percent reduction. For example, a \$252 weekly benefit rate was reduced to \$246.

³In 2013 and 2014, all weekly benefit rates were subject to a 1.7 percent reduction. For example, a \$252 weekly benefit rate was reduced to \$247.

⁴The amount shown applies to high quarter wages of \$14,263. At least 49.5 percent of wages must be earned outside of the high quarter.

Definitions for UC Claim Activities

Insured Unemployment Rate (IUR)

Ratio of the average annual weekly number of persons claiming UC benefits to average annual covered employment - calculated by dividing average annual weekly continued weeks claimed by average annual covered employment.

Initial Claims

Notices of unemployment filed to request a determination of entitlement to and eligibility for compensation in a new benefit year (period of eligibility) following a period of employment or to begin a second or subsequent period of eligibility within the benefit year following interim employment - included are transitional claims which provide another period of eligibility (benefit year) based on a second determination of entitlement without a period of employment separating the end of the first benefit year from the beginning of the second.

New Claims

Type of initial claim representing an individual's first separation from employment for which a determination of benefit eligibility is requested.

Weeks Claimed

Requests for benefits filed by claimants which certify to the fact the claimants experienced total, partial, or part total unemployment for given weeks (includes waiting weeks claimed and requests subsequently denied).

Waiting Weeks Claimed

First week of unemployment in a benefit year for which individuals do not receive benefits but must meet UC eligibility requirements in order to qualify for benefits for subsequent weeks of unemployment

Table A-2**Unemployment Compensation Claim Activities**

Year	IUR	Initial Claims	New Claims	Weeks Claimed	Waiting Weeks
1996	3.3%	1,218,496	618,255	8,711,731	497,917
1997	2.8%	1,101,409	569,514	7,615,908	502,559
1998	2.7%	1,138,641	567,585	7,312,502	493,259
1999	2.6%	1,036,558	535,309	7,099,459	494,849
2000	2.4%	983,951	538,767	6,882,190	495,799
2001	3.3%	1,309,511	707,974	9,269,080	664,459
2002	3.9%	1,314,267	716,947	10,843,412	709,960
2003	4.0%	1,341,118	726,556	11,205,336	697,212
2004	3.4%	1,177,499	640,967	9,515,424	605,155
2005	3.1%	1,148,256	614,444	8,728,555	570,225
2006	3.0%	1,176,669	596,054	8,496,746	574,111
2007	3.0%	1,250,476	621,639	8,535,079	590,835
2008	3.5%	1,445,344	747,708	10,102,236	702,410
2009	6.1%	2,026,055	962,106	17,099,144	963,009
2010	4.9%	1,577,833	806,635	13,763,953	795,540
2011	4.2%	1,469,617	777,116	11,875,753	729,762
2012	3.9%	1,425,911	754,499	11,006,549	682,125
2013	3.3%	1,321,334	724,169	9,458,413	602,372
2014	2.9%	1,146,000	623,366	8,427,164	550,536
2015	2.6%	1,073,923	584,048	7,440,503	513,241

Source: Pennsylvania Department of Labor & Industry

Definitions for UC Payment Activities

Number of Recipients

The number of claimants who received at least one payment during the calendar year.

First Payments

First benefit payment a claimant receives for a week of unemployment in a benefit year.

Final Payments

Number of claimants drawing the final payment of their original entitlement in a benefit year under the regular state UC program.

Weeks Paid

The number of weeks claimed for which UC benefits are paid. Weeks compensated for partial unemployment are included.

Net Benefits Paid

Net amount withdrawn from the UC Trust Fund to pay regular state UC benefits. Includes adjustments to original amounts paid such as returned and redeposited payments.

Average Weekly Benefit Amount

The average weekly benefit amount is the benefits paid for total unemployment during the year divided by the number of weeks for which benefits were paid (weeks compensated for total unemployment). Payments for partial unemployment are excluded from both numerator and denominator.

Average Duration

Average number of regular UC weeks paid per claimant for a given time period - calculated by dividing the number of weeks compensated by the number of first payments.

