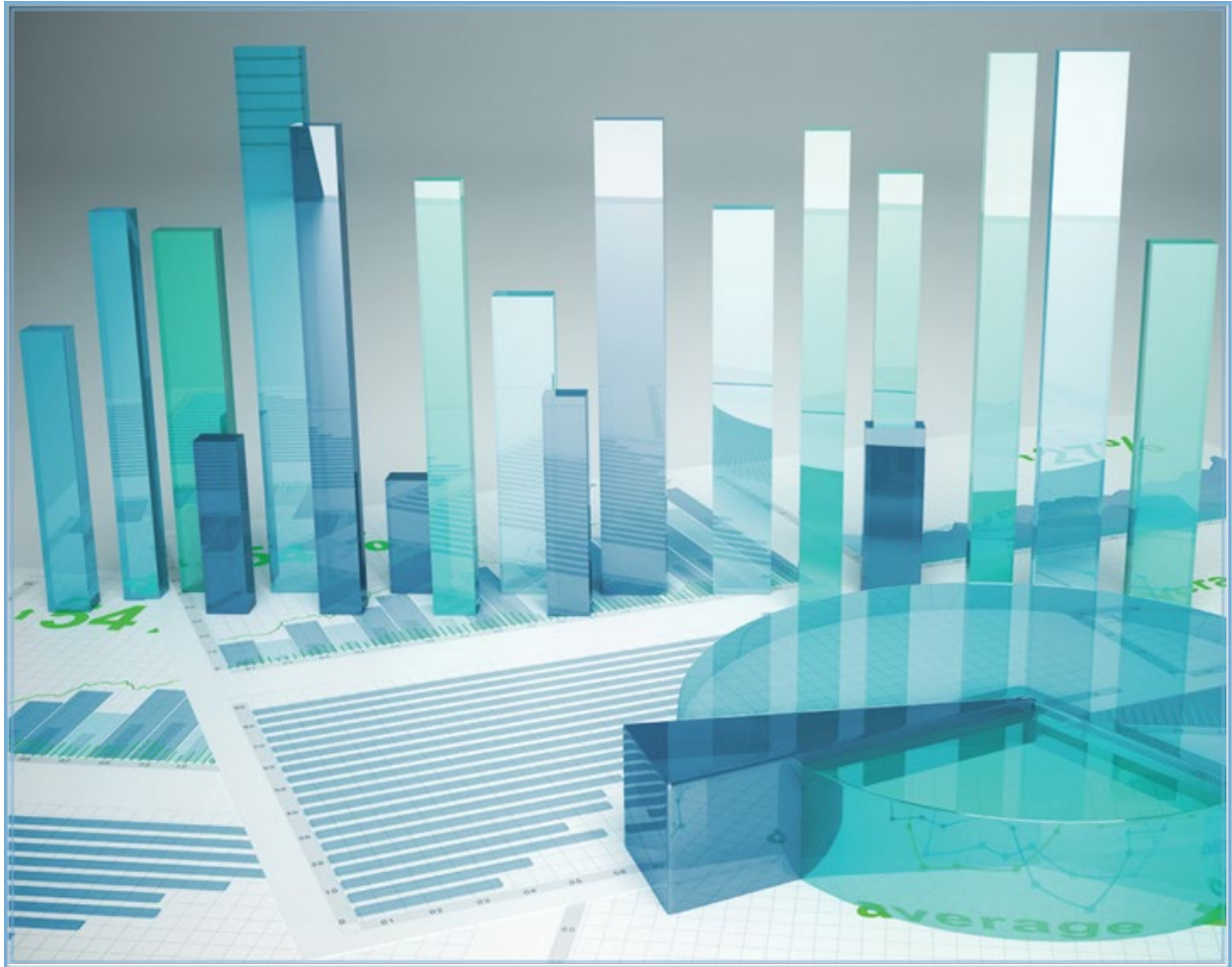


Actuarial Evaluation 2023

Financial Operations of the
Pennsylvania Unemployment Compensation Program



Commonwealth of Pennsylvania
Josh Shapiro, Governor



Department of Labor & Industry
Nancy Walker, Secretary

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Introduction

The 2023 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 2024 S&P Global Market Intelligence Baseline Forecast of economic activity.

The report analyzes Pennsylvania's UC Trust Fund activity in 2023 and provides a forecast for 2024 through 2026. 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, 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 S&P Global Market Intelligence 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 4.5 percent in 2022 to 3.8 percent in 2023. Annual average resident employment increased from 6.1 million in 2022 to 6.3 million in 2023.

In 2023, 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 2023.

The status of the UC program in Pennsylvania for 2023 is summarized below. Program details and projections for 2024 through 2026 are included later in this report.

Benefit costs

- Annual benefit costs increased from \$1.22 billion in 2022 to \$1.66 billion in 2023.
- The number of individuals who received UC benefits increased from 260,000 in 2022 to 326,000 in 2023.
- The average duration of benefits decreased from 14.4 weeks in 2022 to 13.9 weeks in 2023.
- The average weekly benefit amount increased from \$432.67 in 2022 to \$453.22 in 2023.
- The minimum weekly benefit amount for 2023 was \$68 and the maximum benefit amount was \$605.

Employer and Employee Contributions

- Total employer plus employee contributions increased from \$2.24 billion in 2022 to \$2.32 billion in 2023.
- The average tax rate for employers was 3.49 percent for 2023, compared to 3.35 percent for 2022.
- The interest tax rate for 2023 was 0 percent.
- The employee tax rate for 2023 was 0.07 percent.

UC Trust Fund

- The UC Trust Fund balance increased by \$679 million in 2023, from a beginning balance of \$255 million to the year-end balance of \$934 million.
- Pennsylvania's loan balance stood at \$0 at the beginning and end of 2023.
- The Trust Fund solvency percentage – i.e., the Trust Fund balance minus the outstanding bond balance – on June 30, 2023, was 45 percent. The solvency percentage is expected to increase to 109% in 2024, 136% in 2025, and 151% in 2026.

Section 1: 2023 in Review

Population, Labor Force, and Unemployment Rate

In 2023, Pennsylvania's annual average total unemployment rate (TUR) was 3.8 percent, down from 4.5 percent in 2022. Employment in Pennsylvania increased from 6.14 million in 2022 to 6.26 million in 2023. Unemployment decreased from 288,000 in 2022 to 247,000 in 2023. The civilian labor force increased from 6.43 million in 2022 to 6.51 million in 2023.

Table A-14 shows population and labor force data for calendar years 2004 through 2023, as well as a monthly breakdown for 2023 and definitions for each field in the table.

Covered Employment and Wages

As of Dec. 31, 2023, there were 332,066 active employers in Pennsylvania, of which 325,352 were contributory employers and 6,714 were reimbursable employers. This is a decrease of 6,613 from the 338,679 active employers at the end of 2022. The average monthly covered employment increased from 5.76 million in 2022 to 5.84 million in 2023. Total wages for 2023 (January through September) were \$299.6 billion and taxable wages were \$51.2 billion.

Table A-11 shows covered employment and wages for calendar years 2004 through 2023.

Claims Data

Initial UC claims increased from 503,412 in 2022 to 588,565 in 2023. Weeks claimed increased from 3.8 million in 2022 to 4.6 million in 2023. The annual average insured unemployment rate (IUR), which reflects the ratio of regular UC claims to covered employment, increased from 1.3 percent in 2022 to 1.5 percent for 2023.

Table A-2 contains claims data and IUR values for 2004 through 2023.

Payment Data

Regular UC benefit costs increased from \$1.22 billion in 2022 to \$1.66 billion in 2023. The number of weeks paid increased from 3.04 million in 2022 to 3.93 million in 2023. The average weekly benefit amount increased from \$432.67 in 2022 to \$453.22 in 2023.

The number of individuals who received regular UC benefits increased from 260,000 in 2022 to 326,000 in 2023. The number of first payments increased from 210,171 in 2022 to 282,347 in 2023.

Claimants who received first payments in 2023 had an estimated average duration of 13.9 weeks of benefits, a decrease from the 2022 average duration of 14.4 weeks.

Monetary determinations, or determinations of whether claimants had sufficient wages to be eligible for UC benefits, increased from 364,214 in 2022 to 409,577 in 2023. Non-monetary determinations increased from 205,242 in 2022 to 313,097 in 2023.

Table A-3 contains payment data for 2004 through 2023. Table A-4 is a breakdown by county of UC benefit recipients for 2023. Table A-5 is a breakdown by industry sector of UC benefit recipients for 2023. Table A-7 shows monetary determinations for 2004 through 2023. Table A-8 shows nonmonetary determinations for 2004 through 2023.

