

Actuarial Evaluation 2022

Financial Operations of the
Pennsylvania Unemployment Compensation Program



Commonwealth of Pennsylvania
Josh Shapiro, Governor



Department of Labor & Industry
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Introduction

The 2022 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 2023 IHS Baseline Forecast of economic activity.

The report analyzes Pennsylvania's UC Trust Fund activity in 2022 and provides a forecast for 2023 through 2025. For each period, the report examines benefit costs, employer and employee contributions, and the net impact on the UC Trust Fund. The forecast incorporates the UC solvency mechanism provided for by the 1988 UC law amendments and an impact analysis of the mechanism on the UC Trust Fund cash flow. Highlights of the analyses and an overview of the economic forecasts and methodologies used to estimate UC activity are provided in the report.

Tables and figures contained within this report provide detailed information and data based in part on the January 2023 IHS Baseline Forecast.

Appendix A is a statistical appendix containing 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.

Appendix B contains tables comparing Pennsylvania's UC program to the programs of other states.

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Executive Summary

Pennsylvania's annual average total unemployment rate decreased from 6.3 percent in 2021 to 4.5 percent in 2022. Annual average resident employment increased from 6.0 million in 2021 to 6.1 million in 2022.

In 2022, a maximum of 26 weeks of regular UC benefits were available to qualified claimants. No extended benefits (EB) or pandemic emergency unemployment compensation benefits (PEUC) were available in 2022.

The status of the UC program in Pennsylvania for 2022 is summarized below. Program details and projections for 2023 through 2025 are included later in this report.

Benefit costs

- Annual benefit costs decreased from \$2.26 billion in 2021 to \$1.22 billion in 2022.
- The number of individuals who received UC benefits decreased from 615,000 in 2021 to 260,000 in 2022.
- The average duration of benefits decreased from 19.0 weeks in 2021 to 14.4 weeks in 2022.
- The average weekly benefit amount increased from \$387.38 in 2021 to \$432.67 in 2022.
- The minimum weekly benefit amount for 2022 was \$68 and the maximum benefit amount was \$594.

Employer and Employee Contributions

- Total employer plus employee contributions decreased slightly from \$2.28 billion in 2021 to \$2.24 billion in 2022.
- The average tax rate for employers was 3.35 percent for 2022, compared to 3.49 percent for 2021.
- The interest tax rate for 2022 was 0 percent.
- The employee tax rate for 2022 was 0.06 percent.

UC Trust Fund

- The UC Trust Fund balance increased by \$226 million in 2022, from a beginning balance of \$29.4 million to the year-end balance of \$255.4 million.
- At the beginning of 2022, Pennsylvania's loan balance stood at \$789.8 million. By the end of 2022, this debt was fully repaid.
- The Trust Fund solvency percentage – i.e., the Trust Fund balance minus the outstanding bond balance – on June 30, 2022, was 4 percent. The solvency is expected to increase to 44% in 2023, 118% in 2024, and 134% in 2025.

Section 1: 2022 in Review

Population, Labor Force, and Unemployment Rate

In 2022, Pennsylvania's annual average total unemployment rate (TUR) was 4.5 percent, down from 6.3 percent in 2021. Employment in Pennsylvania increased from 6.00 million in 2021 to 6.14 million in 2022. Unemployment decreased from 407,000 in 2021 to 288,000 in 2022. The civilian labor force increased from 6.41 million in 2021 to 6.43 million in 2022.

Table A-14 shows population and labor force data for calendar years 2003 through 2022, as well as a monthly breakdown for 2022 and definitions for each field in the table.

Covered Employment and Wages

As of Dec. 31, 2022, there were 338,679 active employers in Pennsylvania, of which 331,974 were contributory employers and 6,705 were reimbursable employers. This is an increase of 272 from the 338,407 active employers at the end of 2021. The average monthly covered employment increased from 5.55 million in 2021 to 5.74 million in 2022. Total wages for 2022 (January through September) were \$286 billion and taxable wages were \$50.8 billion.

Table A-11 shows covered employment and wages for calendar years 2003 through 2022.

Claims Data

Initial UC claims decreased from 1,264,391 in 2021 to 503,412 in 2022. Weeks claimed decreased from 9.3 million in 2021 to 3.8 million in 2022. The annual average insured unemployment rate (IUR), which reflects the ratio of regular UC claims to covered employment, dropped from 3.2 percent in 2021 to 1.3 percent for 2022.

Table A-2 contains claims data and IUR values for 2003 through 2022.

Payment Data

Regular UC benefit costs decreased from \$2.26 billion in 2021 to \$1.22 billion in 2022. The number of weeks paid decreased from 6.85 million in 2021 to 3.04 million in 2022. The average weekly benefit amount increased from \$387.38 in 2021 to \$432.67 in 2022.

The number of individuals who received regular UC benefits decreased from 615,000 in 2021 to 260,000 in 2022. The number of first payments decreased from 359,635 in 2021 to 210,171 in 2022.

Claimants who received first payments in 2022 had an estimated average duration of 14.4 weeks of benefits, a decrease from the 2021 average duration of 19.0 weeks.

Monetary determinations, or determinations of whether claimants had sufficient wages to be eligible for UC benefits, decreased from 965,023 in 2021 to 364,214 in 2022. Non-monetary determinations decreased from 220,930 in 2021 to 205,242 in 2022.

Table A-3 contains payment data for 2003 through 2022. Table A-4 is a breakdown by county of UC benefit recipients for 2022. Table A-5 is a breakdown by industry sector of UC benefit recipients for 2022. Table A-7 shows monetary determinations for 2003 through 2022. Table A-8 shows nonmonetary determinations for 2003 through 2022.

Weekly Benefit Rates and Earning Requirements

For 2022, the minimum weekly benefit rate was \$68, requiring base year earnings of \$2,718 and high quarter earnings of \$1,688-\$1,712. The maximum weekly benefit rate of \$594 required base year earnings of at least \$23,989, and high quarter earnings of \$15,113 or more, with at least 37 percent of wages earned outside of the high quarter. These rates and requirements are defined by state UC law. Because the solvency measures were in effect in 2022, all weekly benefit rates were reduced by 2.4 percent. In addition to their weekly benefit amount, claimants received a dependent allowance of \$5 per week for a spouse or other dependent, as well as an additional \$3 per week if they had two or more dependents.

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

Employer and Employee Contributions

Total employer and employee contributions due were \$2.24 billion in 2022, down from \$2.28 billion in 2021. The average tax rate for employers decreased from 3.49 percent in 2021 to 3.35 percent in 2022.

The taxable wage base for 2022 was \$10,000, which has remained unchanged since 2018. There was no interest tax in 2022, since the balance in the Debt Service Fund was sufficient to cover the Title XII federal loan interest due on September 30, 2022.

The employee tax rate was 0.06 percent for 2022. Contributions to the Reemployment Fund for 2022 totaled \$11.6 million. This represents 5 percent of the employee tax revenues that were received in 2022.

Table A-9 includes the taxable wage base and the average tax rate for calendar years 2003 through 2022. Table A-10 is a summary of tax rates by industry sector for 2022.

UC Trust Fund

The UC Trust Fund balance increased from \$29.4 million at the end of 2021 to \$255.4 million at the end of 2022. Employer and employee contributions exceeded benefit payments by \$1.02 billion in 2022.

The solvency percentage calculated on June 30, 2022, was 4 percent. Since the solvency percentage was less than 250 percent, solvency measures were active for 2022 at the rates calculated in 2018 to meet the dollar amounts specified by state UC law. The following solvency measures were in effect for 2022:

- Employer surcharge of 5.4 percent (yielded about \$83 million in contributions due);
- Employer additional tax of 0.5 percent (yielded about \$264 million in contributions due);
- Employee tax of 0.06 percent (yielded about \$233 million in contributions due); and
- Benefit reduction of 2.4 percent (yielded about \$30 million in savings).

Table A-13 is a summary of the UC Trust Fund from 2003 through 2022. Table A-12 shows the solvency measure rates and amounts due, as well as the solvency percentages for 2003 through 2022. The solvency percentage calculation and the determination of solvency measure rates are explained in Section 3, titled “UC Trust Fund Solvency Trigger Mechanism,” which appears later in this report.

UC Federal Loans

Pennsylvania began the year with outstanding federal loans in the amount of \$790 million. By May 2022, Pennsylvania paid off the outstanding loan balance and did not incur any additional debt the rest of the year. As a result, the year-end federal loan balance stood at \$0.

Table A-13 includes bond and loan balances for 2003 through 2022.

Emergency and Extended Benefits

There were no emergency or extended benefit programs available in 2022. All the federal programs that were introduced in response to the pandemic ended in 2021. You can view data on these programs in previous editions of the Actuarial Evaluation.

Forecast Comparisons

Figure 1.1 compares the IHS January 2022 forecast that was used to prepare the 2021 Actuarial Evaluation to actual results from 2022. Figure 1.2 compares the January 2023 forecast to the January 2022 forecast.

Figure 1.1: January 2022 Forecast Compared to Actual Data for 2022
(Dollars in Millions)

	Forecast	Actual
Beginning Trust Fund Balance	\$28	\$29
Beginning Federal Loan Balance	790	790
Employer and Employee Trust Fund Contributions	2,213	2,235
Trust Fund Interest Earned	0	3
Interest Factor Excess ¹	0	0
Benefit Payments	1,964	1,215
Other Withdrawals ²	2	22
Title XII Federal Loans	1,172	474
Title XII Federal Loan Repayment from Trust Fund	1,449	1,263
Title XII Federal Loan Repayment from FUTA Credit Reduction ³	0	0
Title XII Federal Loan Interest Due on September 30	12	9
Ending Trust Fund Balance	0	255
Ending Federal Loan Balance	513	0
Trust Fund Balance as of June 30	0	129
Three-year Average Benefit Cost as of June 30	3,582	3,441
Solvency Percentage as of June 30 ⁴	0%	4%

Sources: Pennsylvania Department of Labor & Industry
U.S. Bureau of Public Debt
IHS January 2022 Baseline Forecast for Pennsylvania

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

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

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

⁴ Per 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.

Figure 1.2: IHS Forecast Comparison – January 2022 and January 2023

January 2023 IHS Forecast				
	2022	2023	2024	2025
United States				
Total Non-ag. Employment (millions)	152.6	154.6	153.8	154.1
Growth Rate	4.3%	1.3%	-0.5%	0.2%
National Total Unemployment Rate	3.6%	3.9%	4.6%	4.5%
Pennsylvania				
Total Non-ag. Employment (thousands)	5,956	6,004	5,987	6,004
Growth Rate	3.6%	0.8%	-0.3%	0.3%
Average Annual Wage, total non-ag (thousands)	\$69.0	\$72.1	\$75.4	\$78.6
Growth Rate	5.2%	4.5%	4.6%	4.2%
State Total Unemployment Rate	4.5%	5.1%	5.5%	5.1%

Source: IHS January 2023 Baseline Forecasts for the United States and Pennsylvania.
Average annual wage is not available for the United States.

January 2022 IHS Forecast				
	2022	2023	2024	2025¹
United States				
Total Non-ag. Employment (millions)	151.6	153.6	154.7	
Growth Rate	3.7%	1.3%	0.7%	
National Total Unemployment Rate	3.7%	3.6%	3.8%	
Pennsylvania				
Total Non-ag. Employment (thousands)	5,925	6,027	6,085	
Growth Rate	3.7%	1.7%	1.0%	
Average Annual Wage, total non-ag (thousands)	\$69.6	\$72.3	\$75.2	
Growth Rate	4.9%	4.0%	4.0%	
State Total Unemployment Rate	4.6%	4.2%	4.3%	

Source: IHS January 2022 Baseline Forecasts for the United States and Pennsylvania.
Average annual wage is not available for the United States.