Table A-3

Unemployment Compensation Payment Activities

Year	Number of Recipients	First Payments	Final Payments	Weeks Paid	Net Benefits Paid	Average Weekly Benefit Amount ²	Average Duration in Weeks
1996	595,292	467,434	135,550	7,830,542	\$1,602,333,000	\$219.08	16.8
1997	534,854	429,874	111,217	6,881,145	1,429,864,000	227.50	16.0
1998	520,240	418,539	104,690	6,516,439	1,417,968,000	237.77	15.6
1999	504,118	402,078	102,613	6,328,215	1,450,836,000	250.56	15.7
2000	489,769	396,227	96,622	6,019,988	1,463,846,000	264.76	15.2
2001	636,670	545,596	128,679	8,178,922	2,128,215,000	281.52	15.0
2002	710,085	560,805	197,968	9,681,140	2,665,274,000	291.06	17.3
2003	701,949	566,022	212,711	10,095,011	2,767,815,000	291.84	17.8
2004	625,699	486,975	165,590	8,429,492	2,448,788,000	293.61	17.3
2005 ¹	576,520	461,257	139,872	7,671,548	2,192,245,000	291.89	16.6
2006 ¹	560,513	447,066	133,827	7,346,051	1,891,685,000	301.27	16.4
2007	570,091	461,807	131,934	7,458,854	2,013,558,000	322.93	16.2
2008	658,629	562,343	166,335	9,035,608	2,543,100,000	335.40	16.1
2009	926,315	782,870	355,542	15,354,988	4,735,127,000	352.16	19.6
2010 ¹	772,475	587,347	295,647	11,724,613	3,606,521,000	337.91	19.9
2011 ¹	678,544	530,009	228,135	9,909,169	3,023,271,000	335.18	18.7
2012 ¹	640,828	502,647	204,218	8,980,732	2,859,610,000	348.27	17.9
2013 ¹	584,551	442,654	172,727	7,834,254	2,547,295,000	359.81	17.7
2014 ¹	527,550	413,685	139,418	6,999,112	2,284,758,000	363.77	16.9
2015 ¹	495,478	391,726	114,367	6,307,952	2,145,542,000	376.30	16.1

Source: Pennsylvania Department of Labor & Industry
U.S. Bureau of Public Debt

¹The benefits paid and average weekly benefit amount include the benefit reduction that was in effect that year.

²The average weekly benefit amount calculation does not include partial payments.

Definitions for Benefit Recipients by County

County

County in which a benefit recipient resides.

Benefit Recipients

The number of recipients who received at least one payment within the calendar year.

Amount Paid

Estimated total amount paid to recipients within a county.

Table A-4
2015 Benefit Recipients by County

County	Benefit Recipients	Amount Paid	County	Benefit Recipients	Amount Paid
Adams	3,496	\$11,549,000	Lackawanna	8,805	\$36,661,000
Allegheny	43,992	198,776,000	Lancaster	16,275	59,168,000
Armstrong	4,130	19,875,000	Lawrence	4,116	18,511,000
Beaver	7,895	36,276,000	Lebanon	5,197	17,383,000
Bedford	2,495	9,855,000	Lehigh	12,816	52,283,000
Berks	14,661	59,630,000	Luzerne	15,136	61,264,000
Blair	5,213	19,173,000	Lycoming	6,182	28,780,000
Bradford	2,908	13,641,000	Mckean	1,742	7,343,000
Bucks	17,417	83,553,000	Mercer	4,446	16,047,000
Butler	7,124	31,865,000	Mifflin	2,210	7,832,000
Cambria	6,543	27,251,000	Monroe	5,009	19,519,000
Cameron	313	1,131,000	Montgomery	21,533	106,428,000
Carbon	2,764	11,416,000	Montour	596	2,168,000
Centre	3,227	13,509,000	Northampton	9,314	38,175,000
Chester	11,597	55,167,000	Northumberland	4,969	18,074,000
Clarion	2,069	7,427,000	Perry	1,690	6,572,000
Clearfield	4,639	19,275,000	Philadelphia	52,691	217,498,000
Clinton	2,115	9,680,000	Pike	1,089	4,278,000
Columbia	3,361	12,467,000	Potter	812	3,695,000
Crawford	3,357	12,533,000	Schuylkill	7,197	28,213,000
Cumberland	6,236	25,792,000	Snyder	2,010	6,097,000
Dauphin	8,757	34,179,000	Somerset	4,335	18,353,000
Delaware	15,581	71,270,000	Sullivan	284	1,380,000
Elk	1,693	6,140,000	Susquehanna	1,521	7,271,000
Erie	11,447	42,841,000	Tioga	2,094	8,919,000
Fayette	7,136	31,919,000	Union	1,585	5,071,000
Forest	231	899,000	Venango	2,384	10,263,000
Franklin	5,521	20,169,000	Warren	1,354	5,273,000
Fulton	726	2,570,000	Washington	9,352	44,261,000
Greene	1,782	8,601,000	Wayne	1,734	7,732,000
Huntingdon	2,703	10,990,000	Westmoreland	16,177	71,925,000
Indiana	4,440	20,631,000	Wyoming	1,369	6,670,000
Jefferson	2,501	10,417,000	York	16,402	59,491,000
Juniata	1,233	4,678,000	Out of state	33,749	197,799,000
			Total	495,478	\$2,145,542,000

Source: Pennsylvania Department of Labor & Industry
U.S. Bureau of Public Debt

Definitions for Benefit Recipients by Industry Sector

Industry Sector

Primary activity of covered employers based on the grouping according to the North American Industry Classification System (NAICS).

Benefit Recipients

The number of recipients who received at least one payment within each industry sector.

Amount Paid

Estimated total amount paid to recipients within an industry sector.

