

# 2020 STATUS REPORT

## IOWA'S UNEMPLOYMENT COMPENSATION TRUST FUND



**This 2020 Status Report of  
The Iowa Unemployment Compensation  
Trust Fund is a publication of  
Iowa Workforce Development**

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is a publication of Iowa Workforce Development.

Pursuant to Iowa Code, Chapter 96.35, Iowa Workforce Development hereby submits an  
annual status report on the unemployment compensation trust fund to the general assembly.

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## Preface – Guide for Interpretation

As a guide to the interpretation and application of this chapter, the public policy of this state is declared to be as follows:

Economic insecurity due to unemployment is a serious menace to the health, morals, and welfare of the people of this state. Involuntary unemployment is therefore a subject of general interest and concern which requires appropriate action by the legislature to prevent its spread and to lighten its burden which now so often falls with crushing force upon the unemployed worker and the worker's family. The achievement of social security requires protection against this greatest hazard of our economic life. This can be provided by encouraging employers to provide more stable employment and by the systematic accumulation of funds during periods of employment to provide benefits for periods of unemployment, thus maintaining purchasing power and limiting the serious social consequences of poor relief assistance. The legislature, therefore, declares that in its considered judgment the public good, and the general welfare of the citizens of this state require the enactment of this measure, under the police powers of the state, for the compulsory setting aside of unemployment reserves to be used for the benefit of persons unemployed through no fault of their own. (Iowa Code 96.2)

## Executive Summary

This report evaluates the status of Iowa's unemployment compensation trust fund as of December 31, 2020. It reviews fund expenditures and revenue. It also discusses fund solvency in terms of fund balance, fund balance adjusted for inflation, fund balance adjusted for covered wage growth, and months of benefits in the trust fund.

**Unemployment Insurance (UI) Benefits Payout:** Pandemic related layoffs pushed regular benefits paid to unemployed workers to a record level of \$1.25 billion in 2020. This compares to the previous record of \$788 million in 2009. Some other facts:

- First payments climbed to 315,701 in 2020 due to pandemic related layoffs caused by the recession. This is an increase from 78,695 in 2019. First payments were below 80,000 in 2017 through 2019, the lowest levels since 1998.
- Congress enacted several pandemic related unemployment programs in 2020. The largest were:
  - Federal Pandemic Unemployment Compensation (FPUC) which increased the weekly benefit amount available to benefit recipients.
  - Pandemic Emergency Unemployment Compensation (PEUC) which provided more weeks of benefits after regular benefits were exhausted.
  - Pandemic Unemployment Assistance (PUA) which provided benefits to unemployed persons who were not eligible for regular UI benefits.
- Iowa Workforce Development paid out more than two billion dollars in these temporary federally funded programs in 2020. These benefits are not covered by this report because they do not impact Iowa's unemployment insurance trust fund.

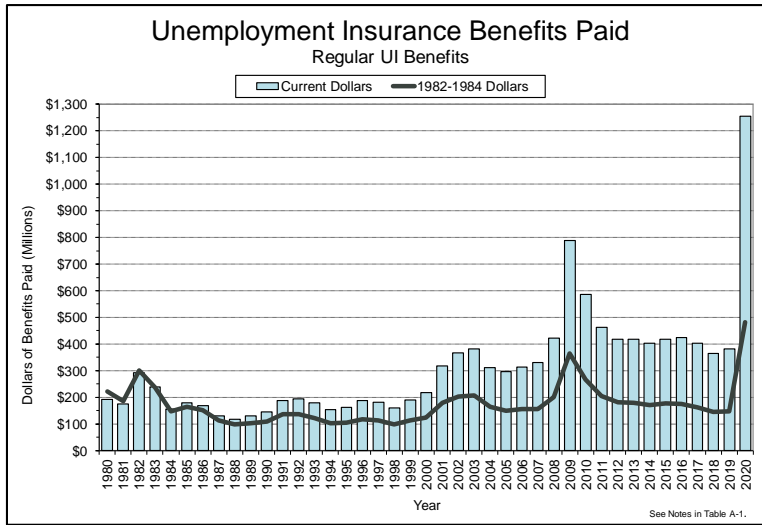
**UI Trust Fund Revenue:** Fund revenue primarily comes from UI contributions paid by Iowa employers. Contributions reached \$658 million in 2011 due to record UI payouts in 2009 and 2010. Contributions declined through 2020 as fund strength improved.

- The average contribution rate was highest during the 1980s. It reached 3.4 percent in 1984. The average rate was below one percent in the late 1990s. It climbed above two percent in the early 2010s due to the great recession. It reached 2.7 percent in 2011.
- The trust fund balance has been sufficient to trigger table 7 for 2018 through 2020. The average tax rate for table 7 was 1.3 percent during this period.
- \$490 million in coronavirus relief funds was deposited into the Trust Fund in 2020. This deposit helped maintain fund strength during a period of record benefit payouts.

**UI Trust Fund:** Iowa's year-end UI trust fund balance reached \$715 million in 2008. Record benefit payouts caused the year-end UI trust fund balance to plummet to \$297 million in 2010. The fund bounced back and climbed to \$1.2 billion by the end of 2019. The fund dropped to \$994 million at the end of 2020.

**Conclusions:** Iowa's UI trust fund balance fell to \$171 million during April 2010. The fund balance has rebounded through 2019 and fund solvency measures were strong. Pandemic related unemployment caused a record benefit payout in 2020, but benefit payments were improving by the fourth quarter. The trust fund should remain solvent, but higher contribution rate tables may trigger to rebuild the fund.

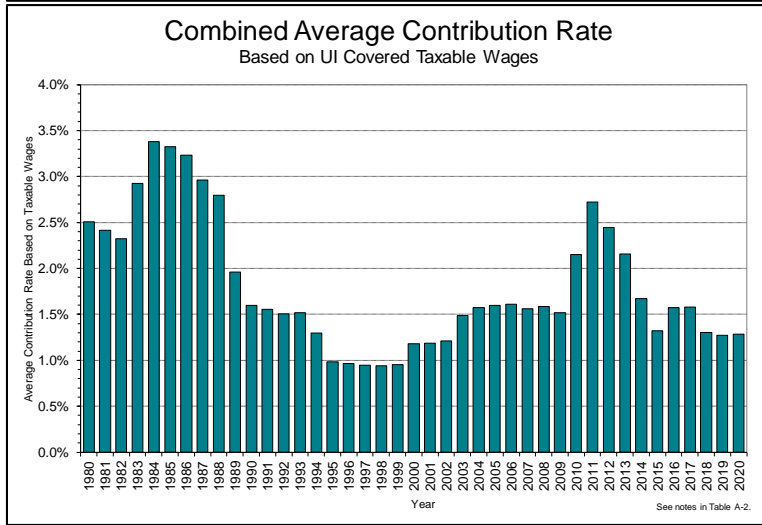
# UI Trust Fund History at a Glance



The 2009 national recession pushed the UI benefit payout from to \$788 million in 2009 and \$587 million in 2010.

UI benefits have declined to about \$400 million per year in 2012 through 2019.

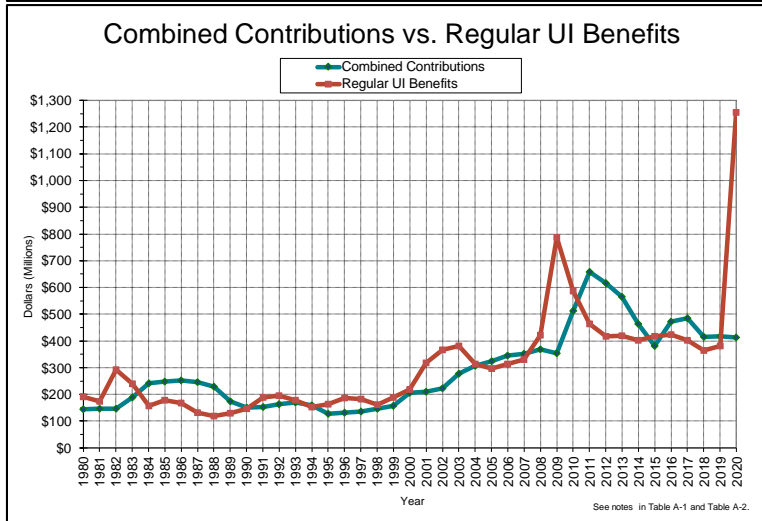
Pandemic related layoffs pushed UI benefits to a record high of \$1.25 billion in 2020.



The 2009 recession caused the trust fund to decline and the average contribution rate reached 2.72 percent in 2011.

The trust fund balance recovered and tables 6 and 7 were in effect during 2014 through 2020. The seven-year average contribution rate declined to 1.43 percent.

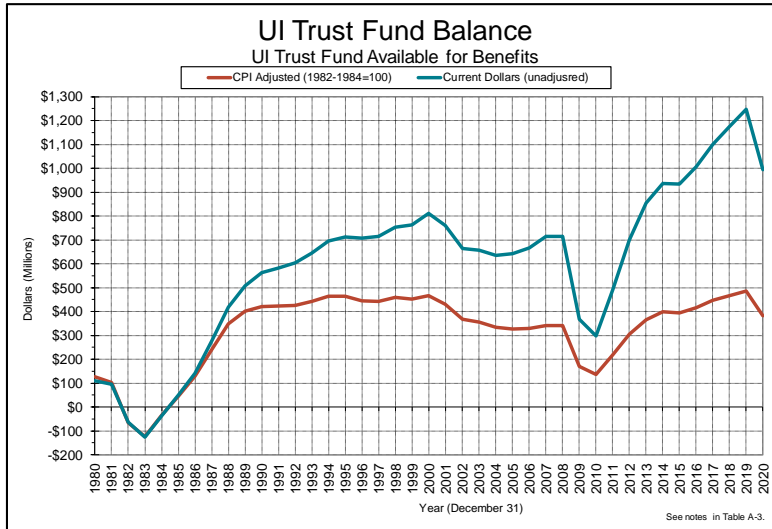
The average contribution rate for 2020 was 1.29 percent.



Contributions generally exceeded benefits in the 2011 through 2019 post recession period. This enabled the trust fund to rebuild and contribution rates to decline.

Pandemic related layoffs caused UI benefits to be more than three times higher than contributions in 2020.

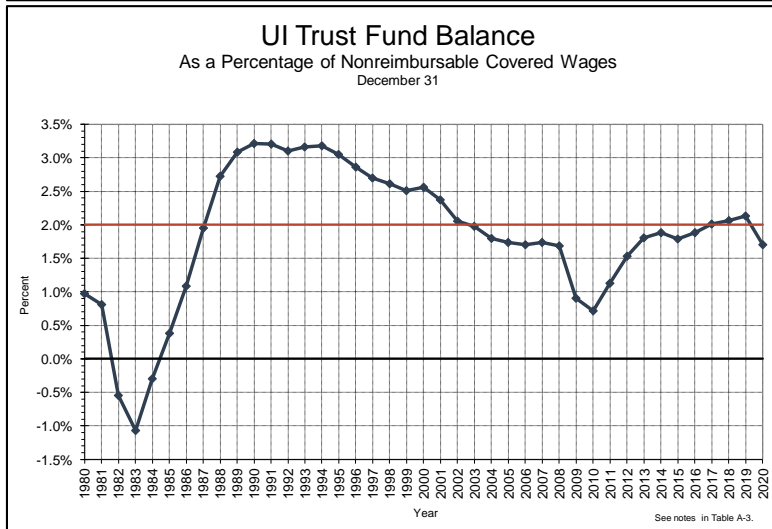
# UI Trust Fund History at a Glance



High UI benefit payouts caused the UI trust fund balance to drop sharply in 2009 and 2010.

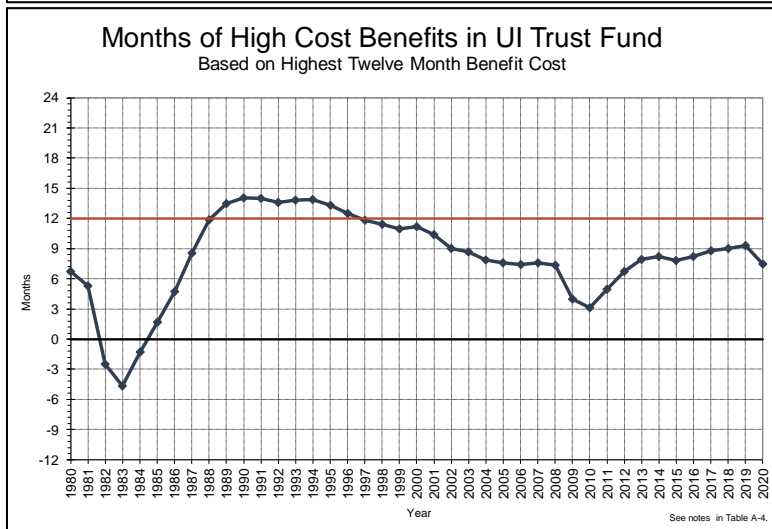
The fund balance grew through 2019, but the CPI adjusted fund balance grew at a slower rate.

