

Actuarial Evaluation 2014

Financial Operations of the
Pennsylvania Unemployment Compensation Program



Commonwealth of Pennsylvania
Tom Wolf, Governor



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INTRODUCTION

The 2014 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 2015 Global Insight Baseline Forecast of economic activity.

The report provides analyses of Pennsylvania's UC Trust Fund activity for 2014 and a forecast for 2015 through 2017. 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 contained within this report provide detailed information and data on the January 2015 Global Insight Baseline Forecast used to project UC Trust Fund activity. The statistical appendix contains tables pertinent to Pennsylvania's UC program. Definitions of terms used on the tables in the statistical appendix appear on the page preceding each table.

HIGHLIGHTS

Pennsylvania's economy continued to improve in 2014, as employment grew and the unemployment rate declined. Average resident employment rose from 5.96 million in 2013 to 6.01 million in 2014. The statewide average annual unemployment rate fell from 7.4 percent in 2013 to 5.8 percent in 2014. In comparison to pre-recession levels, Pennsylvania's average annual unemployment rate was 4.4 percent and average resident employment was 6.05 million in 2007.

In 2014, UC Trust Fund revenues exceeded benefit payments for the third year in a row. The Trust Fund is projected to continue to move toward solvency through 2017, benefitting from forecasted improvements in economic conditions and the reforms of Act 6 of 2011 and Act 60 of 2012 that addressed the structural imbalance between benefit payments and revenues.

In 2014, a maximum of 26 weeks of regular UC benefits were available to qualified claimants. The federally-funded Emergency UC (EUC) program ended Dec. 28, 2013.

Here are UC program highlights from 2014 and projections for 2015-2017:

Benefit Costs

- Annual UC benefit costs decreased for the fourth consecutive year, from \$2.55 billion in 2013 to \$2.28 billion in 2014. Benefit costs are projected to fall to \$2.1 billion in 2015 and \$2.09 in 2016, and then to increase to \$2.17 billion in 2017.
- Due to changes to Pennsylvania's UC law, the maximum weekly benefit rate will remain at \$573 through 2019. Act 6 of 2011 froze the maximum weekly benefit for 2012, and Act 60 of 2012 extends this freeze through 2019.
- A 1.7 percent benefit reduction decreased benefit costs by \$40 million in 2014. In 2015 through 2017, the benefit reduction will remain at 1.7 percent. The forecast amount of the reduction is \$36 million in 2015, \$36 million in 2016, and \$37 million in 2017.

Employer and Employee Contributions

- The estimated average UC tax rate for employers is projected to decrease from 6.1 percent in 2014 to 6 percent in 2015, to 5.9 percent in 2016, and to 5.7 percent in 2017.
- Employers paid a 5.1 percent surcharge and a 0.65 percent additional tax in 2014. Both rates will remain the same for 2015 through 2017. These solvency measures generated \$354 million in 2014, and are forecast to generate \$368 million for 2015, \$392 million for 2016, and \$399 million for 2017.
- An employee solvency tax of 0.07 percent was in effect for 2014 and will continue in effect through 2017. Contributions due from employees were \$194 million in 2014 and are forecast to be \$202 million in 2015, \$212 million in 2016 and \$222 million in 2017.
- Total UC employer and employee contributions deposited into the Trust Fund are projected to decrease from \$2.55 billion in 2014 to \$2.53 billion in 2015, and then increase to \$2.64 billion in 2016 and \$2.67 billion in 2017.

UC Bonds and Federal Loans

- As provided by Act 60 of 2012, Pennsylvania issued UC bonds in October 2012 with a total par value of \$2.83 billion, generating \$3.24 billion in bond proceeds to cover the outstanding UC debt.
- The interest cost for the bond issue was 1.29 percent, compared to interest rates of 2.94 percent in 2012, 2.58 percent in 2013, and 2.39 percent in 2014 charged on federal loans.
- Pennsylvania redeemed \$225 million and \$107 million of the total \$2.83 billion par value on July 1, 2014 and Jan. 1, 2015, respectively.
- Pennsylvania has redeemed \$587.6 million of the total \$2.83 billion par value, reducing the outstanding bond balance to \$2.24 billion as of January 1, 2015.
- From January 2014 through May 2014, Pennsylvania obtained a total of \$435 million in federal cash flow loans that were repaid in May 2014. No cash flow loans are projected for 2015 through 2017.
- The UC Trust Fund balance at the end of 2014 was \$540 million.

2014 IN REVIEW

Economic Performance

In 2014, Pennsylvania's economy continued to show modest signs of recovery. Average annual nonagricultural jobs in the state increased to 5.79 million, a year-over-year gain of 46,200 jobs. Goods-producing jobs increased by 9,400 and service-providing jobs increased by 36,700 in 2014.

Total Unemployment Rate (TUR)

In 2014, Pennsylvania's average total unemployment rate (TUR) was 5.8 percent, down from 7.4 percent in 2013. TUR is the ratio of the number of unemployed persons to the number of persons in the civilian labor force. It is the general unemployment rate that is released monthly by states and the nation. The U.S. Department of Labor's Current Population Survey (CPS) provides monthly and annual estimates of the labor force for the nation and states.

Employment in Pennsylvania increased from 5.96 million in 2013 to 6.01 million in 2014, while unemployment dropped from 478,000 to 370,000. The civilian labor force decreased from 6.44 million in 2013 to 6.38 million in 2014.

Insured Unemployment Rate (IUR)

The 2014 (preliminary) annual average IUR fell to 2.9 percent compared to 3.3 percent in 2013. The IUR is an unemployment measure that reflects the percent ratio of regular UC claims to covered employment. Covered employment increased from 5.5 million in 2013 to 5.53 million for the first nine months of 2014. Weeks claimed for 2014 were 8.4 million (an average of 162,000 per week), compared to 9.5 million (an average of 182,000 per week) for 2013.

Benefit Costs

Net regular UC benefits paid decreased by 10 percent to \$2.28 billion in 2014 from \$2.55 billion in 2013. The benefit reduction remained at 1.7 percent. The number of weeks paid in regular UC decreased by 0.84 million, lowering weeks paid to 7 million for 2014, the lowest level since 2000 and 54 percent lower than the peak of 15.35 million in 2009. There was an increase in the average regular UC weekly benefit amount from \$360 in 2013 to \$364 in 2014.

The number of individuals receiving regular UC benefits decreased by 57,001, from 584,551 in 2013 to 527,550 in 2014. First payments decreased from 442,654 in 2013 to 413,685 in 2014. Claimants who received UC first payments in 2014 had an estimated average duration of 16.9 weeks of regular UC benefits, a decrease from the 2013 average duration of 17.7 weeks. The overall decrease in UC benefits paid resulted from declines in the number of recipients and average duration on UC.

Benefit Cost Savings from Act 6 (2011) and Act 60 (2012)

In 2014 Pennsylvania saved an estimated \$239.4 million from the following provisions of Act 6 and Act 60:

- Elimination of weekly benefit rates from \$35 to \$69: \$2.8 million
- Change from a fixed benefit duration (16 or 26 weeks) to one week of benefits for each credit week in base year (18-26 weeks): \$22.8 million
- Adjustment in the formula to determine the maximum weekly benefit rate with a cap on the maximum rate through 2019: \$62.8 million
- Increase in the required percentage of base year wages outside the high quarter from 37 percent to 49.5 percent: \$147.9 million
- Delay in receipt of UC for severance pay exceeding 40 percent of the average annual wage: \$3.1 million

Employer and Employee Contributions

During 2014, deposits into the UC Trust Fund from employer and employee contributions totaled \$2.55 billion, down from \$2.65 billion in 2013.

The average tax rate for employers decreased from 6.6 percent in 2013 to an estimated 6.1 percent in 2014. Taxable wages rose from \$41.4 billion in 2013 to an estimated \$42.8 billion in 2014.

UC Trust Fund Solvency Measures

On June 30 of each year, the activation of annual solvency measures is determined by calculating the solvency percentage which compares UC Trust Fund reserves to average annual benefit payouts. The solvency percentage is the ratio of the UC Trust Fund balance on June 30 to the average three-year benefit cost ending June 30. This calculated solvency percentage determines the activation of solvency measures for the following calendar year. The following solvency measures were in effect for 2014:

- Employer surcharge of 5.1 percent (yielded \$92 million in contributions due)
- Employer additional tax of 0.65 percent (yielded \$262 million in contributions due)
- Employee tax of 0.07 percent (yielded \$194 million in contributions due)
- Benefit reduction of 1.7 percent (yielded \$40 million in savings)

The solvency percentage calculated for June 30, 2014 was 0 percent. As provided under the reforms of Act 60 of 2012, the solvency measures and target dollar amounts previously applicable when the trigger percentage was less than 50 percent now apply from 0 percent to 249 percent. For calendar year 2015, the employer surcharge, employer additional tax, employee tax, and benefit reduction will be assessed at the rates that have been calculated to meet the target dollar amounts specified by state UC law. Please see pages 17 and 18 for more details on the solvency trigger mechanism.

UC Bonds and Federal Loans

Starting in March 2009, Pennsylvania's UC Trust Fund required Title XII federal loans to meet benefit payment obligations. On July 25, 2012, Pennsylvania's \$2.80 billion federal loan balance was repaid in full from \$3.19 billion in interim financing obtained through Citibank, N.A. The interim financing also included \$382 million in UC benefits funding for the remainder of calendar year 2012.

As provided by Act 60 of 2012, Pennsylvania issued UC bonds in October 2012 with a total par value of \$2.83 billion, generating \$3.24 billion in bond proceeds to repay the interim financing and establish a \$75 million Bond Reserve Fund. The interest cost for the fixed rate bonds was 1.29 percent, compared to interest rates of 2.94 percent in 2012, 2.58 percent in 2013, and 2.39 percent in 2014 charged on federal loans.

The Interest Factor, a separate component of the employer UC contribution rate that was originally created for repaying interest on Title XII federal loans, was repurposed under the provisions of Act 60 for servicing the UC bond debt and paying interest on federal loans. Starting in 2013, the rate was required to be set annually in an amount sufficient to ensure full and timely payment of the bond debt and federal loan interest, up to a maximum of 1.1 percent. From the Interest Factor (set at 1.1 percent in 2014), Pennsylvania redeemed \$225 million and \$107 million of the total \$2.83 billion par value on July 1, 2014 and Jan. 1, 2015, respectively, reducing the outstanding bond balance to \$2.24 billion on Jan. 1, 2015.

From January 2014 through May 2014, Pennsylvania obtained a total of \$435 million in federal cash flow loans that were repaid in May 2014. The UC Trust Fund balance at the end of 2014 was \$540 million.

**JANUARY 2014 FORECAST COMPARED TO ACTUAL DATA
2014 CASH FLOW
(DOLLARS IN MILLIONS)**

	FORECAST	ACTUAL
Beginning Trust Fund Balance	\$263	\$263
Beginning Federal Loan Balance	\$0	\$0
Beginning Bond Balance	\$2,572	\$2,572
Revenue	\$2,612	\$2,562
Employer and Employee Trust Fund Contributions	\$2,596	\$2,551
Other Trust Fund Revenues ¹	\$16	\$11
Interest Factor Contributions	\$447	\$448
Disbursements	\$2,441	\$2,285
Benefit Payments	\$2,441	\$2,285
Other ²	\$0	\$0
Title XII Federal Loans	\$339	\$435
Title XII Federal Loan Repayment from Trust Fund	\$339	\$435
Title XII Federal Loan Repayment from FUTA Credit Reduction ³	\$0	\$0
Title XII Federal Loan Interest Due on September 30	\$1	\$1
Bonds ⁴	\$0	\$0
Bond Repayment	\$331	\$332
Ending Trust Fund Balance	\$434	\$540
Ending Federal Loan Balance	\$0	\$0
Ending Bond Balance	\$2,240	\$2,240
Trust Fund Balance as of June 30	\$768	\$752
Three Year Average Benefit Cost as of June 30	\$2,709	\$2,688
Solvency Percentage as of June 30 ⁵	0%	0%

Sources: Pennsylvania Department of Labor & Industry
US Bureau of Public Debt
Global Insight January 2014 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.

GLOBAL INSIGHT FORECAST COMPARISON JANUARY 2014 AND JANUARY 2015¹

JANUARY 2015 GLOBAL INSIGHT FORECAST				
	2014	2015	2016	2017
UNITED STATES				
Gross Domestic Product (Bil. 2009\$'s)	\$16,089.0	\$16,587.5	\$17,031.2	17,486.1
Percent Change	2.4%	3.1%	2.7%	2.7%
National Total Unemployment Rate	6.2%	5.5%	5.3%	5.2%
PENNSYLVANIA				
Industrial Production Index (2007=100)	102.4	106.0	110.2	113.8
Percent Change	2.4%	3.5%	4.0%	3.2%
Total Nonag. Employment (Thousands)	5,784.4	5,858.7	5,940.0	5,990.0
Growth Rate	0.7%	1.3%	1.4%	0.8%
Avg Annual Wage, Total Nonag. (Thous. \$)	\$50.7	\$52.3	\$54.1	\$56.2
Growth Rate	2.6%	3.1%	3.5%	3.8%
State Total Unemployment Rate	5.7%	5.2%	5.2%	5.1%

Source: Global Insight January 2015 Baseline Forecasts for the US and Pennsylvania

JANUARY 2014 GLOBAL INSIGHT FORECAST				
	2014	2015	2016	2017 ²
UNITED STATES				
Gross Domestic Product (Bil. 2009\$'s)	\$16,182.8	\$16,708.5	17,273.6	
Percent Change	2.7%	3.2%	3.4%	
National Total Unemployment Rate	6.5%	5.9%	5.4%	
PENNSYLVANIA				
Industrial Production Index (2007=100)	102.5	106.5	110.2	
Percent Change	2.2%	3.9%	3.5%	
Total Nonag. Employment (Thousands)	5,817.3	5,910.3	6,007.3	
Growth Rate	1.1%	1.6%	1.6%	
Avg Annual Wage, Total Nonag. (Thous. \$)	\$51.3	\$53.0	\$54.7	
Growth Rate	3.1%	3.4%	3.2%	
State Total Unemployment Rate	6.9%	6.3%	5.8%	

Source: Global Insight January 2014 Baseline Forecasts for the US and Pennsylvania

¹Comparison of the economic forecast indicators under the January 2015 Global Insight Forecast versus the January 2014 Forecast used for the 2013 Actuarial Evaluation.