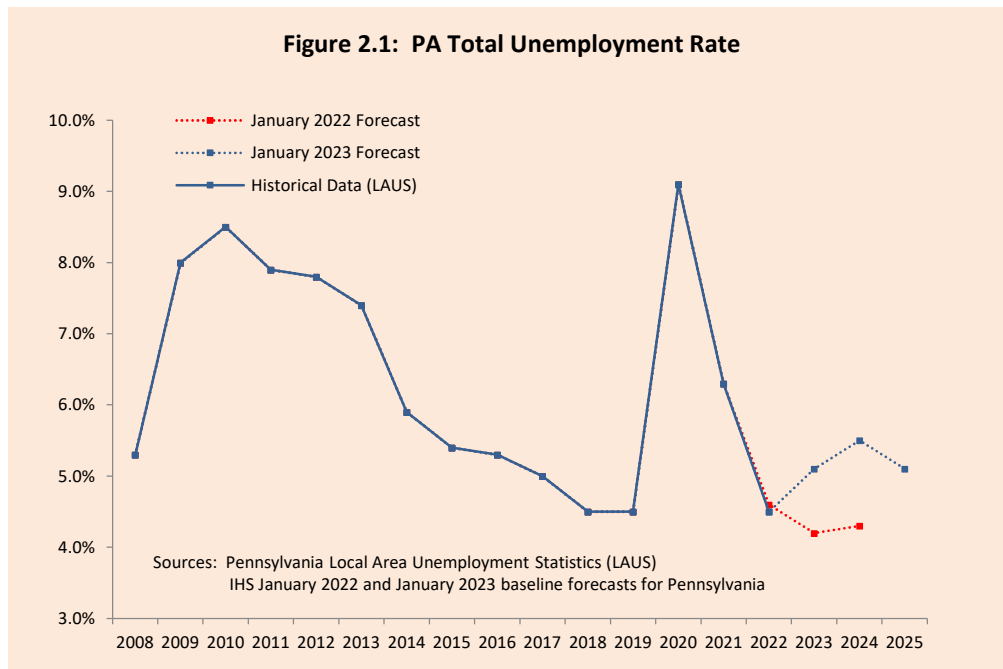
¹ Projected data for 2025 were not included in the 2021 Actuarial Evaluation.

Section 2: Outlook for 2023-2025

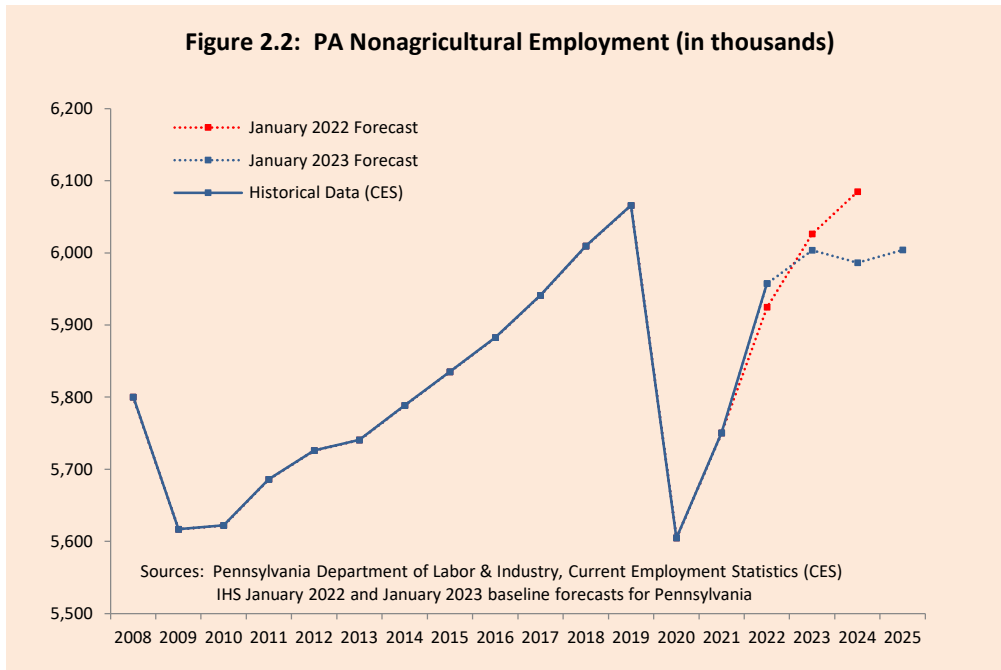
The Pennsylvania Department of Labor & Industry uses IHS Markit’s economic projections for Pennsylvania and the United States as the basis for projections of UC Trust Fund activity. The key economic forecast indicators used to determine UC benefit costs are Pennsylvania’s total unemployment rate and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

The outlook for 2023-2025 UC activity provided in this report is based on the January 2023 Baseline Forecast for Pennsylvania (referred to as the January 2023 IHS Baseline forecast). Figures 2.1 through 2.11 provide a comparison of the economic forecast indicators under the January 2023 IHS Baseline Forecast versus the January 2022 IHS Baseline Forecast used for the 2021 Actuarial Evaluation of the UC Trust Fund.

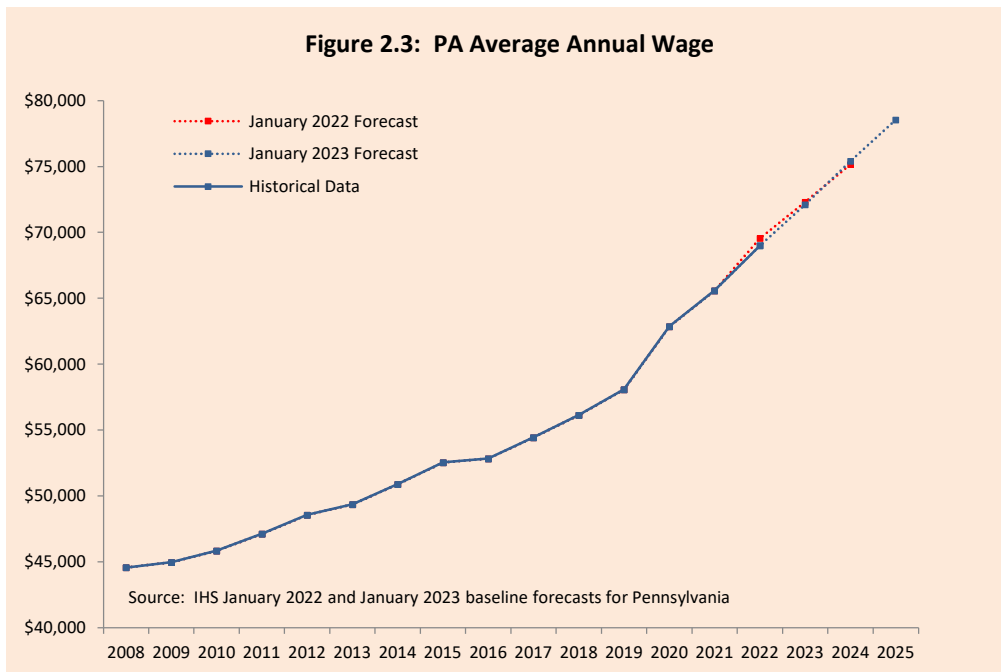
Economic Indicators for Pennsylvania



Pennsylvania’s total unemployment rate is projected to increase from 4.5 percent in 2022 to 5.1 percent in 2023. It is then projected to increase to 5.5 percent in 2024 and then decrease back down to 5.1 percent in 2025.



Pennsylvania’s nonagricultural employment was 5.96 million in 2022. It is projected to increase to 6.00 million in 2023, decrease to 5.96 million in 2024, and then increase back to 6.00 million in 2025.



Pennsylvania’s estimated average annual wage for 2022 is \$69,011. It is projected to increase to \$72,113 in 2023, \$75,424 in 2024, and \$78,564 in 2025.

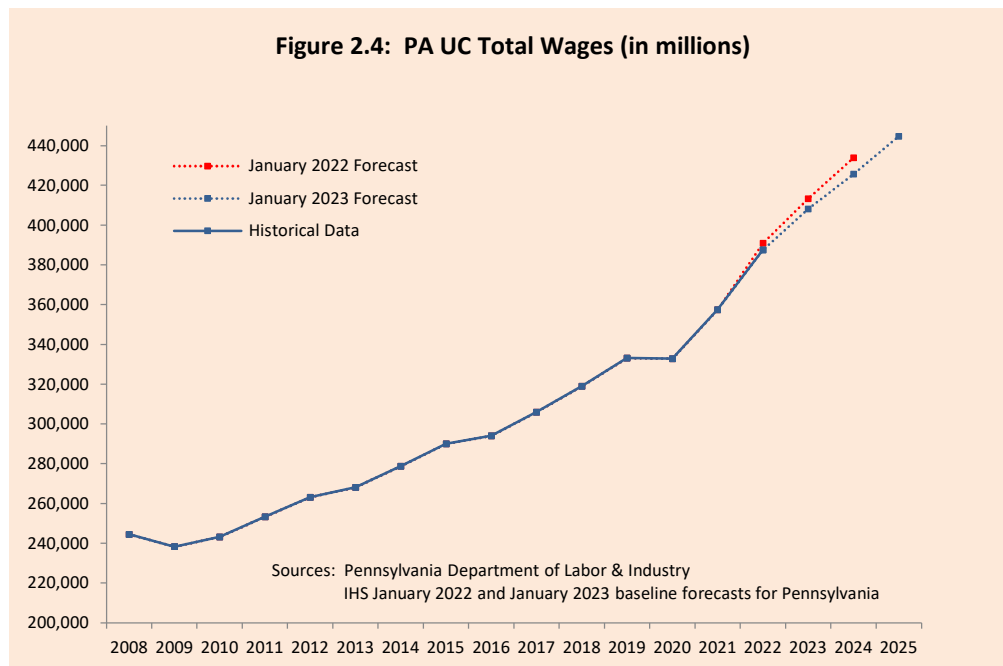
UC Wages

UC total wages are all wages paid by employers that are subject to Pennsylvania’s UC law, which includes most employers with few exceptions. UC taxable wages are wages paid by contributory employers, up to the taxable wage base for each employee. The taxable wage base for 2022 was \$10,000.