Pandemic related UI benefits caused the trust fund to decline in 2020.



The UI trust fund as a percentage of covered wages was over 3.0 percent during the first half of the 1990s.

This measure dropped to 0.7 percent of covered wages in 2010, but it rebounded and exceeded 2.0 percent in 2017 through 2019. This measure dropped to 1.7 percent in 2020.



The highest benefit payout adjusted for covered employment and wage growth occurred during the 1982-1983 recession.

The trust fund would be sufficient to pay benefits for about 7.5 months if a similar recession were to occur today.

## A. Unemployment Insurance Benefits

Pandemic related layoffs caused Iowa’s Unemployment Insurance benefit payout to reach a record level of \$1,254 million in 2020. This is more than three times higher than the \$382 million payout in 2019 and almost 60 percent higher than the previous record high of \$788 million in 2009.

**UI Benefits:** Benefits payments are a function of:

- average weekly benefit amount,
- duration of benefits, and
- number of persons receiving first payments for benefits

**Maximum Weekly Benefit Amount:**

The maximum weekly benefit (MWB) is computed each year based on the previous year’s average weekly wage. The current MWB amounts are listed below:

Number of Dependents	Average Weekly Wage 2019	Percent of Average Weekly Wage	Maximum Weekly Benefit July 2020
0	\$931.84	53%	\$493
1	\$931.84	55%	\$512
2	\$931.84	57%	\$531
3	\$931.84	60%	\$559
4	\$931.84	65%	\$605

**Average Weekly Benefit (AWB):**

Claimants’ weekly benefit amounts are based on their high quarter earnings, subject to the above maximums. About half of claimants draw the maximum weekly benefit. A claimant would need high quarter earnings of about \$11,300 to qualify for the maximum weekly benefit.

The average weekly benefit fell from \$396.41 in 2019 to \$325.01 in 2021. The pandemic was responsible for layoffs in service related industries. Many service industries have lower average wages. Since a claimant’s benefit amount is based on wages, the average weekly benefit declined.

**Duration of UI Benefits:** The maximum duration of UI benefits in Iowa is 26 weeks. In the case of a plant closing, it is extended to 39 weeks.

The average duration of regular UI benefits was 12.2 weeks 2020. One fourth of benefit recipients exhausted their regular UI benefits. However, a number of pandemic related layoffs were short term.

**First Payments:** The number of UI claimants who received their first payment for a new benefit year reached a record high of 315,701 in 2020. Over half of the 2020 first payments occurred in April and May. First payments totaled 78,695 in 2019. The previous record was 165,030 in 2009.

**Weeks Compensated:** The number of weeks of UI benefits compensated grew from 963,111 in 2019 to a new record high of 3,895,061 in 2020.

**UI Benefit Summary:** UI payments averaged about \$400 million during 2012 through 2019. The pandemic pushed benefits to a new record high of \$1,254 million in 2020.

The 2019 UI benefits cost rate was 0.63 percent of covered wages, one of the lowest in twenty years. The pandemic pushed the benefit cost rate to 2.07 percent in 2020. This signifies the highest benefit cost rate since it hit 2.63 percent in 1982.



## B. Unemployment Insurance Revenue

Fund revenue fell from 2011 through 2015 as the trust fund balance recovered from the 2009 recession. Contributions have been rather stable through 2020.

**Average Contribution Rate:** The Iowa Code has eight rate tables. Rate tables are triggered based on the relative trust fund strength. The average contribution rate ranges from about 3.5 percent in Table 1 to about 0.9 percent in Table 8.

The average contribution rate climbed to over 3.0 percent during the 1980's as the trust fund was rebuilding from the early 1980's recession. The fund balance grew enough to trigger the lowest rate table in the late 1990's.

The contribution rate averaged about 1.6 percent from 2003 through 2009. High benefit levels caused the trust fund to fall in 2009 and 2010. This caused rate tables with higher contribution rates to trigger. The average contribution rate rose to 2.7 percent in 2011.

Higher contribution rates and a lower benefit payout enabled the trust fund to rebound. The trigger formula then moved to tables with lower tax rates.

Rate table 6 was in effect during 2014, 2016 and 2017 with an average contribution rate of 1.6 percent. Rate table 7 was in effect in 2015, 2018 through 2020 with an average contribution rate of 1.3 percent.

**Individual Employer Rates:** Iowa's contribution rates are based on each employer's five-year charged benefit experience. Almost half of all private employers qualified for a zero rate in

2020 because they had low very benefit charges over the last five years. The maximum contribution in 2020 rate was 7.0 percent.

**Taxable Wages:** During 2020, Iowa employers paid contributions on the first \$31,600 of each employee's wages. This taxable wage base is updated each year based on the average annual covered wage.

Taxable wages have increased at a rate of about 3.7 percent over the past decade. Pandemic related layoffs caused taxable wages to decline by 0.5 percent in 2020.

**Contributions:** Contributions rose to \$658 million in 2011. Rate tables 6 or 7 have been in effect since 2014. Contributions averaged \$473 million in the table 6 years and \$407 million in the table 7 years.

**Other Income:** Gov. Kim Reynolds directed \$490 million in coronavirus relief funds to be deposited into the Iowa UI Trust Fund. The deposit will ensure that eligible Iowans continue to receive unemployment insurance benefits, and will also enable Iowa employers to remain in contribution rate table 7 for 2021.

**Revenue Summary:** The special deposit of coronavirus relief funds increased total fund revenue to \$930 million in 2020. All other trust fund revenue components were relatively unchanged from 2019.

## C. UI Fund Balance

The year-end UI trust fund balance was \$297 million in 2010 after the recession. The fund balance grew to \$1,246 million in 2019. Pandemic related layoffs would have pushed the fund balance down to \$504 million at the end of 2020, but a deposit of coronavirus relief funds pushed the balance up to \$994 million.

**Trust Fund Balance History:** The lowest historic year-end trust fund balance was a deficit of \$126 million in 1983. The fund rebounded rapidly due to lower levels of unemployment and some of the highest average contribution rates in fund history.

Trust fund growth slowed during the 1990's, as higher trust fund balances triggered tax rate tables with lower average contribution rates.

The fund reached \$810 million in 2000, but declined to \$635 million in 2004. UI benefit payouts started to decline in 2004. This enabled the UI trust fund balance to rebound to \$715 million in 2007.

UI benefits paid hit record levels in 2009 and 2010. This caused the UI trust fund to fall to \$297 million at the end of 2010, the lowest fund level in more than 20 years. The trust fund rebounded to \$1,246 million in 2019.

The pandemic pushed benefits paid to a new high in 2020. The year-end trust fund balance fell to \$994 million in 2020, despite a deposit of \$490 million in coronavirus relief funds.

**Effect of Wage Growth:** Examining the trust fund balance in terms of absolute dollar amounts can be misleading. The fund balance must grow as covered wages and covered employment grow in order to keep pace with potential fund liabilities.

**CPI Adjusted Fund Balance:** One method of adjusting the fund balance to account for inflation is to use the Consumer Price Index (CPI) to adjust the fund to 1982-1984 dollars. Using inflation adjusted dollars the 2020 fund balance is lower than the 2000 fund level.

**Fund Balance as a Percent of UI Covered Wages:** The UI fund is expressed as a percentage of covered wages in order to control for employment and wage growth. The contribution rate table formulas use 2.0 percent of covered wages as a minimum safety factor.

This indicator grew to exceed 3.0 percent of wages in early 1990's. It then gradually decreased to around 1.7 percent in 2005 through 2008.

Recession level payouts caused this percentage to decline to 0.7 percent in 2010. The economy recovered and the percentage has rebounded to a healthy 2.1 percent in 2019.

The pandemic caused this indicator to fall to 1.7 percent in 2020.

**UI Trust Fund Balance Summary:** The UI trust fund balance has been improving from 2010 through 2019. The pandemic related benefits have caused the fund to decline in 2020. The fund is expected to continue to decline in 2021, but at a slower rate.

## D. UI Fund Solvency

Unemployment Insurance theory requires the trust fund balance be large enough to endure heavy demands during periods of high unemployment, yet not place an excessive burden on employers. The challenge is to determine an adequate reserve level to ensure the fund's solvency through an economic downturn.

### **Months of Benefits in Trust Fund:**

The fund balance is sufficient at the current benefit payout to pay benefits for 9.4 months.

### **Months of Benefits at High Cost:**

The 2020 trust fund balance would be sufficient to pay benefits for 7.5 months at the highest historic adjusted benefit payment level.

### **Federal Solvency Standard:**

This solvency measure uses the benefits paid for highest three calendar years during the last 20 years or three recessions. The recommended level is 12 months of benefits. The Iowa trust fund has 11.5 months using this measure. Currently 2009, 2010 and 2020 are included in the calculation. This method excludes the farm crisis recession of the early 1980's.

### **Recession Level Benefits:**

Iowa's highest benefit cost level is based on the 12 months ending April 1983. Benefits totaled \$317 million and wages totaled \$11.6 billion. Benefits paid equaled 2.7 percent of wages. If an economic downturn had pushed 2020 benefits to the April 1983 level, benefits paid would have reached \$1.6 billion.

### **Rate Table Calculations:**

The Iowa UI rate system is designed to automatically adjust contribution rates based on fund strength. This system is designed to maintain solvency while reducing rate fluctuations. If the

fund strength starts to decline, the formula will trigger a rate table with higher contribution rates. This helps the fund start rebuilding before fund reserves reach a critical point. The system is designed to fortify the trust fund in small increments. This method diminishes the chances of a drastic contribution increase in any single year.

The 2009 recession caused the fund balance to fall to the lowest level in 20 years. This lower fund balance caused rate tables 3 and 4 to trigger in 2010 through 2012, the highest rate tables since 1988.

The trust fund strength has improved and over the last eight years. This enabled rate tables 6 or 7 to trigger for 2014 through 2020.

### **State Loans:**

Iowa's unemployment rate was below the national average during the "great recession" and Iowa's trust fund remained solvent. Over 30 states needed to borrow funds from the federal government in order to pay UI benefits

### **Fund Solvency Summary:**

The trust fund was strong as 2019 ended. UI Benefit payments reached a new high in 2020. This was partially offset by a deposit of coronavirus relief funds. The trust fund should remain solvent, but higher contribution rate tables may trigger to rebuild the fund.



