

## NEWS RELEASE

For Immediate Release: Dec. 9, 2014

Information Contact: Larry Ingram (208) 332-3570 ext 3543 or Bob Fick (208) 332-3570 ext 3628

### Idaho Unemployment Insurance Tax Rate Drops Another 16.8% in 2015

Idaho's unemployment insurance tax rates will drop another 16.8 percent in 2015 as the economic recovery and job growth continue to ease the pressure on the state's Unemployment Insurance Trust Fund.

The rate reduction is the third straight since rates were at their legal maximum in 2012 to restore the trust fund after it went broke in 2009 and 2010 during the depths of the Great Recession.

The base tax rate - the rate charged new employers - will be 1.585 percent on the first \$36,000 in wages paid to each worker covered by the unemployment insurance system. Rates for most other employers are based on their experience with unemployment over the past four years. Those rates will range from 0.453 percent to 1.51 percent for employers who have paid more taxes than the value of benefits claimed by their workers and from 2.717 percent to 5.4 percent for employers who have paid less taxes than the value of benefits paid to their workers.

Employers overall will cut their unemployment insurance tax expenses by tens of millions of dollars from 2014.

Rates for all positive-rated employers are less than half the rates in 2012. Rates for all negative rated employers range from 25 percent to 75 percent lower.

Individual employer rates depend on the employer's experience with unemployment insurance claims over the past year and how that compares to all other Idaho employers.

Employers are also required to pay 0.6 percent federal tax on the first \$7,000 paid to each worker, discounted from 6 percent as long as they comply with all tax filing requirements. That money finances operations of the unemployment insurance system.

In addition to lower rates, employers are now required to file all quarterly unemployment insurance tax reports online. No paper quarterly reports will be mailed to employers by the Department of Labor after Jan. 1. Online filing will save processing costs financed by employer federal taxes and will improve accuracy of tax reports, heading off potential penalties and fines for inaccurate data. More information about filing online is at <https://labor.idaho.gov/employerportal>.

Since mid-September employers have also been required under a federal directive to respond within seven days to department requests for information about benefit claims filed by former employees. Employers failing to respond in seven days but then successfully appeal the award of benefits will be charged for the benefits paid. This would affect their future tax rating.

To help employers meet these requirements, they can sign up for the department's E-response - a system where employers are notified by email of any claims filed and can reply to a request for information in a secure environment. More details are online at <http://labor.idaho.gov/dnn/idl/Businesses/sides.aspx>. An employer may also respond via fax.

--end--