Weekly Benefit Rates and Earning Requirements

For 2023, 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 \$605 required base year earnings of at least \$24,426, and high quarter earnings of \$15,388 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 2023, all weekly benefit rates were reduced by 3.2 percent. In addition to their weekly benefit amounts, 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 \$2.32 billion in 2023, up from \$2.24 billion in 2022. The average tax rate for employers increased from 3.35 percent in 2022 to 3.49 percent in 2023.

The taxable wage base for 2023 was \$10,000, which has remained unchanged since 2018. There was no interest tax in 2023, since no federal loan interest was due on September 30, 2023.

The employee tax rate was 0.07 percent for 2023. Contributions to the Reemployment Fund for 2023 totaled \$13.3 million. This represents 5 percent of the employee tax revenues that were received in 2023.

Table A-9 includes the taxable wage base and the average tax rate for calendar years 2004 through 2023. Table A-10 is a summary of tax rates by industry sector for 2023.

UC Trust Fund

The UC Trust Fund balance increased from \$255.4 million at the end of 2022 to \$934.1 million at the end of 2023. Employer and employee contributions exceeded benefit payments by \$665 million in 2023.

The solvency percentage calculated on June 30, 2023, was 45 percent. Since the solvency percentage was less than 250 percent, solvency measures were active for 2023 at the rates calculated in 2022 to meet the dollar amounts specified by state UC law. The following solvency measures were in effect for 2023:

- Employer surcharge of 9.2 percent (yielded about \$141 million in contributions due);
- Employer additional tax of 0.6 percent (yielded about \$334 million in contributions due);
- Employee tax of 0.07 percent (yielded about \$284 million in contributions due); and
- Benefit reduction of 3.2 percent (yielded about \$55 million in savings).

Table A-13 is a summary of the UC Trust Fund from 2004 through 2023. Table A-12 shows the solvency measure rates and amounts due, as well as the solvency percentages for 2004 through 2023. 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 and ended the year with no outstanding federal loans. Pennsylvania did obtain short-term loans in April 2023 and then repaid those loans in May 2023 after first quarter UC tax contributions posted to the UC Trust Fund. The loans were considered cash flow loans by the U.S. Department of Labor with no interest charged because the advances were fully repaid prior to the end of the federal fiscal year (September 30, 2023).

Table A-13 includes bond and loan balances for 2004 through 2023.

Emergency and Extended Benefits

There were no emergency or extended benefit programs available in 2023. 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 S&P Global Market Intelligence January 2023 forecast that was used to prepare the 2022 Actuarial Evaluation to actual results from 2023. Figure 1.2 compares the January 2024 forecast to the January 2023 forecast.

Figure 1.1: January 2023 Forecast Compared to Actual Data for 2023
(Dollars in Millions)

	Forecast	Actual
Beginning Trust Fund Balance	\$255	\$255
Beginning Federal Loan Balance	0	0
Employer and Employee Trust Fund Contributions	2,349	2,323
Trust Fund Interest Earned	11	19
Interest Factor Excess ¹	0	0
Benefit Payments	1,571	1,658
Other Withdrawals ²	0	5
Title XII Federal Loans	0	34
Title XII Federal Loan Repayment from Trust Fund	0	34
Title XII Federal Loan Repayment from FUTA Credit Reduction ³	0	0
Title XII Federal Loan Interest Due on September 30	0	0
Ending Trust Fund Balance	1,045	934
Ending Federal Loan Balance	0	0
Trust Fund Balance as of June 30	1,044	1,067
Three-year Average Benefit Cost as of June 30	2,393	2,394
Solvency Percentage as of June 30 ⁴	44%	45%

Sources: Pennsylvania Department of Labor & Industry
U.S. Bureau of Public Debt
S&P Global Market Intelligence 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: S&P Global Market Intelligence Forecast Comparison – January 2023 and January 2024

January 2024 S&P Global Market Intelligence Forecast				
	2023	2024	2025	2026
United States				
Total Non-ag. Employment (millions)	156.2	157.4	157.8	158.0
Growth Rate	2.3%	0.8%	0.2%	0.2%
National Total Unemployment Rate	3.6%	4.0%	4.1%	4.3%
Pennsylvania				
Total Non-ag. Employment (thousands)	6,140	6,186	6,185	6,178
Growth Rate	2.5%	0.7%	0.0%	-0.1%
Average Annual Wage, total non-ag (thousands)	\$69.9	\$72.9	\$76.0	\$79.1
Growth Rate	2.9%	4.3%	4.2%	4.0%
State Total Unemployment Rate	3.8%	4.0%	4.5%	4.7%

Source: S&P Global Market Intelligence January 2024 Baseline Forecasts for the United States and Pennsylvania. Average annual wage is not available for the United States.

January 2023 S&P Global Market Intelligence Forecast				
	2023	2024	2025	2026¹
United States				
Total Non-ag. Employment (millions)	153.1	152.8	153.5	
Growth Rate	0.7%	-0.2%	0.5%	
National Total Unemployment Rate	4.6%	4.8%	4.5%	
Pennsylvania				
Total Non-ag. Employment (thousands)	6,004	5,987	6,004	
Growth Rate	0.8%	-0.3%	0.3%	
Average Annual Wage, total non-ag (thousands)	\$72.1	\$75.4	\$78.6	
Growth Rate	4.5%	4.6%	4.2%	
State Total Unemployment Rate	5.1%	5.5%	5.1%	

Source: S&P Global Market Intelligence January 2023 Baseline Forecasts for the United States and Pennsylvania. Average annual wage is not available for the United States.

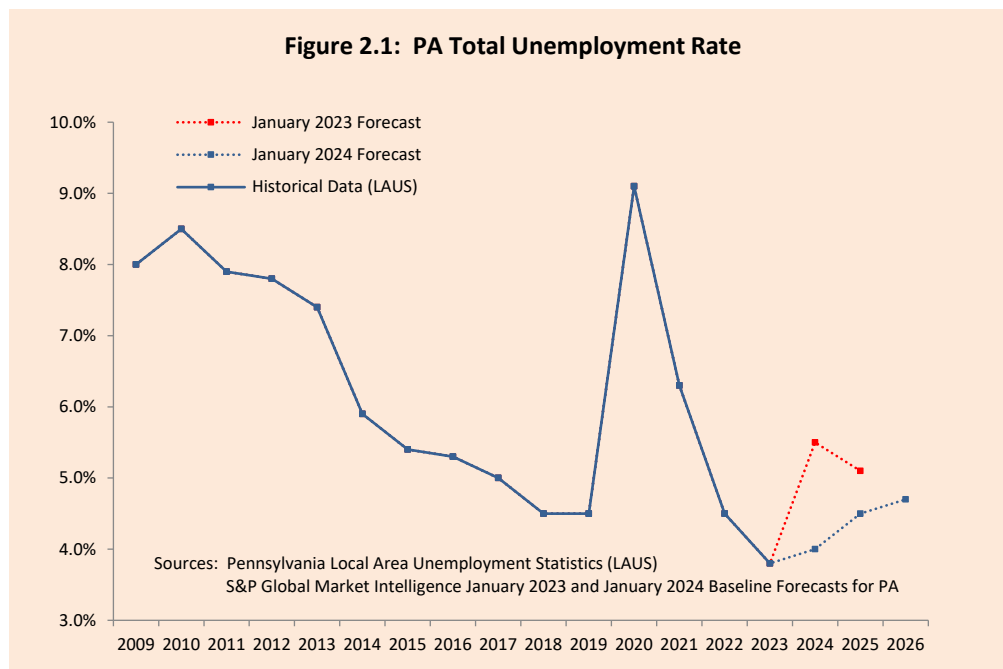
¹ Projected data for 2026 were not included in the 2022 Actuarial Evaluation.