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Table A-1  
Unemployment Insurance Benefit Data

Year	First Payments		Average Duration (Weeks)		Weeks Compensated		Average Weekly Benefit (\$)		UI Regular Benefits Paid (\$ millions)	
	#	Δ%	#	Δ%	#	Δ%	#	Δ%	#	Δ%
1980	141,617	-----	11.9	-----	1,679,090	-----	113.97	-----	191.4	-----
1981	111,712	-21.1%	13.2	10.9%	1,472,110	-12.3%	118.46	3.9%	174.4	-8.9%
1982	151,520	35.6%	14.6	10.6%	2,218,692	50.7%	132.02	11.4%	292.9	67.9%
1983	117,681	-22.3%	15.1	3.4%	1,781,786	-19.7%	134.39	1.8%	239.5	-18.2%
1984	97,603	-17.1%	13.0	-13.9%	1,265,144	-29.0%	123.28	-8.3%	156.0	-34.9%
1985	97,124	-0.5%	14.4	10.8%	1,401,655	10.8%	127.70	3.6%	179.0	14.7%
1986	84,882	-12.6%	14.7	2.1%	1,250,942	-10.8%	134.63	5.4%	168.4	-5.9%
1987	66,865	-21.2%	14.3	-2.7%	955,227	-23.6%	136.78	1.6%	130.7	-22.4%
1988	67,023	0.2%	12.4	-13.3%	831,553	-12.9%	142.79	4.4%	118.7	-9.2%
1989	73,393	9.5%	11.9	-4.0%	874,264	5.1%	148.71	4.1%	130.0	9.5%
1990	82,251	12.1%	11.5	-3.4%	946,804	8.3%	153.74	3.4%	145.6	12.0%
1991	92,823	12.9%	12.7	10.4%	1,176,440	24.3%	159.61	3.8%	187.8	29.0%
1992	88,604	-4.5%	13.5	6.3%	1,200,374	2.0%	162.28	1.7%	194.8	3.7%
1993	82,565	-6.8%	12.9	-4.4%	1,062,863	-11.5%	167.96	3.5%	178.5	-8.4%
1994	71,184	-13.8%	12.4	-3.9%	882,883	-16.9%	173.44	3.3%	153.1	-14.2%
1995	78,467	10.2%	11.2	-9.7%	879,273	-0.4%	184.68	6.5%	162.4	6.1%
1996	78,846	0.5%	12.5	11.6%	984,078	11.9%	190.62	3.2%	187.6	15.5%
1997	79,155	0.4%	11.8	-5.6%	931,796	-5.3%	195.08	2.3%	181.8	-3.1%
1998	72,383	-8.6%	10.8	-8.5%	783,500	-15.9%	204.44	4.8%	160.2	-11.9%
1999	80,519	11.2%	10.8	0.0%	869,517	11.0%	218.08	6.7%	189.6	18.4%
2000	84,455	4.9%	11.2	3.7%	949,794	9.2%	229.25	5.1%	217.7	14.8%
2001	113,983	35.0%	11.6	3.6%	1,324,644	39.5%	239.42	4.4%	317.1	45.7%
2002	111,411	-2.3%	13.4	15.5%	1,498,185	13.1%	244.76	2.2%	366.7	15.6%
2003	113,570	1.9%	13.5	0.7%	1,532,402	2.3%	248.94	1.7%	381.5	4.0%
2004	88,976	-21.7%	14.1	4.4%	1,253,028	-18.2%	249.39	0.2%	312.5	-18.1%
2005	91,540	2.9%	12.5	-11.3%	1,141,540	-8.9%	259.57	4.1%	296.3	-5.2%
2006	92,610	1.2%	12.5	0.0%	1,161,526	1.8%	269.38	3.8%	312.9	5.6%
2007	91,367	-1.3%	12.9	3.2%	1,176,569	1.3%	280.17	4.0%	329.6	5.3%
2008	126,309	38.2%	11.6	-10.1%	1,459,395	24.0%	288.81	3.1%	421.5	27.9%
2009	165,030	30.7%	15.6	34.5%	2,571,688	76.2%	306.45	6.1%	788.1	87.0%
2010	125,564	-23.9%	15.3	-1.9%	1,920,298	-25.3%	305.61	-0.3%	586.9	-25.5%
2011	107,937	-14.0%	14.2	-7.2%	1,536,467	-20.0%	301.60	-1.3%	463.4	-21.0%
2012	99,107	-8.2%	13.5	-4.9%	1,342,482	-12.6%	310.58	3.0%	417.0	-10.0%
2013	94,474	-4.7%	13.7	1.5%	1,294,587	-3.6%	323.50	4.2%	418.8	0.4%
2014	93,158	-1.4%	12.9	-5.8%	1,201,658	-7.2%	335.05	3.6%	402.6	-3.9%
2015	92,606	-0.6%	12.7	-1.6%	1,176,537	-2.1%	354.91	5.9%	417.6	3.7%
2016	88,566	-4.4%	13.0	2.4%	1,147,806	-2.4%	368.97	4.0%	423.5	1.4%
2017	79,125	-10.7%	13.4	3.1%	1,062,805	-7.4%	378.83	2.7%	402.6	-4.9%
2018	74,064	-6.4%	12.8	-4.5%	946,846	-10.9%	385.19	1.7%	364.7	-9.4%
2019	78,695	6.3%	12.2	-4.7%	963,111	1.7%	396.41	2.9%	381.8	4.7%
2020	315,701	301.2%	12.2	0.0%	3,859,061	300.7%	325.01	-18.0%	1,254.2	228.5%

Regular UI Benefits paid by IWD. Table does not include extended benefits, voluntary shared work and net adjustments for transfers to other states. Source: ETA-5159.

Voluntary shared work benefits total \$10.7 million in 2009, \$3.8 million in 2010 and \$8.5 million in 2020.

Workshare accounted for less than 0.3% of benefits paid in other years.

1/26/2021

Table A-2  
Unemployment Insurance Revenue Data

Year	Combined Average Tax Rate		Taxable Wages (\$ billions)		Combined Contributions (\$ millions)		Interest on Trust Fund (\$ millions)		Other Incm. (\$ mil.)	Combined Total Revenue (\$ millions)	
	#	Δ%	#	Δ%	#	Δ%	#	Δ%	#	#	Δ%
1980	2.51%	-----	5.63	-----	144.5	-----	11.8	-----	0.0	156.3	-----
1981	2.42%	-3.6%	5.87	4.3%	147.3	1.9%	10.0	-15.3%	0.0	157.3	0.6%
1982	2.32%	-4.1%	5.99	2.0%	146.9	-0.3%	5.0	-50.0%	0.0	152.0	-3.4%
1983	2.92%	25.9%	6.24	4.2%	189.6	29.1%	0.0	-100.0%	0.0	189.6	24.7%
1984	3.38%	15.8%	6.97	11.7%	241.9	27.6%	0.0	----	0.0	241.9	27.6%
1985	3.33%	-1.5%	7.28	4.4%	248.0	2.5%	0.9	----	16.5	265.4	9.7%
1986	3.23%	-3.0%	7.67	5.4%	252.7	1.9%	6.5	622.2%	4.5	263.7	-0.6%
1987	2.96%	-8.4%	8.10	5.6%	244.8	-3.1%	15.7	141.5%	0.0	260.6	-1.2%
1988	2.80%	-5.4%	8.02	-1.0%	228.8	-6.5%	26.9	71.3%	0.1	255.8	-1.8%
1989	1.96%	-30.0%	8.65	7.9%	172.9	-24.4%	38.3	42.4%	0.2	211.3	-17.4%
1990	1.60%	-18.4%	9.20	6.4%	151.0	-12.7%	46.1	20.4%	0.0	197.0	-6.8%
1991	1.55%	-3.1%	9.54	3.7%	153.1	1.4%	48.8	5.9%	0.0	201.9	2.5%
1992	1.51%	-2.6%	10.23	7.2%	162.8	6.3%	46.6	-4.5%	0.0	209.4	3.7%
1993	1.52%	0.7%	10.66	4.2%	169.8	4.3%	44.8	-3.9%	0.0	214.5	2.4%
1994	1.30%	-14.5%	11.69	9.7%	158.9	-6.4%	43.9	-2.0%	0.0	202.8	-5.5%
1995	0.98%	-24.6%	12.41	6.2%	128.1	-19.4%	48.1	9.6%	0.0	176.2	-13.1%
1996	0.97%	-1.0%	13.11	5.6%	132.0	3.0%	48.9	1.7%	0.0	180.9	2.7%
1997	0.94%	-3.1%	13.90	6.0%	136.6	3.5%	47.3	-3.3%	0.0	183.9	1.7%
1998	0.94%	0.0%	14.94	7.5%	145.9	6.8%	48.5	2.5%	0.0	194.3	5.7%
1999	0.95%	1.1%	15.98	7.0%	156.9	7.5%	49.8	2.7%	0.0	206.7	6.4%
2000	1.18%	24.2%	16.93	5.9%	205.4	30.9%	51.1	2.6%	0.0	256.4	24.0%
2001	1.18%	0.0%	17.21	1.7%	210.1	2.3%	51.7	1.2%	0.0	261.8	2.1%
2002	1.21%	2.5%	17.40	1.1%	221.7	5.5%	48.7	-5.8%	0.0	270.3	3.2%
2003	1.49%	23.1%	17.76	2.1%	277.1	25.0%	43.2	-11.3%	40.0	360.3	33.3%
2004	1.57%	5.4%	18.60	4.7%	306.5	10.6%	39.3	-9.0%	0.0	345.8	-4.0%
2005	1.60%	1.9%	19.61	5.4%	324.0	5.7%	35.1	-10.7%	0.0	359.1	3.8%
2006	1.61%	0.6%	20.77	5.9%	345.2	6.5%	31.2	-11.1%	0.0	376.5	4.8%
2007	1.56%	-3.1%	21.73	4.6%	351.1	1.7%	32.6	4.5%	0.0	383.7	1.9%
2008	1.58%	1.3%	22.60	4.0%	369.3	5.2%	35.0	7.4%	0.0	404.3	5.4%
2009	1.52%	-3.8%	22.07	-2.3%	352.8	-4.5%	28.4	-18.9%	70.8	452.0	11.8%
2010	2.15%	41.4%	22.59	2.4%	511.9	45.1%	13.9	-51.1%	0.0	525.7	16.3%
2011	2.72%	26.5%	23.36	3.4%	657.5	28.4%	12.4	-10.8%	0.0	669.9	27.4%
2012	2.45%	-9.9%	24.33	4.2%	615.0	-6.5%	15.3	23.4%	0.0	630.4	-5.9%
2013	2.16%	-11.8%	25.36	4.2%	565.5	-8.0%	18.3	19.6%	0.0	583.8	-7.4%
2014	1.67%	-22.7%	26.68	5.2%	463.5	-18.0%	20.6	12.6%	0.0	484.1	-17.1%
2015	1.32%	-21.0%	27.74	4.0%	382.0	-17.6%	21.7	5.3%	0.0	403.7	-16.6%
2016	1.58%	19.7%	28.93	4.3%	471.4	23.4%	21.0	-3.2%	0.0	492.5	22.0%
2017	1.58%	0.0%	29.67	2.6%	483.9	2.7%	22.7	8.1%	0.0	506.6	2.9%
2018	1.30%	-17.7%	30.78	3.7%	415.7	-14.1%	25.0	10.1%	0.0	440.7	-13.0%
2019	1.27%	-2.3%	31.70	3.0%	416.4	0.2%	28.1	12.4%	0.0	444.5	0.9%
2020	1.29%	1.6%	31.53	-0.5%	412.8	-0.9%	27.4	-2.5%	490.0	930.2	109.3%

Combined contributions include payments made to the Unemployment Trust Fund account of the US Treasury and the Unemployment Compensation Reserve Fund account in the State Treasury.  
Other Income includes revenue from a trust fund debt repayment tax collected by the federal government in 1985 and 1986, special transfers 2003 and 2009, and coronavirus relief funds in 2020. 3/16/2021