Table A-5
2015 Benefit Recipients by Industry Sector

Industry Sector	Benefit Recipients	Amount Paid
Natural Resources and Mining	14,611	\$85,544,000
Construction	82,259	434,814,000
Manufacturing	75,834	297,340,000
Trade, Transportation, and Utilities	90,051	346,540,000
Information	5,620	33,243,000
Financial Activities	16,438	90,059,000
Professional and Business Services	80,907	356,904,000
Education and Health Service	55,585	232,843,000
Leisure and Hospitality	44,236	133,781,000
Other Services	10,256	43,332,000
Local Government	13,112	55,438,000
Unclassified Industry	6,569	35,704,000
Total	495,478	\$2,145,542,000

Source: Pennsylvania Department of Labor & Industry
U.S. Bureau of Public Debt

Definitions for UC Nonmonetary Determinations

Nonmonetary Determinations

Decisions relative to a claimant's nonfinancial eligibility for UC benefits - includes such issues as voluntary quit, fired for misconduct, and able and available for work. Employers or claimants may appeal adverse determinations.

Table A-6**Unemployment Compensation Nonmonetary Determinations**

Year	Total	Ineligible	Eligible
1996 ¹	507,641	179,673	327,968
1997 ¹	624,074	281,634	342,440
1998 ¹	546,432	249,510	296,922
1999 ¹	470,807	219,703	251,104
2000 ¹	389,187	194,454	194,733
2001	375,761	167,541	208,220
2002	382,176	214,937	167,239
2003	410,574	232,727	177,847
2004	436,097	251,112	184,985
2005	331,430	155,630	175,800
2006	319,658	134,318	185,340
2007	308,011	124,349	183,662
2008	287,722	120,489	167,233
2009	329,140	137,327	191,813
2010	329,514	137,308	192,206
2011	340,397	148,004	192,393
2012	285,313	140,237	145,076
2013	262,731	135,534	127,197
2014	270,546	146,633	123,913
2015	265,119	150,920	114,199

Source: Pennsylvania Department of Labor & Industry

¹Includes additional categories of nonmonetary determinations pertaining primarily to the establishment of overpayments and penalty weeks not counted in other years. The majority of these determinations are ineligible.

Definitions for Employer Contribution Factors

Taxable Wage Base

Maximum amount of an employee's annual wages subject to employer state UC taxes - the wage base must be no less than the federal minimum tax base (FUTA) of \$7,000 effective starting in 1983.

Average Tax Rate

Average rate at which UC taxes are payable. Calculated by dividing total UC contributions due by taxable wages - excludes contributions from employees and reimbursable employers.

Portion Experience Rated

Portion of employer taxes that is based on the employer's experience with unemployment. Calculated as the ratio of the average tax rate minus any flat tax to the average tax rate.

Portion Not Experience Rated

Portion of employer taxes that is not based on the employer's experience with unemployment. Calculated as the ratio of any flat tax to the average tax rate.

Table A-7
Employer Contribution Factors

Year	Taxable Wage Base	Average Tax Rate	Breakdown of Average Tax Rate	
			Experience Rated	Not Experience Rated
1995	\$8,000	4.78%	55%	45%
1996	8,000	4.16%	59%	41%
1997	8,000	3.95%	62%	38%
1998	8,000	3.84%	61%	39%
1999	8,000	3.78%	62%	38%
2000	8,000	3.72%	61%	39%
2001	8,000	3.66%	60%	40%
2002	8,000	3.70%	61%	39%
2003	8,000	4.22%	61%	39%
2004	8,000	5.07%	57%	43%
2005	8,000	5.43%	56%	44%
2006	8,000	5.39%	56%	44%
2007	8,000	5.01%	56%	44%
2008	8,000	4.67%	58%	42%
2009	8,000	4.64%	57%	43%
2010	8,000	5.58%	57%	43%
2011	8,000	6.54%	57%	43%
2012	8,000	6.64%	61%	39%
2013	8,500	6.64%	56%	44%
2014	8,750	6.31%	54%	46%
2015	9,000	6.05%	53%	47%

Source: Pennsylvania Department of Labor & Industry

Definitions for Summary of Tax Rates by Industry

Major Sector

Primary activity of covered employers based on the grouping according to the 2012 edition of the North American Industry Classification System (NAICS).

Number of Contributory Employers

Number of taxable employers subject to the Pennsylvania UC law.

Average Tax Rate

Average tax rate derived by dividing taxable payroll by contributions due.

Total Payroll

Total wages paid by contributory employers who are subject to the Pennsylvania UC law.

Taxable Payroll

Amount of wages subject to UC taxes - these are wages paid by contributory employers, up to the taxable wage base for each employee. In 2013, the taxable wage base was \$8,500.

Contributions Due

Total amount due to the UC Trust Fund from contributory employers.

Table A-8
Summary of Tax Rates by Industry for 2015
(Dollars in Millions)

Major Sector	Number Contributory Employers	Average Tax Rate	Total Payroll	Taxable Payroll
Natural Resources and Mining	3,382	6.4%	\$3,868	\$680
Construction	29,652	8.9%	\$14,167	\$3,012
Manufacturing	13,786	6.7%	\$38,508	\$6,209
Trade, Transportation, and Utilities	59,165	5.7%	\$49,018	\$11,241
Information	3,669	6.3%	\$6,070	\$856
Financial Activities	19,278	5.6%	\$26,415	\$3,366
Professional and Business Services	56,535	6.3%	\$47,918	\$7,976
Education and Health Services	48,336	5.4%	\$22,363	\$5,478
Leisure and Hospitality	28,761	5.4%	\$10,779	\$4,948
Other Services	30,826	5.0%	\$5,244	\$1,552
Local Government	1,212	5.7%	\$825	\$212
Total	294,602	6.1%	\$225,174	\$45,529

Source: Pennsylvania Department of Labor & Industry

Definitions for Covered Employment and Wages

Active Employers

Employers who either are subject to or voluntarily elect to be covered under the provisions of the Pennsylvania UC law.