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

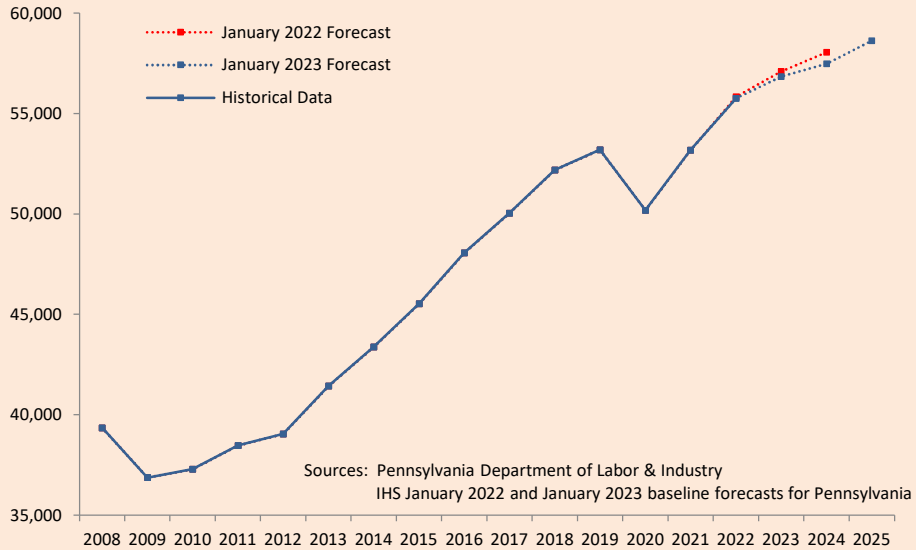
The remaining 2 percent of UC-covered employers are reimbursable employers. Examples of reimbursable employers are political subdivisions and non-profit organizations. These employers, given the option under UC law to use the contributory or reimbursable method, have elected to reimburse the UC Trust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

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



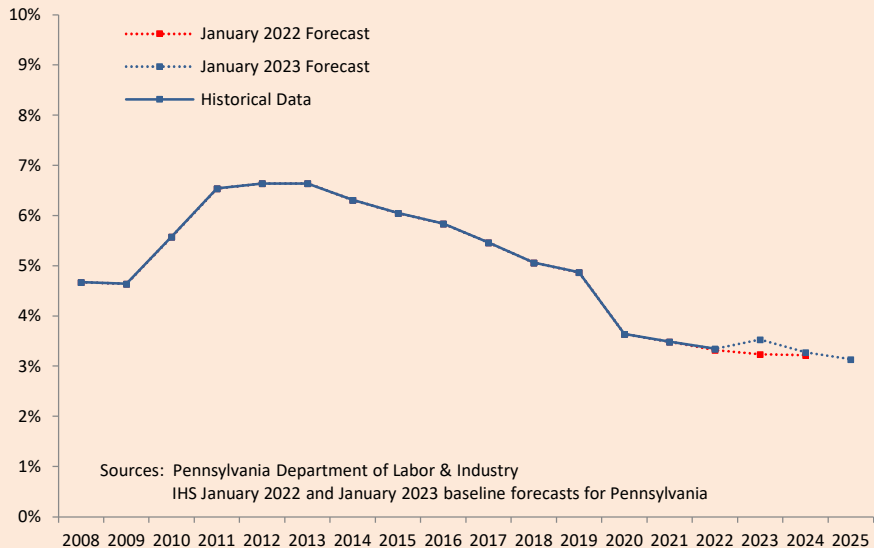
Estimated UC total wages were \$387.6 billion in 2022. They are projected to increase to \$408.2 billion in 2023, \$425.7 billion in 2024, and \$444.8 billion in 2025.

Figure 2.5: PA UC Taxable Wages (in millions)



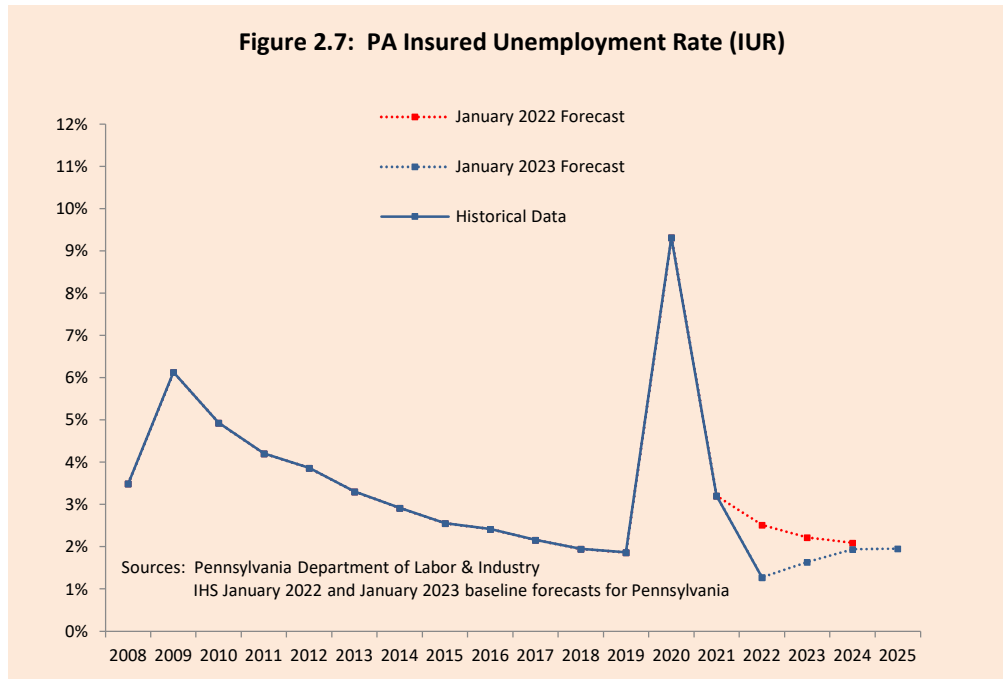
Estimated UC taxable wages were \$55.8 billion in 2022. They are projected to increase to \$56.9 billion in 2023, \$57.5 billion in 2024, and \$58.6 billion in 2025.

Figure 2.6: Average UC Employer Tax Rate

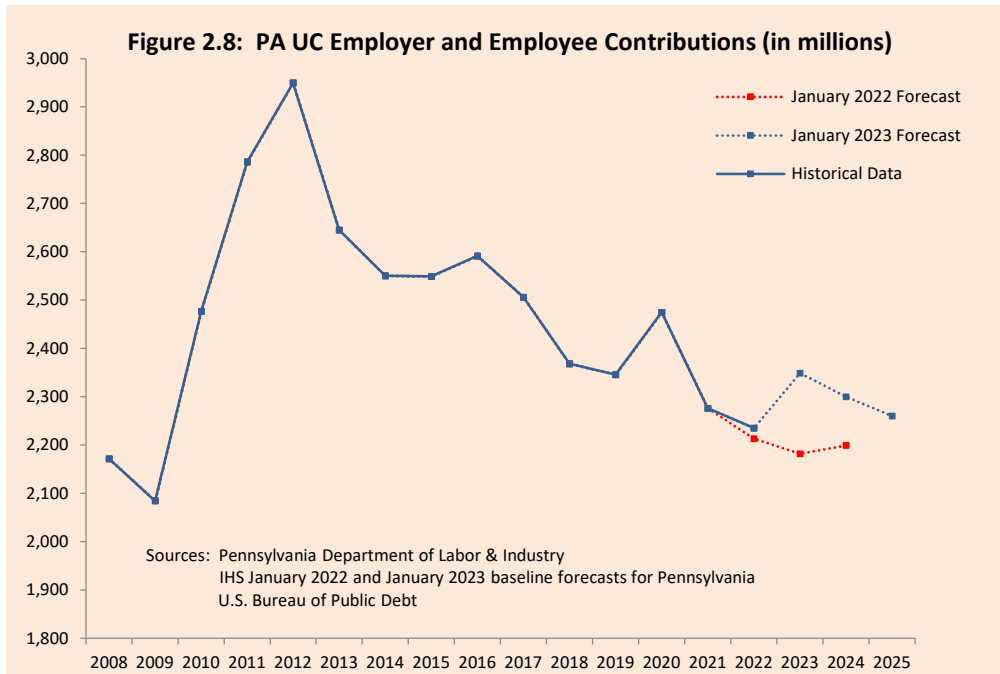


The average UC employer tax rate is projected to increase from 3.35 percent in 2022 to 3.53 percent in 2023, then drop to 3.28 percent in 2024 and 3.14 percent in 2025.

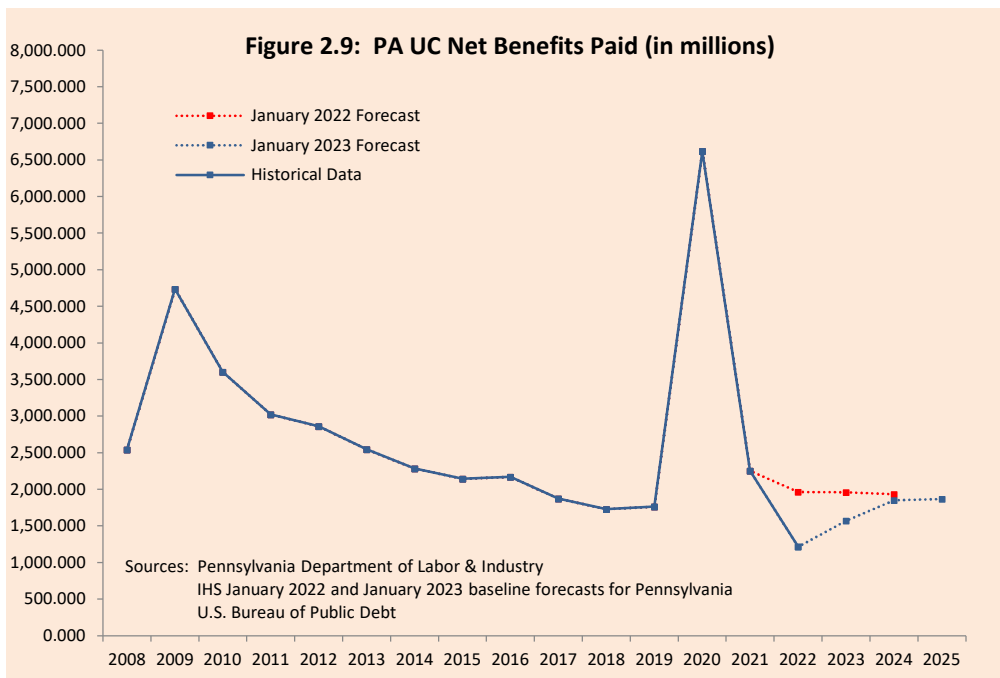
Insured Unemployment Rate (IUR), Benefits Paid, and Contributions



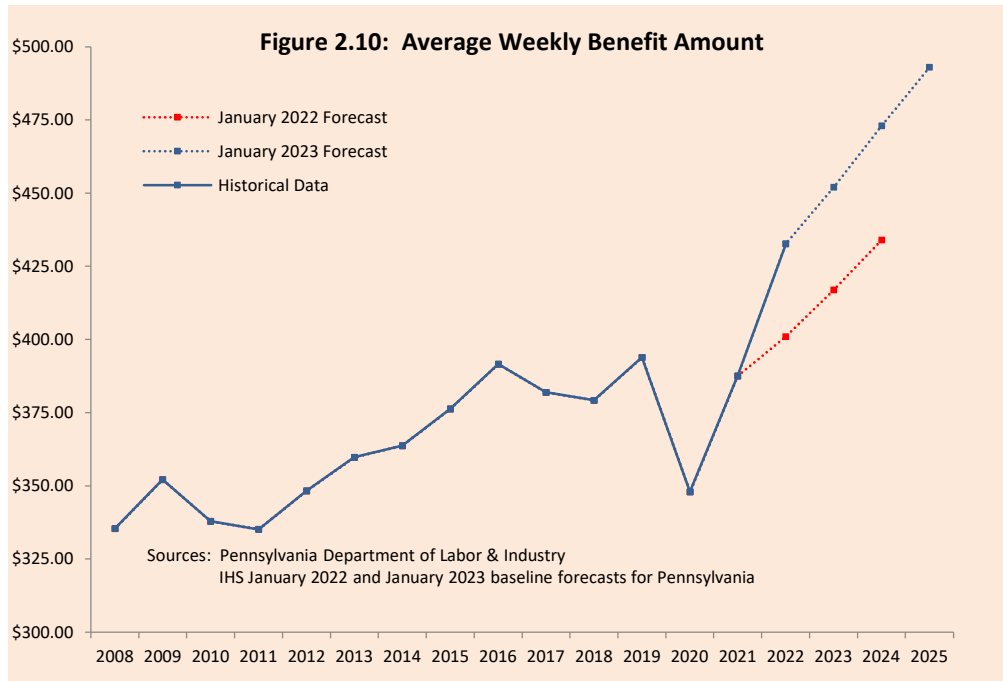
The insured unemployment rate (IUR) is the ratio of average annual weekly UC continued claims to average annual covered employment. The IUR for 2022 was 1.3 percent. It is projected to increase to 1.6 percent in 2023, 1.9 percent in 2024, and 2.0 percent in 2025.