Table A-3  
**UI Fund Balances**  
December 31

Year	UI Trust Fund <sup>1</sup>						Benefits at Highest Benefit Levels			
	Balance		CPI-U Adjusted (1982-1984=100)		As Percent of Covered Wages		Highest Historic Twelve Months <sup>2</sup>		Average Highest Three Years <sup>3</sup>	
	\$ M.	Δ%	\$ M.	Δ%	%	Δ%	\$ M.	Δ%	\$ M.	Δ%
1980	110.2	----	127.7	----	0.98%	----	196.5	----	176.2	----
1981	96.5	-12.4%	102.6	-19.7%	0.81%	-16.8%	219.6	11.8%	185.1	5.1%
1982	-63.3	----	-64.9	----	-0.55%	----	302.5	37.8%	227.0	22.6%
1983	-126.3	----	-124.7	----	-1.07%	----	323.6	7.0%	253.1	11.5%
1984	-37.4	----	-35.5	----	-0.30%	----	346.3	7.0%	270.9	7.0%
1985	49.3	----	45.1	----	0.38%	----	352.5	1.8%	275.7	1.8%
1986	142.5	189.0%	129.0	186.0%	1.08%	181.9%	361.6	2.6%	282.8	2.6%
1987	276.9	94.3%	239.9	86.0%	1.95%	80.3%	389.5	7.7%	304.7	7.7%
1988	418.6	51.2%	347.4	44.8%	2.72%	39.4%	422.6	8.5%	330.5	8.5%
1989	506.7	21.0%	401.8	15.7%	3.08%	13.3%	451.3	6.8%	353.0	6.8%
1990	562.4	11.0%	420.3	4.6%	3.21%	4.1%	481.0	6.6%	376.2	6.6%
1991	582.6	3.6%	422.4	0.5%	3.21%	-0.1%	498.8	3.7%	390.2	3.7%
1992	604.0	3.7%	425.6	0.8%	3.11%	-3.1%	533.9	7.0%	417.6	7.0%
1993	643.8	6.6%	441.6	3.8%	3.16%	1.7%	559.5	4.8%	437.6	4.8%
1994	696.4	8.2%	465.2	5.3%	3.18%	0.6%	601.8	7.6%	470.7	7.6%
1995	712.9	2.4%	464.5	-0.2%	3.05%	-4.0%	641.7	6.6%	501.9	6.6%
1996	706.9	-0.8%	445.7	-4.0%	2.87%	-6.1%	677.5	5.6%	529.9	5.6%
1997	715.1	1.2%	443.4	-0.5%	2.70%	-5.8%	727.7	7.4%	569.1	7.4%
1998	752.1	5.2%	458.9	3.5%	2.61%	-3.1%	789.8	8.5%	617.8	8.6%
1999	762.7	1.4%	453.2	-1.2%	2.51%	-4.0%	834.3	5.6%	652.5	5.6%
2000	809.8	6.2%	465.4	2.7%	2.56%	2.1%	867.8	4.0%	678.7	4.0%
2001	760.3	-6.1%	430.3	-7.5%	2.37%	-7.5%	880.5	1.5%	653.6	-3.7%
2002	665.0	-12.5%	367.6	-14.6%	2.06%	-13.2%	887.0	0.7%	658.5	0.7%
2003	657.2	-1.2%	356.6	-3.0%	1.98%	-3.7%	910.6	2.7%	676.0	2.7%
2004	635.2	-3.3%	333.8	-6.4%	1.80%	-9.2%	969.0	6.4%	719.4	6.4%
2005	643.2	1.3%	326.8	-2.1%	1.73%	-3.7%	1018.3	5.1%	755.9	5.1%
2006	665.8	3.5%	329.9	0.9%	1.70%	-2.0%	1075.2	5.6%	798.2	5.6%
2007	714.9	7.4%	340.4	3.2%	1.74%	2.2%	1130.1	5.1%	838.9	5.1%
2008	714.9	0.0%	340.1	-0.1%	1.68%	-3.0%	1165.3	3.1%	865.1	3.1%
2009	368.4	-48.5%	170.6	-49.8%	0.91%	-46.1%	1114.6	-4.4%	548.5	-36.6%
2010	296.9	-19.4%	135.5	-20.6%	0.71%	-21.3%	1140.8	2.4%	603.5	10.0%
2011	491.1	65.4%	217.6	60.6%	1.13%	58.3%	1191.9	4.5%	630.6	4.5%
2012	700.5	42.6%	305.1	40.2%	1.54%	35.7%	1252.5	5.1%	662.6	5.1%
2013	853.9	21.9%	366.4	20.1%	1.81%	17.8%	1296.2	3.5%	685.7	3.5%
2014	936.1	9.6%	398.6	8.8%	1.88%	4.1%	1364.9	5.3%	722.1	5.3%
2015	933.5	-0.3%	394.7	-1.0%	1.79%	-4.8%	1429.6	4.7%	756.3	4.7%
2016	1005.8	7.7%	416.6	5.5%	1.89%	5.2%	1464.6	2.4%	774.8	2.4%
2017	1099.8	9.3%	446.1	7.1%	2.01%	6.7%	1500.9	2.5%	794.0	2.5%
2018	1175.0	6.8%	467.7	4.8%	2.06%	2.5%	1563.8	4.2%	827.3	4.2%
2019	1246.3	6.1%	485.0	3.7%	2.13%	3.4%	1605.0	2.6%	849.1	2.6%
2020	993.5	-20.3%	381.4	-21.4%	1.71%	-20.0%	1599.3	-0.4%	1033.4	21.7%

<sup>1</sup> UI Trust Fund balance represents the fund balance available to pay UI benefits. It excludes the Iowa reserve fund and Reed Act distributions, except for amounts transferred to the trust fund under Iowa Law.

<sup>2</sup> Based on the highest moving twelve month period in program history.

<sup>3</sup> Based on highest three calendar years during the last 20 years or three recessions (if longer).

3/16/2021



Table A-4  
**UI Fund Solvency Measures**  
December 31

Year	Months of Benefits in UI Trust Fund						Benefit Cost Rate		High Cost Multiple <sup>3</sup>	
	Current Benefit Level		Highest Twelve Month Level <sup>1</sup>		Average Highest 3 Year Level <sup>2</sup>		Highest Historical	Average Highest	Highest Historical	Average Highest
	#	Δ%	#	Δ%	#	Δ%	Year <sup>1</sup>	3 Years <sup>2</sup>	Year <sup>1</sup>	3 Years <sup>2</sup>
1980	6.7	----	6.7	----	7.5	----	1.74%	1.56%	0.56	0.63
1981	6.7	0.0%	5.3	-20.9%	6.3	-16.0%	1.85%	1.56%	0.44	0.52
1982	-2.4	----	-2.5	----	-3.3	----	2.61%	1.96%	-0.21	-0.28
1983	-6.0	----	-4.7	----	-6.0	----	2.75%	2.15%	-0.39	-0.50
1984	-2.9	----	-1.3	----	-1.7	----	2.75%	2.15%	-0.11	-0.14
1985	3.3	----	1.7	----	2.1	----	2.75%	2.15%	0.14	0.18
1986	10.4	215.2%	4.7	176.5%	6.0	185.7%	2.75%	2.15%	0.39	0.50
1987	26.3	152.9%	8.5	80.9%	10.9	81.7%	2.75%	2.15%	0.71	0.91
1988	44.0	67.3%	11.9	40.0%	15.2	39.4%	2.75%	2.15%	0.99	1.27
1989	49.3	12.0%	13.5	13.4%	17.2	13.2%	2.75%	2.15%	1.12	1.44
1990	47.7	-3.2%	14.0	3.7%	17.9	4.1%	2.75%	2.15%	1.17	1.49
1991	38.0	-20.3%	14.0	0.0%	17.9	0.0%	2.75%	2.15%	1.17	1.49
1992	38.4	1.1%	13.6	-2.9%	17.4	-2.8%	2.75%	2.15%	1.13	1.45
1993	44.4	15.6%	13.8	1.5%	17.7	1.7%	2.75%	2.15%	1.15	1.47
1994	55.7	25.5%	13.9	0.7%	17.8	0.6%	2.75%	2.15%	1.16	1.48
1995	53.8	-3.4%	13.3	-4.3%	17.0	-4.5%	2.75%	2.15%	1.11	1.42
1996	46.1	-14.3%	12.5	-6.0%	16.0	-5.9%	2.75%	2.15%	1.04	1.33
1997	47.8	3.7%	11.8	-5.6%	15.1	-5.6%	2.75%	2.15%	0.98	1.26
1998	57.1	19.5%	11.4	-3.4%	14.6	-3.3%	2.75%	2.15%	0.95	1.22
1999	48.8	-14.5%	11.0	-3.5%	14.0	-4.1%	2.75%	2.15%	0.91	1.17
2000	45.1	-7.6%	11.2	1.8%	14.3	2.1%	2.75%	2.15%	0.93	1.19
2001	29.2	-35.3%	10.4	-7.1%	14.0	-2.1%	2.75%	2.04%	0.86	1.16
2002	22.0	-24.7%	9.0	-13.5%	12.1	-13.6%	2.75%	2.04%	0.75	1.01
2003	21.2	-3.6%	8.7	-3.3%	11.7	-3.3%	2.75%	2.04%	0.72	0.97
2004	24.7	16.5%	7.9	-9.2%	10.6	-9.4%	2.75%	2.04%	0.66	0.88
2005	26.3	6.5%	7.6	-3.8%	10.2	-3.8%	2.75%	2.04%	0.63	0.85
2006	25.8	-1.9%	7.4	-2.6%	10.0	-2.0%	2.75%	2.04%	0.62	0.83
2007	26.0	0.8%	7.6	2.7%	10.2	2.0%	2.75%	2.04%	0.63	0.85
2008	20.5	-21.2%	7.4	-2.6%	9.9	-2.9%	2.75%	2.04%	0.61	0.83
2009	5.6	-72.7%	4.0	-45.9%	8.1	-18.2%	2.75%	1.35%	0.33	0.67
2010	6.0	7.1%	3.1	-22.5%	5.9	-27.2%	2.75%	1.45%	0.26	0.49
2011	12.5	108.3%	4.9	58.1%	9.3	57.6%	2.75%	1.45%	0.41	0.78
2012	19.7	57.6%	6.7	36.7%	12.7	36.6%	2.75%	1.45%	0.56	1.06
2013	24.2	22.8%	7.9	17.9%	14.9	17.3%	2.75%	1.45%	0.66	1.25
2014	27.8	14.9%	8.2	3.8%	15.6	4.7%	2.75%	1.45%	0.69	1.30
2015	26.8	-3.6%	7.8	-4.9%	14.8	-5.1%	2.75%	1.45%	0.65	1.23
2016	28.4	6.0%	8.2	5.1%	15.6	5.4%	2.75%	1.45%	0.69	1.30
2017	32.7	15.1%	8.8	7.3%	16.6	6.4%	2.75%	1.45%	0.73	1.39
2018	38.6	18.0%	9.0	2.3%	17.0	2.4%	2.75%	1.45%	0.75	1.42
2019	39.1	1.3%	9.3	3.3%	17.6	3.5%	2.75%	1.45%	0.78	1.47
2020	9.4	-76.0%	7.5	-19.4%	11.5	-34.7%	2.75%	1.77%	0.62	0.96

<sup>1</sup> Based on the highest moving twelve month period in program history.

<sup>2</sup> Based on highest three calendar years during the last 20 years or three recessions (if longer).

<sup>3</sup> A trust fund solvency measure equal to the ratio of the trust fund balance (as a percent of total wages) divided by the appropriate high cost rate.

Table A-5  
 Employer Contribution Rate Distribution  
 Based on Original Employer Rate Notices  
 All Private Contributory Employers  
 Rate Year 2020

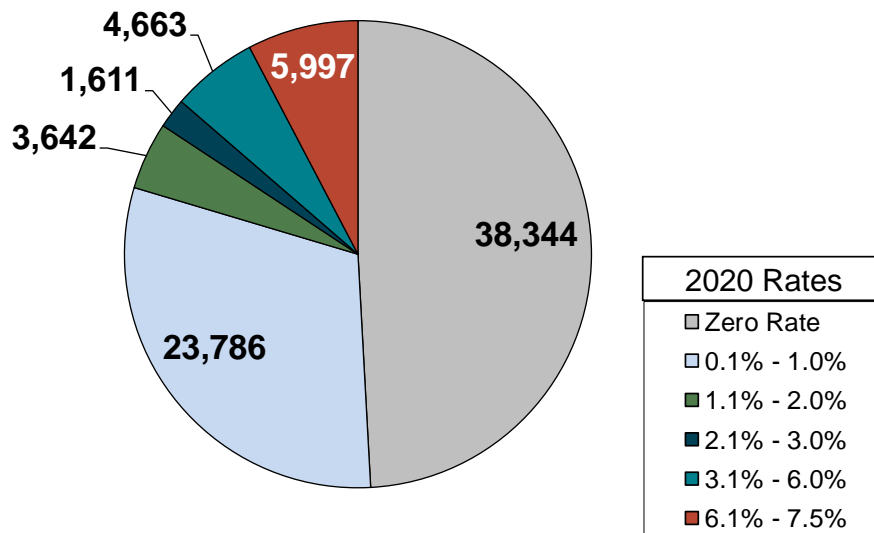
Contribution Rate Table 7	Private Contributory Firms	
	Number	Percent
Zero Rate	38,344	49.1%
0.1% - 1.0%	23,786	30.5%
1.1% - 2.0%	3,642	4.7%
2.1% - 3.0%	1,611	2.1%
3.1% - 6.0%	4,663	6.0%
6.1% - 7.5%	5,997	7.7%
<b>Total</b>	<b>78,043</b>	<b>100.0%</b>

Table includes private experience rated employers and private employers receiving a new employer contribution rates.