Average Covered Employment

Twelve-month average number of employees working for employers covered under the Pennsylvania UC law.

Total Wages

Amount of annual wages paid to all employees in covered employment.

Taxable Wages

Amount of wages subject to UC taxes - these are wages paid by contributory employers, up to the taxable wage base for each employee. The taxable wage base for 2015 was \$9,000.

Table A-9
Covered Employment and Wages

Year	Active Employers ¹	Average Covered Employment	Total Wages	Taxable Wages
1996	236,276	5,046,174	\$144,910,231,319	\$33,664,898,315
1997	238,308	5,158,118	154,383,264,744	34,854,248,991
1998	246,154	5,253,652	164,800,517,598	36,290,518,613
1999	250,367	5,345,921	173,807,881,592	37,343,375,939
2000	259,492	5,443,618	184,042,135,595	38,648,909,978
2001	265,451	5,442,944	189,076,552,731	38,418,405,066
2002	268,723	5,396,047	191,748,701,127	37,612,959,735
2003	271,459	5,363,633	196,855,782,949	37,239,889,015
2004	275,853	5,390,750	206,119,193,758	37,766,495,714
2005	280,394	5,446,514	214,210,346,757	38,291,369,992
2006	284,770	5,502,645	225,612,061,613	38,839,811,010
2007	289,289	5,549,120	237,997,366,817	39,556,490,803
2008	287,417	5,554,566	244,561,264,585	39,345,958,986
2009	285,010	5,363,287	238,327,258,507	36,878,066,196
2010	284,682	5,362,687	243,186,797,577	37,298,262,921
2011	307,613	5,432,412	253,351,180,050	38,471,034,196
2012	306,408	5,478,189	263,136,863,490	39,041,928,054
2013	302,987	5,499,982	268,078,102,730	41,431,811,579
2014	293,142	5,548,946	278,694,230,488	43,380,509,793
2015	302,997	5,595,770	290,076,986,651	45,529,540,796

Source: Pennsylvania Department of Labor & Industry

¹As of Dec. 31 of each year. Includes contributory and reimbursable employers.

Definitions for Unemployment Compensation Solvency Measures

Solvency Percentage

The solvency percentage is calculated on July 1 of each year and is defined as the UC Trust Fund balance ending June 30 divided by the average benefit cost for the three fiscal years ending the same date multiplied times one-hundred. The solvency percentage determines the trigger level that in turn establishes the solvency measures to be used in the following calendar year.

Employer Surcharge

Assessed on an employer's contributions due for a calendar year at a rate established by the solvency trigger level - the surcharge is not assessed on employer reimbursable contributions due and employer solvency additional contributions.

Employer Additional Contribution Tax

Added on to an employer's assigned calendar year tax rate at a rate established by the solvency trigger level - the additional tax is not assigned to new contributory employers and reimbursable employers-the tax is not subject to the employer surcharge solvency measure.

Employee Tax

Assessed on the calendar year gross wages of all employees covered under the state's UC law at a rate established by the solvency trigger level.

Benefit Reduction

All weekly benefit rates during a calendar year are reduced at a rate established by the solvency trigger level.

Table A-10
Unemployment Compensation Solvency Measures
(Dollars in Millions)

Year ¹	Solvency Percentage ²	Employer Surcharge		Employer Additional Tax		Employee Tax		Benefit Reduction	
		Rate	Amount Due ³	Rate	Amount Due ³	Rate	Amount Due ³	Rate	Amount Due ³
1996	126	4.7%	\$63	none	\$0	0.03%	\$43	none	\$0
1997	145	none	0	none	0	none	0	none	0
1998	164	none	0	none	0	none	0	none	0
1999	182	-1.4%	-20	none	0	none	0	none	0
2000	201	-1.4%	-20	none	0	none	0	none	0
2001	184	-1.4%	-20	none	0	none	0	none	0
2002	122	-1.4%	-20	none	0	none	0	none	0
2003	58	3.6%	55	none	0	0.02%	39	none	0
2004	32	7.2%	119	0.40%	142	0.09%	186	none	0
2005	43	7.2%	125	0.60%	215	0.09%	193	2.3%	51
2006	69	7.2%	126	0.60%	219	0.09%	203	2.3%	52
2007	85	7.2%	123	0.40%	149	0.09%	214	none	0
2008	80	5.8%	96	0.25%	93	0.06%	147	none	0
2009	8	5.8%	89	0.25%	87	0.06%	143	none	0
2010	20	5.8%	102	0.60%	230	0.08%	195	2.3%	86
2011	29	5.8%	116	0.65%	236	0.08%	203	2.3%	72
2012	0	5.8%	133	0.65%	250	0.08%	209	2.3%	67
2013	0	5.1%	100	0.65%	255	0.07%	189	1.7%	44
2014	0	5.1%	92	0.65%	262	0.07%	194	1.7%	40
2015	0	5.1%	96	0.65%	273	0.07%	202	1.7%	37

Source: Pennsylvania Department of Labor & Industry

¹The Unemployment Compensation (UC) Law was amended in 1988 to include an UC solvency trigger mechanism. The first solvency percentage calculation occurred in 1989.