Employer and employee contributions are projected to increase from \$2.24 billion in 2022 to \$2.35 billion in 2023, then decrease to \$2.30 billion in 2024 and \$2.26 billion in 2025.



UC net benefits paid were \$1.22 billion in 2022. They are predicted to increase to \$1.57 billion in 2023, \$1.85 billion in 2024, and \$1.87 billion in 2025.



The average weekly benefit amount (based on weeks paid for total unemployment) was \$433 in 2022. It is forecasted to increase to \$452 in 2023, \$473 in 2024, and \$493 in 2025.

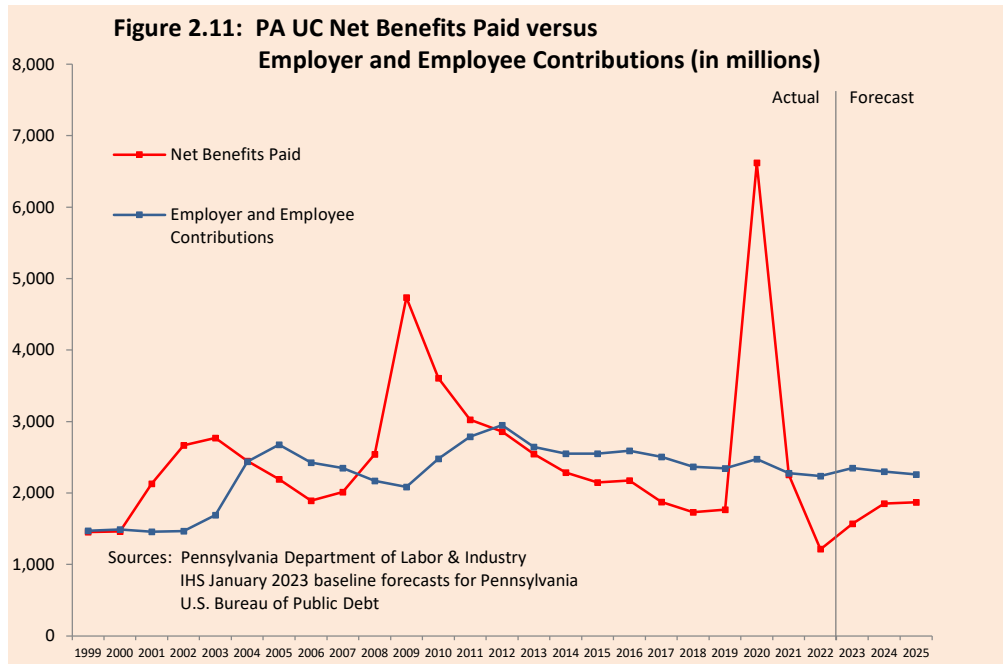


Figure 2.11 illustrates the relationship between benefits and contributions and shows how the solvency trigger mechanism causes employer and employee contributions to rise as a delayed response to an increase in benefits during periods of higher unemployment. Contributions increased following the 2009 recession and exceeded benefits paid in 2012 through 2019. Benefits were substantially higher than contributions for 2020 due to the impact of COVID-19. Overall benefits in 2022 were lower than contributions were and are forecasted to be remain lower through 2025.

Section 3: UC Trust Fund Solvency Trigger Mechanism

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

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

Effective in 1992 and each fifth year thereafter, the UC law requires the solvency measure rates to be re-determined to derive a targeted annual dollar amount for each solvency measure. Rates are re-determined based on the prior calendar year’s benefit and contribution activity and are effective in the following calendar year. Rates for 2023-2027 were re-determined in 2022 based on contribution and benefit activity for 2021.

Act 60 of 2012 also specifies that the target amounts for the employer surcharge, employer additional contributions, employee tax, and benefit reductions will increase beginning with the year after all UC debt is paid off. This debt includes the UC bonds along with any federal loans that are incurred before the UC bonds are paid off. Although the UC bonds have been paid in full, the high volume of benefits paid in 2020 resulted in the depletion of the UC Trust Fund which required additional federal loans. These loans were paid off on May 6, 2022 which in turn affected solvency measure rates for 2023 through 2025.

Solvency Measures for 2023 through 2025 (based on contribution and benefit activity for 2021)

	Target Amount	Rate
Employer surcharge	\$138,000,000	9.2%
Employer additional contributions	\$310,000,000	0.6%
Employee tax	\$230,000,000	0.07%
Benefit reduction	\$72,000,000	3.2%

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

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

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

Projected Revenue from Solvency Measures (millions)

	2023	2024	2025
Employer surcharge	\$141	\$131	\$126
Employer additional contributions	\$323	\$326	\$333
Employee tax	\$286	\$298	\$311
Benefit reduction	\$52	\$61	\$62

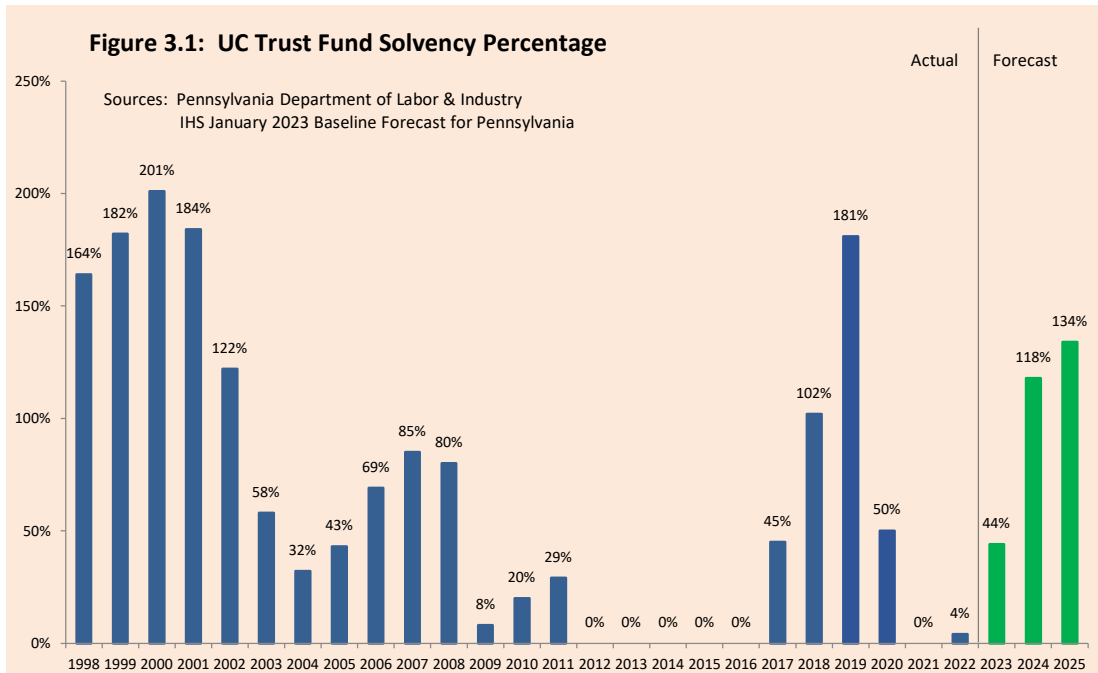
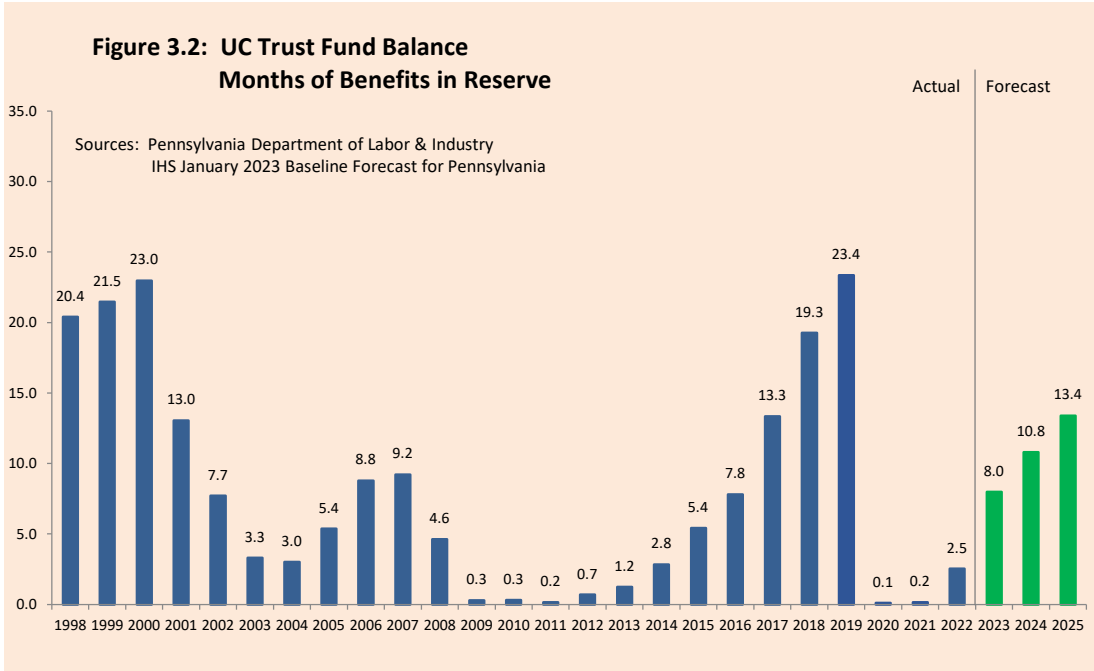


Figure 3.1 shows the annual UC Trust Fund solvency percentage. The solvency percentage for each year is the UC Trust Fund balance on June 30 divided by the three-year average for net benefits paid ending the same day. Per Act 60, starting in 2012 the amount of outstanding bonds or federal loans is subtracted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



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

**Figure 3.3: UC Trust Fund 2022-2025 Cash Flow
(Dollars in Millions)**

	Actual	Forecast		
	2022	2023	2024	2025
Beginning Trust Fund Balance	\$29	\$255	\$1,045	\$1,668
Beginning Federal Loan Balance	790	0	0	0
Employer and Employee Trust Fund Contributions	2,235	2,349	2,300	2,260
Trust Fund Interest Earned	3	11	23	32
Interest Factor Excess ¹	0	0	153	0
Benefit Payments	1,215	1,571	1,852	1,868
Other Withdrawals ²	22	0	0	0
Title XII Federal Loans	474	0	0	0
Title XII Federal Loan Repayment from Trust Fund	1,263	0	0	0
Title XII Federal Loan Repayment from FUTA Credit Reduction ³	0	0	0	0
Title XII Federal Loan Interest Due on September 30	9	0	0	0
Ending Trust Fund Balance	255	1,045	1,668	2,092
Ending Federal Loan Balance	0	0	0	0
Trust Fund Balance as of June 30	129	1,044	1,791	2,232
Three-year Average Benefit Cost as of June 30	3,441	2,393	1,521	1,666
Solvency Percentage as of June 30 ⁴	4%	44%	118%	134%

Sources: Pennsylvania Department of Labor & Industry
U.S. Bureau of Public Debt
IHS January 2023 Baseline Forecast for Pennsylvania

¹ Interest Factor Excess are contributions remaining after debt obligations have been covered. These excess debt service contributions are available for deposit into the UC Trust

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

³ No FUTA credit reduction was required in 2022 since the federal loan was repaid in May 2022 and no additional debt was incurred through December 2022.