Source: Iowa Workforce Development,  
 Labor Market Information Division

10/29/2019

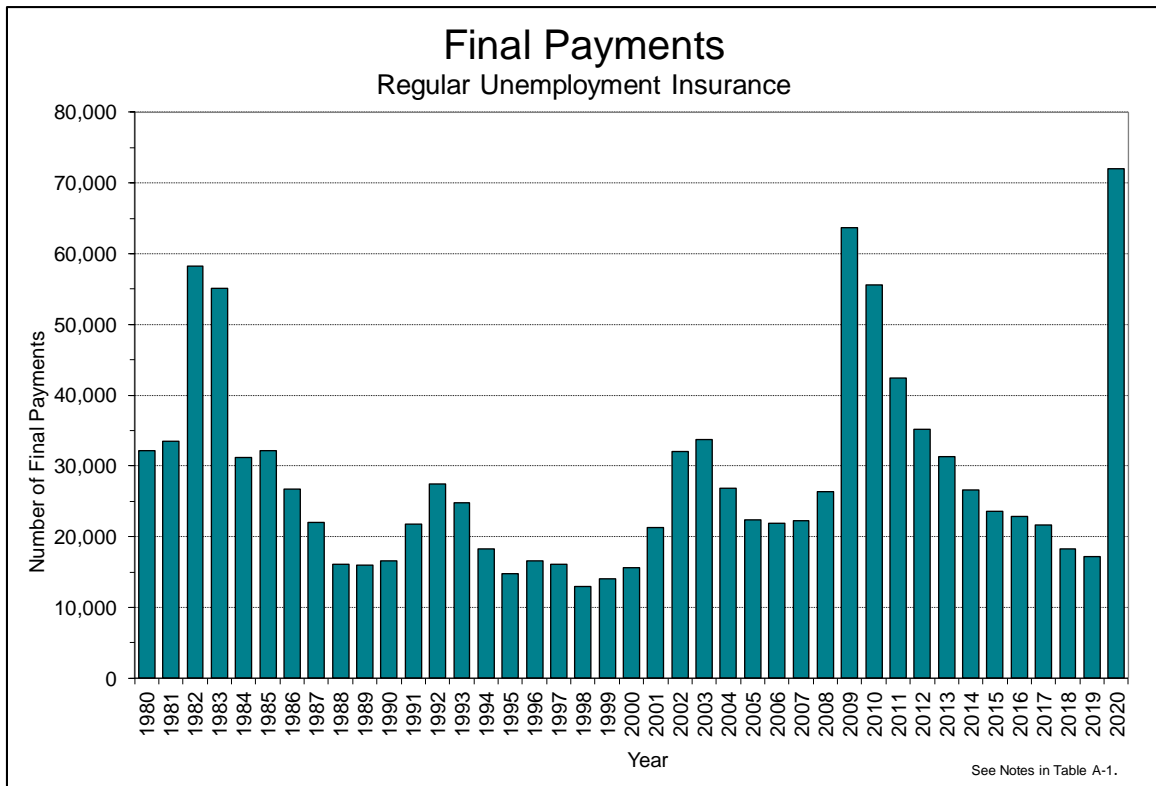
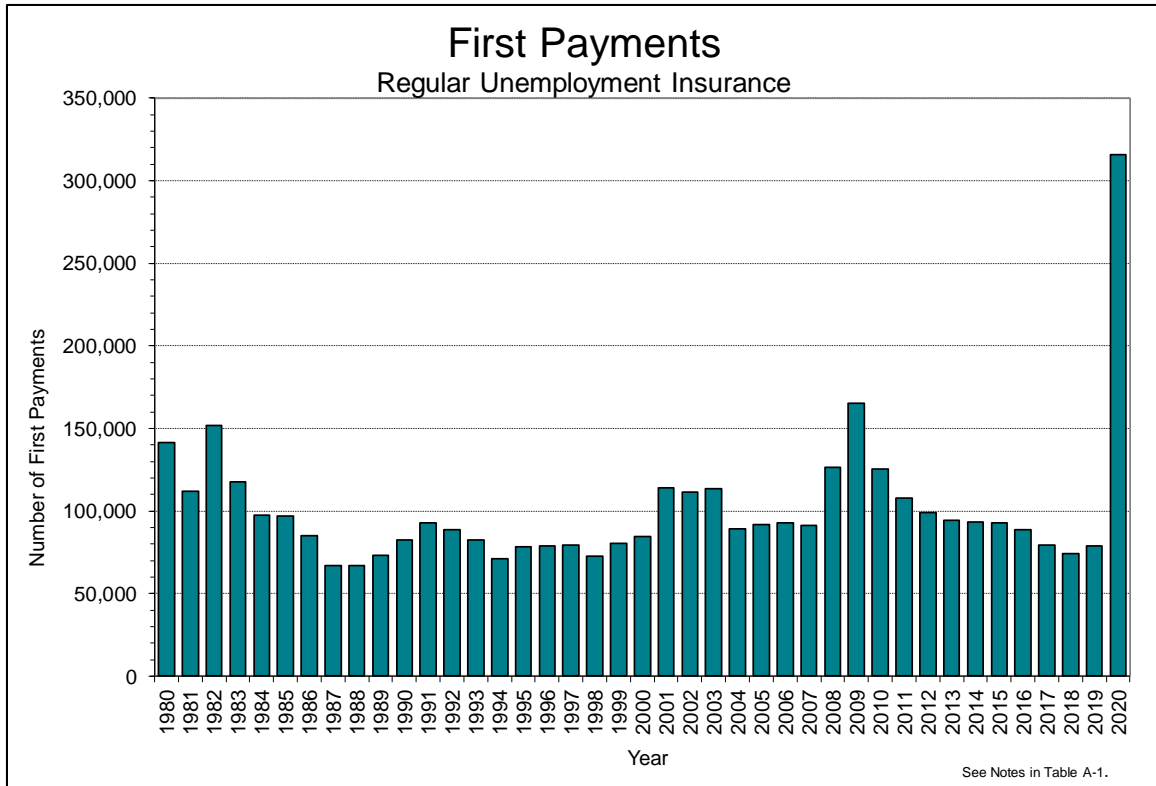
**UI Contribution Rate Distribution**  
 Private Experienced Rated and New Employers - 2020

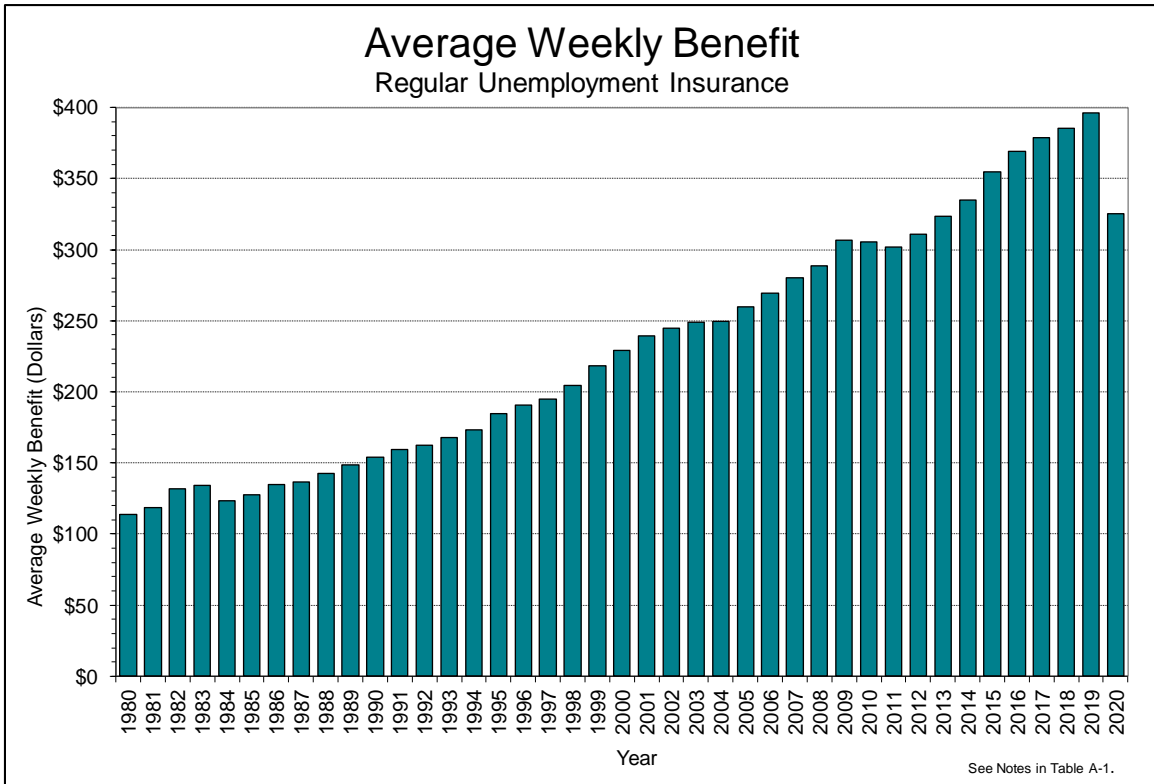
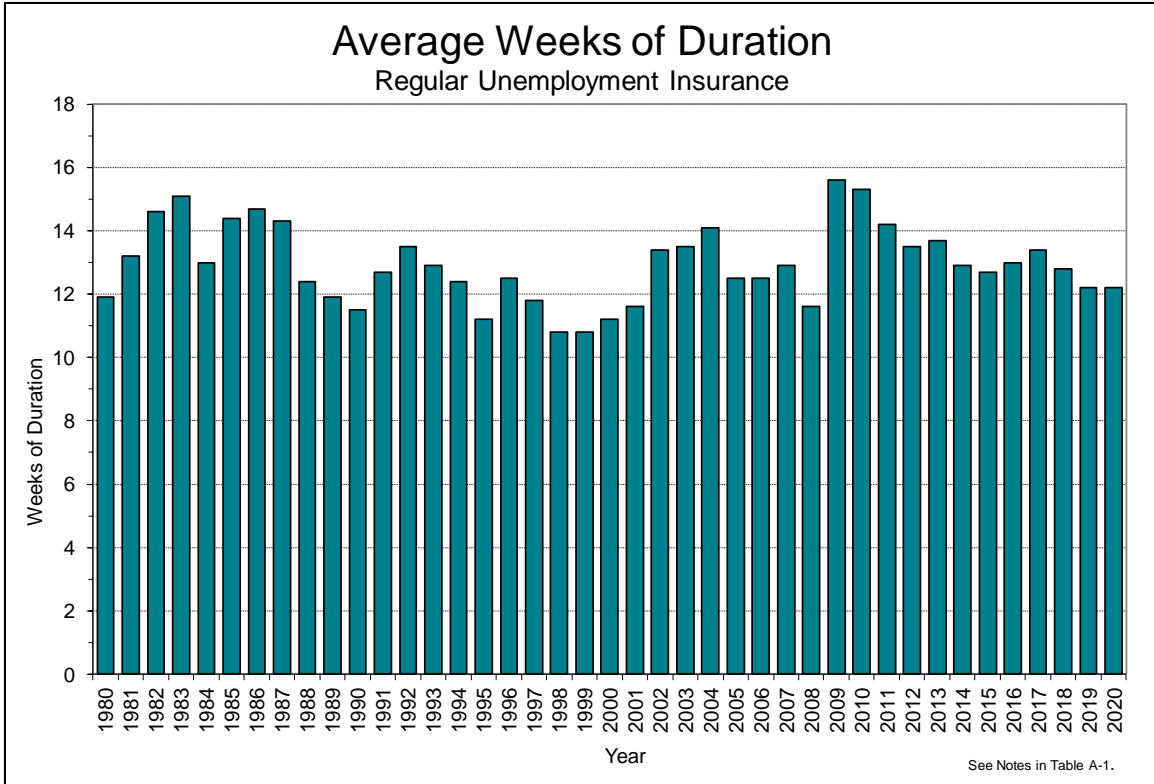