Section 2: Outlook for 2024-2026

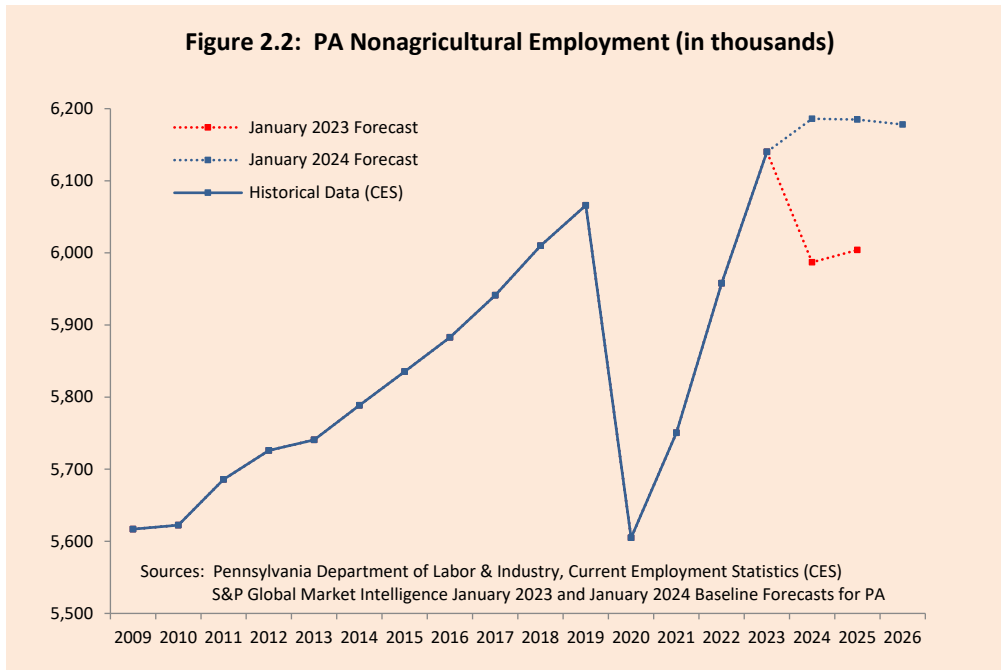
The Pennsylvania Department of Labor & Industry uses S&P Global Market Intelligence (formerly IHS Markit) economic projections for Pennsylvania and the United States as the basis for projections of UC Trust Fund activity. The key economic forecast indicators used to determine UC benefit costs are Pennsylvania's 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 2024-2026 UC activity provided in this report is based on the January 2024 Baseline Forecast for Pennsylvania (referred to as the January 2024 S&P Global Market Intelligence Baseline Forecast). Figures 2.1 through 2.11 provide a comparison of the economic forecast indicators under the January 2024 S&P Global Market Intelligence Baseline Forecast versus the January 2023 S&P Global Market Intelligence Baseline Forecast used for the 2022 Actuarial Evaluation of the UC Trust Fund.

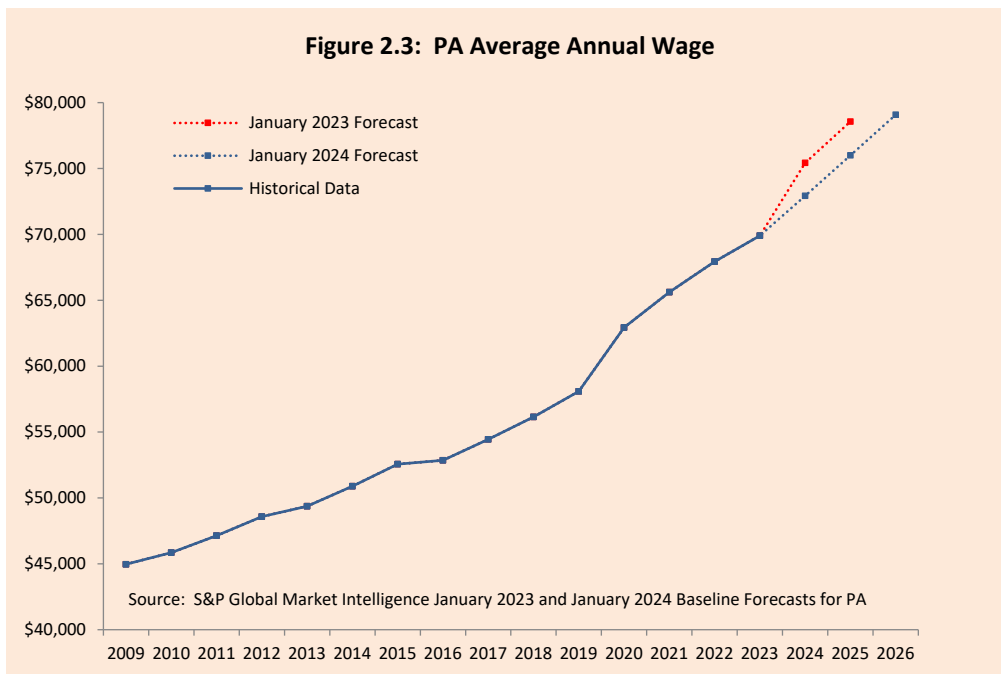
Economic Indicators for Pennsylvania



Pennsylvania's total unemployment rate is projected to increase from 3.8 percent in 2023 to 4.0 percent in 2024. It is then projected to increase to 4.5 percent in 2025 and 4.7 percent in 2026.



Pennsylvania’s nonagricultural employment was 6.14 million in 2023. It is projected to increase to 6.19 million in 2024, remain at 6.19 million in 2025, and then decrease to 6.18 million in 2026.



Pennsylvania’s estimated average annual wage for 2023 is \$69,901. It is projected to increase to \$72,924 in 2024, \$76,000 in 2025, and \$79,077 in 2026.

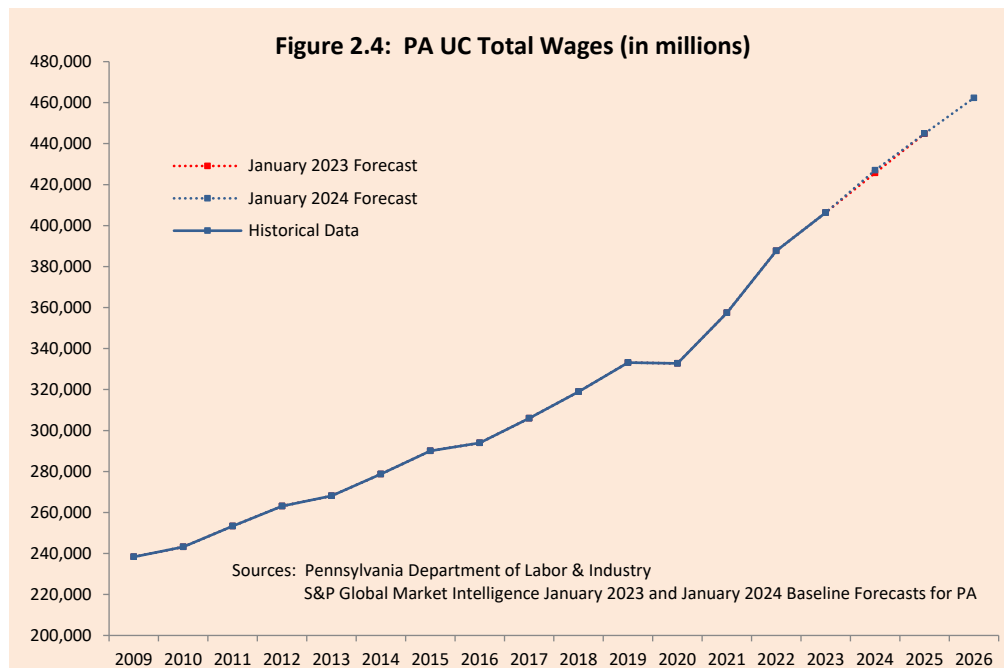
UC Wages

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 2023 was \$10,000.

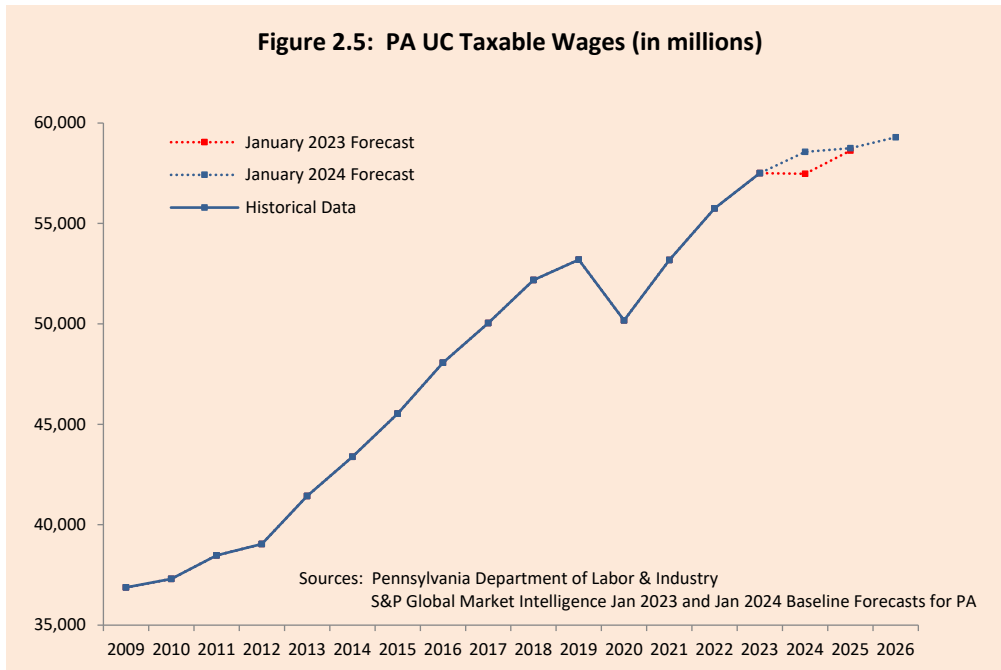
About 98 percent of Pennsylvania UC-covered employers are contributory employers. Each of these employers is assigned a tax rate each year, which is based on the employer’s UC experience (benefits charged versus taxes paid) and the employer solvency measures in effect. The assigned tax rate is applied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