²Solvency percentage activates solvency measures for the following calendar year. The 1989 solvency measures were fixed by the Unemployment Compensation Law.

³Amount of contributions due for the calendar year. Actual receipts during the year may differ as a result of contributions due for a quarter being received in the subsequent quarter.

Definitions for Unemployment Compensation Trust Fund Summary

Employer and Employee Contributions Deposited

Payments made to the state's UC Trust Fund by employers and employees subject to Pennsylvania's UC law. Includes contributions from employers who submit quarterly contributions to the UC Trust Fund based on their tax rate and taxable wages - included are all businesses for profit, and all nonprofit associations or local governments who do not elect to be reimbursable employers. Also includes reimbursements from employers who repay the UC Trust Fund dollar for dollar for benefits paid to former employees – included are state government agencies, nonprofit associations and local governments who elect this method of financing their UC costs. Contributions from the employee tax (from the solvency trigger mechanism) are also included.

Net Benefits Paid

Net amount withdrawn from the UC Trust Fund to pay regular state UC benefits. Includes adjustments to original amounts paid such as returned and redeposited payments.

UC Trust Fund Balance

Cash balance in the UC Trust Fund at the end of the calendar year. Includes Title XII federal loans.

Title XII Federal Loan Balance

Total outstanding federal loans at the end of the calendar year.

UC Bond Balance

Total outstanding UC bond balance at the end of the calendar year.

Table A-11
Unemployment Compensation Trust Fund Summary

Year	Employer and Employee Contributions Deposited	Net Benefits Paid	Unemployment Compensation Trust Fund Balance¹	Title XII Federal Loan Balance	UC Bond Balance
1996	\$1,589,414,000	\$1,602,333,000	\$2,002,263,000	0	0
1997	1,483,977,000	1,429,864,000	2,199,308,000	0	0
1998	1,471,416,000	1,417,968,000	2,410,055,000	0	0
1999	1,469,814,000	1,450,836,000	2,596,412,000	0	0
2000	1,490,359,000	1,463,846,000	2,802,479,000	0	0
2001	1,458,548,000	2,128,215,000	2,314,313,000	0	0
2002	1,465,332,000	2,665,274,000	1,710,128,000	0	0
2003	1,690,395,000	2,767,815,000	761,931,000	0	0
2004	2,136,803,000	2,448,788,000	613,986,000	0	0
2005	2,374,444,000	2,192,245,000	980,813,000	0	0
2006	2,426,901,000	1,891,685,000	1,383,464,000	0	0
2007	2,348,476,000	2,013,558,000	1,545,652,000	0	0
2008	2,171,544,000	2,543,100,000	981,162,000	0	0
2009	2,084,405,000	4,735,127,000	116,777,000	1,871,458,000	0
2010	2,476,501,000	3,606,521,000	94,082,000	3,008,615,000	0
2011	2,786,242,000	3,023,271,000	40,007,000	3,234,745,000	0
2012	2,949,685,000	2,859,610,000	164,275,000	0	2,827,405,000
2013	2,645,118,000	2,547,295,000	263,121,000	0	2,571,740,000
2014	2,550,618,000	2,284,758,000	540,400,000	0	2,239,810,000
2015	2,548,711,000	2,145,542,000	966,815,000	0	1,874,390,000

Sources: Pennsylvania Department of Labor & Industry
U.S. Bureau of Public Debt

¹Trust Fund Balances include Title XII Loans (Federal Advances) and 2012 Unemployment Compensation Revenue Bonds.

Definitions for Population and Labor Force Data

Total Population

Total number of Pennsylvania residents.

Civilian Labor Force

Twelve month average number of Pennsylvania residents who are classified by the U.S. Bureau of the Census as either employed or unemployed.

Total Resident Employment

Twelve month average number of civilian Pennsylvania residents, 16 years old and older, who are either working or on a paid absence from work – resident employment is derived from a monthly survey of a sample of Pennsylvania households by the U.S. Bureau of the Census.

Total Unemployment

Twelve month average number of Pennsylvania residents, 16 years old and older, who are not working but are looking for work or are waiting to report to a new job within 30 days - total unemployment is derived from a monthly survey of a sample of Pennsylvania households by the U.S. Bureau of the Census.

Total Unemployment Rate (TUR)

The percentage of individuals unemployed in the civilian labor force defined as the number of individuals 16 years of age or older who do not have a job but are available for work and actively seeking work including individuals on layoff and waiting to report to a new job within 30 days, divided by the number of persons in the civilian labor force – the civilian labor force is the sum of the number of individuals who are either employed or unemployed.

