

Unemployment Insurance Annual Report

FFY October 1, 2022 — September 30, 2023



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Overview

The Nebraska Unemployment Insurance (UI) program was created to provide a temporary partial wage replacement to workers unemployed through no fault of their own. The UI program is a federal-state partnership based upon the implementation of the Social Security Act of 1935. The federal government sets broad overall policy for administration of the program and provides money to the states for the proper and efficient administration of the state unemployment programs. The United States Department of Labor (USDOL) monitors state performance and compliance and holds and invests all money in the Unemployment Trust Fund until drawn down by states for the payment of benefits.

The Nebraska Employment Security Law (NESL) sets forth benefit eligibility requirements for workers and the tax structure applicable to subject employers. The State directly administers the unemployment program, takes claims from unemployed workers, determines eligibility, insures timely payment of benefits, determines employer liability, and assesses and collects combined tax payments.

Nearly all wage and salary workers are covered by the UI program. Railroad workers are covered by a separate federal UI program. Ex-service members with recent service in the Armed Forces and civilian federal employees are covered by a federal UI program, with states paying benefits from federal funds as agents of the federal government.

Regular State UI Claims FFY 2023	
Initial Claims Filed	35,018
Initial Claims Receiving the First Payment	14,821
Continued Weeks Filed	208,261
Continued Weeks Paid	164,397

Benefits

FFY	Total State Benefits Paid
2023	\$67,104,855
2022	\$53,806,406
2021	\$121,254,610
2020	\$330,381,921
2019	\$67,529,758

	Unemployment Weeks Compensated		Benefits Paid
	Month	Regular UI	Regular UI
2023	Sep	13,918	\$4,839,161
	Aug	15,729	\$5,583,687
	Jul	21,437	\$6,794,190
	Jun	16,586	\$5,128,484
	May	13,910	\$4,892,220
	Apr	15,440	\$4,510,685
	Mar	20,420	\$7,513,008
2022	Feb	23,016	\$8,044,004
	Jan	28,405	\$8,885,883
	Dec	16,680	\$4,544,517
	Nov	11,279	\$3,208,772
	Oct	11,441	\$3,160,244

Short-Time Compensation

The Short-Time Compensation program helps prevent layoffs by allowing employers to uniformly reduce affected employees' hours by 10 to 60 percent while the employees receive a prorated unemployment benefit. STC benefits are paid based on a percentage reduction of regular UI benefits equal to the percentage reduction in regular work hours.

	2022-2023	2021-2022	2020-2021	2019-2020
Number of employers filing STC applications:	14	7	56	614
Number of layoffs averted through the STC program:	120	322	1,030	7,718
Amount of STC program benefits paid:	\$146,335.00	\$212,551	\$1,769,472	\$6,205,686

Tax

Employer Unemployment Insurance (UI) taxes are assessed by the State of Nebraska based on wages paid for covered employment. The state “combined tax” is comprised of contributions which are deposited to the federal Unemployment Trust Fund and a state unemployment insurance tax which is deposited to the State Unemployment Insurance Trust Fund. The federal government collects a separate federal unemployment tax pursuant to the Federal Unemployment Tax Act (FUTA). Tax rates are established for the calendar year.

Historical (CY 2019 – 2023) Combined Tax Rates

Category	2023	2022	2021	2020	2019
1	0.00%	0.00%	0.00%	0.00%	0.00%
2	0.12%	0.12%	0.13%	0.14%	0.17%
3	0.19%	0.20%	0.20%	0.22%	0.28%
4	0.21%	0.22%	0.23%	0.25%	0.31%
5	0.24%	0.25%	0.25%	0.27%	0.35%
6	0.28%	0.29%	0.30%	0.33%	0.42%
7	0.31%	0.32%	0.33%	0.35%	0.45%
8	0.33%	0.34%	0.35%	0.38%	0.49%
9	0.38%	0.39%	0.40%	0.44%	0.56%
10	0.43%	0.44%	0.45%	0.49%	0.63%
11	0.45%	0.47%	0.48%	0.52%	0.66%
12	0.48%	0.49%	0.50%	0.55%	0.70%
13	0.50%	0.51%	0.53%	0.57%	0.73%
14	0.52%	0.54%	0.55%	0.60%	0.77%
15	0.57%	0.59%	0.60%	0.65%	0.83%
16	0.64%	0.66%	0.68%	0.74%	0.94%
17	0.74%	0.76%	0.78%	1.85%	1.08%
18	0.86%	0.88%	0.90%	1.98%	1.25%
19	1.03%	1.05%	1.08%	1.17%	1.50%
20	5.40%	5.40%	5.40%	5.40%	5.40%

Historical (CY 2019 – 2023) Combined Tax Rates – New Employers

Category	2023	2022	2021	2020	2019
Non-construction	1.25%	1.25%	1.25%	1.25%	1.25%
Construction	5.40%	5.40%	5.40%	5.40%	5.40%

Contributions from Employers to Unemployment Trust Fund

	FY2023	FY2022	FY2021	FY2020	FY2019
Combined tax	\$79,113,883.92	\$77,679,311.57	\$68,004,045	\$87,098,716	\$72,662,838
Payments in lieu of contributions	\$4,267,380.49	\$1,995,207.48	\$2,810,232	\$3,412,649	\$3,662,887

Trust Fund

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

	2023	2022	2021	2020	2019
UTF Available	\$524,830,607	\$510,837,654	\$482,448,028	\$479,310,125	\$460,191,767
SUIT Balance	\$77,013,770	\$75,932,879	\$72,939,849	\$71,019,975	\$68,681,698
Total Funds Available to Pay Benefits	\$601,844,377	\$587,607,271	\$555,983,520	\$551,852,081	\$528,873,465
State Reserve Ratio	1.05%	1.09%	1.12%	1.19%	1.18%

The UTF is established within the federal treasury as a reserve to pay liability against future benefits. The SUIT Fund is a state account reserved for the payment of unemployment benefits if needed.

UTF Balance		SUIT Fund Balance	
9/30/2023	\$524,830,607	9/30/2023	\$77,013,770
9/30/2022	\$510,837,654	9/30/2022	\$75,932,879
9/30/2021	\$482,448,028	9/30/2021	\$72,939,849
9/30/2020	\$479,310,125	9/30/2020	\$71,019,975
9/30/2019	\$459,558,575	9/30/2019	\$68,681,698

Recommendations for Legislature

Because of the continued solvency of the Nebraska unemployment program, no significant changes to the Nebraska Employment Security Law are required at this time.