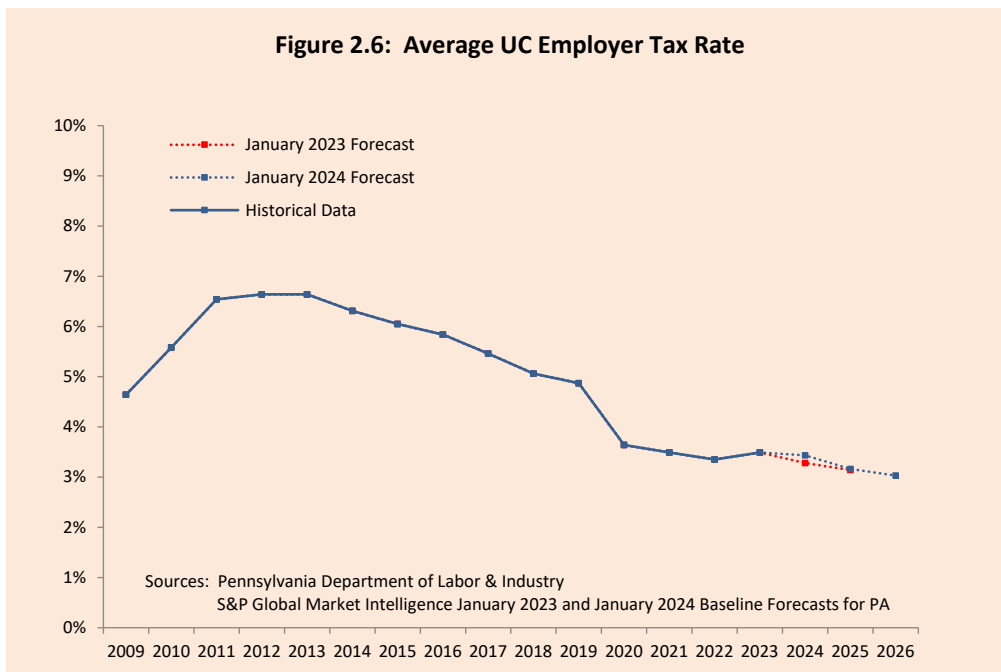
All employees who work for employers that are subject to Pennsylvania’s UC law must pay the employee tax whenever solvency measures are in effect. The employee tax is assessed on UC total wages.



Estimated UC total wages were \$406.3 billion in 2023. They are projected to increase to \$427 billion in 2024, \$444.9 billion in 2025, and \$462.3 billion in 2026.

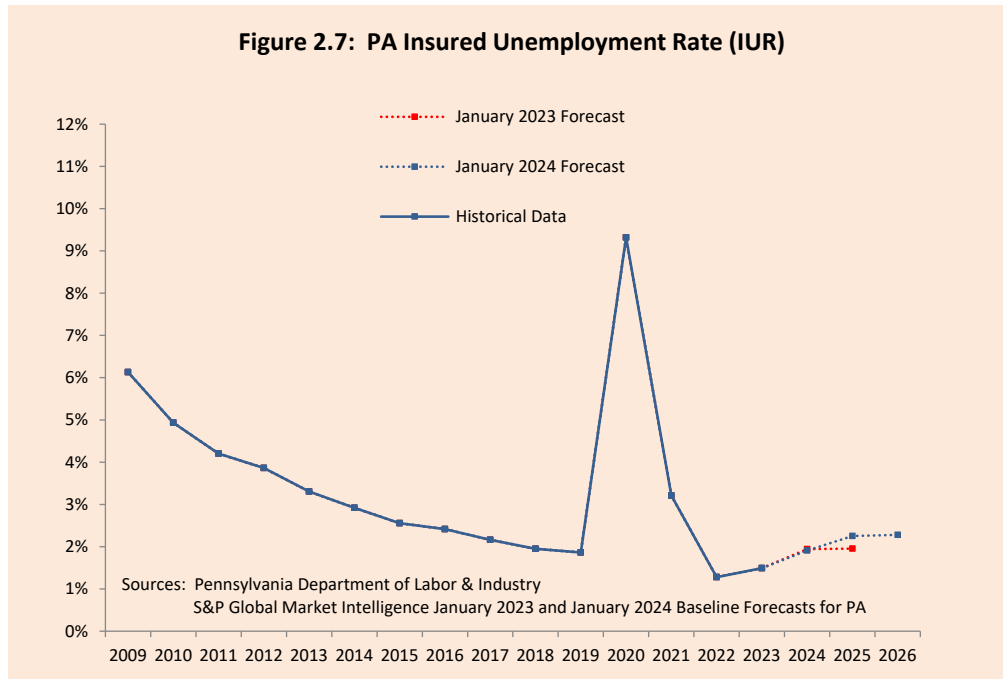


Estimated UC taxable wages were \$57.5 billion in 2023. They are projected to increase to \$58.6 billion in 2024, \$58.8 billion in 2025, and \$59.3 billion in 2026.

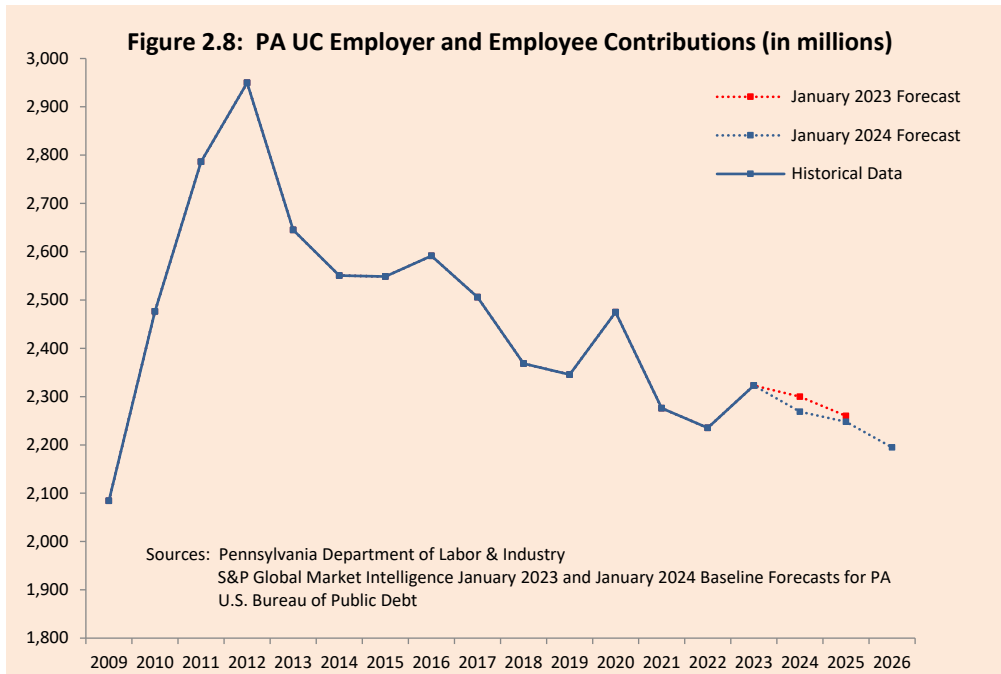


The average UC employer tax rate is projected to decrease from 3.49 percent in 2023 to 3.43 percent in 2024, then drop to 3.16 percent in 2025 and 3.03 percent in 2026.