⁴ Per Act 60 of 2012, the solvency percentage calculation starting in 2012 is based on the nominal UC Trust Fund balance minus the amount of outstanding federal loans and bond principal.

Section 4: Status of UC Programs and Initiatives

Office of Unemployment Compensation Tax Services (OUCTS)

Accomplishments and Customer Focus

Below are some highlights of activity completed by UCTS during calendar year 2022.

- Provided UC services to over 338,273 active employers
- Responded to 88,302 customer telephone calls with an average wait time of 0:44 seconds and a low of 0:16 seconds during non-peak times.
- Responded to 3,293 customer chats with an average wait time of 1.13 minutes and a low of 0:54 seconds during non-peak times.
- Received and responded to 14,074 UC inquiries from media
- Processed 1,301,627 quarterly tax returns
- Received 45,003 new employer registrations
- Issued 15,051 clearance certifications
- Revised 16,675 employer contribution rates
- Established 982 payment plans for unpaid delinquencies
- Filed 4,916 liens covering \$40.9 million in contributions, interest, and penalties
- Completed 180,055 tasks in UCMS
- No injunctions were initiated due to the pandemic and restricted collection activities
- Deposited approximately \$2.54 billion into the UC Trust Fund, representing timely and delinquent payments from employers
- Deposited \$10.1 million in interest and \$6.0 million in penalties to the Special Administrative Fund
- Received 99.79% of all filed reports electronically for third quarter 2022
- Received over 98.96% of all dollars electronically for all quarters of 2022
- Issued 4,836 refunds for a total of \$14.1 million
- Completed 3,124 employer audits on gross payroll of \$2.2 billion
- Discovered 10,542 misclassified or unreported workers and \$3.9 million in underreported taxes
- Recommended 264 new writs of execution against employer bank accounts and 235 were successfully closed with \$1,548,842.10 collected of \$3,977,363,75 sought
- Processed 1,971 offsets totaling \$1,231,983.75 through the Treasury Offset Program (TOP)--a debt collection program that authorizes the United States Department of the Treasury to intercept federal income tax refunds from employers to repay their delinquent state UC tax debts
- Initiated 738 prosecutions with the Philadelphia District Attorney's office and local Magistrates for employer delinquencies. Thirty-seven restitution orders were granted in the amount of \$687,720.20, 40 UC Tax reports were collected, 36 UCTS and Magisterial District Court monitored payment plans were established and \$226,027.50 were collected as a result of the complaint filing
- Closed 26 SUTA Dumping cases resulting in \$12.8 million in additional contributions and \$2.8 million in interest

Office of Unemployment Compensation Benefits Policy (OUCBP)

State Information Data Exchange System (SIDES)

The Department of Labor & Industry (L&I) uses the State Information Data Exchange System (SIDES) to electronically transmit Separation Information requests and receive responses from participating employers which helps improve the integrity of the UC program. During 2022, 510,893 electronic requests for information were sent through SIDES or SIDES E-Response, representing almost 80% of new and additional claim applications, and 383,398 responses were received. As of February 2023, the following third-party administrators participate in SIDES: Equifax, ADP, Employers Edge, Personnel Planners, Paychex, Thomas & Company, Corporate Cost Control, Dunn Corporate Resources, Ernst and Young, Barnett an Equifax Co, Premier Employer Solutions, NSN Employer Services, Matrix claims Management, Sedgwick CMS, UC Alternative, Unemployment Tracker, Alphastaff Inc., Sheakley Uniservice, Emptech, Employers Unity, Tilson HR, HIRETech, OneSource Employee Management, Degroot Management Services Inc, NSN Employment Services, ValeU NSN, US4U, Cost Management Corporation, UTMC, Unemployment Services Corporation, AEG, Group Management Services, Industrial UI Services, Ampian HR, and Syndeo. These third-party administrators handle over 17,000 employer accounts. Currently, over 146,000 employers participate in SIDES E-Response, including some Commonwealth agencies such as L&I.

Shared-Work Program

The Shared-Work Program is an alternative to employers having to lay off their trained workforce during economic downturns. A Shared-Work plan provides partial benefits to a group of employees when an employer temporarily reduces their work hours. The UC modernization project has resulted in an upgraded Shared-Work plan application for employers, making it easier for employers to submit Shared-Work plans and L&I to review them. While utilizing the new UC system, various bugs had been encountered and corrected. This process did not delay benefit payments as the system allowed application and benefit payment processing while fixes could be discovered, designed, and implemented. During 2022, over 24 unique employees participated in a Pennsylvania's Shared-Work program with over 83 plans over the course of the year. Over 294 employees benefited from Shared-Work in 2022.

Treasury Offset Program (TOP)

During calendar year 2022, L&I recovered approximately \$10.13 million from claimants' federal income tax refunds. Since the program's inception in 2011, L&I has recouped approximately \$164.3 million in fraudulent UC and extended benefits (EB) overpayments via TOP.

Interstate Reciprocal Overpayment Recovery Arrangement (IRORA)

During calendar year 2022, Pennsylvania allocated \$1,073,719.98 in claimants' UC benefits towards their out-of-state overpayments. Pennsylvania also applied \$151,302.97 in claimants' out-of-state benefits towards their overpayments in Pennsylvania.

Pennsylvania New Hire Program

During calendar year 2022, the L&I's new hire cross-match, which includes the State Directory of New Hires (SDNH) and National Directory of New Hires (NDNH), detected 24 overpayments in UC benefits. There was a total of \$93,129 written in overpayments and \$842,800 recovered during 2022. As L&I continues to recoup overpayments established in prior years, the recouped dollar amount may be higher than the established dollar amount in any given calendar year.

Trade Adjustment Assistance (TAA)

The Trade Act of 2015, TAARA 2015, ended on June 30, 2021, but petitions filed prior June 30, 2021 are covered under TAARA 2015. Petitions filed on or after July 1, 2021, through June 30, 2022, are covered under Reversion 2021. No new TAA determinations can be made after June 30, 2022. However, states must still provide benefits and services to eligible workers. During 2022, one new petition was certified under the Trade Act of 2015 program, and two new petitions were certified under the Reversion 2021 program. Three hundred and six individuals were notified of potential eligibility. The total amount of TRA cash benefits paid for the year was approximately \$2,947,998.

In addition, many TAA eligible individuals over 50 worked new full-time jobs but since the new job paid less than their previous employment, they were eligible for RTAA/ATAA payments. During 2022, 187 individuals were paid RTAA/ATAA. The total amount of RTAA/ATAA benefits paid was approximately \$279,823.

Office of Unemployment Compensation Service Centers (OUCSC) Accomplishments and Customer Focus

In 2022, Pennsylvania's OUCSC:

- Completed a total of 558,062 telephone calls;
- Processed 503,412 initial claims and 3,815,104 continued claims; and
- Issued 205,242 non-monetary determinations for UC eligibility.

Limited English Proficiency (LEP)

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

Claimants who primarily speak Spanish can utilize both internet and telephone applications to open claims and file for UC benefits. Pennsylvania Teleclaims (PAT), an interactive voice response continued claims filing system, is available in Spanish at a special toll-free number.

If the individual has difficulty communicating in English, the UC representative utilizes an over-the-phone language contractor to assist in determining the claimant's language needs and provides appropriate service.

Videophone Service for the Deaf

OUCSC provides videophone service for claimants who are deaf. Individuals who are deaf may use the videophone service to file claims for UC benefits and ask questions about their claims. Videophone service is provided at the Harrisburg Overflow Center (HOC) and is available every Wednesday, from noon to 4 p.m. Cumulatively from 2011 through 2022, 8,794 calls were handled from the deaf community. In 2022, OUCSC answered 898 videophone calls.

The UC Role in Rapid Response Services

L&I's Rapid Response Services is a collaboration between OUCSC and the Bureau of Workforce Development Partnership & Operations. When separations become necessary, Rapid Response Services can help by explaining UC and other reemployment services. The sooner the process can begin with a Rapid Response meeting, the sooner the effects of the layoff can be diminished.

To illustrate, here are the number of meetings held by Rapid Response Services in recent years:

Year	Rapid Response Meetings	Rapid Response Meeting Attendees
2014	460	8,911
2015	507	9,592
2016	449	8,899
2017	270	4,775
2018	335	5,722
2019	272	8,766
2020	216	3,588
2021	94	1,894
2022	136	4,129

The OUCSC Role with Employers

OUCSC supports Labor & Industry's speaker bureau by explaining the UC program to employers in various interactive settings. Workforce development representatives (WDRs) located throughout the commonwealth at each of the service centers conduct presentations that explain all the basic issues relating to employers as well as specific topics. Experts from UC Tax Services and the UC Board of Review also participate to help employers better understand UC and, in turn, help keep their UC costs at a minimum. Labor & Industry has increased efforts to educate employers in understanding the many new laws and procedures enacted to restore UC Trust Fund solvency and reduce UC costs for all employers.¹

Year	Employee Seminars	Attendees
2014	101	1,995
2015	83	1,127
2016	71	965
2017	33	483
2018	47	567
2019	71	1,838
2020	39	690
2021	43	1,582
2022	32	627

¹ The PA Commonwealth budget impasse necessitated the cessation of most employer seminars as of October 1, 2015. Budgetary issues have reduced Labor & Industry's ability to provide UC seminars to employers.

Appendix A: Statistical Appendix

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Definitions for Table A-1

Weekly Benefit Rates and Earning Requirements

Minimum Weekly Benefit Rate

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

Maximum Weekly Benefit Rate

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

Earning Requirement, High Quarter

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

Earning Requirement, Base Year

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

Table A-1
Weekly Benefit Rates and Earning Requirements

Year	Minimum			Maximum			Benefit Reduction
	Weekly Benefit Rate ¹	Earning Requirement		Weekly Benefit Rate ¹	Earning Requirement		
		High Quarter	Base Year		High Quarter	Base Year	
2003	\$ 35	\$ 800-812	\$ 1,320	\$ 451	\$ 11,213	\$ 17,960	none
2004	35	800-812	1,320	461	11,463	18,360	none
2005	35	800-812	1,320	478	11,888	19,040	2.3%
2006	35	800-812	1,320	497	12,363	19,800	2.3%
2007	35	800-812	1,320	520	12,938	20,720	none
2008	35	800-812	1,320	539	13,413	21,480	none
2009	35	800-812	1,320	558	13,888	22,240	none
2010	35	800-812	1,320	564	14,038	22,480	2.3%
2011	35	800-812	1,320	573	14,263	22,840	2.3%
2012	35	800-812	1,320	573	14,263	22,840	2.3%
2013	70	1,688-1,712	3,391	573	14,263	28,292 ²	1.7%
2014	70	1,688-1,712	3,391	573	14,263	28,292 ²	1.7%
2015	70	1,688-1,712	3,391	573	14,263	28,292 ²	1.7%
2016	70	1,688-1,712	3,391	573	14,263	28,292 ²	1.7%
2017	68	1,688-1,712	2,718	561	14,263	22,640 ³	1.7%
2018	68	1,688-1,712	2,718	561	14,263	22,640 ³	2.4%
2019	68	1,688-1,712	2,718	561	14,263	22,640 ³	2.4%
2020	68	1,688-1,712	2,718	572	14,538	23,077 ³	2.4%
2021	68	1,688-1,712	2,718	583	14,813	23,513 ³	2.4%
2022	68	1,688-1,712	2,718	594	15,113	23,989 ³	2.4%

Source: Pennsylvania Department of Labor & Industry

¹ Weekly benefit rates do not include the benefit reduction or dependent allowances (\$5 for first dependent and \$3 for second dependent).