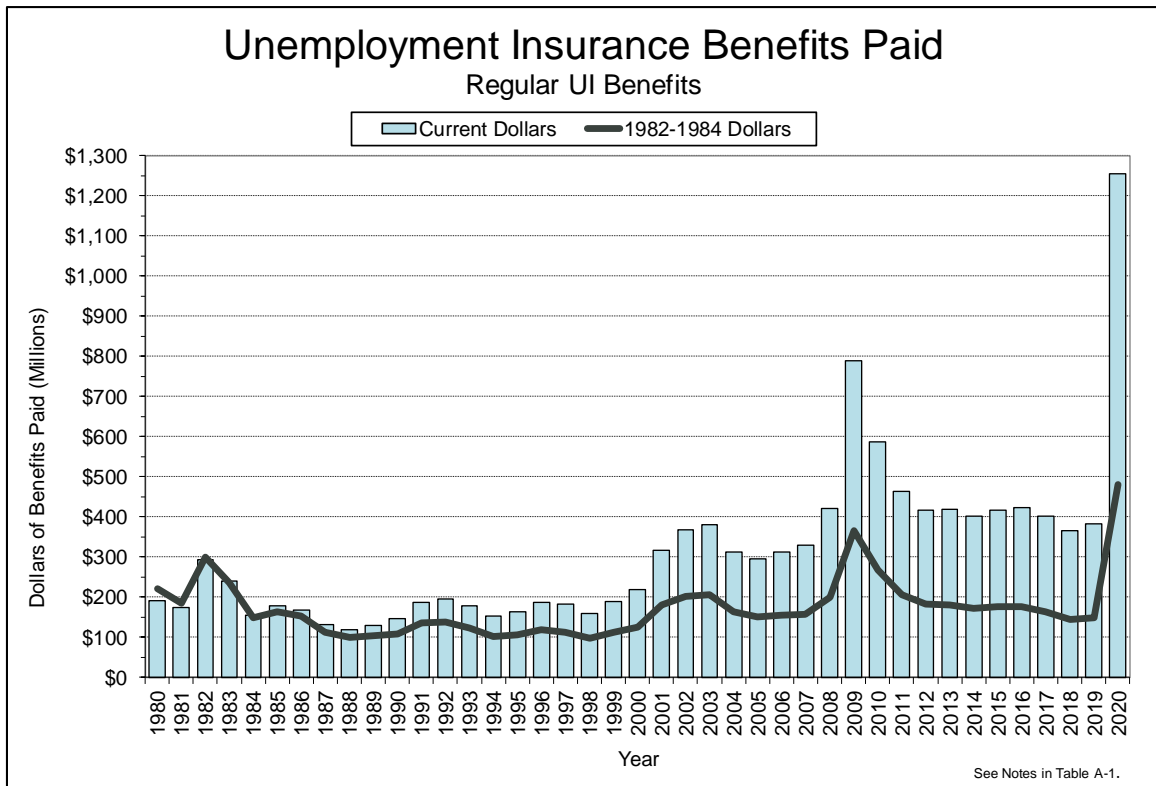
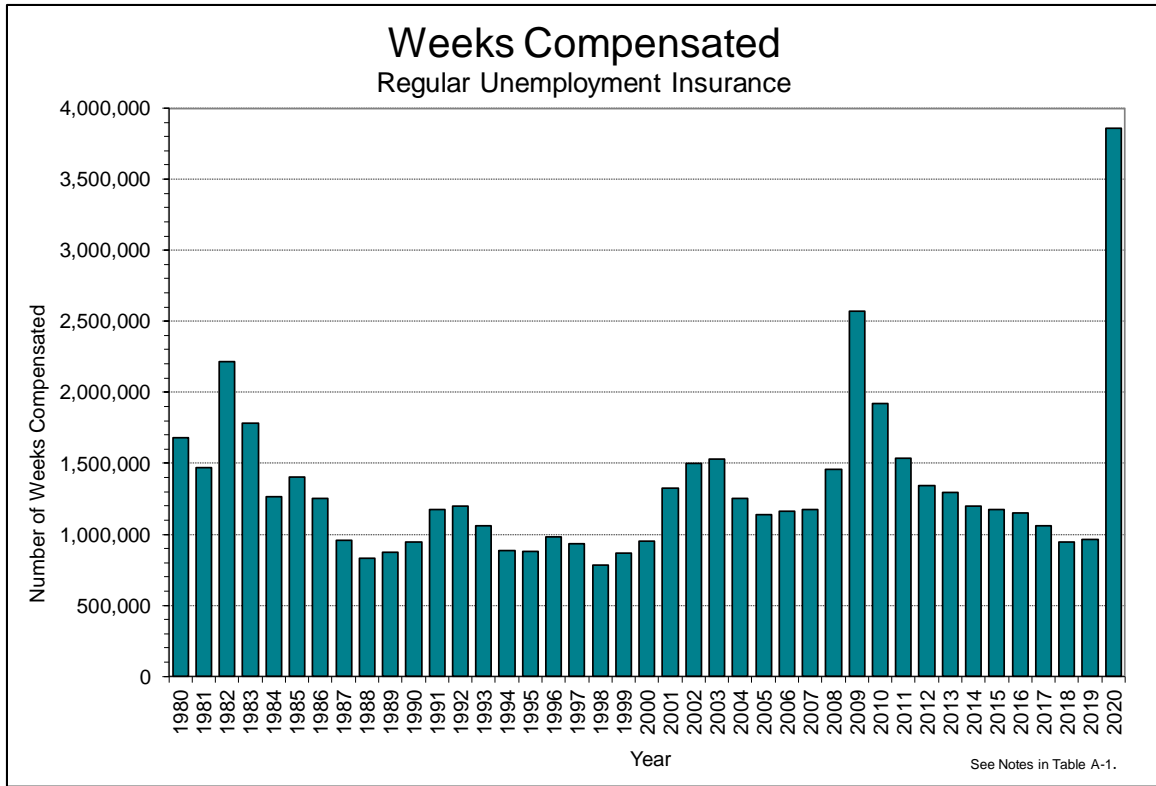
See notes in table A-5.

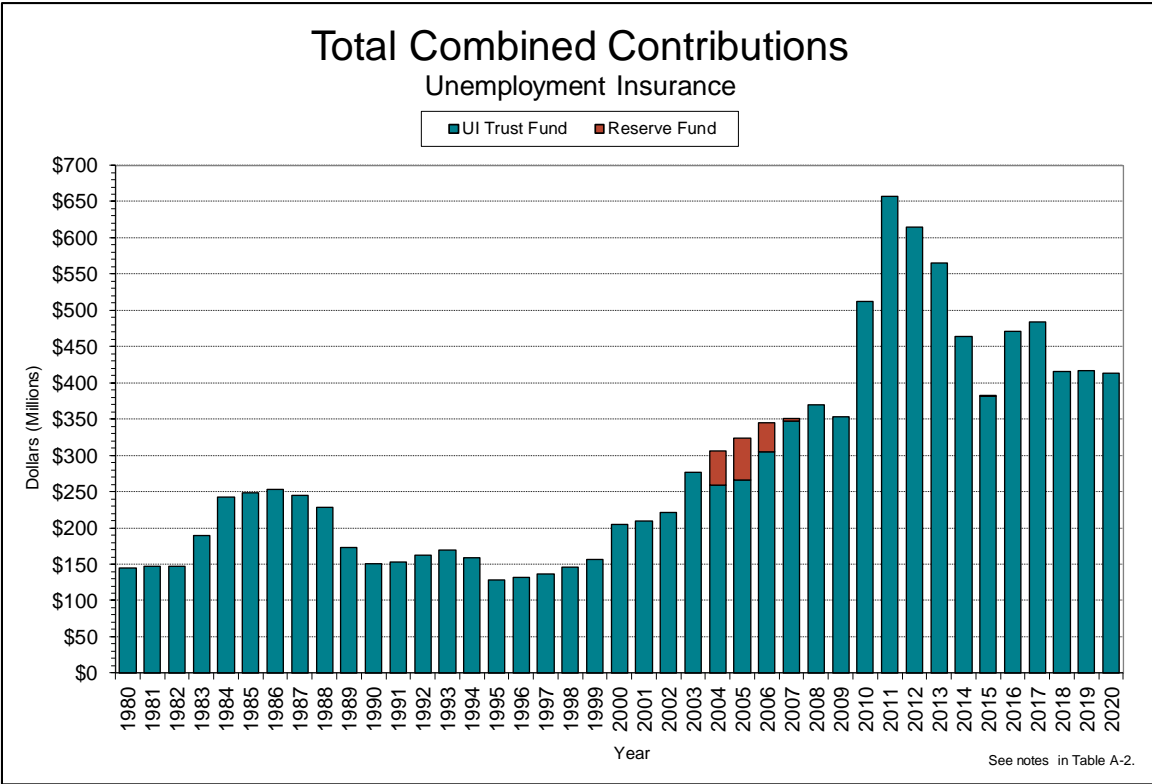
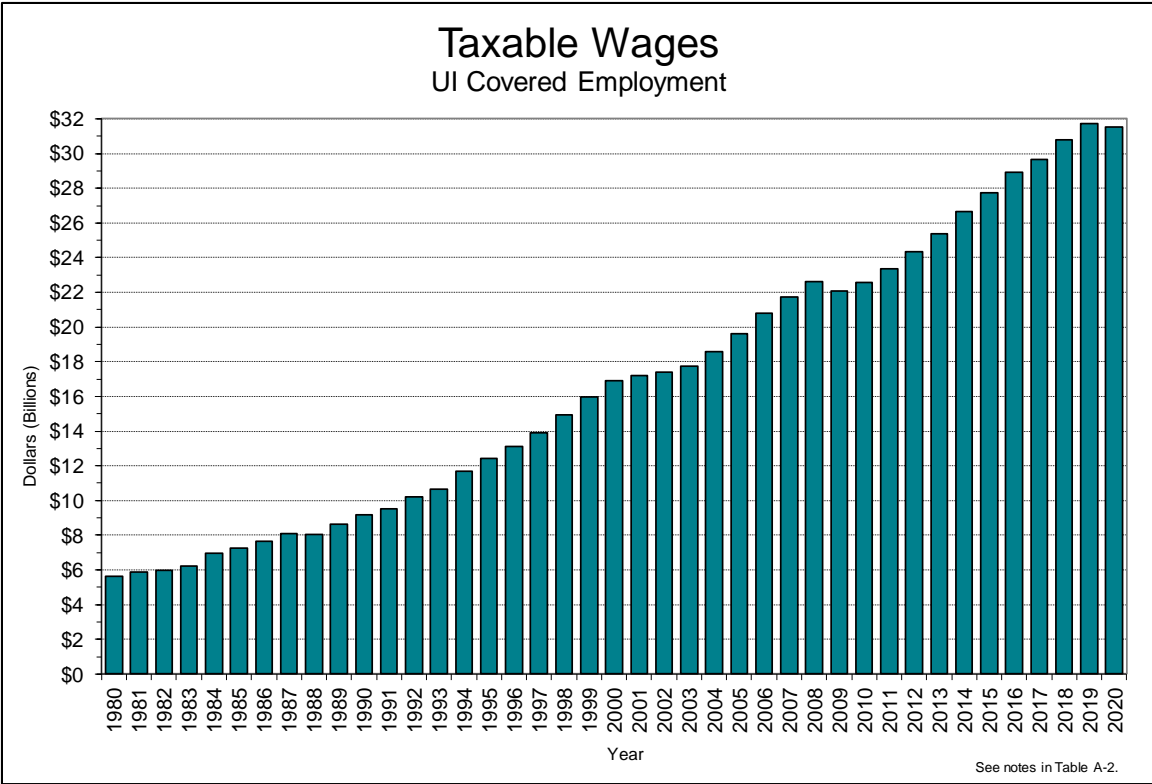
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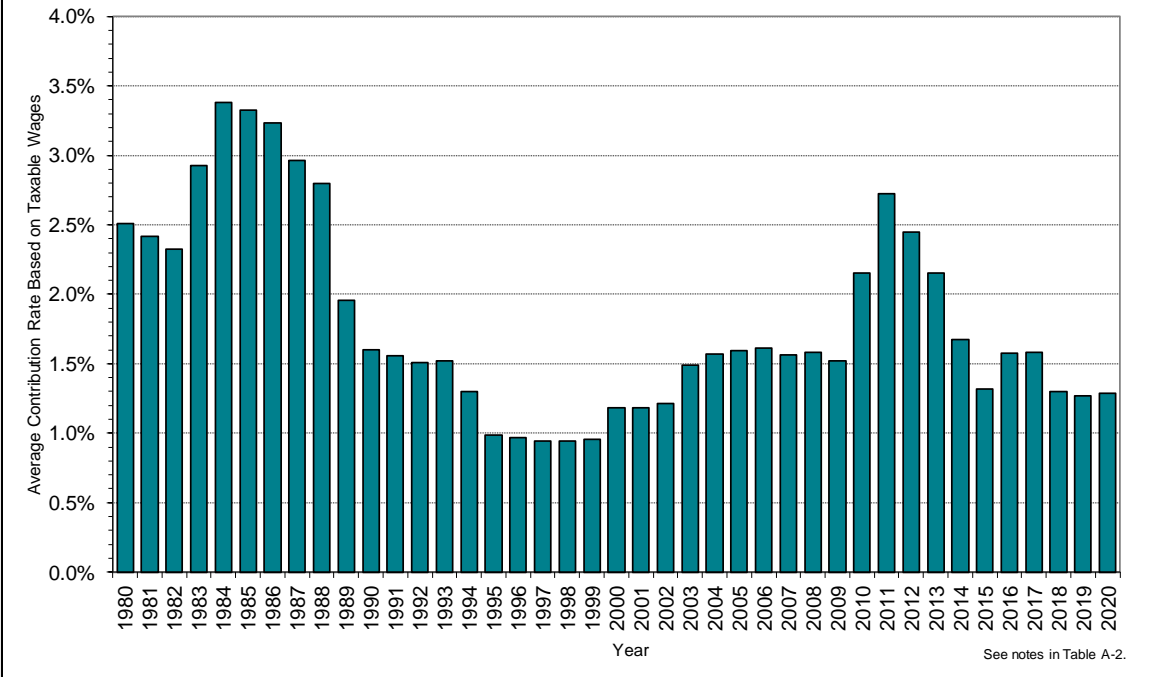