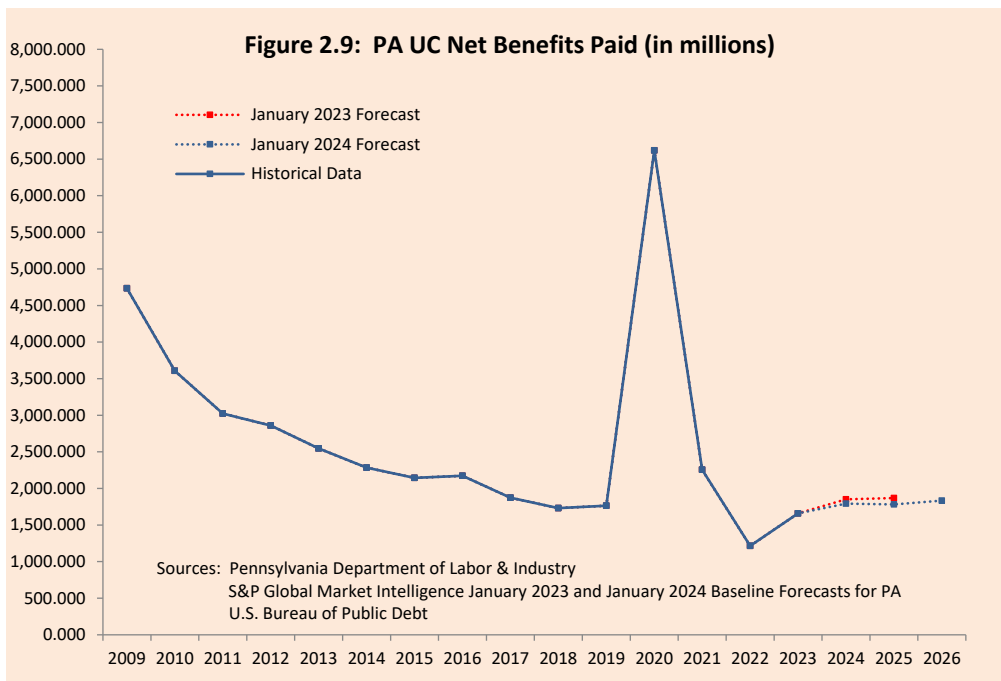
Insured Unemployment Rate (IUR), Benefits Paid, and Contributions



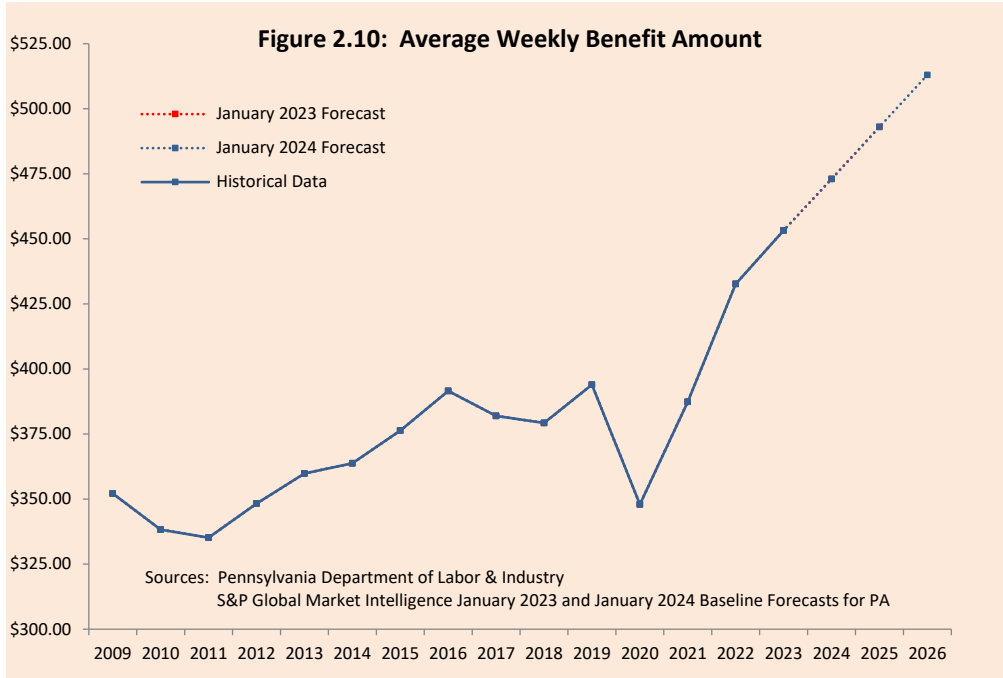
The insured unemployment rate (IUR) is the ratio of average annual weekly UC continued claims to average annual covered employment. The IUR for 2023 was 1.5 percent. It is projected to increase to 1.9 percent in 2024 and then 2.3 percent for both 2025 and 2026.



Employer and employee contributions are projected to decrease from \$2.32 billion in 2023 to \$2.27 billion in 2024, \$2.25 billion in 2025, and \$2.20 billion in 2026.



UC net benefits paid were \$1.66 billion in 2023. They are predicted to increase to \$1.79 billion in 2024, then drop slightly to \$1.78 billion in 2025 before increasing to \$1.84 billion in 2026.



The average weekly benefit amount (based on weeks paid for total unemployment) was \$453 in 2023. It is forecasted to increase to \$473 in 2024, \$493 in 2025, and \$513 in 2026.

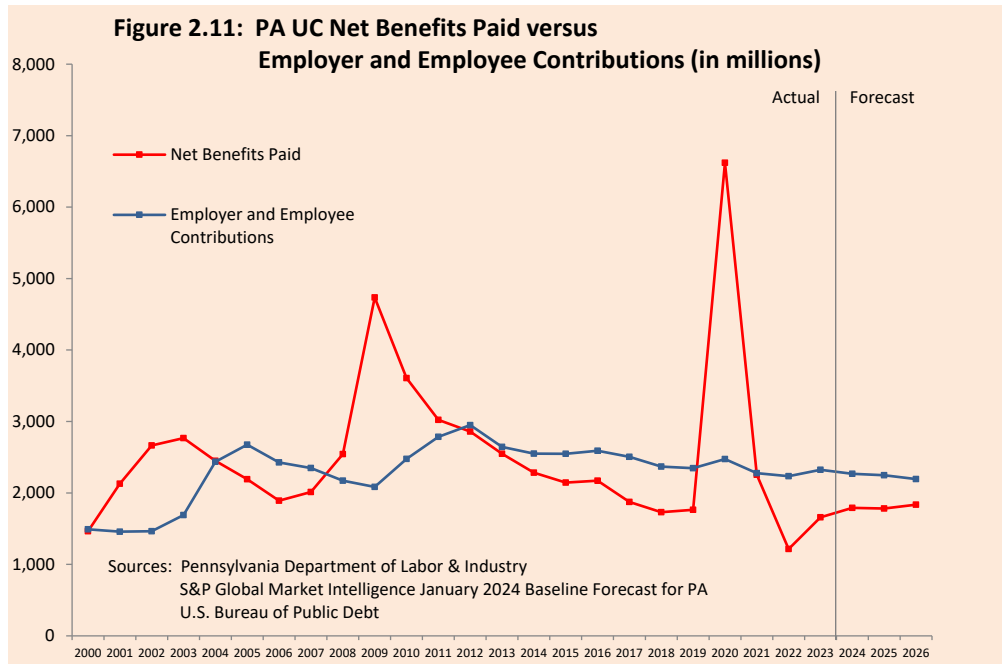


Figure 2.11 illustrates the relationship between benefits and contributions and shows how the solvency trigger mechanism causes employer and employee contributions to rise as a delayed response to an increase in benefits during periods of higher unemployment. Contributions increased following the 2009 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 2023 were lower than contributions were and are forecasted to be remain lower through 2026.

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 starting in 2023.

Solvency Measures for 2023 through 2027 (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)

	2024	2025	2026
Employer surcharge	\$141	\$128	\$122
Employer additional contributions	\$340	\$341	\$344
Employee tax	\$299	\$311	\$324
Benefit reduction	\$59	\$59	\$61