² For calendar years 2013 through 2016, at least 49.5 percent of wages must be earned outside of the high quarter.

³ For calendar years beginning with 2017, at least 37 percent of wages must be earned outside of the high quarter.

Definitions for Table A-2 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).

Table A-2
Unemployment Compensation Claim Activities

Year	IUR	Initial Claims	New Claims	Weeks Claimed
2003	4.0%	1,341,118	726,556	11,205,336
2004	3.4%	1,177,499	640,967	9,515,424
2005	3.1%	1,148,256	614,444	8,728,555
2006	3.0%	1,176,669	596,054	8,496,746
2007	3.0%	1,250,476	621,639	8,535,079
2008	3.5%	1,445,344	747,708	10,102,236
2009	6.1%	2,026,055	962,106	17,099,144
2010	4.9%	1,577,833	806,635	13,763,953
2011	4.2%	1,469,617	777,116	11,875,753
2012	3.9%	1,425,911	754,499	11,006,549
2013	3.3%	1,321,334	724,169	9,458,413
2014	2.9%	1,146,000	623,366	8,427,164
2015	2.6%	1,073,923	584,048	7,440,503
2016	2.4%	981,496	538,860	7,092,608
2017	2.2%	856,471	476,496	6,406,955
2018	2.0%	797,134	448,186	5,858,042
2019	1.9%	776,774	445,994	5,648,315
2020	9.3%	2,743,957	2,039,195	26,112,439
2021	3.2%	1,264,391	961,337	9,268,219
2022	1.3% ¹	503,412	354,569	3,815,104

Source: Pennsylvania Department of Labor & Industry

¹ Preliminary rate based on actual 2022 claims activity and a 2022 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 Table A-3 UC Payment Activities

Number of Recipients

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

First Payments

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

Final Payments

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

Weeks Paid

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

Net Benefits Paid

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

Average Weekly Benefit Amount

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

Average Duration

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

Table A-3
Unemployment Compensation Payment Activities

Year	Number of Recipients	First Payments	Final Payments	Weeks Paid	Net Benefits Paid	Average Weekly Benefit ¹	Average Duration (Weeks)
2003	701,949	566,022	212,711	10,095,011	\$ 2,767,815,000	\$ 291.84	17.8
2004	625,699	486,975	165,590	8,429,492	2,448,788,000	293.61	17.3
2005 ²	576,520	461,257	139,872	7,671,548	2,192,245,000	291.89	16.6
2006 ²	560,513	447,066	133,827	7,346,051	1,891,685,000	301.27	16.4
2007	570,091	461,807	131,934	7,458,854	2,013,558,000	322.93	16.2
2008	658,629	562,343	166,335	9,035,608	2,543,100,000	335.40	16.1
2009	926,315	782,870	355,542	15,354,988	4,735,127,000	352.16	19.6
2010 ²	772,475	587,347	295,647	11,724,613	3,606,521,000	338.23	20.0
2011 ²	678,544	530,009	228,135	9,909,169	3,023,271,000	335.18	18.7
2012 ²	640,828	502,678	204,227	8,981,239	2,859,610,000	348.27	17.9
2013 ²	584,551	442,654	172,727	7,834,254	2,547,295,000	359.81	17.7
2014 ²	527,550	413,685	139,418	6,999,112	2,284,758,000	363.77	16.9
2015 ²	495,478	391,726	114,367	6,307,952	2,145,542,000	376.30	16.1
2016 ²	471,410	367,839	112,212	6,024,232	2,172,246,000	391.57	16.4
2017 ²	423,990	337,228	94,426	5,324,053	1,873,644,000	381.99	15.8
2018 ²	396,249	315,458	85,992	4,923,006	1,730,327,000	379.25	15.6
2019 ²	389,448	316,041	80,256	4,717,665	1,764,508,000	393.94	14.9
2020 ²	1,430,306	1,364,333	379,007	21,438,237	6,619,707,000	347.98	15.7
2021 ²	615,000	359,635	179,934	6,849,511	2,255,411,000	387.38	19.0
2022 ²	260,000	210,171	40,372	3,035,163	1,215,114,000	432.67	14.4

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

¹ The average weekly benefit amount calculation does not include partial payments.

² The net benefits paid and average weekly benefit amount include the benefit reduction that was in effect that year.

Definitions for Table A-4 Benefit Recipients by County

County

The county in which a benefit recipient resides.

Benefit Recipients

The number of persons who received at least one UC payment within each county for the calendar year.

Amount Paid

The estimated total amount paid to recipients within a county.

Table A-4
2022 Benefit Recipients by County

County	Benefit Recipients	Amount Paid	County	Benefit Recipients	Amount Paid
Adams	1,385	5,150,000	Lackawanna	4,667	21,431,000
Allegheny	22,625	107,761,000	Lancaster	8,331	34,567,000
Armstrong	1,959	8,824,000	Lawrence	2,509	12,381,000
Beaver	4,616	24,220,000	Lebanon	2,391	9,352,000
Bedford	1,295	5,742,000	Lehigh	7,333	32,559,000
Berks	7,911	34,828,000	Luzerne	8,207	37,724,000
Blair	2,794	10,877,000	Lycoming	2,754	12,847,000
Bradford	889	3,911,000	McKean	879	3,708,000
Bucks	9,481	48,324,000	Mercer	2,363	9,865,000
Butler	4,398	20,629,000	Mifflin	1,238	4,914,000
Cambria	3,321	13,547,000	Monroe	3,364	15,322,000
Cameron	151	510,000	Montgomery	12,311	62,114,000
Carbon	1,788	8,126,000	Montour	284	1,196,000
Centre	1,756	7,784,000	Northampton	5,272	23,337,000
Chester	6,341	31,397,000	Northumberland	2,323	9,884,000
Clarion	854	3,702,000	Perry	945	4,058,000
Clearfield	2,418	10,832,000	Philadelphia	27,308	133,520,000
Clinton	1,000	4,736,000	Pike	636	2,703,000
Columbia	1,754	7,351,000	Potter	423	1,930,000
Crawford	2,044	8,793,000	Schuylkill	3,811	15,504,000
Cumberland	3,670	15,849,000	Snyder	985	4,390,000
Dauphin	4,480	19,017,000	Somerset	2,303	10,336,000
Delaware	8,736	45,926,000	Sullivan	110	551,000
Elk	1,041	3,318,000	Susquehanna	765	3,691,000
Erie	6,085	25,806,000	Tioga	950	3,779,000
Fayette	3,682	16,349,000	Union	656	2,777,000
Forest	123	518,000	Venango	1,027	4,266,000
Franklin	2,025	8,448,000	Warren	738	2,867,000
Fulton	243	1,047,000	Washington	4,834	23,371,000
Greene	733	3,398,000	Wayne	1,176	5,847,000
Huntingdon	1,508	6,718,000	Westmoreland	8,866	40,388,000
Indiana	2,336	10,482,000	Wyoming	585	3,013,000
Jefferson	1,235	5,339,000	York	7,668	31,648,000
Juniata	581	2,511,000	Out of state	16,730	97,504,000
			Total	260,000	1,215,114,000

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

Definitions for Table A-5 Benefit Recipients by Industry Sector

Industry Sector

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

Benefit Recipients

The number of persons who received at least one UC payment within each industry sector for the calendar year.

Amount Paid

The estimated total amount paid to recipients within an industry sector.

Table A-5
2022 Benefit Recipients by Industry Sector

Industry Sector	Benefit Recipients	Amount Paid
Natural Resources and Mining	3,744	19,125,000
Construction	53,469	303,901,000
Manufacturing	28,834	123,584,000
Trade, Transportation, and Utilities	48,979	195,846,000
Information	2,981	18,074,000
Financial Activities	10,168	60,902,000
Professional and Business Services	40,000	194,631,000
Education and Health Service	34,326	155,520,000
Leisure and Hospitality	22,164	69,036,000
Other Services	5,217	22,683,000
Local Government	6,898	33,015,000
Unclassified Industry	3,220	18,797,000
Total	260,000	1,215,114,000

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

Definitions for Table A-6 Recipient Demographics

Recipient Demographics

Breakdown by percentage of various characteristics of UC recipients who reside in Pennsylvania. The characteristics included in Table A-6 are base year wages, age, education level, race, gender, and number of dependents.

**Table A-6
2022 Recipient Demographics**

Base Year Wages		Age	
Less than \$10,000	9%	16-19	1%
\$10,000 - \$19,999	20%	20-24	5%
\$20,000 - \$29,999	17%	25-34	21%
\$30,000 - \$39,999	15%	35-44	22%
\$40,000 - \$49,999	12%	45-54	21%
\$50,000 - \$59,999	8%	55-64	21%
\$60,000 - \$74,999	8%	65 and older	9%
\$75,000 and over	10%		

Education Level		Race	
Less than High School	10%	White	71%
High School	51%	Black	13%
Some College, including Associate Degree	22%	Hispanic	8%
Bachelor's Degree or Higher	17%	Asian or Pacific Islander	1%
		American Indian or Alaskan	0%
		Unknown	7%

Gender		Number of Dependents	
Male	58%	Zero	75%
Female	42%	One	12%
		Two or more	12%

Source: Pennsylvania Department of Labor & Industry

Includes Pennsylvania residents only. Percentages may not add to 100 percent due to rounding.

Definitions for Table A-7

Unemployment Compensation Monetary Determinations

Monetary Determinations

Decisions relative to a claimant's financial eligibility for UC benefits. All claimants must earn sufficient wages to qualify for benefits.

