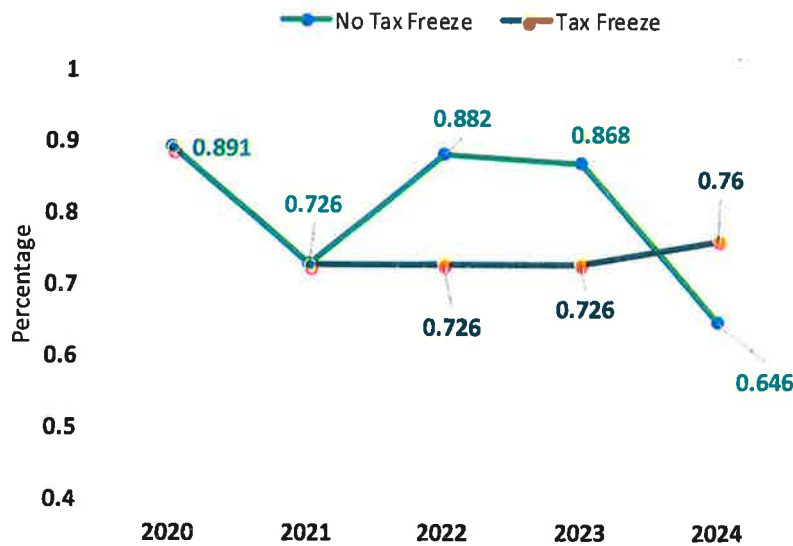




HB450 Unemployment Insurance Tax Rate Stability

- Immediate savings to employers comes from not collecting \$64 million over 2022-23 while the tax freeze is in effect.
- The tax formula, as enacted in code, takes into consideration the cost of providing benefits by looking back over the past 20 years of costs on a rolling years system. Because of this system, over the next two years the high cost years from the 2001-2002 recession will drop off and no longer be a component affecting the tax rate calculation.
- Freezing rates for two consecutive years do not change the fund’s solvency. Employers could get rate stability over a two- or three-year period at a record-low tax rate before the fund re-adjusts itself to fresher 20-year costs.
- Consistent tax rates provide the business community with expense predictability. A lower tax rate helps employers manage cost expectations, incentivizing growth and creating opportunities for economic expansion.

Employer Base Tax Rates



\$64 million savings	
2022	2023
\$20 million	\$44 million