²Projected data for calendar year 2017 were not included in the 2013 Actuarial Evaluation.

OUTLOOK FOR 2015-2017

2015-2017 Economic Data

The Pennsylvania Department of Labor & Industry uses Global Insight's economic forecasts for Pennsylvania and the nation as the basis for projections of UC Trust Fund activity. Global Insight is an economic research firm used by Pennsylvania state agencies. The key Global Insight 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.

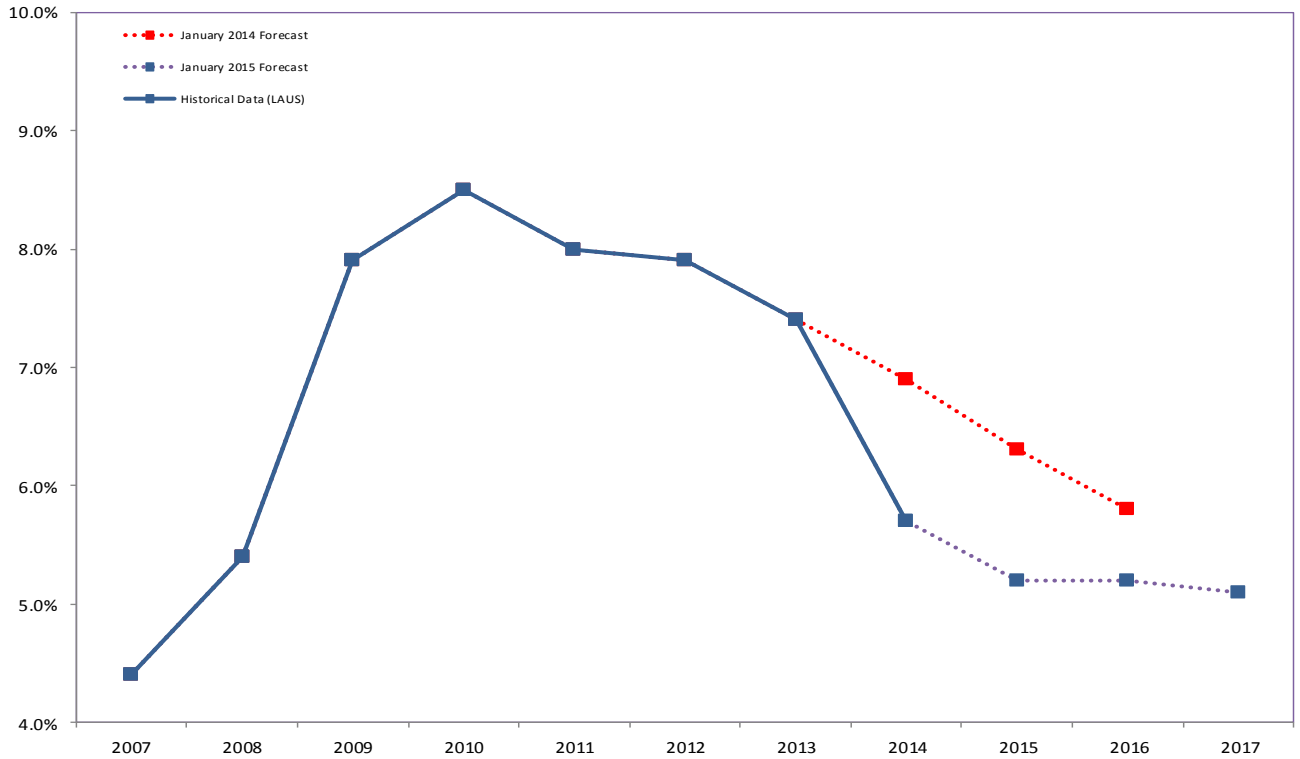
The outlook for 2015-2017 UC activity provided in this report is based on the January 2015 Global Insight Baseline Forecast for the nation and Pennsylvania (referred to as the January 2015 Global Insight Forecast). The [table found on page 9](#) of this report and the graphs on pages 12 through 18 provide a comparison of the economic forecast indicators under the January 2015 Global Insight Forecast versus the January 2014 Global Insight Forecast used for the 2013 Actuarial Evaluation of the UC Trust Fund.

The January 2015 Global Insight forecast indicates that the economic recovery in Pennsylvania will continue. According to this forecast, Pennsylvania's unemployment rate decreased from 7.4 percent in 2013 to 5.7 percent in 2014, and is projected to decline to 5.2 percent in 2015, 5.2 percent in 2016, and 5.1 percent in 2017. Pennsylvania's employment growth reflects this trend. Average annual nonagricultural employment increased from 5.74 million in 2013 to 5.78 million in 2014 and is projected to grow to 5.86 million in 2015, 5.94 million in 2016, and 5.99 million in 2017.

The economy at the national level is also showing signs of improvement. The average annual unemployment rate for the nation is expected to fall from 6.2 percent in 2014 to 5.5 percent in 2015, 5.3 percent in 2016, and 5.2 percent in 2017. Also, the real gross domestic product for the nation is projected to grow 3.1 percent in 2015, 2.7 percent in 2016, and 2.7 percent in 2017.

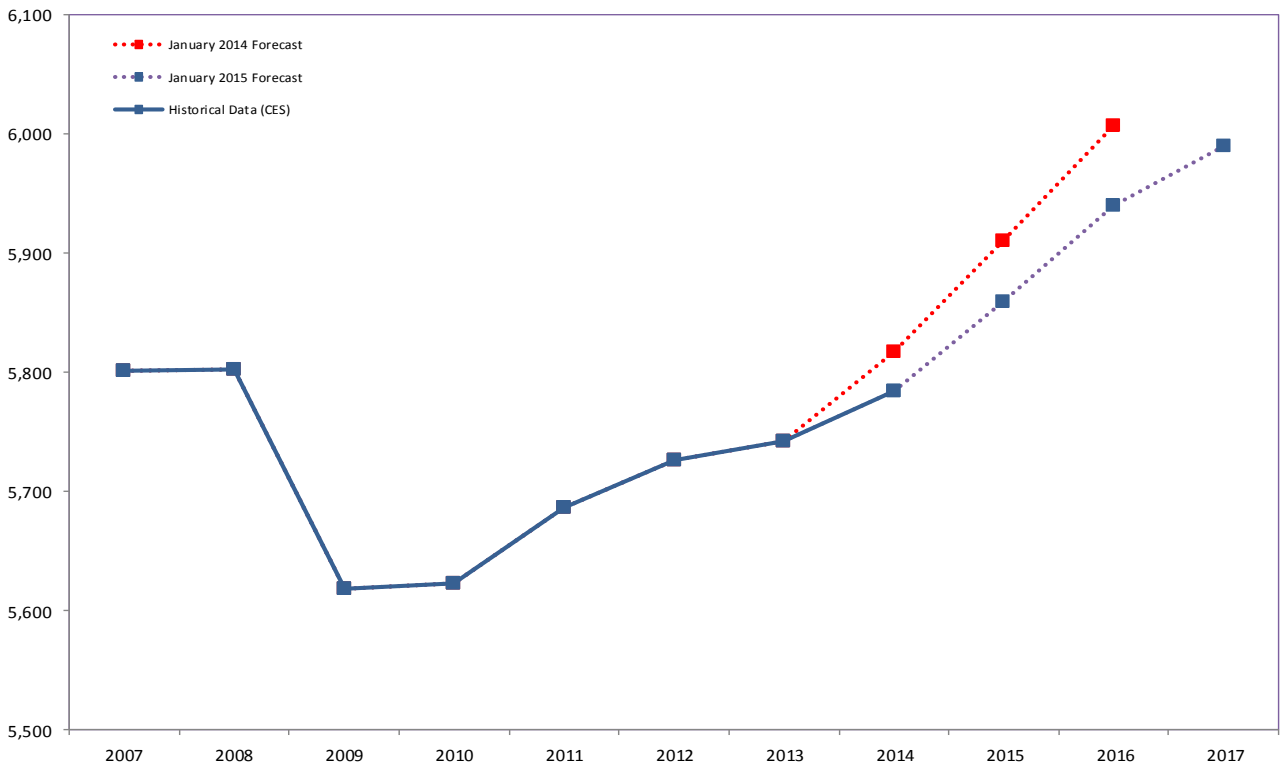
The forecast of UC activity reflects both the outlook for growth in the economy as well as benefit cost savings from the reforms of Act 6 of 2011 and Act 60 of 2012. UC benefit costs are forecast to decline from \$2.28 billion in 2014 to \$2.1 billion in 2015 and \$2.08 billion in 2016, then to increase slightly to \$2.16 billion in 2017. Contributions from employers and employees deposited into the UC Trust Fund are projected to decrease from \$2.55 billion in 2014 to \$2.53 billion in 2015, then increase to \$2.64 billion in 2016, and \$2.67 billion in 2017. The UC Trust Fund is projected to continue to move toward solvency through 2017 and beyond as annual revenues from employer and employee contributions are expected to exceed annual benefit costs each year of the projection period.

PA TOTAL UNEMPLOYMENT RATE



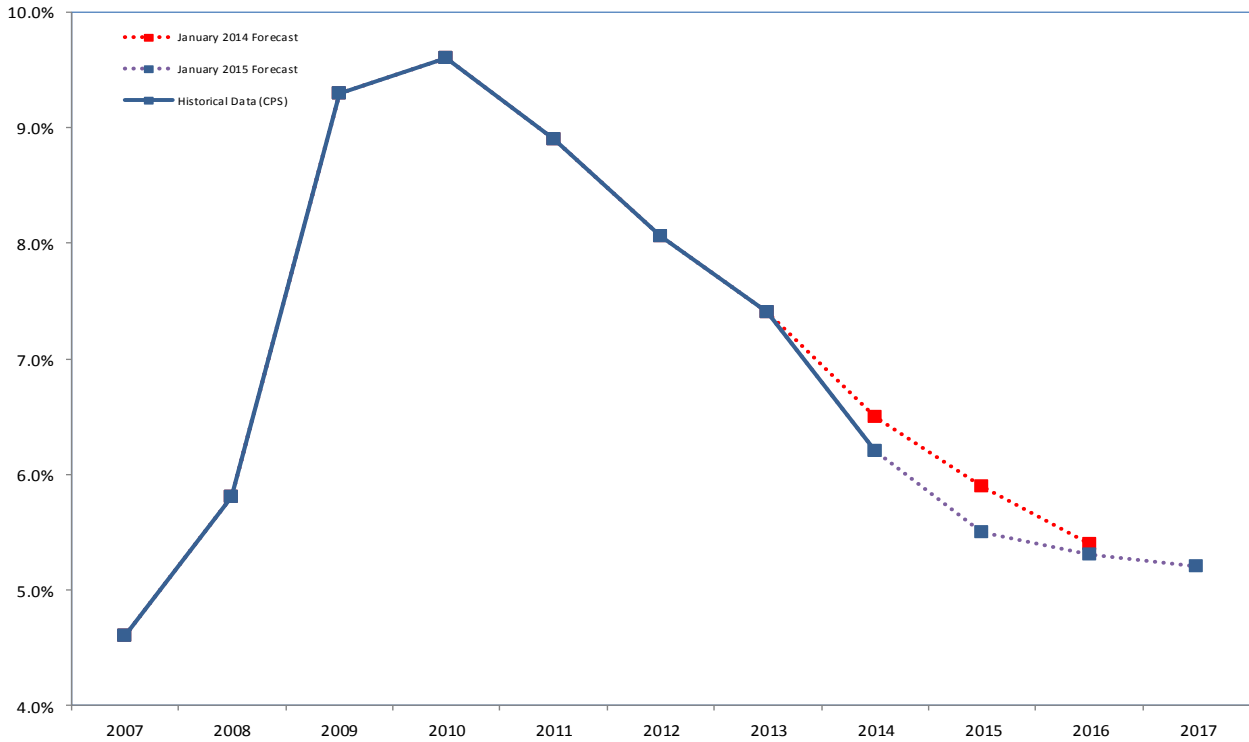
Sources: Pennsylvania Local Area Unemployment Statistics (LAUS)
Global Insight January 2014 and January 2015 Baseline Forecasts for Pennsylvania

PA NONAGRICULTURAL EMPLOYMENT (IN THOUSANDS)



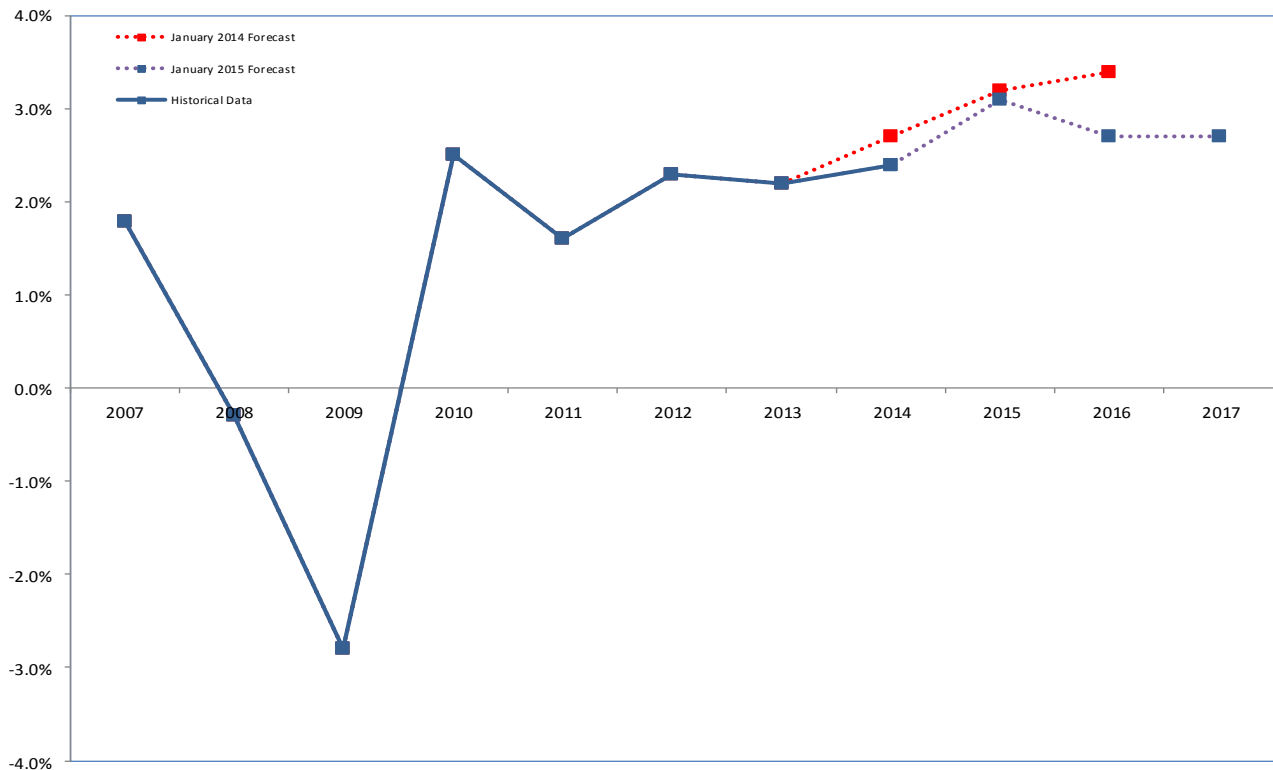
Sources: Pennsylvania Department of Labor & Industry, Current Employment Statistics (CES)
Global Insight January 2014 and January 2015 Baseline Forecasts for Pennsylvania