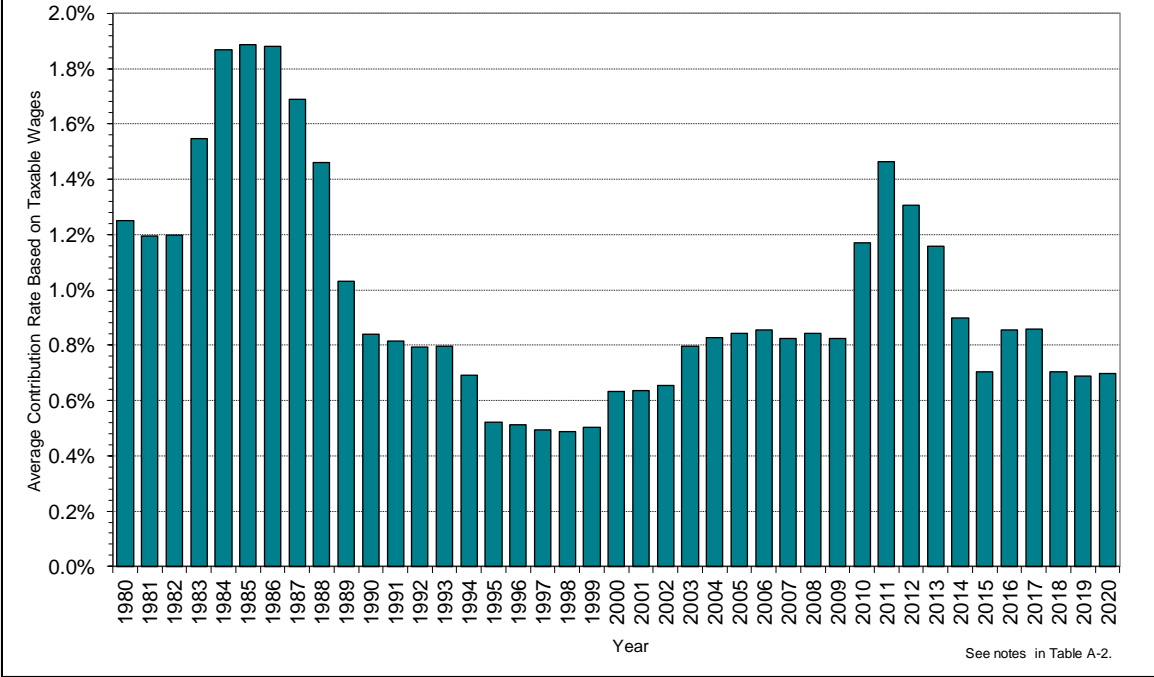




### Combined Average Contribution Rate Based on UI Covered Taxable Wages



### Combined Average Contribution Rate Based on UI Covered Total Wages



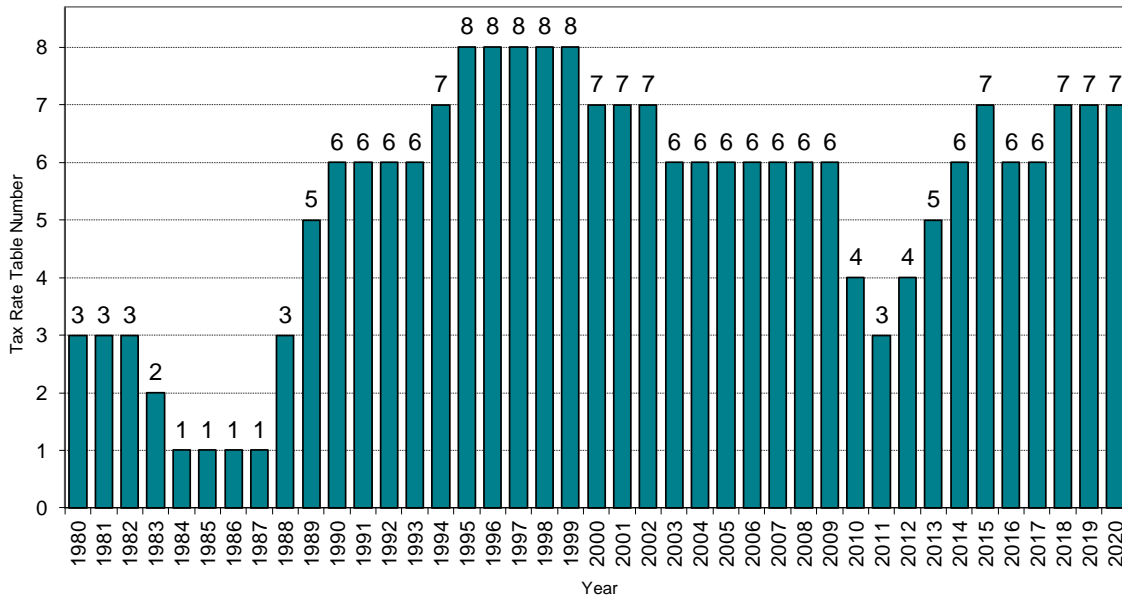


# UI Contribution Rate Table

Iowa Code Provides Eight Rate Tables

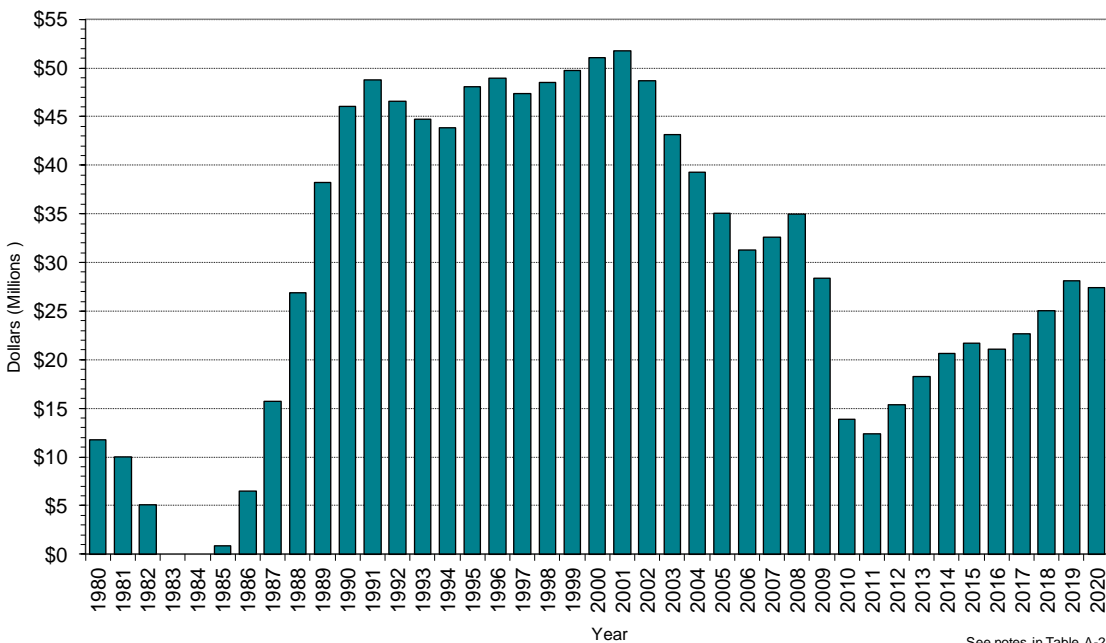
(Table 1 = Highest Rates)

(Table 8 = Lowest Rates)

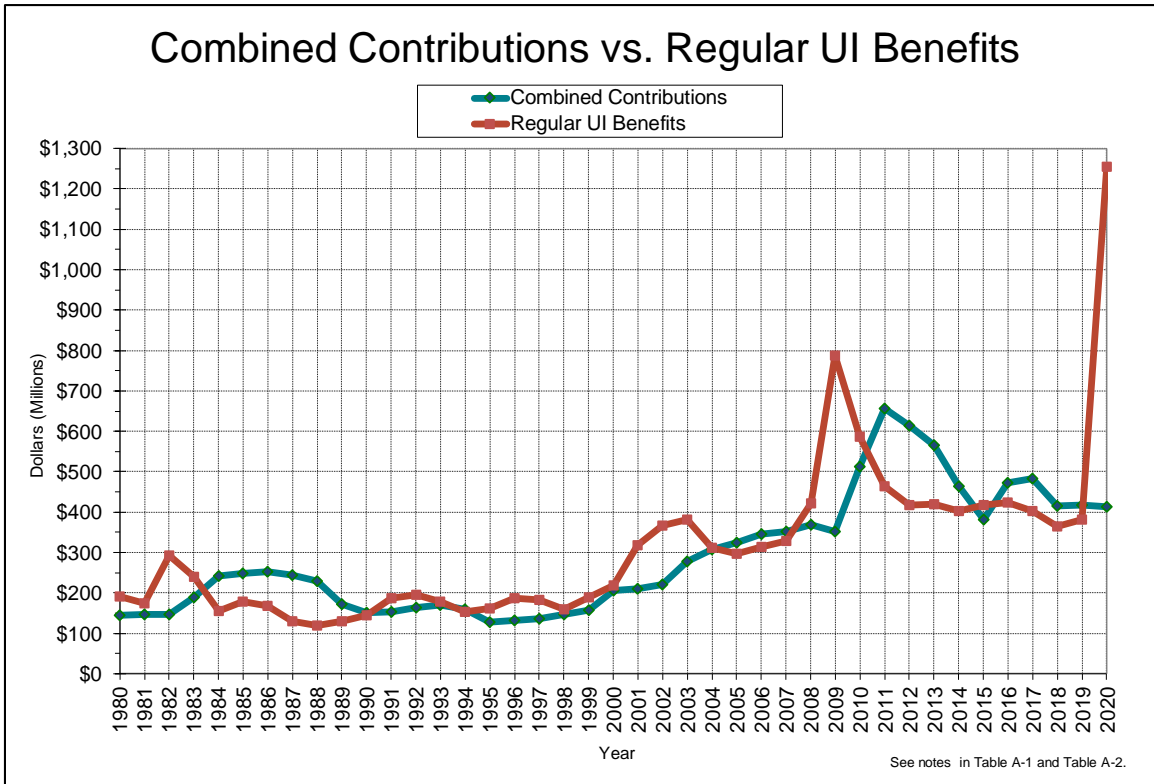
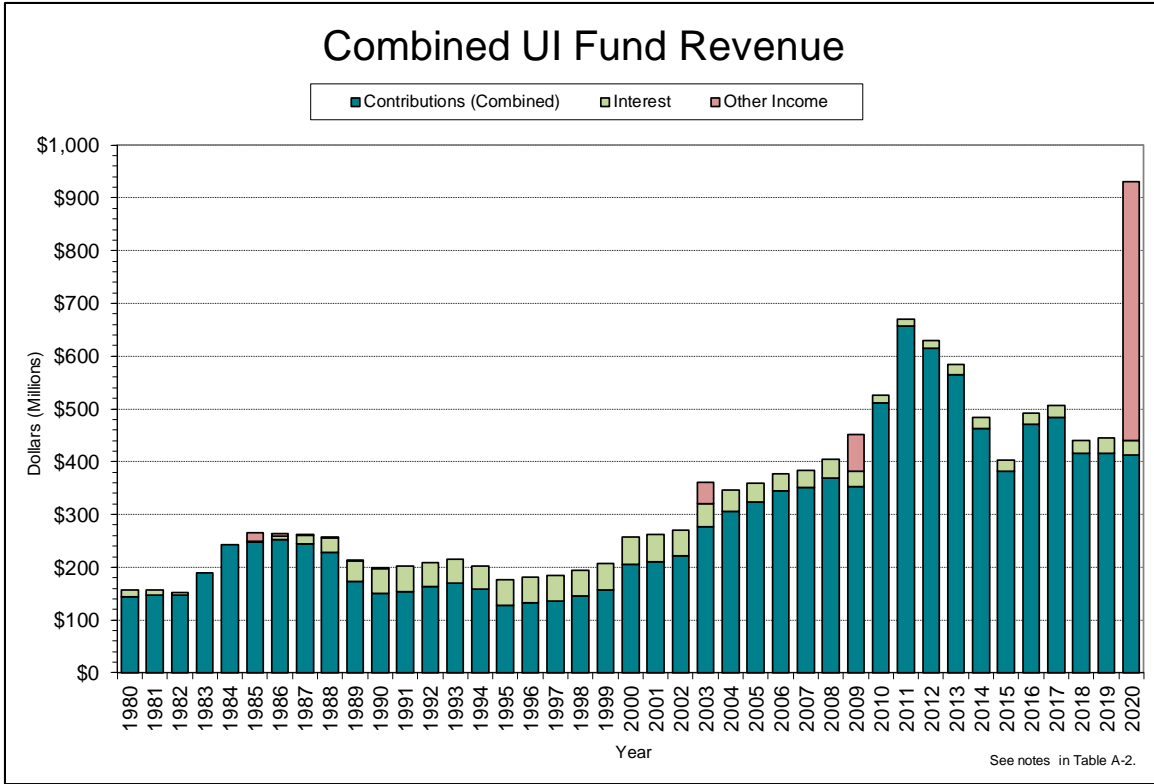