**Table A-12
Population and Labor Force Data
(in thousands)**

Year	Total Population ¹	Labor Force	Resident Employment	Resident Unemployment	Unemployment Rate
1996	12,220	5,988	5,662	326	5.4%
1997	12,228	6,086	5,775	311	5.1%
1998	12,246	6,068	5,788	281	4.6%
1999	12,264	6,078	5,810	268	4.4%
2000	12,281	6,086	5,831	255	4.2%
2001	12,296	6,168	5,874	293	4.8%
2002	12,322	6,218	5,869	349	5.6%
2003	12,351	6,145	5,796	349	5.7%
2004	12,377	6,197	5,860	337	5.4%
2005	12,405	6,270	5,958	312	5.0%
2006	12,471	6,308	6,021	287	4.5%
2007	12,523	6,330	6,054	276	4.4%
2008	12,566	6,450	6,105	345	5.4%
2009	12,605	6,406	5,898	509	8.0%
2010	12,702	6,392	5,851	541	8.4%
2011	12,745	6,397	5,885	512	7.9%
2012	12,773	6,465	5,957	508	7.9%
2013	12,784	6,440	5,965	476	7.4%
2014	12,794	6,391	6,016	376	5.9%
2015	12,803	6,424	6,094	330	5.1%

**2015 Monthly Data
(seasonally adjusted)**

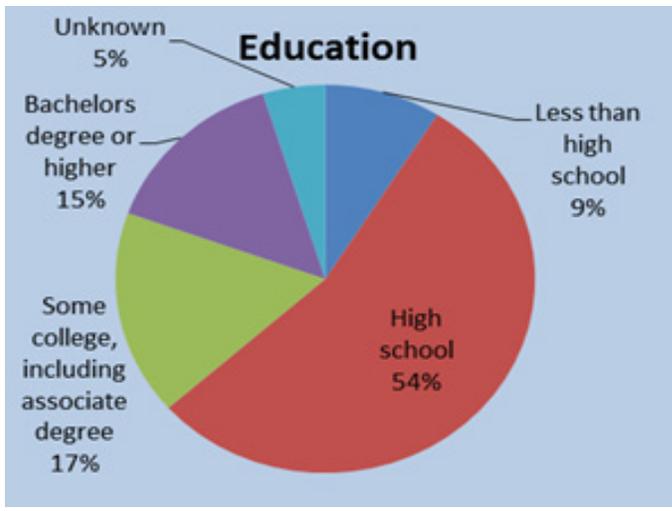
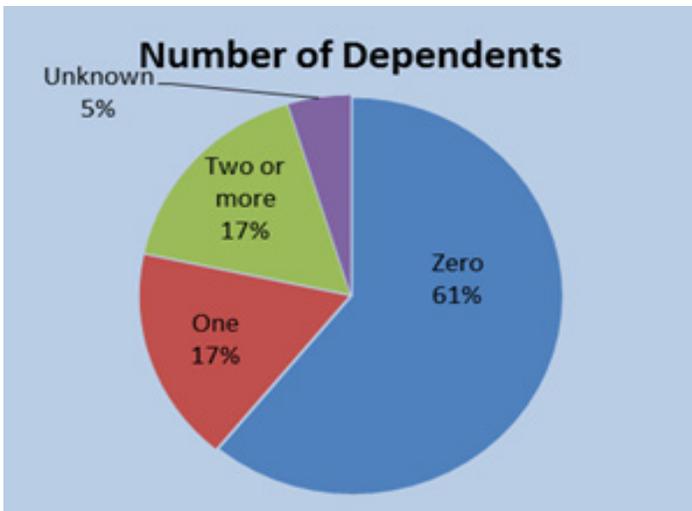
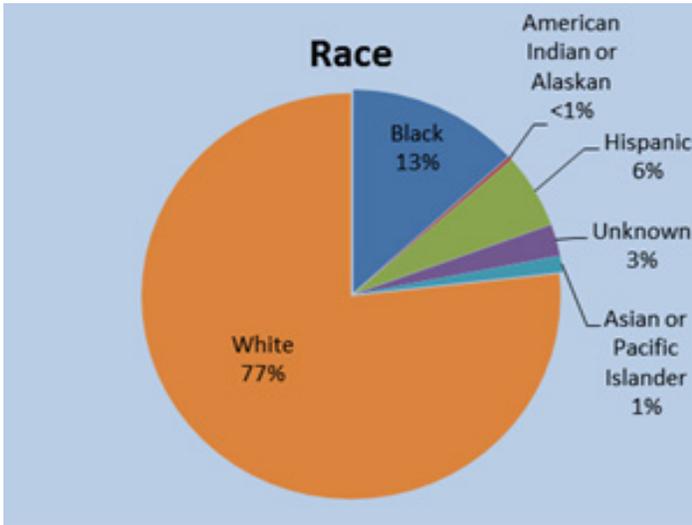
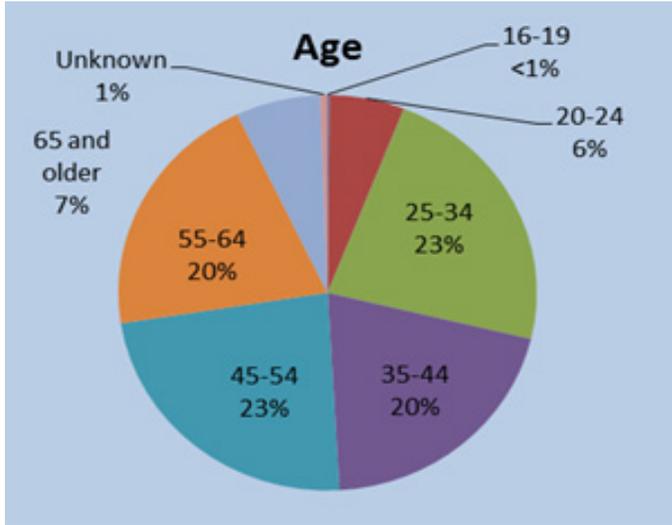
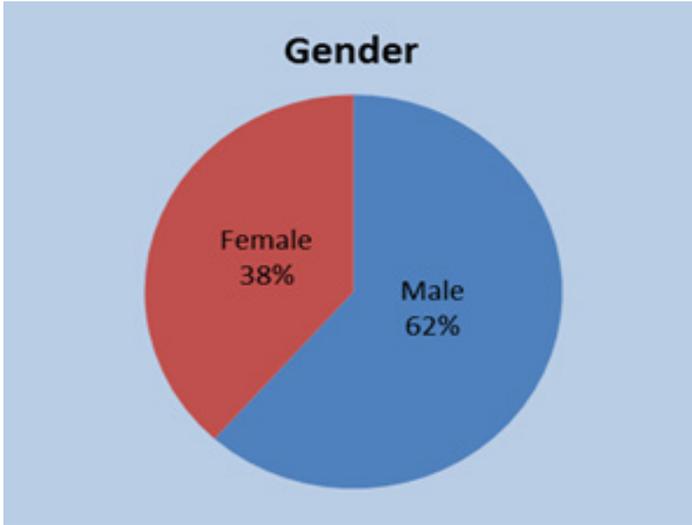
Month	Labor Force	Resident Employment	Resident Unemployment	Unemployment Rate
January	6,415	6,073	342	5.3%
February	6,417	6,075	341	5.3%
March	6,418	6,078	340	5.3%
April	6,418	6,081	337	5.2%
May	6,419	6,086	332	5.2%
June	6,421	6,093	327	5.1%
July	6,423	6,101	322	5.0%
August	6,426	6,109	317	4.9%
September	6,429	6,117	312	4.9%
October	6,432	6,125	307	4.8%
November	6,435	6,132	303	4.7%
December	6,437	6,137	300	4.7%