Table A-7
Unemployment Compensation Monetary Determinations

Year	Total	Insufficient Wage Credits	Sufficient Wage Credits
2003	752,479	81,184	671,295
2004	688,371	83,740	604,631
2005	656,440	81,387	575,053
2006	631,916	76,793	555,123
2007	637,906	109,659	528,247
2008	769,697	135,614	634,083
2009	991,271	151,433	839,838
2010	818,753	156,418	662,335
2011	793,348	177,134	616,214
2012	770,646	175,289	595,357
2013	706,156	218,248	487,908
2014	568,890	143,100	425,790
2015	566,215	121,546	444,669
2016	516,726	103,591	413,135
2017	464,411	72,126	392,285
2018	432,612	64,558	368,054
2019	434,454	58,341	376,113
2020	2,055,418	513,047	1,542,371
2021	965,023	314,209	650,814
2022	364,214	77,840	286,374

Source: Pennsylvania Department of Labor & Industry

Definitions for Table A-8

Unemployment Compensation Nonmonetary Determinations

Nonmonetary Determinations

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

Table A-8
Unemployment Compensation Nonmonetary Determinations

Year	Total	Ineligible	Eligible
2003	413,411	235,471	177,940
2004	436,097	251,112	184,985
2005	331,390	155,612	175,778
2006	319,658	134,318	185,340
2007	308,011	124,349	183,662
2008	287,722	120,489	167,233
2009	329,140	137,327	191,813
2010	329,514	137,308	192,206
2011	340,397	148,004	192,393
2012	285,313	140,237	145,076
2013	293,551	166,354	127,197
2014	355,405	231,492	123,913
2015	327,906	214,126	113,780
2016	310,964	202,676	108,288
2017	270,303	167,760	102,543
2018	310,764	188,814	121,950
2019	311,310	197,036	114,274
2020	234,246	133,334	100,912
2021	220,930	133,143	87,787
2022	205,242	140,175	65,067

Source: Pennsylvania Department of Labor & Industry

Definitions for Table A-9 Employer Contribution Factors

Taxable Wage Base

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

Average Tax Rate

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

Portion Experience Rated

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

Portion Not Experience Rated

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

**Table A-9
Employer Contribution Factors**

Year	Taxable Wage Base	Average Tax Rate	Portion Experience Rated	Portion Not Experience Rated
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	6.64%	61%	39%
2013	8,500	6.69%	49%	51%
2014	8,750	6.08%	53%	47%
2015	9,000	6.08%	53%	47%
2016	9,500	5.84%	50%	50%
2017	9,750	5.45%	47%	53%
2018	10,000	5.06%	51%	49%
2019	10,000	4.87%	49%	51%
2020	10,000	3.64%	62%	38%
2021	10,000	3.49%	60%	40%
2022	10,000	3.35% ¹	59%	41%

Source: Pennsylvania Department of Labor & Industry

¹ Based on data from January through September, due to a six-month lag in reporting of taxable wages.

Definitions for Table A-10

Summary of Tax Rates by Industry

Industry Sector

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

Number of Contributory Employers

The number of taxable employers that are subject to the Pennsylvania UC law.

Average Tax Rate

The taxable payroll amount divided by the contributions due for each industry sector.

Total Payroll

Total wages paid by contributory employers that 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 2021, the taxable wage base was \$10,000.

Contributions Due

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

Table A-10
2022 Summary of Tax Rates by Industry (Dollars in Millions) ¹

Industry Sector	Number of Contributory Employers	Average Tax Rate	Total Payroll	Taxable Payroll	Contributions Due
Natural Resources and Mining	3,515	4.1%	\$ 2,675	\$ 582	\$ 24
Construction	31,574	6.0%	14,380	3,344	202
Manufacturing	13,636	3.5%	34,437	6,831	242
Trade, Transportation, and Utilities	57,652	2.9%	46,522	12,319	357
Information	7,864	3.4%	7,911	1,011	34
Financial Activities	23,019	2.8%	27,822	3,847	109
Professional and Business Services	73,560	3.5%	50,766	9,226	319
Education and Health Services	43,362	3.0%	22,232	6,593	197
Leisure and Hospitality	29,571	3.2%	10,637	5,075	161
Other Services	33,708	2.8%	5,468	1,737	49
Local Government	1,228	2.5%	726	210	5
Total	318,689	3.3%	\$223,576	\$50,776	\$1,699

Source: Pennsylvania Department of Labor & Industry

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

Definitions for Table A-11 Covered Employment and Wages

Active Employers

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

Average Covered Employment

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

Total Wages

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

Taxable Wages

Amount of wages subject to UC taxes – these are wages paid by contributory employers, up to the taxable wage base for each employee. The taxable wage base for 2021 was \$10,000.

Table A-11
Covered Employment and Wages

Year	Active Employers ¹	Average Covered Employment	Total Wages	Taxable Wages
2003	271,459	5,363,633	\$ 196,855,782,949	\$ 37,239,889,015
2004	275,853	5,390,750	206,119,193,758	37,766,495,714
2005	280,394	5,446,514	214,210,346,757	38,291,369,992
2006	284,770	5,502,645	225,612,061,613	38,839,811,010
2007	289,289	5,549,120	237,997,366,817	39,556,490,803
2008	287,417	5,554,566	244,561,264,585	39,345,958,986
2009	285,010	5,363,287	238,327,258,507	36,878,066,196
2010	284,682	5,362,687	243,186,797,577	37,298,262,921
2011	307,613	5,432,412	253,351,180,050	38,471,034,196
2012	306,408	5,478,189	263,136,863,490	39,041,928,054
2013	302,987	5,499,982	268,078,102,730	41,431,811,579
2014	293,142	5,548,946	278,694,230,488	43,380,509,793
2015	302,997	5,595,770	290,076,986,670	45,529,540,808
2016	300,099	5,641,066	293,988,620,582	48,064,662,662
2017	291,479	5,702,015	305,940,521,178	50,039,671,784
2018	301,632	5,770,828	318,945,888,731	52,184,603,496
2019	312,274	5,827,478	333,108,059,668	53,194,750,070
2020	329,160	5,388,373	332,775,632,476	50,178,770,288
2021	338,407	5,551,279	357,439,150,528	53,178,829,236
2022	338,679	5,736,817 ²	286,110,964,616 ²	50,776,472,326 ²

Source: Pennsylvania Department of Labor & Industry

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

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

Definitions for Table A-12

Unemployment Compensation Solvency Measures

Solvency Percentage

The solvency percentage is calculated on July 1 of each year and is defined as the ratio of the UC Trust Fund balance (minus any outstanding loan and bond balances) ending June 30 to the average benefit cost for the three fiscal years ending on the same date. The solvency percentage is used to determine whether or not solvency measures will be in effect during the following calendar year.

Employer Surcharge

The employer surcharge is assessed on each employer's contributions due. The surcharge is not assessed on employer additional contributions, and reimbursable employers are excluded from the surcharge. The employer surcharge rate is based on the target amount defined in Pennsylvania's UC law.

Employer Additional Contribution Tax

The employer additional contribution tax is added to each employer's assigned calendar year tax rate. Reimbursable employers and new contributory employers are exempt from the additional tax. The additional tax rate is based on the target amount defined in the Pennsylvania UC law.

Employee Tax

The employee tax is assessed on the calendar year gross wages of all employees covered under Pennsylvania UC law. The rate is based on the target amount defined in the law.

Benefit Reduction

All weekly benefit rates during a calendar year are reduced at a rate determined by the target amount defined in the state UC law.

Table A-12
Unemployment Compensation Solvency Measures (Dollars in Millions)

Year ¹	Solvency Percentage ²	<u>Employer Surcharge</u>		<u>Employer Additional Tax</u>		<u>Employee Tax</u>		<u>Benefit Reduction</u>	
		Rate	Amount Due ³	Rate	Amount Due ³	Rate	Amount Due ³	Rate	Amount Due ³
2003	58%	3.6%	\$ 55	none	\$ 0	0.02%	\$ 39	none	\$ 0
2004	32%	7.2%	119	0.40%	142	0.09%	186	none	0
2005	43%	7.2%	125	0.60%	215	0.09%	193	2.3%	51
2006	69%	7.2%	126	0.60%	219	0.09%	203	2.3%	52
2007	85%	7.2%	123	0.40%	149	0.09%	214	none	0
2008	80%	5.8%	96	0.25%	93	0.06%	147	none	0
2009	8%	5.8%	89	0.25%	87	0.06%	143	none	0
2010	20%	5.8%	102	0.60%	230	0.08%	195	2.3%	86
2011	29%	5.8%	116	0.65%	236	0.08%	203	2.3%	72
2012	0%	5.8%	133	0.65%	250	0.08%	209	2.3%	67
2013	0%	5.1%	100	0.65%	255	0.07%	189	1.7%	44
2014	0%	5.1%	92	0.65%	262	0.07%	194	1.7%	40
2015	0%	5.1%	96	0.65%	273	0.07%	202	1.7%	37
2016	0%	5.1%	97	0.65%	281	0.07%	207	1.7%	38
2017	45%	5.1%	89	0.65%	297	0.07%	211	1.7%	32
2018	102%	5.4%	95	0.50%	233	0.06%	191	2.4%	43
2019	181%	5.4%	90	0.50%	252	0.06%	200	2.4%	43
2020	50%	5.4%	81	0.50%	238	0.06%	200	2.4%	163
2021	0%	5.4%	82	0.50%	252	0.06%	214	2.4%	55
2022	4%	5.4%	83	0.50%	264	0.06%	233	2.4%	30

Source: Pennsylvania Department of Labor & Industry

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

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

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

Definitions for Table A-13

Unemployment Compensation Trust Fund Summary

Employer and Employee Contributions Deposited

Payments made to the state's UC Trust Fund by employers and employees subject to Pennsylvania's UC law. Includes contributions from employers who submit quarterly contributions to the UC Trust Fund based on their tax rates 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 and UC bonds.

Title XII Federal Loan Balance

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

UC Bond Balance

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

Table A-13
Unemployment Compensation Trust Fund Summary

Year	Employer and Employee Contributions Deposited	Net Benefits Paid	UC Trust Fund Balance¹	Title XII Federal Loan Balance	UC Bond Balance
2003	\$ 1,690,395,000	\$ 2,767,815,000	\$ 761,931,000	\$ 0	\$ 0
2004	2,436,803,000	2,448,788,000	613,986,000	0	0
2005	2,674,444,000	2,192,245,000	980,813,000	0	0
2006	2,426,901,000	1,891,685,000	1,383,464,000	0	0
2007	2,348,476,000	2,013,558,000	1,545,652,000	0	0
2008	2,171,544,000	2,543,100,000	981,162,000	0	0
2009	2,084,405,000	4,735,127,000	116,777,000	1,871,458,000	0
2010	2,476,501,000	3,606,521,000	94,082,000	3,008,615,000	0
2011	2,786,242,000	3,023,271,000	40,007,000	3,234,745,000	0
2012	2,949,685,000	2,859,610,000	164,275,000	0	2,827,405,000
2013	2,645,118,000	2,547,295,000	263,121,000	0	2,571,740,000
2014	2,550,618,000	2,284,758,000	540,400,000	0	2,239,810,000
2015	2,548,711,000	2,145,542,000	966,815,000	0	1,874,390,000
2016	2,591,322,000	2,172,246,000	1,412,673,000	0	1,470,100,000
2017	2,505,843,000	1,873,644,000	2,083,619,000	0	1,013,290,000
2018	2,368,335,000	1,730,327,000	2,778,535,000	0	511,375,000
2019	2,345,693,000	1,764,508,000	3,435,424,000	0	0
2020	2,474,784,000	6,619,707,000	66,441,000	821,530,000	0
2021	2,276,169,000	2,255,411,000	29,385,000	789,805,000	0
2022	2,235,157,000	1,215,114,000	255,379,000	0	0

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

¹ UC Trust Fund Balance includes any outstanding Title XII Loan Balance (Federal advances) as well as any Unemployment Compensation Revenue bonds (UC Bond Balance).

Definitions for Table A-14 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.

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.

Resident 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 – resident unemployment is derived from a monthly survey of a sample of Pennsylvania households by the U.S. Bureau of the Census.