US TOTAL UNEMPLOYMENT RATE



Sources: US Bureau of Labor Statistics, Current Population Survey (CPS)
Global Insight January 2014 and January 2015 Baseline Forecasts for the US

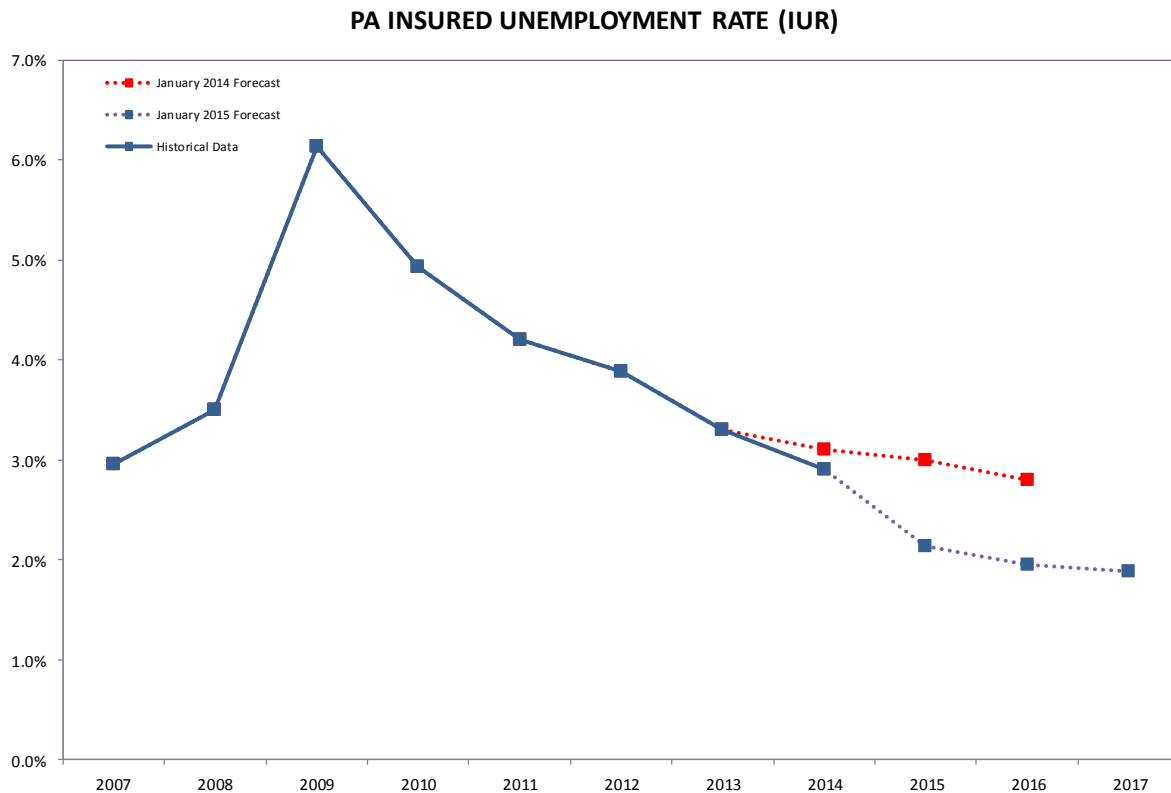
US GROSS DOMESTIC PRODUCT (PERCENT CHANGE)



Source: Global Insight January 2014 and January 2015 Baseline Forecasts for the US

Insured Unemployment Rate (IUR)

The IUR (percent ratio of regular UC claims to covered employment) is projected to decrease from 2.9 percent in 2014 to 2.1 percent in 2015, followed by rates of 2.0 percent in 2016 and 1.9 percent in 2017. The trend in the IUR reflects the projected decline in weeks claimed coupled with moderate growth in UC covered employment through 2017. The number of weeks claimed forecast during the period is 6.2 million for 2015 (down from 8.4 million in 2014), 5.8 million for 2016, and 5.6 million for 2017. UC covered employment is forecast to rise from 5.54 million in 2014 to 5.6 million in 2015, 5.68 million in 2016, and 5.73 million in 2017. Growth in UC covered employment generally follows the same pattern as growth in nonagricultural employment.



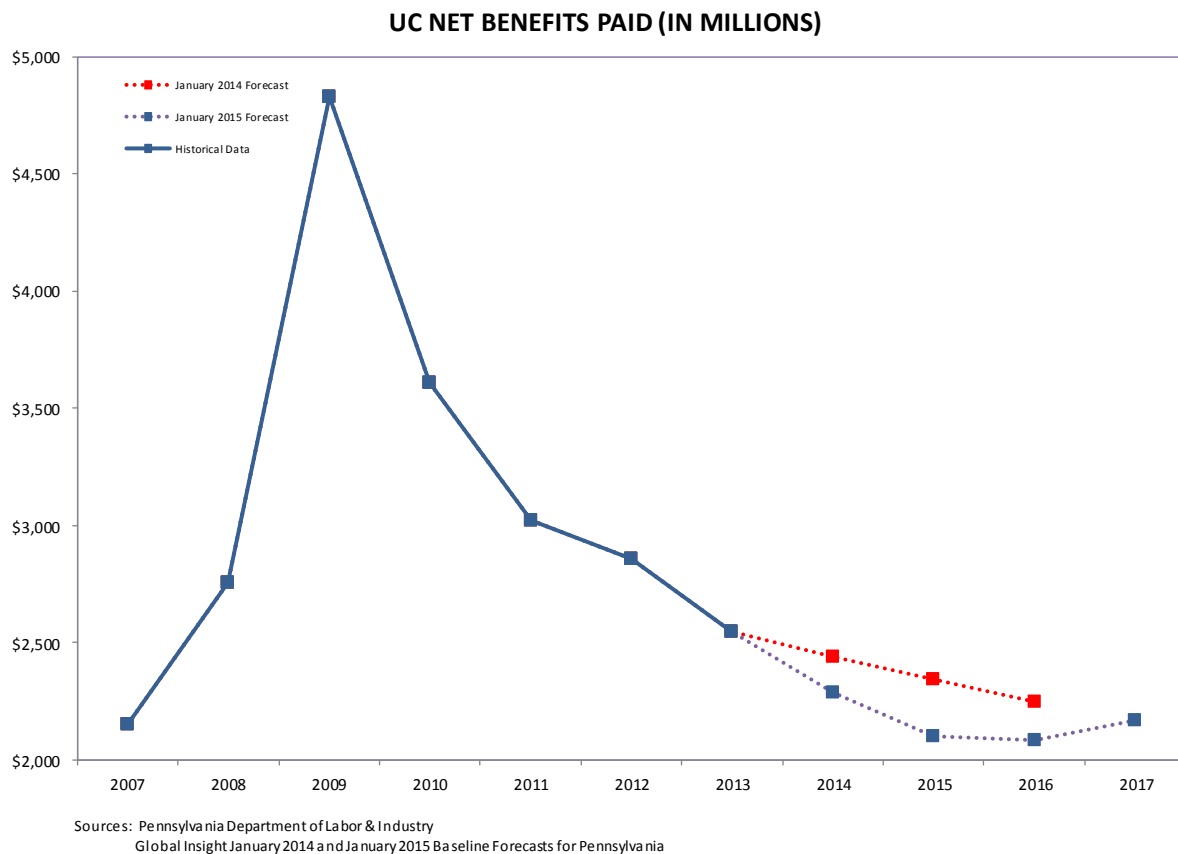
Sources: Pennsylvania Department of Labor & Industry
Global Insight January 2014 and January 2015 Baseline Forecasts for Pennsylvania

Benefit Costs

UC benefit costs are projected to remain well below the amounts experienced during the recession years. Benefit costs peaked at \$4.83 billion in 2009 and are expected to decrease from \$2.28 billion in 2014 to \$2.1 billion in 2015 and \$2.09 billion in 2016, then increase slightly to \$2.17 billion in 2017.

The forecast for weeks paid reflects the decline in the amount of benefits paid. The number of weeks paid decreased from 7.83 million in 2013 to 7 million in 2014, the lowest level since 2000 and 54 percent lower than the peak of 15.35 million in 2009. Weeks paid are forecast to fall to 5.16 million in 2015, 4.79 million in 2016, and 4.66 million in 2017.

The average weekly benefit amount (based on weeks paid for total unemployment) projected for 2015 is \$359, down from \$364 in 2014, and reflects a benefit reduction of 1.7 percent. The average weekly benefit amount projected for 2016 and 2017, \$366 and \$373, respectively, also reflects a 1.7 percent benefit reduction. Act 60 of 2012 freezes the maximum weekly benefit at \$573 through 2019.



Employer and Employee Contributions

Employer and employee contributions during 2015 are forecast to total \$2.53 billion, a decrease over the 2014 total of \$2.55 billion. The amount of total contributions is projected to increase to \$2.64 billion in 2016 and \$2.67 billion in 2017. This section describes the factors that determine the outlook for employer and employee contributions.

Taxable employers subject to the UC law are assigned an UC 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 average UC employer tax rate is projected to be 6 percent for 2015, down from 6.1 percent in 2014. The average tax rate is projected to decrease again to 5.9 percent in 2016 and 5.7 percent in 2017. The drop in 2015 reflects the improvement in employers' tax experience factors as benefit charges continue to decline as a result of the economic recovery and benefit cost savings from Act 6 and Act 60 reforms.

Taxable wages are wages paid by contributory employers, up to the taxable wage base for each employee. In 2014, the taxable wage base was \$8,750. Under the provisions of Act 60, the taxable wage base will increase annually as follows:

- 2015: \$9,000
- 2016: \$9,500
- 2017: \$9,750
- 2018 and thereafter: \$10,000

Taxable wages are projected to increase from the estimated 2014 total of \$42.8 billion to \$44.6 billion in 2015, \$47.9 billion in 2016 and \$49.3 billion in 2017. Taxable wages will increase as a result of the statutory increase in the taxable wage base as well as growth in UC covered employment.

UC covered employment is forecast to rise from an estimated 5.54 million in 2014 to 5.6 million in 2015, 5.68 million in 2016, and 5.73 million in 2017 (follows same pattern as growth in nonagricultural employment).

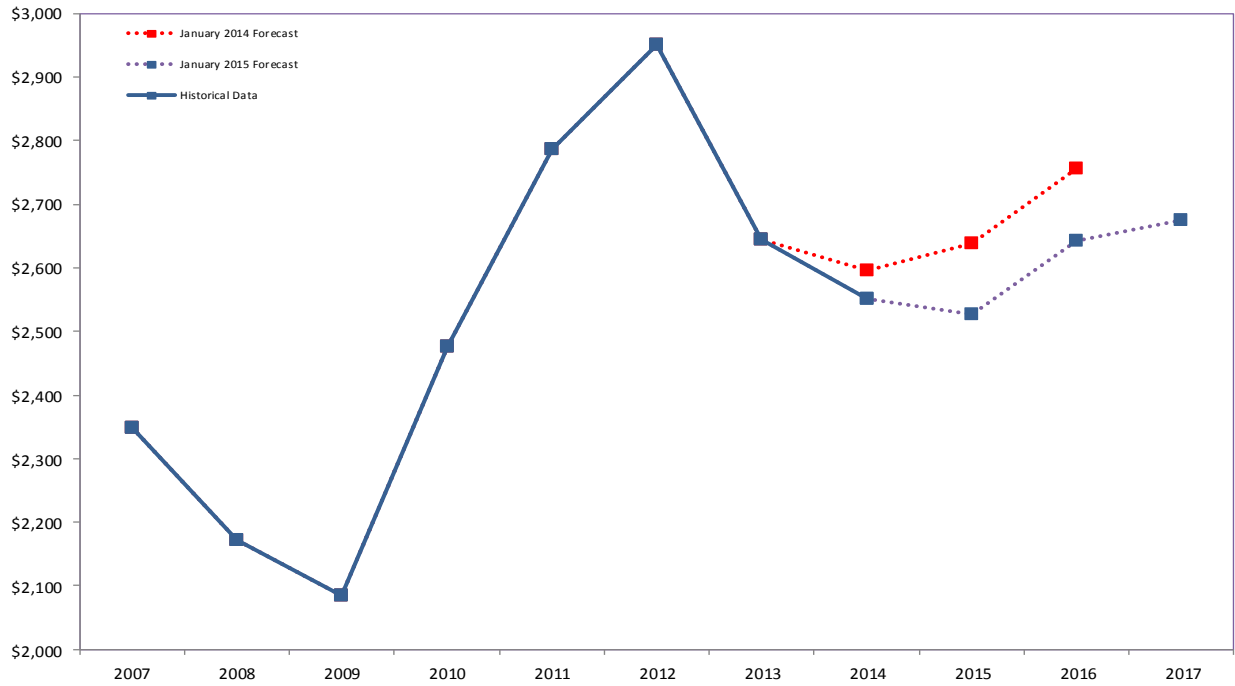
Some employers, called "reimbursable employers" do not pay UC taxes. Instead, a reimbursable employer reimburses the UC Trust Fund dollar-for-dollar for benefits paid to former employees. Section 501(c)(3) non-profit organizations and political subdivisions may elect to be reimbursable employers. In 2014, an estimated 2.2 percent of covered employers were reimbursable.