Sources: Pennsylvania Local Area Unemployment Statistics (LAUS)
US Bureau of the Census

Data may not add to totals due to rounding. Labor force statistics reflect Feb. 26, 2016 revision.

¹The 2000 and 2010 data reflect actual U.S. Bureau of the Census counts. For all other years, data reflect mid-year statistics provided by the U.S. Bureau of the Census.

Appendix B: 2015 Recipient Demographics



Source: Pennsylvania Department of Labor & Industry

Appendix C: 2015 State Comparisons

State	TUR	Rank	Benefits Paid	Rank	Average Weekly Benefit	Rank	Taxable Wage Base	Rank	Average Tax Rate on Taxable Wages	Rank	Average Tax Rate on Total Wages	Rank
Alabama	5.8	45	\$201,007	20	\$820.81	13	\$8,000	6	2.1086	20	0.48	12
Alaska	6.5	50	\$119,822	12	\$1,019.11	42	\$38,700	50	2.3287	28	1.42	49
Arizona	5.7	43	\$284,863	27	\$898.37	30	\$7,000	3	2.3231	27	0.45	10
Arkansas	4.4	21	\$232,976	23	\$765.60	6	\$12,000	21	2.788	38	0.92	36
California	5.8	46	\$5,291,551	52	\$1,155.75	48	\$7,000	4	4.9052	51	0.75	26
Colorado	3.3	8	\$510,150	37	\$1,018.11	41	\$11,800	20	2.3078	25	0.62	19
Connecticut	5	33	\$701,156	41	\$1,238.60	50	\$15,000	32	3.8676	47	0.93	37
Delaware	4.5	24	\$77,674	4	\$1,021.96	43	\$18,500	36	2.1101	21	0.72	23
District of Columbia	6.5	51	\$110,479	10	\$1,536.49	53	\$9,000	14	2.7819	37	0.4	6
Florida	4.9	32	\$511,775	38	\$862.42	24	\$7,000	2	2.2399	23	0.46	11
Georgia	5.3	36	\$408,082	34	\$924.68	32	\$9,500	16	2.1425	22	0.5	13
Hawaii	3.2	6	\$149,879	13	\$853.67	22	\$40,900	51	1.5585	11	1.08	43
Idaho	3.8	12	\$102,219	9	\$728.42	3	\$36,000	49	1.419	10	0.95	38
Illinois	5.8	47	\$1,841,942	47	\$1,049.13	46	\$12,960	25	3.4944	45	0.89	33
Indiana	4.4	22	\$345,221	31	\$821.92	14	\$9,500	15	2.5709	32	0.66	21
Iowa	3.3	9	\$417,570	35	\$825.38	18	\$27,300	41	1.3873	9	0.75	25
Kansas	3.6	11	\$254,893	24	\$822.30	15	\$12,000	24	2.3475	29	0.85	29
Kentucky	5.2	34	\$326,556	29	\$807.28	12	\$9,900	18	3.1939	42	0.87	32
Louisiana	5.5	41	\$203,027	21	\$870.64	27	\$7,700	5	1.6316	15	0.34	5
Maine	3.8	13	\$116,399	11	\$771.19	7	\$12,000	22	2.5912	33	0.87	31
Maryland	4.8	29	\$563,492	39	\$1,033.42	45	\$8,500	8	2.9245	40	0.57	15
Massachusetts	4.5	25	\$1,506,906	46	\$1,253.69	51	\$15,000	33	2.8614	39	0.78	28
Michigan	4.5	26	\$818,327	43	\$935.73	33	\$9,500	17	4.0348	49	0.91	35
Minnesota	3.3	10	\$769,179	42	\$1,007.15	40	\$30,000	44	1.6302	14	0.78	27
Mississippi	6.5	52	\$100,613	7	\$702.85	2	\$14,000	27	1.1037	5	0.44	9
Missouri	3.9	14	\$324,418	28	\$852.76	21	\$13,000	26	2.0345	19	0.63	20