Total Unemployment Rate (TUR)

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

Table A-14
Population and Labor Force Data (in thousands)

Year	Total Population ¹	Civilian Labor Force	Resident Employment	Resident Unemployment	Unemployment Rate
2003	12,375	6,158	5,808	350	5.7%
2004	12,411	6,213	5,879	334	5.4%
2005	12,450	6,257	5,944	313	5.0%
2006	12,511	6,298	6,003	295	4.7%
2007	12,564	6,347	6,058	289	4.6%
2008	12,612	6,440	6,097	343	5.3%
2009	12,667	6,400	5,890	510	8.0%
2010	12,702	6,361	5,838	522	8.2%
2011	12,746	6,382	5,887	495	7.8%
2012	12,767	6,449	5,955	494	7.7%
2013	12,776	6,420	5,962	458	7.1%
2014	12,788	6,389	6,010	379	5.9%
2015	12,785	6,423	6,076	347	5.4%
2016	12,782	6,459	6,115	344	5.3%
2017	12,788	6,422	6,102	320	5.0%
2018	12,801	6,432	6,146	286	4.4%
2019	12,802	6,497	6,207	290	4.5%
2020	13,003	6,483	5,894	589	9.1%
2021	13,012	6,406	5,999	407	6.3%
2022	12,972	6,427	6,139	288	4.5%

2022 Monthly Data (in thousands, seasonally adjusted)

Month	Civilian Labor Force	Resident Employment	Resident Unemployment	Unemployment Rate
January	6,371	6,030	341	5.4%
February	6,370	6,042	328	5.1%
March	6,387	6,074	313	4.9%
April	6,410	6,102	308	4.8%
May	6,440	6,142	298	4.6%
June	6,446	6,159	287	4.5%
July	6,446	6,171	275	4.3%
August	6,448	6,175	272	4.2%
September	6,448	6,185	264	4.1%
October	6,451	6,193	258	4.0%
November	6,446	6,191	255	4.0%
December	6,455	6,202	254	3.9%

Source: Pennsylvania Local Area Unemployment Statistics (LAUS)
U.S. Bureau of the Census

Data may not add to totals due to rounding.

¹ The 2010 and 2020 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.

Definitions for Tables B-1 and B-1A Comparison of State UC Data

Total Unemployment Rate

The rate calculated by dividing the number of unemployed persons by the number in the civilian labor force.

Benefits Paid

The total amount paid to recipients of regular UC benefits, including partial payments.

Average Weekly Benefit Amount

Benefits paid for total unemployment divided by the number of weeks paid for total unemployment. Partial payments are not included.

Taxable Wage Base

The maximum amount of wages paid to an employee that are subject to state UI taxes. Wages above this amount are not taxed.

Average Tax on Taxable Wages

Total employer contributions divided by total taxable wages. Due to availability of data, there is a six-month lag for average tax rates on both taxable wages and total wages.

Average Tax on Total Wages

Total employer contributions divided by total wages paid by contributory employers. Due to availability of data, there is a six-month lag for average tax rates on both taxable wages and total wages.

Table B-1
Comparison of State UC Data for 2022

State	Total Unemployment		Benefits Paid (thousands)		Average Weekly Benefit		Taxable Wage Base ¹		Average Tax on Taxable Wages ²		Average Tax on Total Wages ²	
	Rate	Rank	Amount	Rank	Amount	Rank	Amount	Rank	Rate	Rank	Rate	Rank
Alabama	2.8%	40 (tie)	\$58,664	43	\$248.60	47	\$8,000	44 (tie)	1.34%	26	0.26%	40
Alaska	4.3%	5 (tie)	\$58,695	42	285.54	40	45,200	5	2.11%	14	1.33%	1
Arizona	4.0%	13 (tie)	\$174,558	23	256.73	45	7,000	47 (tie)	1.53%	22	0.24%	42 (tie)
Arkansas	3.6%	23	\$64,259	40	279.98	42	10,000	35 (tie)	0.98%	39	0.24%	42 (tie)
California	4.1%	11 (tie)	\$4,862,006	1	341.90	32	7,000	47 (tie)	3.28%	2	0.38%	30 (tie)
Colorado	3.3%	29 (tie)	\$409,640	14	483.04	8	17,000	18	1.66%	20	0.46%	22 (tie)
Connecticut	4.2%	8 (tie)	\$416,996	13	430.74	18	15,000	20 (tie)	3.06%	4	0.66%	9
Delaware	4.4%	4	\$42,641	46	303.34	38	14,500	23	2.17%	13	0.56%	15 (tie)
Florida	2.5%	46 (tie)	\$343,010	15	251.72	46	7,000	47 (tie)	0.78%	43	0.13%	50
Georgia	3.0%	36 (tie)	\$282,577	18	322.56	36	9,500	37 (tie)	1.19%	32	0.24%	42 (tie)
Hawaii	3.2%	32 (tie)	\$158,537	26	541.24	3	51,600	2	1.40%	24 (tie)	0.94%	5
Idaho	2.9%	38 (tie)	\$78,467	38	391.96	26	46,500	4	0.61%	48 (tie)	0.41%	27 (tie)
Illinois	4.7%	2	\$1,496,197	6	441.16	14	12,960	29	2.40%	10	0.52%	18
Indiana	3.1%	34 (tie)	\$204,157	21	296.27	39	9,500	37 (tie)	1.40%	24 (tie)	0.31%	37
Iowa	3.1%	34 (tie)	\$253,914	19	475.56	9	34,800	12	1.25%	30	0.68%	8
Kansas	2.9%	38 (tie)	\$103,069	34	434.82	16	14,000	24 (tie)	1.27%	29	0.47%	21
Kentucky	4.0%	13 (tie)	\$198,444	22	397.94	24	11,100	33	1.61%	21	0.41%	27 (tie)
Louisiana	3.5%	24 (tie)	\$95,852	36	222.47	49	7,700	46	1.32%	27	0.25%	41
Maine	3.8%	21	\$82,733	37	406.13	22	12,000	30 (tie)	2.21%	12	0.60%	14
Maryland	4.0%	13 (tie)	\$299,907	16	360.12	30	8,500	43	2.67%	6	0.43%	26
Massachusetts	3.3%	29 (tie)	\$1,498,919	5	603.49	1	15,000	20 (tie)	2.47%	9	0.56%	15 (tie)
Michigan	4.3%	5 (tie)	\$628,020	10	354.30	31	9,500	37 (tie)	2.87%	5	0.56%	15 (tie)
Minnesota	2.5%	46 (tie)	\$849,268	9	521.06	5	38,000	10	1.00%	38	0.48%	20
Mississippi	4.0%	13 (tie)	\$38,467	48	216.51	50	14,000	24 (tie)	0.44%	50	0.16%	48 (tie)
Missouri	2.8%	40 (tie)	\$170,403	24	276.12	44	11,000	34	1.13%	36	0.27%	38 (tie)
Montana	2.8%	40 (tie)	\$76,032	39	462.67	11	38,100	9	1.18%	33	0.77%	7
Nebraska	2.6%	44 (tie)	\$54,642	44	385.02	28	9,000	40 (tie)	0.88%	42	0.19%	46
Nevada	5.2%	1	\$232,193	20	401.02	23	36,600	11	1.75%	18	0.98%	4
New Hampshire	2.7%	43	\$25,254	49	335.47	34	14,000	24 (tie)	1.73%	19	0.38%	30 (tie)
New Jersey	3.4%	27 (tie)	\$1,809,436	3	535.00	4	39,800	7	1.79%	17	0.81%	6
New Mexico	3.9%	17 (tie)	\$131,838	31	385.34	27	28,700	13	0.72%	45	0.38%	30 (tie)
New York	4.3%	5 (tie)	\$2,268,660	2	395.35	25	12,000	30 (tie)	3.09%	3	0.51%	19
North Carolina	3.9%	17 (tie)	\$141,242	29	279.33	43	28,000	14	0.62%	47	0.27%	38 (tie)
North Dakota	2.3%	48 (tie)	\$63,091	41	498.41	6	38,400	8	0.67%	46	0.39%	29
Ohio	4.2%	8 (tie)	\$604,655	11	427.33	19	9,000	40 (tie)	2.37%	11	0.46%	22 (tie)
Oklahoma	3.4%	27 (tie)	\$166,260	25	363.74	29	24,800	16	0.96%	40 (tie)	0.45%	25
Oregon	4.5%	3	\$446,500	12	473.40	10	47,700	3	2.07%	15	1.24%	2
Pennsylvania	3.9%	17 (tie)	\$1,266,892	7	432.67	17	10,000	35 (tie)	3.38%	1	0.65%	10 (tie)
Rhode Island	3.5%	24 (tie)	\$134,926	30	418.56	20	24,600	17	2.48%	8	1.03%	3
South Carolina	3.3%	29 (tie)	\$107,592	33	283.40	41	14,000	24 (tie)	1.05%	37	0.32%	36
South Dakota	2.3%	48 (tie)	\$21,473	50	409.11	21	15,000	20 (tie)	0.74%	44	0.24%	42 (tie)
Tennessee	3.5%	24 (tie)	\$117,183	32	242.55	48	7,000	47 (tie)	0.96%	40 (tie)	0.16%	48 (tie)
Texas	3.9%	17 (tie)	\$1,805,986	4	448.41	12	9,000	40 (tie)	2.00%	16	0.36%	33
Utah	2.2%	50	\$141,936	28	490.75	7	41,600	6	0.61%	48 (tie)	0.35%	34 (tie)
Vermont	2.6%	44 (tie)	\$50,207	45	441.33	13	15,500	19	1.51%	23	0.46%	22 (tie)
Virginia	3.0%	36 (tie)	\$153,860	27	338.43	33	8,000	44 (tie)	1.16%	35	0.18%	47
Washington	4.2%	8 (tie)	\$936,873	8	602.68	2	62,500	1	1.17%	34	0.65%	10 (tie)
West Virginia	4.1%	11 (tie)	\$97,044	35	315.75	37	12,000	30 (tie)	2.55%	7	0.65%	10 (tie)
Wisconsin	3.2%	32 (tie)	\$295,316	17	329.88	35	14,000	24 (tie)	1.24%	31	0.35%	34 (tie)
Wyoming	3.7%	22	\$39,732	47	435.76	15	27,700	15	1.30%	28	0.64%	13

Source: U.S. Department of Labor

¹ Taxable wage base as of 2nd quarter 2022

² Average Tax rates are based on contributions/wages from July 2021 – June 2022

Table B-1A
Comparison of State UC Data for 2022
(Pennsylvania and Neighboring States Only)

State	Total Unemployment		Benefits Paid (thousands)		Average Weekly Benefit		Taxable Wage Base ¹		Average Tax on Taxable Wages ²		Average Tax on Total Wages ²	
	Rate	Rank	Amount	Rank	Amount	Rank	Amount	Rank	Rate	Rank	Rate	Rank
Delaware	4.4%	1	42,641	8	303.34	8	14,500	2	2.17%	6	0.56%	4
Maryland	4.0%	5	299,907	5	360.12	5	8,500	7	2.67%	3	0.43%	7
New Jersey	3.4%	7	1,809,436	2	535.00	1	39,800	1	1.79%	7	0.81%	1
New York	4.3%	2	2,268,660	1	395.35	4	12,000	3 (tie)	3.09%	2	0.51%	5
Ohio	4.2%	3	604,655	4	427.33	3	9,000	6	2.37%	5	0.46%	6
Pennsylvania	3.9%	6	1,266,892	3	432.67	2	10,000	5	3.38%	1	0.65%	2 (tie)
Virginia	3.0%	8	153,860	6	338.43	6	8,000	8	1.16%	8	0.18%	8
West Virginia	4.1%	4	97,044	7	315.75	7	12,000	3 (tie)	2.55%	4	0.65%	2 (tie)

Source: U.S. Department of Labor

¹ Taxable wage base as of 2nd quarter, 2022

² Average Tax rates are based on contributions/wages from July 2021 – June 2022