Employee contributions are generated from the employee tax (from the solvency trigger mechanism) applied to total wages, not just those under the taxable wage base. The employee tax rate was 0.07 percent in 2014 and is expected to remain at 0.07 percent through 2017.

Total wages are projected to increase from \$277 billion in 2014 to \$289 billion in 2015, \$303 billion in 2016, and \$317 billion in 2017.

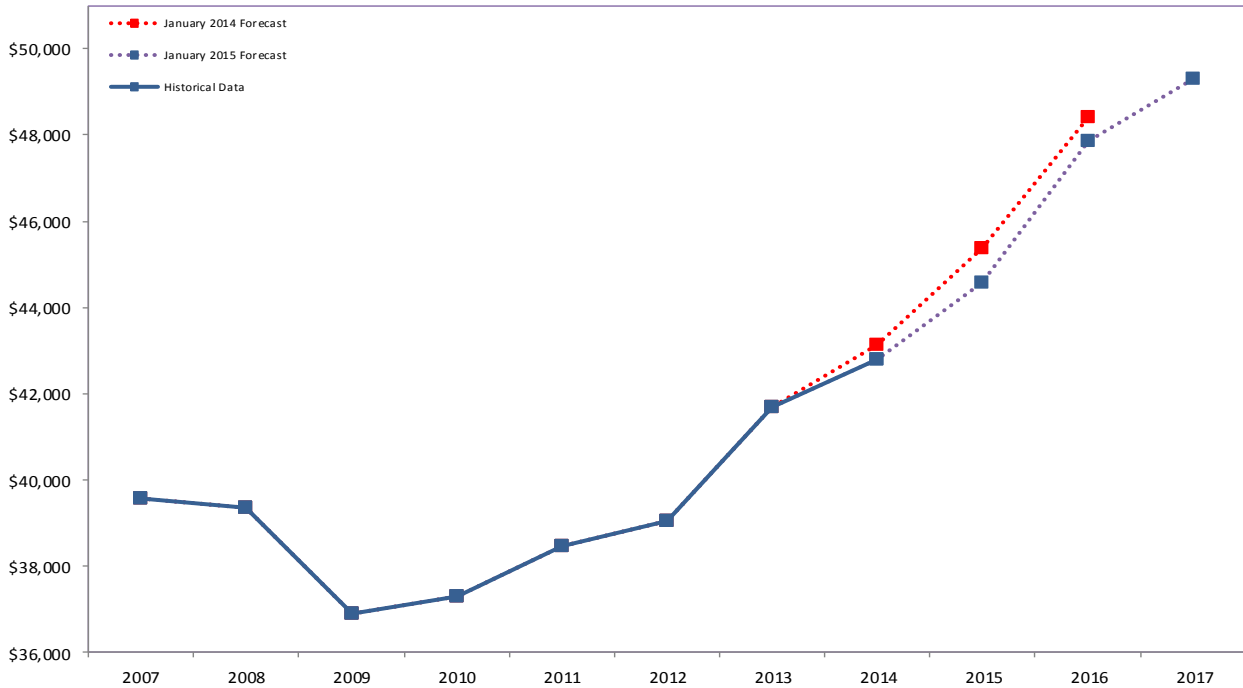
Under the forecast, the employee tax is expected to generate \$202 million in 2015, \$212 million in 2016, and \$222 million in 2017.

UC EMPLOYER AND EMPLOYEE CONTRIBUTIONS (IN MILLIONS)



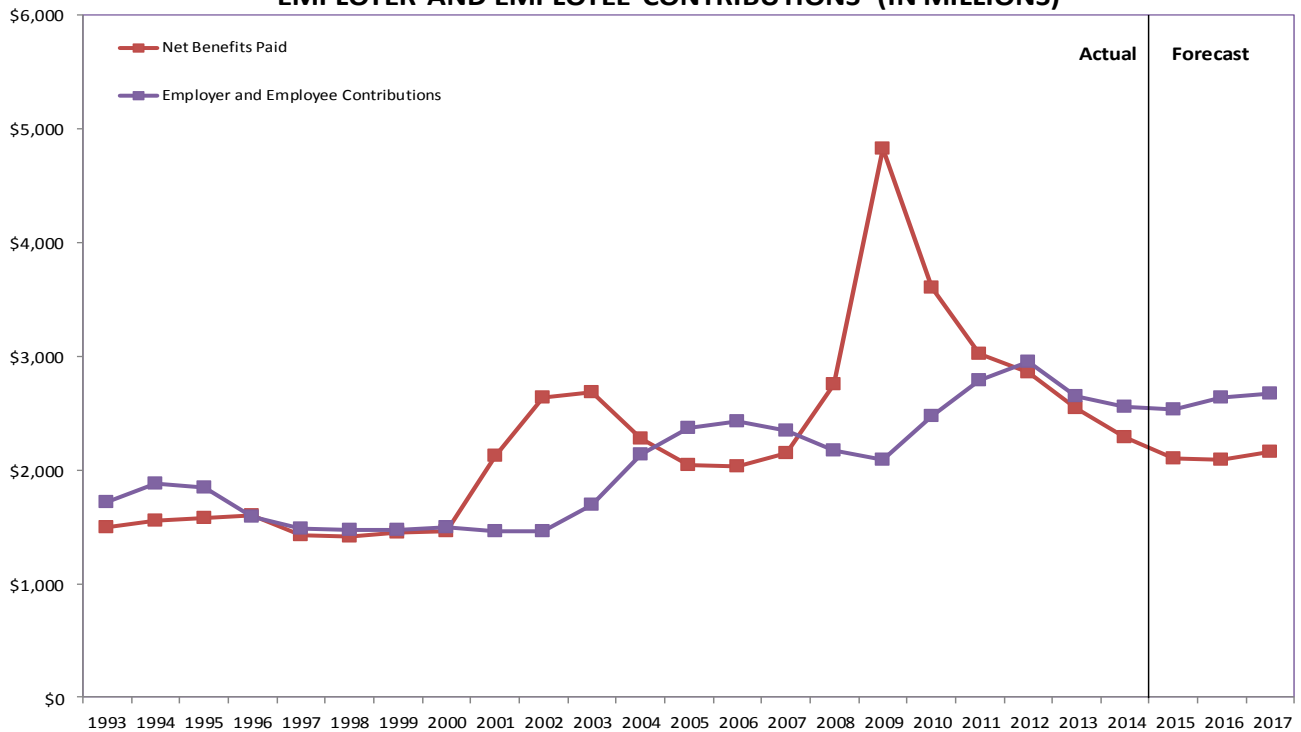
Sources: Pennsylvania Department of Labor & Industry
Global Insight January 2014 and January 2015 Baseline Forecasts for Pennsylvania

UC TAXABLE WAGES (IN MILLIONS)



Sources: Pennsylvania Department of Labor & Industry
Global Insight July 2014 and January 2015 Baseline Forecasts for Pennsylvania

UC NET BENEFITS PAID VERSUS EMPLOYER AND EMPLOYEE CONTRIBUTIONS (IN MILLIONS)



Sources: Pennsylvania Department of Labor & Industry
Global Insight January 2015 Baseline Forecast for Pennsylvania

UC Trust Fund Solvency Trigger Mechanism

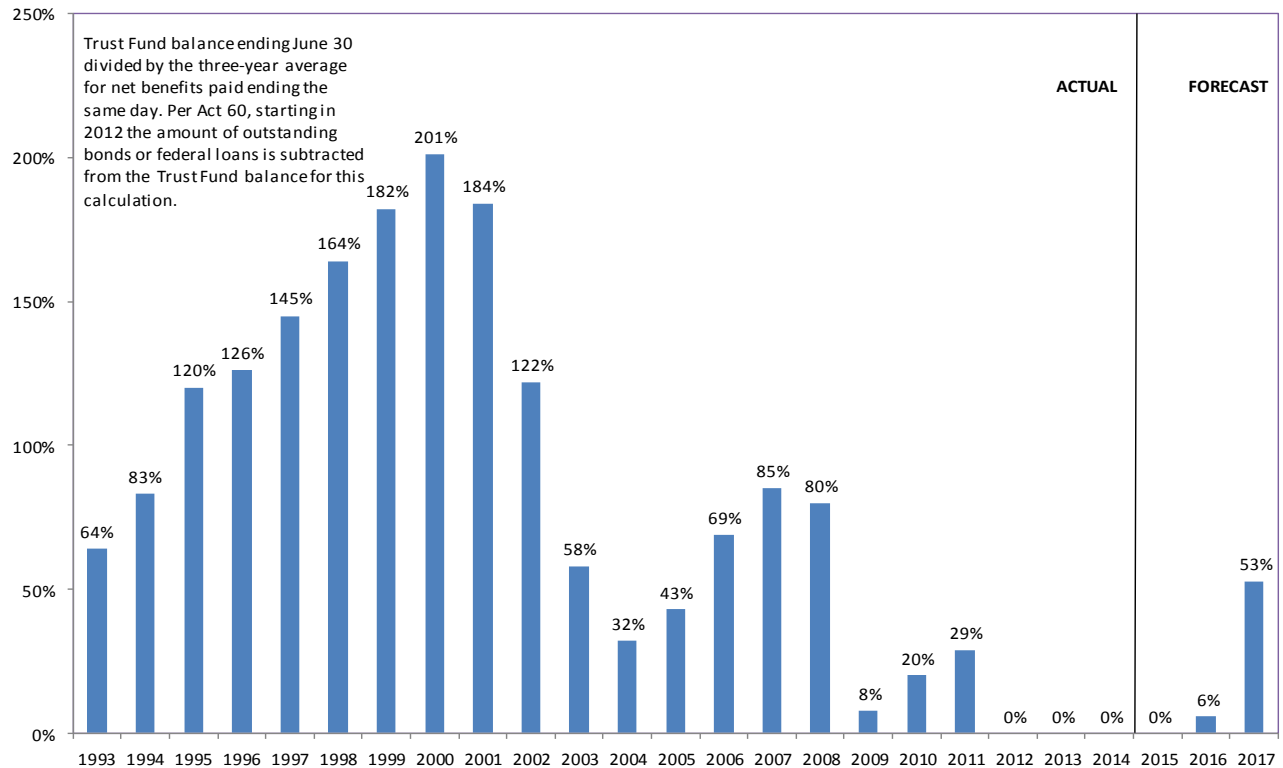
Effective in 1992 and each fifth year thereafter, the UC law requires the solvency measure rates to be redetermined to derive a total targeted annual monetary impact of \$544 million. In July 2012, the solvency measure rates for 2013-2017 were determined based on calendar year 2011 benefit and tax contribution activity. The rate redeterminations are intended to maintain the targeted \$544 million monetary impact of the solvency measures. More detailed information on the solvency trigger mechanism is provided on pages 22 and 23.

The solvency percentage calculated as of June 30 of each year is projected to be 0 percent in 2015 and then increase to 6 percent in 2016. The calculated solvency percentage determines the activation of solvency measures for the following calendar year. As provided under the reforms of Act 60 of 2012, the solvency measures and target dollar amounts previously applicable when the trigger percentage was less than 50 percent now apply from 0 percent to 249 percent. For calendar years 2015 through 2017, the employer surcharge, employer additional tax, employee tax, and benefit reduction will be assessed at the rates that have been calculated to meet the target dollar amounts specified by state UC law.

The projected solvency measure rates and amounts generated for 2015 through 2017 are as follows:

- **Employer Surcharge:** The employer surcharge was in effect and will remain at 5.1 percent from 2015 through 2017. Employer contributions due from the surcharge will be \$95 million in 2015, \$99 million in 2016, and \$97 million in 2017.
- **Employer Additional Tax:** The employer additional tax is forecast to remain triggered on through 2016. The rate for 2014 was 0.65 percent, and it is forecast to remain at 0.65 percent through 2017. The employer additional tax will yield contributions due totaling \$273 million in 2015, \$293 million in 2016, and \$302 million in 2017.
- **Employee Tax:** The employee tax will be in effect from 2015 through 2017. For 2015, the employee tax rate is 0.07 percent (unchanged since 2013) and will remain at 0.07 percent in 2016 and 2017. Tax contributions due from this measure will total \$202 million in 2015, \$212 million in 2016, and \$222 million in 2017. Per Act 60, 5 percent of employee tax contributions from 2013 through 2017 will be allocated to the Reemployment Fund to provide or enhance reemployment services for UC claimants.
- **Benefit Reduction:** The benefit reduction will be in effect from 2015 through 2017. A rate of 1.7 percent (unchanged since 2013) will yield benefit reductions totaling \$36 million in 2015, \$36 million in 2016, and \$37 million in 2017.

UC TRUST FUND SOLVENCY PERCENTAGE



Sources: Pennsylvania Department of Labor & Industry
Global Insight January 2015 Baseline Forecast for Pennsylvania

UC TRUST FUND SOLVENCY TRIGGER MECHANISM¹
2014-2017
JANUARY 2015 GLOBAL INSIGHT FORECAST

	ACTUAL	FORECAST		
	2014	2015	2016	2017
Solvency Percentage ²	0%	0%	6%	53%
Trigger Level ²	Less than 250%	Less than 250%	Less than 250%	Less than 250%
EMPLOYER SURCHARGE				
Percentage	5.1%	5.1%	5.1%	5.1%
Contributions Due (in millions)	\$92	\$95	\$99	\$97
EMPLOYER ADDITIONAL TAX				
Percentage	0.65%	0.65%	0.65%	0.65%
Contributions Due (in millions)	\$262	\$273	\$293	\$302
EMPLOYEE TAX				
Percentage	0.07%	0.07%	0.07%	0.07%
Contributions Due (in millions)	\$194	\$202	\$212	\$222
BENEFIT REDUCTION				
Percentage	1.7%	1.7%	1.7%	1.7%
Benefit Reduction (in millions)	\$40	\$36	\$36	\$37

Source: Pennsylvania Department of Labor & Industry

¹Solvency measures are applicable to the year shown but are activated by the prior year solvency percentage. Solvency measure rates were recalculated in 2012 (for 2013-2017) as required by Unemployment Compensation Law.