State	TUR	Rank	Benefits Paid	Rank	Average Weekly Benefit	Rank	Taxable Wage Base	Rank	Average Tax Rate on Taxable Wages	Rank	Average Tax Rate on Total Wages	Rank
Montana	4	16	\$102,144	8	\$743.21	4	\$29,500	43	1.6151	13	1.07	42
Nevada	2.7	2	\$85,913	5	\$796.70	11	\$9,000	9	1.3054	7	0.33	4
Nevada	6.2	48	\$353,511	32	\$858.51	23	\$27,800	42	2.0277	18	1.15	45
New Hampshire	2.9	4	\$67,344	2	\$984.02	36	\$14,000	30	1.1534	6	0.33	3
New Jersey	4.5	27	\$2,063,379	48	\$1,175.73	49	\$32,000	46	2.7111	36	1.19	46
New Mexico	6.3	49	\$182,255	19	\$791.05	10	\$23,400	39	2.3079	26	1.21	47
New York	4.8	30	\$2,392,330	50	\$1,274.32	52	\$10,500	19	4.2059	50	0.74	24
North Carolina	5.4	39	\$274,840	26	\$869.78	26	\$21,700	37	2.2878	24	1.01	40
North Dakota	2.3	1	\$168,712	18	\$984.37	37	\$33,600	47	1.0234	2	0.6	17
Ohio	4.5	28	\$962,742	45	\$884.68	28	\$9,000	11	2.6064	35	0.59	16
Oklahoma	4.1	17	\$341,036	30	\$833.96	19	\$17,000	35	1.0575	4	0.43	7
Oregon	5.3	37	\$504,510	36	\$900.31	31	\$35,700	48	2.6031	34	1.56	52
Pennsylvania	4.3	19	\$2,229,270	49	\$978.43	35	\$9,000	12	6.1065	52	1.25	48
Puerto Rico	12.1	53	\$151,966	14	\$510.73	1	\$7,000	1	3.4555	44	1.02	41
Rhode Island	5.2	35	\$157,278	16	\$944.75	34	\$22,200	38	3.6001	46	1.52	50
South Carolina	5.4	40	\$153,501	15	\$783.74	9	\$14,000	28	2.0183	17	0.71	22
South Dakota	2.8	3	\$24,075	1	\$744.99	5	\$15,000	31	0.8159	1	0.32	1
Tennessee	5.3	38	\$274,518	25	\$867.46	25	\$9,000	10	1.346	8	0.32	2
Texas	4.4	23	\$2,758,703	51	\$1,027.43	44	\$9,000	13	2.4416	31	0.5	14
Utah	3.1	5	\$167,013	17	\$823.34	16	\$31,300	45	1.038	3	0.6	18
Vermont	3.2	7	\$72,318	3	\$824.03	17	\$16,400	34	3.8996	48	1.53	51
Virginia	3.9	15	\$387,963	33	\$996.11	39	\$8,000	7	2.3709	30	0.43	8
Washington	5.6	42	\$960,345	44	\$1,061.38	47	\$42,100	52	1.5644	12	0.9	34
West Virginia	5.7	44	\$224,909	22	\$778.48	8	\$12,000	23	2.9586	41	0.97	39
Wisconsin	4.1	18	\$580,251	40	\$849.62	20	\$14,000	29	3.3607	43	1.1	44
Wyoming	4.3	20	\$90,999	6	\$890.02	29	\$24,700	40	1.7193	16	0.86	30

Note: Highlighted states are neighboring states.



*Auxiliary aids and services are available upon request to individuals with disabilities.
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