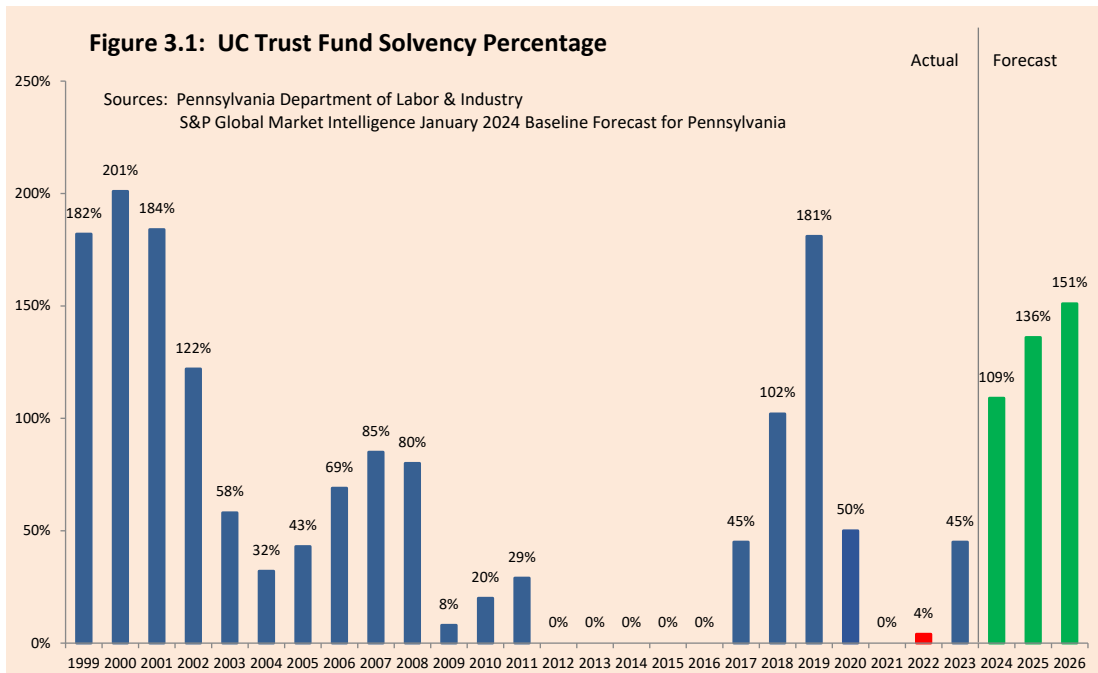
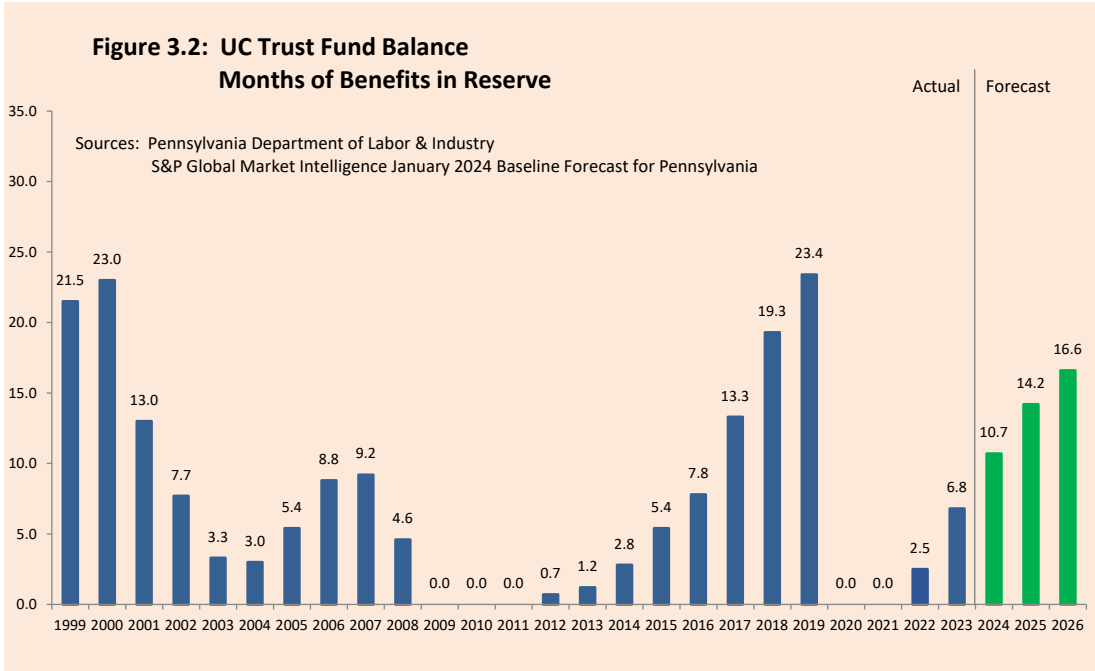


Figure 3.1 shows the annual UC Trust Fund solvency percentage. The solvency percentage for each year is the UC Trust Fund balance on June 30 divided by the three-year average for net benefits paid ending the same day. Per Act 60, starting in 2012 the amount of outstanding bonds or federal loans is subtracted 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 2023-2026 Cash Flow
(Dollars in Millions)**

	Actual	Forecast		
	2023	2024	2025	2026
Beginning Trust Fund Balance	\$255	\$934	\$1,602	\$2,115
Beginning Federal Loan Balance	0	0	0	0
Employer and Employee Trust Fund Contributions	2,323	2,269	2,248	2,195
Trust Fund Interest Earned	19	38	47	58
Interest Factor Excess ¹	0	153	0	0
Benefit Payments	1,658	1,792	1,782	1,835
Other Withdrawals ²	5	0	0	0
Title XII Federal Loans	34	0	0	0
Title XII Federal Loan Repayment from Trust Fund	34	0	0	0
Title XII Federal Loan Repayment from FUTA Credit Reduction	0	0	0	0
Title XII Federal Loan Interest Due on September 30 ³	0	0	0	0
Ending Trust Fund Balance	934	1,602	2,115	2,532
Ending Federal Loan Balance	0	0	0	0
Trust Fund Balance as of June 30	1,067	1,679	2,254	2,701
Three-year Average Benefit Cost as of June 30	2,394	1,542	1,653	1,790
Solvency Percentage as of June 30 ⁴	45%	109%	136%	151%

Sources: Pennsylvania Department of Labor & Industry
U.S. Bureau of Public Debt
S&P Global Market Intelligence January 2024 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 Fund.

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

³ No interest was due on the cash flow loans obtained in April 2023 since those loans were fully repaid in May 2023 before the end of the federal fiscal year (September 30), and no additional debt was incurred through December 2023.

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 OUCTS during calendar year 2023:

- Provided UC services to over 333,445 active employers
- Responded to 91,930 customer telephone calls, with an overall average wait time of 36 seconds (16 seconds during non-peak times)
- Responded to 4,638 customer chats with an overall average wait time of 1 minute 12 seconds (48 seconds during non-peak times)
- Received and responded to 12,840 UC News inquiries
- Processed 1,311,105 quarterly tax returns
- Received 40,736 new employer registrations
- Issued 15,945 clearance certifications
- Revised 9,207 employer contribution rates
- Established 1,069 payment plans for unpaid delinquencies
- Filed 5,545 liens covering \$39.2 million in contributions, interest, and penalties
- Completed 203,261 tasks in UCMS
- 60 injunctions were initiated resulting in \$106,330 collected immediately and seven payment plans
- Deposited approximately \$2.4 billion into the UC Fund, representing timely and delinquent payments from employers
- Received 98.5% of all dollars electronically for all quarters of 2023
- Issued 5,889 refunds for a total of \$8.1 million
- Completed 3,235 employer audits on gross payroll of \$1.7 billion
- Discovered 13,722 misclassified or unreported workers and \$4.3 million in underreported taxes
- Recommended 356 new writs of execution against employer bank accounts and 303 were successfully closed with \$1,423,395 collected of \$3,648,239 sought
- Processed 2,345 offsets totaling \$1,171,338 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 debt
- Initiated 469 prosecutions with the Philadelphia District Attorney's Office and local magisterial district courts for employer delinquencies. Thirty-four restitution orders were granted in the amount of \$503,271, 26 UC tax reports were collected, 42 UCTS and magisterial district court-monitored payment plans were established, and \$380,412 were collected because of the complaint filing
- Closed 32 SUTA Dumping cases resulting in \$5.2 million in additional contributions and \$1.1 million in interest

Office of Unemployment Compensation Benefits Policy (OUCBP)

State Information Data Exchange System (SIDES)

The Department of Labor & Industry 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 2023, 641,107 electronic requests for information were sent through SIDES or SIDES E-Response, and 486,867 responses were received, representing almost 90% of new and additional claim applications. All the major third-party administrators, including Equifax, ADP, Employer's Edge, Personnel Planners, Paychex, Thomas & Company, Experian, Dunn Corporate Resources, Ernst and Young, and many others, use SIDES to receive and respond to Separation Information requests, and SIDES E-Response is used by almost 150,000 employers not represented by any third-party administrator.

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 the Department of Labor & Industry 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 2023, 23 unique employees participated in Pennsylvania's Shared-Work program with 106 plans over the course of the year. Over 600 employees benefited from Shared-Work in 2023.

Treasury Offset Program (TOP)

During calendar year 2023, the Department of Labor & Industry recovered approximately \$6.6 million from claimants' federal income tax refunds. Since the program's inception in 2011, the Department of Labor & Industry has recouped approximately \$171 million in fraudulent UC and extended benefits (EB) overpayments via TOP.

Interstate Reciprocal Overpayment Recovery Arrangement (IRORA)

During calendar year 2023, Pennsylvania allocated \$1,085,367.53 in claimants' UC benefits towards their out-of-state overpayments. Pennsylvania also applied \$795,634.12 in claimants' out-of-state benefits towards their overpayments in Pennsylvania.