²The UC Trust Fund solvency percentage is calculated as of June 30 of each year and determines the trigger level for the following calendar year. A trigger level of "Less than 250%" will activate all of the solvency measures. See the following pages for a more detailed explanation of the Solvency Trigger Mechanism.

UC Bonds and Federal Loans

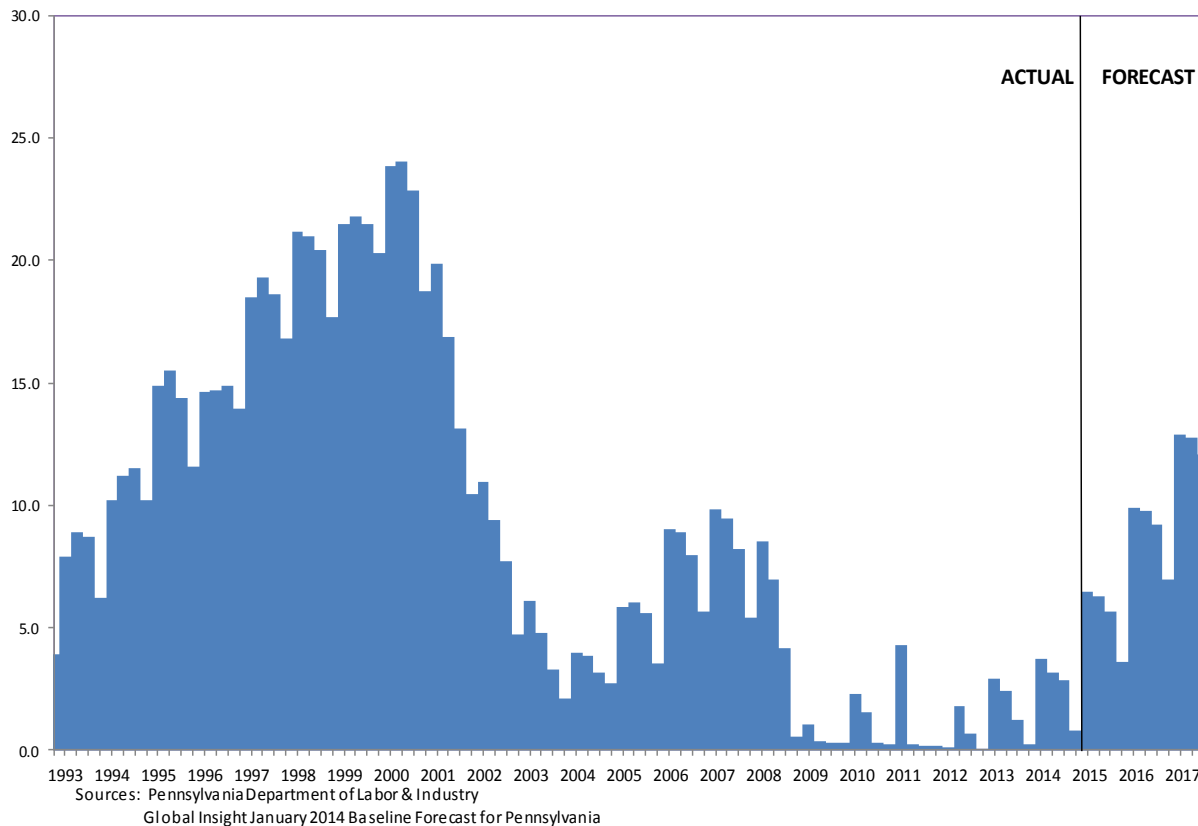
The Interest Factor, a separate component of the employer UC contribution rate that was repurposed under the provisions of Act 60 for servicing the UC bond debt and paying interest on federal loans, will be set at 1.1 percent in 2015, 2016, and 2017. Projected Interest Factor revenues are \$464 million for 2015, \$498 million for 2016, and \$514 million for 2017. Pennsylvania will redeem a projected \$371 million for 2015, \$411 million for 2016, and \$450 million for 2017 in UC bond principal, reducing the outstanding bond balance to an estimated \$1.01 billion by Jan. 1, 2018.

Due to the steadily increasing cash balance in the UC Trust Fund, no federal cash flow loans are projected for 2015 through 2017.

UC Trust Fund Summary

As a result of cost savings from Act 6 and Act 60 provisions and gradually improving economic conditions, employer and employee contributions will exceed benefit payments in 2015, 2016, and 2017. The calendar year ending Trust Fund balance is projected to reach \$994 million (5.7 months of benefits) for 2015, \$1.598 billion (9.2 months of benefits) for 2016, and \$2.175 billion (12.1 months of benefits) for 2017.

**UC TRUST FUND BALANCE
MONTHS OF BENEFITS IN RESERVE BY QUARTER**



**UC TRUST FUND
2014 - 2017 CASH FLOW
JANUARY 2015 GLOBAL INSIGHT FORECAST
(DOLLARS IN MILLIONS)**

	ACTUAL	FORECAST		
	2014	2015	2016	2017
Beginning Trust Fund Balance	\$263	\$540	\$994	\$1,598
Beginning Federal Loan Balance	\$0	\$0	\$0	\$0
Beginning Bond Balance	\$2,572	\$2,240	\$1,869	\$1,458
Employer and Employee Trust Fund Contributions	\$2,551	\$2,527	\$2,642	\$2,674
Trust Fund Interest Earned	\$11	\$28	\$47	\$68
Interest Factor Contributions ¹	\$448	\$464	\$498	\$514
Benefit Payments	\$2,285	\$2,102	\$2,085	\$2,165
Title XII Federal Loans	\$435	\$0	\$0	\$0
Title XII Federal Loan Repayment from Trust Fund	\$435	\$0	\$0	\$0
Title XII Federal Loan Repayment from FUTA Credit Reduction ²	\$0	\$0	\$0	\$0
Title XII Federal Loan Interest Due on September 30	\$1	\$0	\$0	\$0
Bonds ³	\$0	\$0	\$0	\$0
Bond Repayment	\$332	\$371	\$411	\$450
Ending Trust Fund Balance	\$540	\$994	\$1,598	\$2,175
Ending Federal Loan Balance	\$0	\$0	\$0	\$0
Ending Bond Balance	\$2,240	\$1,869	\$1,458	\$1,008
Trust Fund Balance as of June 30	\$752	\$1,176	\$1,728	\$2,291
Three Year Average Benefit Cost as of June 30	\$2,688	\$2,437	\$2,235	\$2,135
Solvency Percentage as of June 30 ⁴	0%	0%	6%	53%

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

¹Interest Factor contributions are deposited into the Debt Service Fund to cover bond debt service and Title XII federal loan interest.

²The FUTA credit reduction was reduced to zero in 2012 due to the repayment in full of the federal loan.

³On 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 in UC benefit funding through 2012, establish a \$75 million bond reserve fund, and cover the cost of issuance.

⁴Per 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.

UC TRUST FUND SOLVENCY TRIGGER MECHANISM

The UC law was amended in October 1988 to include a UC trigger mechanism. The amendment provided that a solvency 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 according to the following formula:

$$\text{Solvency Percentage} = \frac{\text{UC Trust Fund balance (June 30)}}{\text{Average of benefit costs for last three fiscal years (June 30)}} \times 100$$

Effective in 1992 and each fifth year thereafter, the UC law requires the solvency measure rates to be redetermined to derive a targeted annual monetary impact for each solvency measure. Rates are to be redetermined based on the prior calendar year's benefit and contribution activity and are effective in the following calendar year. The rate redeterminations are intended to maintain the monetary impact of each solvency measure at a level comparable to what would be derived by the original rates at the time of the solvency trigger's adoption. Solvency measure targeted dollar values are listed below. Under Act 60, starting in 2013, the solvency trigger mechanism was reduced to a single level where all measures trigger “on” at a solvency percentage less than 250 percent.

SOLVENCY MEASURES TARGETED DOLLAR AMOUNTS BEGINNING IN 2013 (AS SPECIFIED UNDER ACT 60) (DOLLARS IN MILLIONS)

TRIGGER LEVEL	EMPLOYER SURCHARGE ¹	EMPLOYER ADDITIONAL CONTRIBUTIONS ²	EMPLOYEE TAX ³	BENEFIT REDUCTION
250% or more	\$0	\$0	\$0	\$0
Less than 250%	100	225	166%	52

Source: Pennsylvania Department of Labor & Industry

¹ Assessed on employer contributions due and excludes reimbursable employers. The surcharge is not assessed on employer additional contributions.

² Added on to an employer's assigned rate and excludes new and reimbursable employers. The measure is not subject to the solvency surcharge on contributions due.

³ Assessed on all employee gross wages for a calendar year.

In 1992, 1997, 2002, 2007, and 2012 the rates were recalculated to meet the targeted dollar amounts based on the previous calendar year contribution and benefit activity. The following table shows the solvency measure rates that were recalculated in 2012 for use in 2013 through 2017.

SOLVENCY MEASURES 2013-2017¹

TRIGGER LEVEL	EMPLOYER SURCHARGE ²	EMPLOYER ADDITIONAL CONTRIBUTIONS ³	EMPLOYEE TAX ⁴	BENEFIT REDUCTION
250% or more	None	None	None	None
Less than 250%	5.1%	0.65%	0.07%	1.7%

Source: Pennsylvania Department of Labor & Industry

¹Solvency measures for 2013-2017 are based on contribution and benefit activity for calendar year 2011.

²Assessed on employer contributions due and excludes reimbursable employers. The surcharge is not assessed on solvency additional contributions.

³Added on to an employer's assigned rate and excludes new and reimbursable employers. The measure is not subject to the solvency surcharge on contributions due.

⁴Assessed on all employee gross wages for a calendar year.

Status of UC Programs and Initiatives

Office of UC Tax Services (OUCTS)

Workload Highlights for 2014

- Instituted mandatory electronic filing for the first quarter 2014 filing period.
- Increased employer electronic filing of quarterly UC Tax reports to 98.8 percent of all reports filed by the fourth quarter of 2014.
- Increased electronic payments to over 90 percent of all dollars submitted for 2014.
- Completed 3,132 tax compliance audits on gross payroll of \$3.59 Billion.
- Completed audits included the pickup of 19,985 misclassified workers and \$6.9 Million in underreported contributions.
- Approximately \$2.551 billion dollars were deposited into the UC Trust Fund, representing timely and delinquent payments from employers.
- There were 701 payment plans as of December 31, 2014.
- UCTS continues to participate in seminars and outreach programs to educate employers, accountants and payroll services on their rights and responsibilities under the Pennsylvania UC Law. Topics included are:
 - Misclassified Workers
 - Professional Employer Organizations (PEO)
 - Contribution Rates
 - Rate Appeal Deadlines
 - Taxability of Corporate Officer Wages
 - Coverage Issues
 - UC Audits
 - History of UC
 - Unemployment Compensation Management System (UCMS)

Improvements for Employers:

Electronic Filing

With the advent of UCMS, employers now have a more efficient means of filing quarterly UC tax reports and paying taxes online. In addition, employers and employer representatives known as Third Party Administrators (TPAs) are able to do the following:

- File quarterly wage report (UC-2A) information online. UCMS uses the wage information to calculate the employer's quarterly tax information including gross wages, taxable wages, employee withholding, employer contribution, and if necessary interest and penalty.
- Upload a file containing quarterly wage report and tax report information.
- Send a file containing quarterly wage report information via the business standard File Transfer Protocol (FTP). FTP allows the secure transfer of files over the Internet.
- Pay all quarterly amounts due online by the banking standard ACH debit, ACH credit, or credit card. Employers can also print a payment voucher to send with a check in the mail.
- Amend previously filed quarterly wage and tax reports online by either uploading files or by sending files via FTP.
- TPAs representing more than one employer can file wage and tax report information for multiple clients by FTP.

UCMS was opened up for electronic filing of UC Tax quarterly reports with the filing of the 4th quarter 2012. The 4th quarter 2014 reports filed as of February 17, 2015 included 276,409 filed electronically representing 98.8 percent of all reports filed.

2014 Q4 UC-2 Processing by Filing Type	
Filing Type	Actual
FTP	123,753
File Upload	24,485
Online (UCMS)	128,171
Total Electronic Filing	276,409
Paper(DOR)	3,397
Total	279,806

Electronic filing was mandated by the Office of Unemployment Compensation Tax Services beginning with the first quarter of 2014. All employers were required to file using one of the electronic formats. A small number of exceptions were granted by the bureau to employers that had filed the required waiver showing good cause.

A large number of employers pay electronically along with their electronic filing which has provided for more efficient and timely processing of contributions to the UC Fund. During 2014, over 90 percent of contributions have been paid electronically during each quarterly filing period.

This initiative has reduced costs by eliminating printing, mailing, handling, and processing of the majority of paper forms. Eliminating paper filing has also decreased the high error rates associated with processing paper forms.

Misclassified Workers

Studies have indicated that misclassification is a serious problem throughout the United States and estimates indicate that up to 25 percent of workers are misclassified as independent contractors when in fact an employer/employee relationship exists. Misclassified workers have become an important education and auditing initiative for the Office of Unemployment Compensation Tax Services and the United States Department of Labor.

To address this issue, UCTS is conducting audits of registered and unregistered employers in industries, where historically workers have been misclassified. During 2014, we discovered 19,985 misclassified workers and \$6.9 Million in underreported contributions. This effort will continue in 2015.

The Office of UC Tax Services developed new Memorandums of Understanding (MOUs) with the USDOL and the IRS to expand data sharing. These agreements allow the sharing of mutually beneficial information on employers, tax reporting, investigations, and audits, with an emphasis on cooperating to identify and correct worker misclassification. While ensuring proper safeguarding of sensitive data, these agreements provide valuable information which has already resulted in increased identification of misclassification through the Treasury Offset Program and within our audit program, as reported above.

Misclassified Worker Initiative Supplemental Funding

The USDOL made available a supplemental funding opportunity to states UI programs through UIPL 24-13. As part of the Supplemental Budget Request (SBR), the Office of UC Tax Services was awarded \$750,000 for a Misclassified Worker Initiative to improve our audit program. These funds will be used over the 2014 and 2015 federal fiscal years to better identify misclassified workers through improved audit selection. This will be achieved through a new Audit Support Unit.

Audit Support Unit

The Office of UC Tax Services implemented a new Audit Support Unit in late 2013. This unit and the required additional technology will be funded for two years through the Misclassified Worker Initiative portion of the aforementioned FFY 2013 SBR. To improve the discovery of misclassified workers unit staff are collecting and evaluating audit leads from all sources including the IRS, Pennsylvania Department of Revenue, and other state and federal

organizations. The unit is tasked with assigning the best audit leads and collecting and evaluating audit results. This effort is helping UCTS to select the most productive audits that yield unreported misclassified workers and contributions.

Over time, as new data sources are developed and evaluated, our audit selection will improve, helping focus auditor's time and efforts on those industries and entities where the most misclassification occurs. Continuing this process will help Pennsylvania discover and address a higher number of workers misclassified each year and collect more unreported UC tax for the UC Trust fund.

SUTA Dumping Update

Pennsylvania uses an "experience rating" system to compute the yearly Unemployment Compensation (UC) tax rates that are assigned to covered employers. The experience rating system bases the yearly tax rate assigned to an employer on the employer's history of taxable wages, contributions paid into the UC Trust fund and benefits payments to former employees.

"SUTA Dumping" is the term applied to schemes by which employers artificially reduce state UC tax obligations by evading unfavorable experience records. When employers engage in SUTA Dumping and receive artificially low tax rates, any UC benefits that are not recovered by the lower rates must be underwritten by the general employer population, tending to raise the tax rates that must be paid by all employers in order to keep the UC Trust Fund solvent.

For several years, UCTS has been systematically targeting and investigating suspected cases of SUTA Dumping in the Commonwealth. As of the end of 2014, UCTS has undertaken 265 investigations and has identified \$34.3 million in additional contributions payable to the Pennsylvania UC Trust Fund.

Office of UC Service Centers (OUCSC) and Office of UC Benefits Policy (OUCBP)

OUCSC Accomplishments and Customer Focus

In 2014, Pennsylvania's OUCSC

- Completed a total of 2,257,273 telephone calls.
- Processed 1,146,000 initial claims, including 623,366 new claims. Processed more than 8.4 million continued claims (including over 5.4 million Internet UC continued claims).
- Issued 246,346 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. Annual LEP is mandatory for all employees in order to meet the certification.

UC claimants can file both initial and continued claims in Spanish via the Internet at <http://www.uc.pa.gov>. In 2014, 3,713 Spanish initial claims were taken, and 61,727 Spanish continued claims were taken. Pennsylvania Teleclaims (PAT), an interactive voice response continued claims filing system, is available in Spanish at a special toll-free number. A paper mail claim in Spanish is also available for use by individuals who have difficulty using the Internet or telephone systems. Currently, OUCSC and OUCBP have 66 forms and publications available in Spanish.

When calling a UC service center, a claimant can choose to hear the greeting and menu options in English or Spanish. If the Spanish option is chosen, the customer will either speak to a Spanish-speaking claims taker or the representative will use a third party interpreter through Propio Language Services – our current over-the-phone language contractor.

If the individual has difficulty communicating in English, the UC representative utilizes Propio to assist in determining the customer's language needs in order to provide appropriate service. Propio is the commonwealth vendor for over-the-phone professional interpretation service in 200 languages, 24 hours a day. It involves a three-way conversation among the UC representative, claimant, and an interpreter. OUCSC and OUCBP's costs for language services in 2013 were \$548,390. In 2013, OUCSC and OUCBP used our language services to assist with 37,455 calls in 86 different languages. In 2014, OUCSC/OUCBP used language services for 37,414 calls in 67 different languages. Additionally, 23 bi-lingual service center agents are available to assist Spanish-speaking customers.

Videophone Service for the Deaf

In March 2011, OUCSC began providing videophone service for claimants who are deaf. Individuals who are deaf may use the videophone service to file claims for UC benefits, ask questions about their claims or get information about UC programs.

The videophone service is a collaboration between L&I's Office for the Deaf and Hard of Hearing, OUCSC's Customer Services Division, and local service agencies. Over the past several years, members of this community have expressed the barriers they experience with the UC process and requested the use of the videophone, the current and preferred method of communicating among this group.

Videophone service is provided in HOC and involves a contracted American Sign Language interpreter and a UC representative. Videophone service is available every Wednesday, from noon to 4 p.m. In 2014, 1,762 calls were handled from the deaf community. Funding for this program is in place until June 2015.

Mass Email Messaging to UC Claimants

In an attempt to reduce the number of telephone calls to the service centers, improve communication with UC claimants and acclimate them to information available on UC's website at <http://www.uc.pa.gov>, starting in May 2011, OUCSC began sending weekly mass emails to claimants who have provided their email addresses when filing their initial claims for benefits and have received their first benefit payments. The email messages mainly focus on fraud prevention, but also include other information such as holiday payment schedules, Internet services, etc., and are written in English and Spanish. The email messages are sent to approximately 57,300 claimants each week.

Mass Email Messaging to UC Employers

OUCSC began sending mass emails to employers in May 2011. The email messages include: upcoming webinar announcements, upcoming employer seminars conducted by the Speakers Bureau, important tax information and links to the quarterly newsletter. Approximately 80,000 employers receive the UC Issues Update newsletter notification on a quarterly basis.

Twitter

OUCSC began using Twitter in June 2014. A notice was sent to advise claimants and employers of the new method of communication and included information for signing up. Claimants and employers can learn all the latest news and alerts regarding UC and more. Some of the alerts include: upcoming webinar announcements, upcoming employer seminars conducted by the Speakers Bureau, important tax information, holiday closings, system problems and links to the quarterly newsletter. This method of communication provides timely messages to all followers.

The UC Role in Rapid Response Services

The department's Rapid Response (RR) Services is a collaboration between OUCSC and the Bureau of Workforce Partnership and Operations.

When separations become necessary, Rapid Response Services can help by explaining UC and other services available. The sooner the process can begin with a Rapid Response meeting, the sooner the effects of the layoff can be diminished.

Workforce Development Representatives (WDRs) provide expertise on all matters relating to UC. For both employers and employees, the UC process can be both confusing and intimidating. During a Rapid Response meeting, the WDR explains:

- When and how an individual can open a new claim for benefits;
- What information is needed in order to properly start the process;
- The UC mailings that will be received;
- Financial eligibility requirements;
- The biweekly claiming process;
- Situations that can affect UC, such as pensions or vacation pay; and
- The features available through the unemployment website.

To illustrate, here are the number of Rapid Response and BRI (Benefits Rights Interview) Trade meetings held by Rapid Response Services since the economic downturn:

- In 2011; 437 RR meetings with 10,173 attending along with 8 community events servicing an additional 725 individuals.
- In 2012; 571 RR meetings with 12,187 attending along with 6 community events servicing an additional 910 individuals.
- In 2013; 408 RR meetings with 10,289 attending along with 18 community events servicing an additional 1,559 individuals.
- In 2014; 460 RR meetings with 8911 attending along with 75 community events servicing an additional estimated 15,000 individuals.

Along with the increase of individual claims of state unemployment has been an increase in job losses as a result of foreign trade. Individuals in that category are eligible for TRA (Trade Readjustment Allowance). In such cases when employees are potentially eligible for TRA, Rapid Response services will conduct a BRI to explain TRA benefits, which include training assistance and income support. The main income support is administered through the service centers; the WDR will explain the requirements for filing for benefits.

In 2009 and 2011, the federal government made temporary changes to the Trade Adjustment Assistance (TAA) Act. The law changes greatly increased the number of certified TAA petitions because it permitted petitions to be filed by service industries whose jobs were sent overseas in addition to manufacturing industries covered under the prior law. When coupled with the increased claims load due to the recession, the WDRs working with Rapid Response greatly increased the number of TAA BRI meetings. At each meeting, the former employees receive

explanations of the job search, job relocation and training services available under the TAA and how to apply for them. The WDRs explain the Trade Readjustment Assistance (TRA) benefits available to those claimants who are attending training under TAA. The TRA program is administered through the service centers.

On Dec. 31, 2013, the temporary changes to the TAA program ended. The law reverting back to only those in the manufacturing sectors who lose their jobs due to foreign imports being permitted to petition for eligibility under this program. With the decreased claims load and this law change, the number of TAA BRIs substantially decreased. Workers who were certified under the 2009 and 2011 laws were not affected by reversion.

The following table described the number of TRA-BRIs held during the economic downturn and its change due to the recovery and the law change.

- During 2011: 153 meetings were held and 2,776 applications were taken
- During 2012: 126 meetings were held and 2,125 applications were taken
- During 2013: 127 meetings were held and 2,126 applications were taken
- During 2014: 132 meetings were held and 2,340 applications were taken

It is important to note that, on average, only about a third of potentially eligible workers affected by a TRA petition will actually attend a meeting. Thus, while over 8,700 applications were taken, more than 25,000 individuals were affected.

Reemployment Services

L&I links UC claimants to reemployment services provided through Pennsylvania's One-Stop workforce development system – JobGateway®. JobGateway® provides employers enhanced matching capabilities and features and assists claimants to locate jobs that match their skills and abilities. This speeds the transition of workers into new jobs resulting in increased savings to employers.

Some of the methods L&I use to encourage claimants to seek reemployment services are as follows:

- After filing an initial application for benefits, a claimant is mailed information on PA CareerLink® services, along with the Claim Confirmation Letter and the Pennsylvania UC Handbook.
- The claimant is required to be registered within 30 days of the date the application for benefits is taken unless the claimant has an expected date of recall.
- Beginning with the third week of the benefit year, the claimant is required to apply for two jobs and participate in one work search activity each week.
- Job fairs and special reemployment activities at PA CareerLinks® and other locations are announced through newspaper advertisements, targeted mailings, and are posted on the department's website.
- Information on reemployment services is provided to employees who are losing their jobs due to plant closings or major reductions in staff.

- Envelopes used for UC mailings are imprinted with the web address for JobGateway® as a reminder for claimants to seek work.
- PA CareerLinks® send email notifications to claimants regarding the availability of services and employment.

Profile Reemployment Program (PREP)

Congress enacted P.L. 103-152, the UC Amendments of 1993 to the Social Security Act. This law requires state agencies to establish and utilize a system for profiling all new claimants for regular UC. The purpose is to provide services early to those claimants who are likely to exhaust their benefits and need job search assistance to make a transition to new employment.

In response to P.L. 103-152, the PA UC Law was amended to add Section 402(j). This section requires that such profiled claimants who are referred to reemployment services participate in these services as a condition of eligibility for regular UC benefits, unless the state determines that the claimant has completed such services or that there is justifiable cause for the claimant's failure to participate in such services. Additionally, L&I created PREP.

PREP has two major parts: (1) a profiling process that provides early identification of claimants who are most likely to exhaust their UC benefits; and (2) reemployment services, which are provided through the PA CareerLinks® to the selected claimants.

Each week, PA CareerLinks® receive a computer generated list of profiled claimants for PREP consideration. The claimants, who are most likely to exhaust UC before returning to work, are at the top of the list. Claimants who have definite recall dates, work part time, get their work through a union hall or are involved in a work stoppage are excluded from the PREP list. Starting at the top of the list, PA CareerLinks® schedules claimants for the mandatory PREP orientation/assessment session. PA CareerLinks® may schedule multiple PREP sessions per week to accommodate as many profiled claimants as possible. Claimants are informed that failure to appear could jeopardize their eligibility for UC benefits. PA CareerLinks® are required to notify the service center of any claimant who fails to report.

During the PREP orientation/assessment session, claimants receive the following:

- Information on job referral and placement, job search assistance, workshops and job clubs to assist in searching for new employment;
- Vocational assessment, counseling and specific labor market information to help them determine their employment future;
- Information on educational and/or retraining services that may be available through PA CareerLink® partners; and
- An individual employment needs assessment and, if necessary, a customized reemployment training plan.

Facilitation of Reemployment

As part of its UI Performs goals, the U. S. Department of Labor requires each state to meet the facilitation of reemployment of UC claimants' goals. The percentage of accomplishment is

different for each state with Pennsylvania's being 68 percent. Factors that caused the percentage to be set at this level was the PA's total unemployment (7.4 percent in 2013) and the percentage claimants required to register for employment services (PREP) (July 1, 2012 – June 30, 2013 46.6 percent). Pennsylvania's actual percentage of performance for 2013 was 65.7 percent. As the result, a corrective action plan was required to be submitted to USDOL as part of the State Quality Service Plan. The following are the key components of that plan:

- §65.11(f) (4) of the UC regulations requires Interstate claimants to be registered in PA and with the employment service that serves their labor market. L&I will begin sending letters to interstate claimants requiring them to provide a copy of their out-of-state work registration by March 31, 2015. Intrastate claimants not meeting the registration requirements are already being disqualified for benefits.
- The PA CareerLink® centers will contact at least 70 percent of all claimants listed as eligible to receive services under PREP.

The OUCSC Role with Employers

OUCSC supports the department's speaker bureau by helping to explain the UC program to employers at various interactive settings. WDRs located throughout the commonwealth at each of the service centers do presentations that explain 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.

During the past four years, the department has increased efforts to educate employers in understanding the many new laws and procedures enacted to restore UC Fund balance as well as to reduce UC costs for all employers.

- In 2011; 80 seminars were conducted with 1,103 employers attending
- In 2012; 194 seminars were conducted with 3,634 employers attending
- In 2013; 237 seminars were conducted with 2,195 employers attending
- In 2014; 101 seminars were conducted with 1,995 employers attending

Most of the presentations are held at PA CareerLink® offices. This not only strengthens combined efforts to service customers but also offers employers a chance to personally interact with their local PA CareerLink® and gain a greater understanding of the many services they can offer providing employers with qualified job candidates and training opportunities.

Work Registration

Pennsylvania UC law was amended effective in 2012 to require UC claimants to register for employment-search services in the JobGateway system within 30 days of their application for benefits. OUCBP has implemented several enhancements to the work registration process which have significantly increased the percentage of claimants successfully registering. These efforts include the creation of an indicator on claimants' JobGateway home page which provides real-time status of compliance with the registration requirement, use of a 21 day warning letter that provides claimants with the specific elements of the registration process still needing completion, and clear instructions to claimants on the registration process and the repercussions of failing to comply. In January 2013, only 56 percent of claimants successfully registered by their 30th day. However, as of November 2014, between 80-85 percent of claimants successfully register before their 30th day.