Pennsylvania New Hire Program

During calendar year 2023, the Department of Labor & Industry's new hire cross-match, which includes the State Directory of New Hires (SDNH) and National Directory of New Hires (NDNH), detected 32 overpayments in UC benefits. There was a total of \$34,617 written in overpayments and \$586,801 recovered during 2023. As the Department of Labor & Industry 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)

No new TAA determinations could be made after June 30, 2022. However, states must still provide benefits and services to eligible workers. During 2023, no new petitions were certified under the Trade Act of 2015 or under the Reversion 2021 program. The total amount of Trade Readjustment Allowance (TRA) cash benefits paid for the year was approximately \$635,672.

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 Reemployment Trade Adjustment Assistance or Alternative Trade Adjustment Assistance (RTAA/ATAA) payments. During 2023, 61 individuals were paid RTAA/ATAA. The total amount of RTAA/ATAA benefits paid was approximately \$96,964.

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

In 2023, Pennsylvania's OUCSC:

- Answered over 190,000 emails in real time
- Served claimants more than 74,000 times through the UC Live Chat service
- Processed 588,565 initial claims and 4,575,933 continued claims
- Issued 409,577 monetary and 313,097 nonmonetary determinations for UC eligibility

UC Connect

UC Connect is a statewide Pennsylvania program dedicated to helping UC claimants connect with staff through in-person appointments at PA CareerLink® locations. In-person services for UC claimants are designed to assist individuals who do not have proper technology, equipment, or technical skills; individuals without access to home Internet or broadband; and individuals with limited-English proficiency. Nearly 40,000 claimants took advantage of this service in 2023.

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.

The UC Role in Rapid Response Services

The Department of Labor & Industry's Rapid Response Services is a collaboration between OUCSC and the Bureau of Workforce Development Partnership & Operations. These services are available for businesses and workers, at no cost for employers and employees, in the event of job dislocation caused by a natural disaster, economic transition, planned layoff or closure through the Worker Adjustment and Retraining Notification Act (WARN). When separations become necessary, Rapid Response Services can help by explaining UC and other reemployment services. In 2023, the Department of Labor & Industry provided Rapid Response Services to 335 employers and 16,910 workers.

The OUCSC Role with Employers

OUCSC supports the Department of 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. The Department of 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.

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Appendix B: State Comparisons

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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	
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%
2023	68	1,688-1,712	2,718	605	15,388	24,426 ³	3.2%

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
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%	503,412	354,569	3,815,104
2023	1.5% ¹	588,565	399,402	4,575,933

Source: Pennsylvania Department of Labor & Industry

¹ Preliminary rate based on actual 2023 claims activity and a 2023 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 entitlements 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)
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
2023 ²	326,000	282,347	43,588	3,927,510	1,658,216,000	453.22	13.9

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
2023 Benefit Recipients by County

County	Benefit Recipients	Amount Paid	County	Benefit Recipients	Amount Paid
Adams	1,772	\$7,163,000	Lackawanna	5,895	\$28,769,000
Allegheny	27,939	150,154,000	Lancaster	11,343	49,891,000
Armstrong	2,138	10,024,000	Lawrence	2,724	14,357,000
Beaver	5,025	26,965,000	Lebanon	3,097	13,415,000
Bedford	1,470	7,068,000	Lehigh	10,520	56,573,000
Berks	10,918	54,836,000	Luzerne	11,097	55,439,000
Blair	3,055	12,938,000	Lycoming	3,189	15,362,000
Bradford	1,150	5,109,000	Mckean	1,070	4,785,000
Bucks	12,193	68,648,000	Mercer	2,598	11,469,000
Butler	4,508	23,082,000	Mifflin	1,440	5,678,000
Cambria	3,635	16,410,000	Monroe	4,081	20,335,000
Cameron	238	833,000	Montgomery	16,756	93,726,000
Carbon	2,079	9,896,000	Montour	350	1,568,000
Centre	1,936	9,439,000	Northampton	7,043	36,082,000
Chester	9,213	50,541,000	Northumberland	2,949	13,333,000
Clarion	1,237	4,896,000	Perry	1,184	5,512,000
Clearfield	2,562	11,731,000	Philadelphia	38,314	212,473,000
Clinton	1,147	5,310,000	Pike	784	4,176,000
Columbia	2,203	10,178,000	Potter	498	2,280,000
Crawford	2,400	11,171,000	Schuylkill	4,749	21,944,000
Cumberland	4,883	23,823,000	Snyder	1,409	5,391,000
Dauphin	6,671	31,768,000	Somerset	2,310	10,112,000
Delaware	11,318	64,063,000	Sullivan	123	635,000
Elk	976	3,272,000	Susquehanna	851	4,282,000
Erie	7,711	36,405,000	Tioga	1,072	4,570,000
Fayette	4,020	18,359,000	Union	821	3,262,000
Forest	157	644,000	Venango	1,308	6,409,000
Franklin	2,455	11,207,000	Warren	880	3,936,000
Fulton	258	1,261,000	Washington	5,215	26,955,000
Greene	675	2,939,000	Wayne	1,374	7,183,000
Huntingdon	1,581	7,387,000	Westmoreland	10,036	48,900,000
Indiana	2,489	11,824,000	Wyoming	678	3,290,000
Jefferson	1,580	6,713,000	York	10,544	45,974,000
Juniata	708	3,337,000	Out of state	17,398	100,756,000
			Total	326,000	\$1,658,216,000

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
2023 Benefit Recipients by Industry Sector

Industry Sector	Benefit Recipients	Amount Paid
Natural Resources and Mining	3,886	\$21,262,000
Construction	52,838	296,215,000
Manufacturing	42,000	194,524,000
Trade, Transportation, and Utilities	65,459	302,761,000
Information	5,069	37,946,000
Financial Activities	13,599	88,553,000
Professional and Business Services	56,838	315,366,000
Education and Health Service	38,549	195,970,000
Leisure and Hospitality	28,328	104,410,000
Other Services	6,621	31,686,000
Local Government	7,297	37,610,000
Unclassified Industry	5,516	31,913,000
Total	326,000	\$1,658,216,000

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
2023 Recipient Demographics**

Base Year Wages		Age	
Less than \$10,000	8%	16-19	0%
\$10,000 - \$19,999	18%	20-24	6%
\$20,000 - \$29,999	17%	25-34	23%
\$30,000 - \$39,999	15%	35-44	22%
\$40,000 - \$49,999	12%	45-54	20%
\$50,000 - \$59,999	9%	55-64	20%
\$60,000 - \$74,999	8%	65 and older	9%
\$75,000 and over	13%		

Education Level		Race	
Less than High School	9%	White	68%
High School	50%	Black	15%
Some College, including Associate Degree	22%	Hispanic	10%
Bachelor's Degree or Higher	19%	Asian or Pacific Islander	2%
		American Indian or Alaskan	0%
		Unknown	6%

Gender		Number of Dependents	
Male	58%	Zero	79%
Female	42%	One	10%
		Two or more	11%

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
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
2023	409,577	60,327	349,250

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
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
2023	313,097	204,538	108,559

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
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%	59%	41%
2023	10,000	3.49% ¹	55%	45%

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 2022 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
2023 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	3,507	4.3%	\$2,993	\$596	\$26
Construction	31,448	6.3%	15,008	3,311	209
Manufacturing	13,620	3.6%	35,842	6,761	245
Trade, Transportation, and Utilities	57,271	3.1%	48,619	12,203	373
Information	8,560	3.2%	8,174	971	32
Financial Activities	23,297	3.0%	29,039	3,860	114
Professional and Business Services	75,786	3.5%	52,191	8,927	313
Education and Health Services	43,374	3.3%	25,770	7,192	237
Leisure and Hospitality	29,556	3.4%	11,670	5,352	179
Other Services	33,565	2.9%	5,821	1,783	52
Local Government	1,226	2.6%	783	211	6
Total	321,210	3.5%	\$235,909	\$51,169	\$1,785

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
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	5,764,247	386,003,448,036	55,978,042,238
2023	332,066	5,840,817 ²	299,553,027,177 ²	51,169,439,338 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
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
2023	45%	9.2%	141	0.60%	334	0.07%	284	3.2%	55

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
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
2023	2,323,222,000	1,658,216,000	934,148,000	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
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	12,747	6,382	5,887	495	7.8%
2012	12,769	6,449	5,955	494	7.7%
2013	12,780	6,420	5,962	458	7.1%
2014	12,792	6,389	6,010	379	5.9%
2015	12,790	6,423	6,076	347	5.4%
2016	12,788	6,459	6,115	344	5.3%
2017	12,795	6,485	6,162	323	5.0%
2018	12,809	6,500	6,210	290	4.5%
2019	12,799	6,561	6,267	294	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%
2023	12,962	6,505	6,258	247	3.8%