Shared-Work Program

The Shared-Work Program is an alternative to employers having to lay off their trained workforces during economic downturns. A shared-work plan allows an employer to temporarily reduce the work hours of a group of employees. Employees covered by the plan receive a percentage of their UC weekly benefit amount while they work the reduced schedule, if they are otherwise eligible for UC. Since the roll out of this program, approximately 48 companies and over 252 employees have benefited from participation in a shared-work plan.

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.

Initially, the automation grant of \$1,336,779 will involve creating a web portal for employers to submit an application to participate online, view their existing plans, and apply for modifications. In subsequent years, automation will involve the ability to file initial UC applications and file for claims for compensation online.

The promotion/enrollment grant of \$2,558,605 will help ongoing efforts to promote awareness of the Shared-Work program to employers by UC Service Center Customer Service staff as well as Bureau of Workforce Development's Rapid Response staff. A dedicated website will be created to market the program to employers. Additionally, a team of expert Shared-Work staff will be developed to manage anticipated program growth and on-going administration.

The enhancement of this program will improve the department's ability to process increased Shared-Work employer/employee participation in the event of another economic downturn.

Trade Adjustment Assistance (TAA)

TAA is a federally funded program offering benefits to certain trade impacted workers, as determined by the U.S. Department of Labor, at no cost to employers. These benefits include job training, income support, job search and relocation allowances, re-employment services, and a

tax credit to help pay the costs of health insurance. The purpose of the TAA program is to help return workers to suitable employment.

Under the sunset provisions of the Trade Act of 2011, the program reverted to a modified version of the Trade Act of 2002 (2002 Act) known as Reversion 2014. Reversion 2014 combines the 2002 Act with the following provisions of the 2011 Act:

- Additional TRA will continue to be available for up to 65 weeks in a 78 week eligibility period.
- Completion TRA will continue to be available instead of Remedial TRA.
- The Basic TRA eligibility period may not be extended beyond 104 weeks.
- Waivers for enrollment in training deadlines will continue to only be issued in cases with health issues, or if training will not begin right away, or if suitable training is not available.

All other provisions of the 2002 Act remained intact. Any petitions filed with the US Department of Labor after Dec. 31, 2013 fell under Reversion 2014 and were assigned TAW numbers of 85,000 and above. Reversion 2014 does not affect petitions or certifications under previous versions of the Trade Act. Therefore, four Trade programs ran concurrent with one another in 2014, each with distinct benefits and eligibility requirements. Identifying which version of the Trade Act a petition or certification falls under can be determined by the TAW number which is assigned according to the filing date of the petition.

The TAA Program was set to expire December 31, 2014. However, the president signed the Omnibus Appropriations Bill in December 2014, which included extending the TAA program through September 30, 2015.

During 2014, 52 TAA petitions were certified under the Trade Act Reversion 2014. As a result, 9,613 PA workers were notified of their eligibility to apply for TAA. During this period, approximately \$17,546,124 of TRA benefits were paid.

The Reemployment Trade Adjustment Assistance (RTAA) program and the Alternative Trade Adjustment Assistance (ATAA) program for older workers (over 50 years old) permit workers to receive up to \$10,000 over a two-year period. In 2014, 544 claimants were paid RTAA benefits and 19 claimants were paid ATAA benefits, for a total of \$1,769,998.

L & I Employee UC Overpayment Cross-Match

The department has initiated an internal employee UC overpayment cross-match to identify current L&I employees who have outstanding overpayments and facilitate repayment. Employees will be required to repay UC overpayments where it is determined found that the reason for overpayment involved fraud on the part of the employee. In addition, an employee that bids on a promotion within the department could be required to repay an overpayment based on the reason for the overpayment. If the employee agrees to repay the overpayment, they have the option to have their wages garnished in lieu of making payments. If the employee does not respond to the request for repayment, the case will be forwarded to Human Resources for further action. The department implemented a similar process to determine if potential employees have UC overpayments. Repaying an overpayment could be a condition of hire, depending on the reason for the overpayment. During 2014, the department recovered approximately \$5,779.00 through this cross-match.

County Prison Cross-match

The department is using technology, at minimal cost, to reduce fraud is through a cross-match system aimed to identify and stop receipt of UC benefits by individuals incarcerated in state and county prisons. The system, known as JNET, operates in real-time to stop payments when UC claimants are incarcerated. When a new inmate enters a county prison that participates in JNET, the individual's information is automatically compared against the UC records maintained by L&I. After L&I receives and verifies the report, the individual is immediately removed from active UC benefit status, saving the UC Trust Fund millions of dollars.

Currently, the department administers the program in cooperation with the Pennsylvania Office of Administration (OA), which is home to JNET. The system became fully functional statewide January 2013. From January through December 2014, there were approximately 24,000 incarceration detections. Because the JNET program is largely a preventive strategy, aimed at stopping the fraud before the funds go out, it is difficult to measure the exact savings incurred. However, using the statewide average benefit rate and duration for all claimants, the estimated average savings is approximately \$6,200 for every claim stopped.

In 2013 the department was awarded supplemental budget funding from the federal government for a number of program integrity and performance and system improvements. Approximately \$500,000 of the overall \$3.1 million in supplemental funding was granted to enhance the incarcerated claimant cross-match to fully automate the process enabling greater efficiency and accuracy in the detection of overpayments. Due to the limitations of UC's 40+ year old Legacy mainframe system, the process for handling JNET incarceration detections is entirely manual. The supplemental funding will allow the department to automate the process utilizing JNET's web-based service.

Foreign IP Blocking

In order to collect on a UC claim for any given week, a claimant must be "able and available" for work. The likelihood of a claimant filing a legitimate claim for UC benefits from an unauthorized

internet provider, foreign IP address, or a foreign area code, is remote.

In November 2011, the Office of Integrity enlisted the assistance of the state of New York, where an established foreign IP blocking program was in place, to run a sample of Pennsylvania UC claims through their software to gauge the extent of the problem. The results revealed approximately 1,000 hits for foreign IP internet claims from 115 different countries over a 30-day period.

In 2012, L&I purchased software to detect UC claims that were initiated from foreign IP addresses. Using this software, L&I was able to block claims from 4,168 foreign IP addresses in 2014, resulting in savings of several millions of dollars to the UC Trust Fund.

Treasury Offset Program (TOP)

On September 30, 2008, the president signed Public Law 110-328, the “SSI Extension for Elderly and Disabled Refugees Act.” Among other things, this act amended federal law to permit states to recover certain UC debts, due to fraud, from a claimant’s federal income tax refund under TOP, which is administered by the United States Department of Treasury (Treasury). Amendments to the Act also allowed overpayments incurred as a result of unreported earnings to be included in TOP.

The TOP program now includes claimants:

- whose fraudulent overpayments of state UC benefits or state extended benefits (EB) exceed \$25.00;
- who have penalty weeks due to their fraudulent behavior;
- who had prior federal income tax refunds garnished for UC fraud, but an overpayment balance remains;
- who had a lien filed due to their UC fraud overpayment; and
- who have been prosecuted for fraud.

During January 2015, the department submitted approximately 10,397 new names to the Internal Revenue Service. Combining the previous years of yet-un-recouped claimant overpayments with this year’s new submissions, an estimated 36,451 names were submitted to the TOP Program totaling approximately \$135 million in overpayments. These individuals include claimants whose names have been submitted previously and will continue to remain on the TOP list until their UC overpayment has been repaid in full.

During 2014, L&I recovered approximately \$21.2 million from 2013 tax refunds.

Since the program’s inception in 2011, L&I has recouped approximately \$47.5 million in fraudulent overpayments through federal tax refunds.

The statute of limitations for recouping fraudulent UC overpayments is six years after the benefit year ending (BYE) date of the overpaid claims for claims that began before June 17, 2012, the effective date of Pennsylvania’s Act 60. The statute of limitations is now ten years for claims that began on or after June 17, 2012.

Pennsylvania New Hire Program

Under the New Hire program, employers must report, within 20 days, any new employees and employees who return to work after a leave of absence of 30 days or more to the State Directory of New Hires (SDNH). Reports from the new hire directory are cross-matched with records from the Departments of Public Welfare and Labor & Industry to identify and locate people owing child support, as well as individuals who may have been overpaid public assistance, unemployment, and/or worker's compensation. To further help prevent overpayments from occurring, whenever a hit is received through either the SDNH or National Directory of New Hires (NDNH) cross match runs, a computer-generated letter is mailed to a claimant at the same time that Form UC-767, New Hire cross-match questionnaire, is generated to the employer. It informs claimants that the department is aware of their new employment, and instructs them that if they are going to continue to claim benefits they must properly report their earnings. The letter also advises that failure to report employment while filing for benefits may constitute fraud.

During calendar year 2014, the department's new hire cross-match (which includes SDNH and NDNH) detected 7,514 overpayments in UC benefits. There was a total of \$5.83 million dollars written in overpayments and \$2.72 million dollars of that total was recovered.

Interstate Reciprocal Overpayment Recovery Arrangement (IRORA)

The Interstate Reciprocal Overpayment Recovery Arrangement (IRORA) is a cooperative agreement among states to recover overpayments in one state from his/her out-of-state federal or state benefits. On February 22, 2012, the federal Middle Class Tax Relief and Job Creation Act of 2012 (Public Law 112-96) became law. Section 2103 of this statute requires states to participate in IRORA as part of their recoupment efforts. Pennsylvania's Act 75, which became law on October 23, 2013, gave the department the legal authority to participate in this program.

After programming the Legacy mainframe computer system, the department began recouping overpayments for other states from Pennsylvania claimant benefits in early December 2014 and began to submit IRORA recoupment requests to other states in January 2015.

15% Penalty – Act 75

On October 21, 2011, the president signed into law the Trade Adjustment Assistance Extension Act of 2011 (TAAEA), (Pub.L. 112-40) which amended Section 303 of the Social Security Act (SSA), to aggressively assist states to develop and implement strategies to improve UC program integrity. On October 21, 2013, Pennsylvania amended Section 804 of the PA UC law to include subsection (c) which provides a monetary penalty to individuals whose fraudulent acts result in an overpayment.

The UC program implemented this penalty in 2014, which assesses a 15% monetary penalty based on the principal amount of the overpayment that has risen to the level of fraud, which includes penalty weeks or prosecution.

State Information Data Exchange System (SIDES)

The National Association of State Workforce Agencies' Information Technology Support Center (ITSC) developed an electronic, standardized format for exchanging separation information with large multi-state employers and third party administrators. This system is called the Separation Information Data Exchange System (SIDES). Pennsylvania began participating in SIDES at the end of March 2014. SIDES will improve the timeliness and accuracy of UC benefit payments, and reduce paper and mailing costs.

Initially, the department began exchanging an electronic equivalent of the UC-45, Employer's Notice of Application, with third-party administrators. As of November 2014, the following third-party administrators participate in SIDES: Equifax, ADP, Employers Edge, Personnel Planners, Thomas & Thorngren, Corporate Cost Control, and Price Waterhouse Coopers. These third-party administrators handle over 9,000 employer accounts.

The department is also committed to developing an aggressive employer outreach plan designed to achieve the goal of transmitting requests/receiving responses from employers not using third-party administrators. There are currently over 1,600 employers enrolled in the SIDES E-Response system that interacts directly with employers, including Labor & Industry.

The department received approximately \$223,000 in federal Supplemental Budget Request (SBR) funding to implement SIDES in 2011. System programming was completed and the funds were expended as of March 31, 2014. \$100,000 was received in SBR funding in 2013 to develop an aggressive employer outreach plan designed to increase the use of SIDES to employers not using third-party administrators. The employer outreach plan must be implemented by March 31, 2015. The department received another \$100,000 in SBR funding in 2014 to continue with the employer outreach plan in 2016. The annual SIDES subscription fee is approximately \$230,000 annually. SBR funding was received to cover the subscription fee for federal fiscal years (FFYs) 2013 and 2014.

The department is continuing to improve SIDES to make it more user-friendly for UC service center staff, increase employer usage, and enhance its capabilities.

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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.

WEEKLY BENEFIT RATES AND EARNING REQUIREMENTS

YEAR	MINIMUM			MAXIMUM		
	WEEKLY BENEFIT RATE ¹	EARNING REQUIREMENT		WEEKLY BENEFIT RATE ¹	EARNING REQUIREMENT	
		HIGH QUARTER	BASE YEAR		HIGH QUARTER	BASE YEAR
1995	35	800-812	1,320	340	8,438	13,520
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

Source: Pennsylvania Department of Labor & Industry

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

UNEMPLOYMENT COMPENSATION CLAIM ACTIVITIES

YEAR	IUR	INITIAL CLAIMS	NEW CLAIMS	WEEKS CLAIMED	WAITING WEEKS
1995	3.3	1,229,122	628,771	8,627,578	549,288
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	1,146,000	623,366	8,427,164	550,536

Source: Pennsylvania Department of Labor & Industry

¹Preliminary rate based on actual 2014 claims activity and a 2014 covered employment estimate based on the first nine months of the year due to a six-month lag in the reporting of covered employment and wages.

DEFINITIONS FOR UC PAYMENT ACTIVITIES

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.