2023 Monthly Data (in thousands, seasonally adjusted)

Month	Civilian Labor Force	Resident Employment	Resident Unemployment	Unemployment Rate
January	6,528	6,303	226	4.3%
February	6,516	6,291	225	4.4%
March	6,499	6,276	223	4.2%
April	6,497	6,275	222	4.1%
May	6,499	6,273	226	4.0%
June	6,498	6,267	230	3.8%
July	6,507	6,261	246	3.5%
August	6,511	6,251	259	3.5%
September	6,509	6,242	268	3.4%
October	6,505	6,229	276	3.4%
November	6,500	6,217	283	3.4%
December	6,492	6,211	281	3.5%

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 2023

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	2.6%	44	\$59,011,362	45	\$257.40	47	\$8,000	43 (tie)	0.77%	43	0.14%	47 (tie)
Alaska	4.5%	5 (tie)	56,672,864	46	290.10	44	47,100	5	1.97%	14	1.25%	2
Arizona	4.3%	7 (tie)	286,520,336	20	308.37	40	8,000	43 (tie)	1.23%	25	0.20%	43
Arkansas	3.4%	23 (tie)	76,103,521	40	307.04	41	7,000	47 (tie)	1.00%	33	0.19%	44
California	5.1%	2	6,537,628,978	1	368.48	32	7,000	47 (tie)	3.09%	2	0.35%	29 (tie)
Colorado	3.4%	23 (tie)	579,086,973	13	584.62	4	20,400	18	1.61%	19	0.49%	17
Connecticut	3.8%	15	572,401,228	14	473.82	15	15,000	19 (tie)	2.42%	7	0.50%	16
Delaware	4.2%	11 (tie)	64,892,191	42	334.69	38	10,500	32 (tie)	1.19%	26	0.25%	36
Florida	3.0%	36 (tie)	353,181,494	16	260.84	46	7,000	47 (tie)	0.82%	40 (tie)	0.12%	49
Georgia	3.4%	23 (tie)	351,697,384	17	339.87	37	9,500	35 (tie)	1.12%	29	0.21%	42
Hawaii	2.9%	40 (tie)	183,916,689	27	615.16	3	56,700	2	2.16%	11	1.49%	1
Idaho	3.3%	27 (tie)	113,877,372	35	433.36	24	49,900	4	0.60%	49	0.41%	23 (tie)
Illinois	4.8%	3 (tie)	1,976,593,937	6	495.21	12	13,271	28	2.69%	5	0.58%	10
Indiana	3.6%	19	263,607,697	21	321.14	39	9,500	35 (tie)	1.32%	22	0.28%	33 (tie)
Iowa	3.2%	31 (tie)	260,476,759	22	501.72	10	36,100	12	1.05%	30	0.57%	11
Kansas	2.8%	42 (tie)	98,613,483	38	441.68	23	14,000	22 (tie)	1.02%	32	0.36%	28
Kentucky	4.3%	7 (tie)	163,302,767	32	453.40	18	11,100	31	0.99%	34	0.24%	37 (tie)
Louisiana	3.7%	16 (tie)	112,984,606	37	245.19	49	7,700	46	1.29%	23	0.23%	39 (tie)
Maine	3.2%	31 (tie)	113,065,867	36	446.81	22	12,000	30	2.03%	12	0.52%	15
Maryland	1.9%	49 (tie)	336,703,302	18	383.51	31	8,500	42	2.29%	10	0.35%	29 (tie)
Massachusetts	3.2%	31 (tie)	2,154,097,047	5	682.76	2	15,000	19 (tie)	1.60%	20	0.35%	29 (tie)
Michigan	4.3%	7 (tie)	690,041,778	11	346.88	34	9,500	35 (tie)	2.86%	4	0.53%	14
Minnesota	2.9%	40 (tie)	1,112,584,536	9	552.76	6	40,000	11	0.92%	36	0.46%	20
Mississippi	3.3%	27 (tie)	48,674,611	47	221.75	50	14,000	22 (tie)	0.44%	50	0.15%	46
Missouri	3.3%	27 (tie)	204,054,289	25	286.31	45	10,500	32 (tie)	1.17%	28	0.26%	35
Montana	3.2%	31 (tie)	92,775,752	39	483.38	13	40,500	9	1.18%	27	0.76%	7
Nebraska	2.3%	46	73,920,192	41	423.06	27	9,000	38 (tie)	0.83%	39	0.17%	45
Nevada	5.4%	1	392,125,600	15	451.32	20	40,100	10	1.74%	17	1.00%	4
New Hampshire	2.5%	45	35,286,902	49	363.06	33	14,000	22 (tie)	1.03%	31	0.23%	39 (tie)
New Jersey	4.8%	3 (tie)	2,517,129,985	3	576.88	5	41,100	7	1.96%	15	0.90%	6
New Mexico	4.0%	13 (tie)	170,849,723	29	423.83	26	30,100	13	0.81%	42	0.43%	22
New York	4.5%	5 (tie)	2,906,404,507	2	418.92	28	12,300	29	2.95%	3	0.48%	18
North Carolina	3.5%	20 (tie)	193,429,807	26	300.08	42	29,600	14	0.67%	46 (tie)	0.29%	32
North Dakota	1.9%	49 (tie)	64,715,481	43	521.13	9	40,800	8	0.67%	46 (tie)	0.39%	26
Ohio	3.7%	16 (tie)	807,221,670	10	460.23	17	9,000	38 (tie)	2.35%	8	0.44%	21
Oklahoma	3.4%	23 (tie)	165,950,893	30	393.88	30	25,700	17	0.88%	38	0.41%	23 (tie)
Oregon	3.7%	16 (tie)	638,689,811	12	541.67	7	50,900	3	1.81%	16	1.11%	3
Pennsylvania	3.5%	20 (tie)	1,720,133,027	7	453.22	19	10,000	34	3.46%	1	0.63%	9
Rhode Island	3.2%	31 (tie)	175,912,865	28	449.28	21	28,200	16	2.30%	9	0.99%	5
South Carolina	3.0%	36 (tie)	145,583,731	33	296.66	43	14,000	22 (tie)	0.82%	40 (tie)	0.24%	37 (tie)
South Dakota	2.0%	48	26,132,624	50	431.99	25	15,000	19 (tie)	0.73%	45	0.23%	39 (tie)
Tennessee	3.5%	20 (tie)	165,512,065	31	253.86	48	7,000	47 (tie)	0.90%	37	0.14%	47 (tie)
Texas	4.0%	13 (tie)	2,375,557,208	4	477.64	14	9,000	38 (tie)	1.72%	18	0.28%	33 (tie)
Utah	2.8%	42 (tie)	233,281,375	24	541.39	8	44,800	6	0.64%	48	0.37%	27
Vermont	2.2%	47	61,748,325	44	501.09	11	13,500	27	1.99%	13	0.55%	12
Virginia	3.0%	36 (tie)	239,100,327	23	340.08	36	8,000	43 (tie)	0.75%	44	0.11%	50
Washington	4.2%	11 (tie)	1,559,807,259	8	703.79	1	67,600	1	1.25%	24	0.72%	8
West Virginia	4.3%	7 (tie)	135,658,524	34	396.62	29	9,000	38 (tie)	2.46%	6	0.54%	13
Wisconsin	3.3%	27 (tie)	331,082,215	19	340.35	35	14,000	22 (tie)	1.50%	21	0.40%	25
Wyoming	3.0%	36 (tie)	43,860,365	48	460.75	16	29,100	15	0.96%	35	0.47%	19

Source: U.S. Department of Labor

¹ Taxable wage base as of 2nd quarter 2023

² Average Tax rates are based on contributions/wages from July 2022 – June 2023

Table B-1A
Comparison of State UC Data for 2023
(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	4.2%	4	\$64,892,191	8	\$334.69	8	\$10,500	3	1.19%	7	0.25%	7
Maryland	1.9%	8	336,703,302	5	383.51	6	8,500	7	2.29%	5	0.35%	6
New Jersey	4.8%	1	2,517,129,985	2	576.88	1	41,100	1	1.96%	6	0.90%	1
New York	4.5%	2	2,906,404,507	1	418.92	4	12,300	2	2.95%	2	0.48%	4
Ohio	3.7%	5	807,221,670	4	460.23	2	9,000	5 (tie)	2.35%	4	0.44%	5
Pennsylvania	3.5%	6	1,720,133,027	3	453.22	3	10,000	4	3.46%	1	0.63%	2
Virginia	3.0%	7	239,100,327	6	340.08	7	8,000	8	0.75%	8	0.11%	8
West Virginia	4.3%	3	135,658,524	7	396.62	5	9,000	5 (tie)	2.46%	3	0.54%	3

Source: U.S. Department of Labor

¹ Taxable wage base as of 2nd quarter 2023

² Average Tax rates are based on contributions/wages from July 2022 – June 2023