UNEMPLOYMENT COMPENSATION PAYMENT ACTIVITIES

YEAR	FIRST PAYMENTS	EXHAUSTIONS	WEEKS PAID	NET BENEFITS PAID	AVERAGE WEEKLY BENEFIT AMOUNT ²	AVERAGE DURATION IN WEEKS
1995	479,269	133,540	7,832,627	1,573,785,000	219.48	16.3
1996	467,434	135,550	7,830,542	1,602,333,000	219.08	16.8
1997	429,874	111,217	6,881,145	1,429,864,000	227.50	16.0
1998	418,539	104,690	6,516,439	1,417,968,000	237.77	15.6
1999	402,078	102,613	6,328,215	1,450,836,000	250.56	15.7
2000	396,227	96,622	6,019,988	1,463,846,000	264.76	15.2
2001	545,596	128,679	8,178,922	2,128,215,000	281.52	15.0
2002	560,805	197,968	9,681,140	2,665,274,000	291.06	17.3
2003	566,022	212,711	10,095,011	2,767,815,000	291.84	17.8
2004	486,975	165,590	8,429,492	2,448,788,000	293.61	17.3
2005 ¹	461,257	139,872	7,671,548	2,192,245,000	291.89	16.6
2006 ¹	447,066	133,827	7,346,051	1,891,685,000	301.27	16.4
2007	461,807	131,934	7,458,854	2,013,558,000	322.93	16.2
2008	562,343	166,335	9,035,608	2,543,100,000	335.40	16.1
2009	782,870	355,542	15,354,988	4,735,127,000	352.16	19.6
2010 ¹	587,347	295,647	11,724,613	3,606,521,000	337.91	20.0
2011 ¹	530,009	228,135	9,909,169	3,023,271,000	335.18	18.7
2012 ¹	502,647	204,218	8,980,732	2,859,610,000	348.27	17.9
2013 ¹	442,654	172,727	7,834,254	2,547,295,000	359.81	17.7
2014 ¹	413,685	139,418	6,999,112	2,137,684,000	363.77	16.9

Source: Pennsylvania Department of Labor & Industry

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 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.

UNEMPLOYMENT COMPENSATION NONMONETARY DETERMINATIONS

YEAR	TOTAL	INELIGIBLE	ELIGIBLE
1995	396,162	109,715	286,447
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	280,859	115,229	165,630
2009	321,513	131,324	190,189
2010	320,666	130,259	190,407
2011	332,297	141,647	190,650
2012	275,980	131,646	144,334
2013	246,174	119,524	126,650
2014	246,346	123,094	123,252

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.

EMPLOYER CONTRIBUTION FACTORS

YEAR	TAXABLE WAGE BASE	AVERAGE TAX	BREAKDOWN OF AVERAGE TAX RATE	
			PORTION EXPERIENCE RATED	PORTION 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	5.61%	57%	43%
2011	8,000	6.54%	57%	43%
2012	8,000	6.62%	61%	39%
2013	8,500	6.59%	56%	44%
2014	8,750	6.08%	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."

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.

SUMMARY OF TAX RATES BY INDUSTRY FOR 2014¹
(Dollars in Millions)

MAJOR SECTOR	NUMBER CONTRIBUTORY EMPLOYERS	AVERAGE TAX RATE	TOTAL PAYROLL	TAXABLE PAYROLL	CONTRIBUTIONS DUE
Natural Resources and Mining	3,250	6.4 %	\$2,953	\$640	\$41
Construction	29,005	9.1	9,739	2,612	238
Manufacturing	13,689	6.9	27,728	5,713	395
Trade, Transportation, and Utilities	57,793	6.0	34,420	9,660	576
Information	3,469	6.7	4,418	787	52
Financial Activities	18,667	5.9	19,028	3,093	182
Professional and Business Services	54,111	6.6	32,866	6,669	440
Education and Health Services	46,583	5.6	15,422	4,632	261
Leisure and Hospitality	28,064	5.5	7,533	4,030	224
Other Services	29,934	5.2	3,701	1,335	69
Local Government	1,206	5.9	602	193	11
TOTAL	285,771	6.3 %	\$158,409	\$39,364	\$2,488

Source: Pennsylvania Department of Labor & Industry

¹Reflects data from January through September only, due to a six-month lag in the reporting of covered employment and wages.

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. Since 1984, the taxable wage base has been \$8,000.

COVERED EMPLOYMENT AND WAGES

YEAR	ACTIVE EMPLOYERS ¹	AVERAGE COVERED EMPLOYMENT	TOTAL WAGES	TAXABLE WAGES
1995	236,746	4,986,418	137,994,113,987	32,839,723,690
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	5,525,317 ²	205,013,912,976 ²	39,364,010,465 ²

Source: Pennsylvania Department of Labor & Industry

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

²Reflects data from January through September only, due to a six-month lag in the reporting of covered employment and wages.

DEFINITIONS FOR UC SOLVENCY TRIGGER 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.

**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	REDUCTION
1995	120	9.3	127	0.25	81	0.11	152	None	0
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	0.4	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

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 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.

UNEMPLOYMENT COMPENSATION TRUST FUND SUMMARY

YEAR	EMPLOYER AND EMPLOYEE CONTRIBUTIONS DEPOSITED ¹	NET BENEFITS PAID ²	UNEMPLOYMENT COMPENSATION TRUST FUND BALANCE ³	TITLE XII FEDERAL LOAN BALANCE	UC BOND BALANCE
1995	1,842,669,000	1,573,785,000	1,879,920,000	0	0
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	2,639,703,000	1,710,128,000	0	0
2003	1,690,395,000	2,686,940,000	761,931,000	0	0
2004	2,136,803,000	2,272,460,000	613,986,000	0	0
2005	2,374,444,000	2,039,148,000	980,813,000	0	0
2006	2,426,901,000	2,030,681,000	1,383,464,000	0	0
2007	2,348,476,000	2,149,766,000	1,545,652,000	0	0
2008	2,171,544,000	2,754,579,000	981,162,000	0	0
2009	2,084,405,000	4,828,715,000	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	2,284,757,000	540,400,000	0	2,239,810,000

Sources: Pennsylvania Department of Labor & Industry
US Bureau of Public Debt

¹Liability for employee contributions occurred from January 1984 through 1988, January 1992 through 1996 and January 2003 through 2013. Revenue received from 1989-1991 and from 1997-2002 pertains to residual activity from prior years in which liability was effective.

²Net amount withdrawn from the UC Trust Fund to pay benefits. Includes adjustments to original amounts paid such as returned and redeposited payments.

³Trust Fund Balances include Title XII Loans (Federal Advances) and 2012 Unemployment Compensation Revenue Bonds.

DEFINITIONS FOR EXTENDED AND EMERGENCY UC CLAIM ACTIVITIES AND NONMONETARY DETERMINATIONS

The Extended Benefits (EB) period began on February 15, 2009, and ended on April 12, 2012.

Temporary Extended Unemployment Compensation (TEUC) began during the week of March 17, 2002, and ended April 3, 2004. TEUC for displaced airline and related industry workers ended January 1, 2005.

An Emergency Unemployment Compensation period (EUC 1991) began during the week of November 23, 1991. The last payable week for EUC 1991 was the week ending on April 30, 1994. Another EUC period (EUC 2008) began during the week of July 12, 2008. The last payable week for EUC 2008 was the week ending on December 28, 2013.

Data for EB, TEUC, EUC 1991, and EUC2008 include UC, UCFE, and UCX claims and determinations.

Initial Claims

Notices of continued unemployment or separation from employment filed in the state's local offices by individuals who have received their maximum benefit entitlement for UC.

New Claims

Type of initial claim representing an individual's first request for extended benefits, EUC, or TEUC from which a determination of eligibility results.

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).

Nonmonetary Determinations

Decisions relative to a claimant's non-financial 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.

Extended Benefits Claim Activities And Nonmonetary Determinations

YEAR	INITIAL CLAIMS	NEW CLAIMS	WEEKS CLAIMED	NONMONETARY DETERMINATIONS		
				TOTAL	INELIGIBLE	ELIGIBLE
2010	162,009	156,066	1,218,263	5,226	2,420	2,806
2011	198,506	187,341	1,527,637	7,176	3,244	3,932
2012	49,704	47,554	447,468	3,493	2,278	1,215

Source: Pennsylvania Department of Labor & Industry

Temporary Extended Unemployment Compensation Claim Activities and Nonmonetary Determinations

YEAR ¹	INITIAL CLAIMS	NEW CLAIMS	WEEKS CLAIMED	NONMONETARY DETERMINATIONS		
				TOTAL	INELIGIBLE	ELIGIBLE
2002	314,921	278,559	2,784,923	20,375	9,477	10,898
2003	329,190	286,850	3,031,335	44,709	30,414	14,014
2004	11,621	5,277	338,969	23,428	16,579	6,849
2005	2,101	2,005	141	498	354	144
2006	42	0	1	79	51	28
2007	57	0	0	29	20	9

Source: Pennsylvania Department of Labor & Industry

Emergency Unemployment Compensation Claim Activities and Nonmonetary Determinations

YEAR	INITIAL CLAIMS	NEW CLAIMS	WEEKS CLAIMED	NONMONETARY DETERMINATIONS		
				TOTAL	INELIGIBLE	ELIGIBLE
EUC 1991						
1991	76,930	76,930	330,630 ¹	1,351	432	919
1992	412,192	322,314	5,192,764	64,156	15,637	48,519
1993	541,866	337,311	5,152,268	106,238	24,326	81,912
1994	85,273	28,769	680,658	33,951	6,725	27,226
EUC 2008						
2008	208,716	183,336	1,761,127	11,921	5,717	6,204
2009	416,051	344,489	7,679,747	20,045	9,039	11,006
2010	327,193	239,283	12,239,635	21,082	9,273	11,809
2011	309,920	206,570	8,649,839	47,611	23,232	24,379
2012	247,647	158,878	6,789,483	38,104	23,960	14,144
2013	222,721	132,099	5,022,989	45,844	30,644	15,200
2014	7,414	3,989	82,276	18,798	16,655	2,143

Source: Pennsylvania Department of Labor & Industry

¹ Estimated

DEFINITIONS FOR EXTENDED BENEFITS, TEMPORARY EXTENDED AND EMERGENCY UC PAYMENT ACTIVITIES

The Extended Benefits (EB) period began on February 15, 2009, and ended on April 12, 2012.

Temporary Extended Unemployment Compensation (TEUC) began during the week of March 17, 2002, and ended April 3, 2004. TEUC for displaced airline and related industry workers ended January 1, 2005.

An Emergency Unemployment Compensation period (EUC 1991) began during the week of November 23, 1991. The last payable week for EUC 1991 was the week ending on April 30, 1994. Another EUC period (EUC 2008) began during the week of July 12, 2008. The last payable week for EUC 2008 was the week ending on December 28, 2013.

Data for EB, TEUC, EUC 1991, and EUC2008 include UC, UCFE, and UCX claims and determinations.

First Payment

First extended benefit, EUC, or TEUC payment claimants receive for a week of unemployment.

Final Payment

Last extended benefit, EUC, or TEUC payment claimants receive for a week of unemployment, which exhausts their extended benefit or EUC entitlement.

Weeks Paid

Extended benefit, EUC, or TEUC weeks claimed which were paid to eligible claimants upon certification that UC qualifying unemployment was experienced during given weeks.

Benefits Paid

Benefits paid to individuals under the extended benefits, EUC, or TEUC programs.

Average Payment

The amount of extended benefits, EUC, or TEUC 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 weeks of extended benefits, EUC, or TEUC paid per claimant - calculated by dividing the number of weeks paid by the number of first payments.

Extended Benefit Payment Activities

YEAR	FIRST PAYMENTS	FINAL PAYMENTS	WEEKS PAID	BENEFITS PAID	AVERAGE WEEKLY BENEFIT AMOUNT
2010	86,621	48,581	1,371,190	\$455,389,873	\$338.64
2011	103,528	57,190	1,720,157	583,914,988	346.63
2012	34,328	49,128	550,835	184,988,980	343.12

Source: Pennsylvania Department of Labor & Industry

Temporary Extended Unemployment Compensation Payment Activities

YEAR	FIRST PAYMENTS	FINAL PAYMENTS	WEEKS PAID	BENEFITS PAID	AVERAGE WEEKLY BENEFIT AMOUNT
2002	214,001	110,219	2,755,681	\$779,026,456	\$282.70
2003	200,904	171,819	3,015,761	845,002,582	280.20
2004	6,380	36,866	348,266	95,512,355	274.25

Source: Pennsylvania Department of Labor & Industry

Emergency Unemployment Compensation Payment Activities

YEAR	FIRST PAYMENTS	FINAL PAYMENTS	WEEKS PAID	BENEFITS PAID	AVERAGE WEEKLY BENEFIT AMOUNT
EUC 1991					
1991	75,371	0	271,949	\$52,049,733	\$191.40
1992	232,412	72,307	5,167,281	986,242,398	190.86
1993	259,655	169,533	5,250,899	1,014,625,298	193.23
1994	27,465	62,362	719,399	129,990,652	180.69
EUC 2008					
2008	143,556	43,992	1,692,947	\$529,118,048	\$318.87
2009	593,062	346,007	7,687,253	2,517,699,653	334.32
2010	1,114,067	985,212	12,521,187	4,176,346,738	340.47
2011	615,576	525,817	8,433,988	2,782,242,718	338.21
2012	419,649	382,839	6,390,281	2,116,349,379	341.74
2013	361,188	322,791	4,681,221	1,450,435,550	321.10
2014	12,197	8,076	124,871	41,884,268	346.51

2014					
Tier I	6,037	3,796	67,839	\$21,616,736	\$328.32
Tier II	3,532	1,809	36,998	13,272,854	371.67
Tier III	2,628	2,471	20,034	6,994,678	361.89

Source: Pennsylvania Department of Labor & Industry

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.

Population and Labor Force Data (in Thousands)

YEAR	TOTAL POPULATION ¹	LABOR FORCE ²	RESIDENT EMPLOYMENT ²	RESIDENT UNEMPLOYMENT ²	UNEMPLOYMENT RATE ²
1995	12,198	5,900	5,554	346	5.9
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	5.3
2009	12,605	6,406	5,898	509	7.9
2010	12,702	6,392	5,851	541	8.5
2011	12,744	6,397	5,885	512	8.0
2012	12,770	6,465	5,957	508	7.9
2013	12,781	6,442	5,964	478	7.4
2014	12,787	6,378	6,009	370	5.8

2014					
JAN	n/a	6,388	5,983	405	6.3 %
FEB	n/a	6,385	5,988	398	6.2
MAR	n/a	6,383	5,992	391	6.1
APR	n/a	6,379	5,995	384	6.0
MAY	n/a	6,374	5,999	374	5.9
JUN	n/a	6,368	6,004	364	5.7
JUL	n/a	6,363	6,010	353	5.5
AUG	n/a	6,358	6,015	343	5.4
SEP	n/a	6,355	6,020	335	5.3
OCT	n/a	6,353	6,025	328	5.2
NOV	n/a	6,352	6,029	323	5.1
DEC	n/a	6,352	6,033	319	5.0

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

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.

²Monthly data are seasonally adjusted. Data may not add to totals due to rounding. Labor force statistics reflect March 6, 2015 revision.