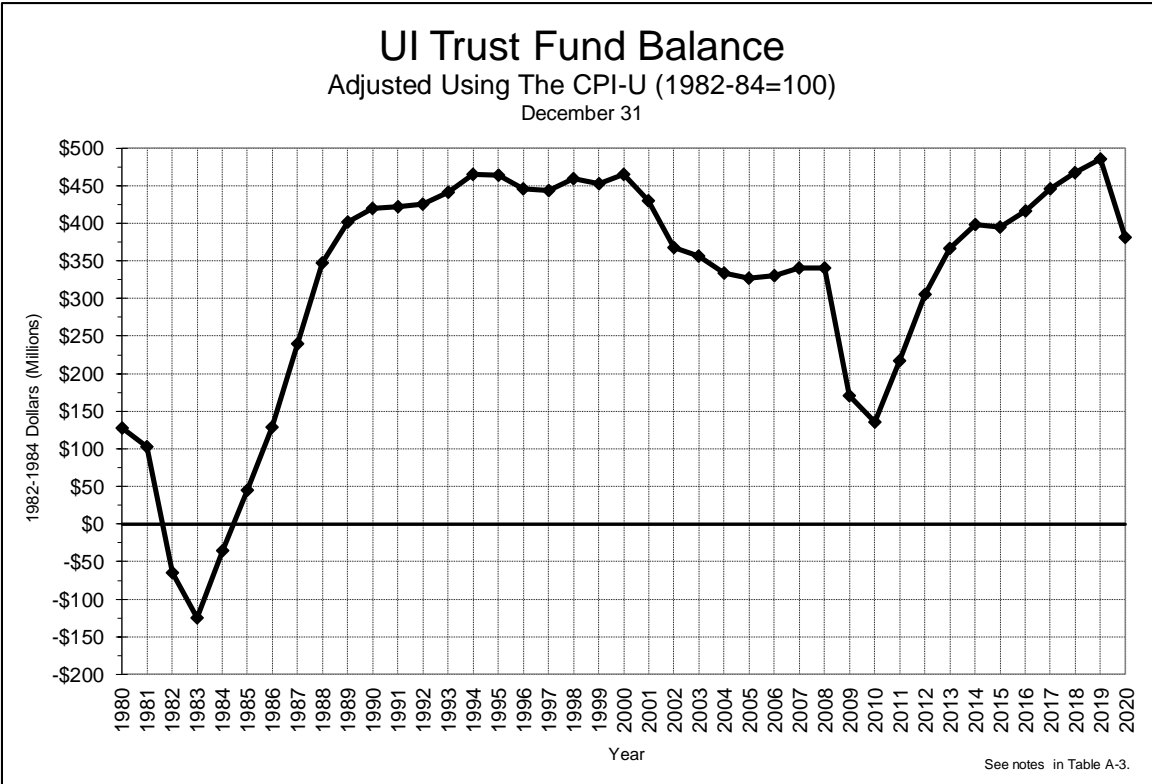
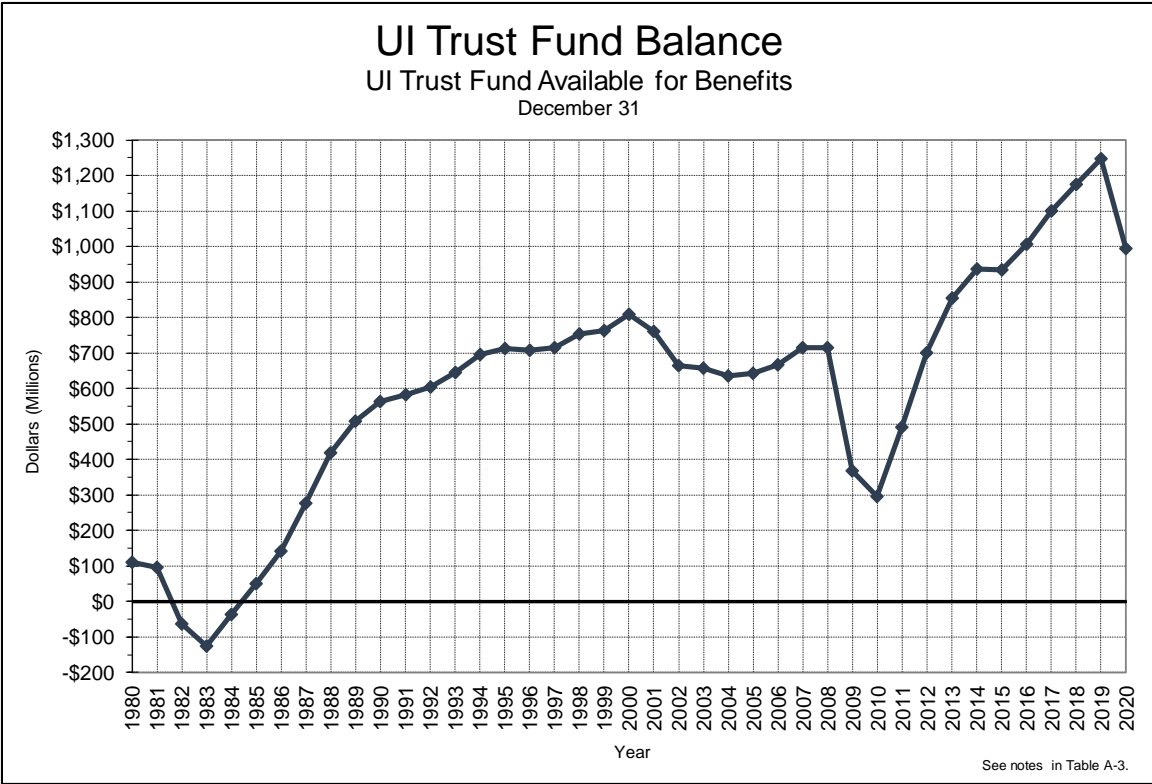
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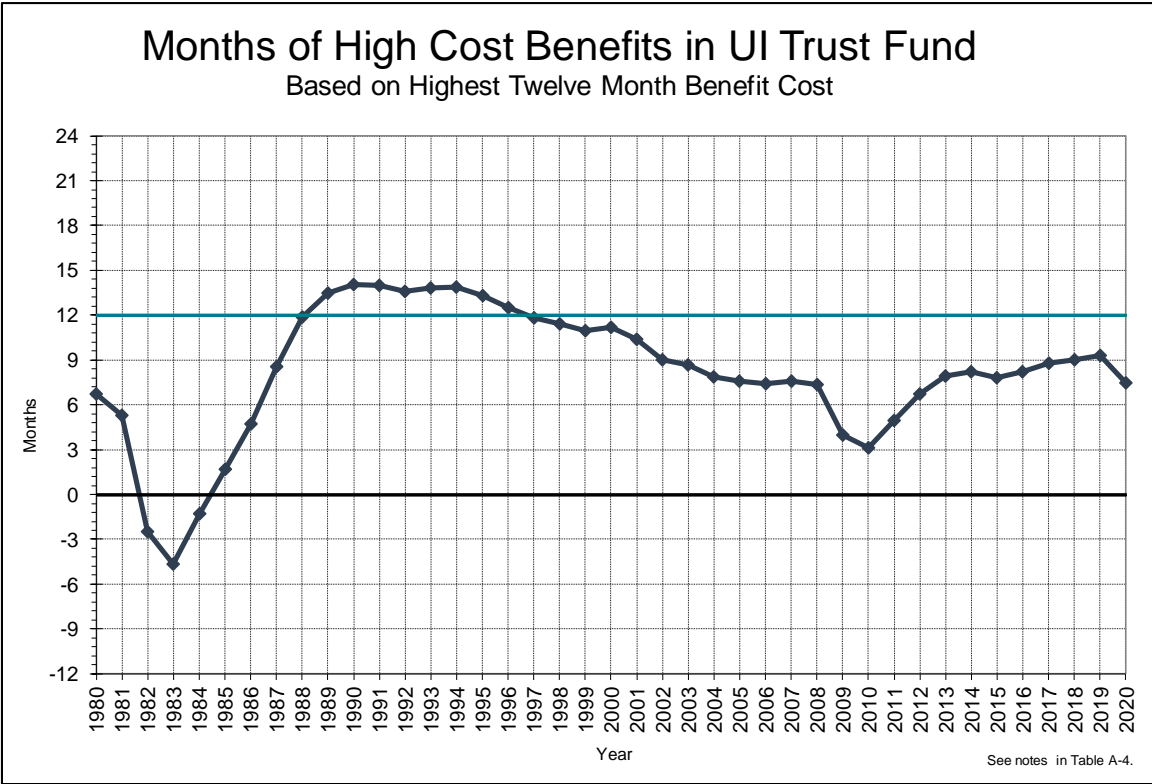
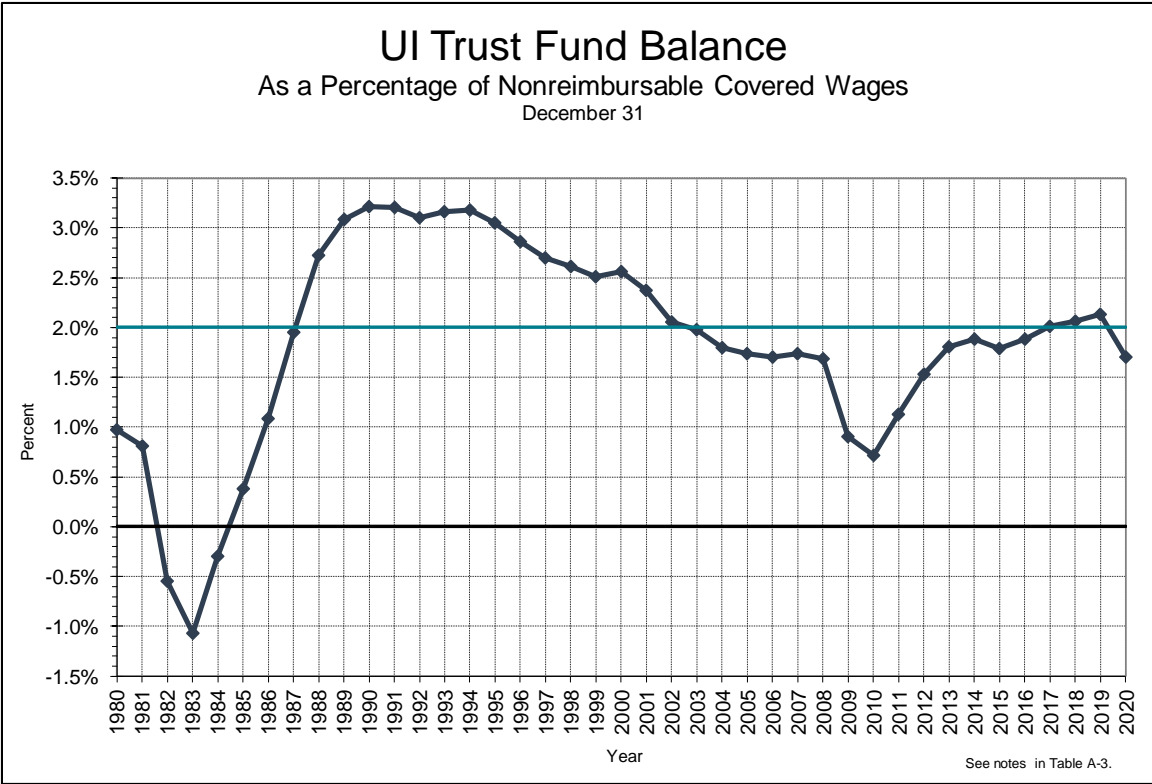
Unemployment Insurance Trust Fund



See notes in Table A-2.



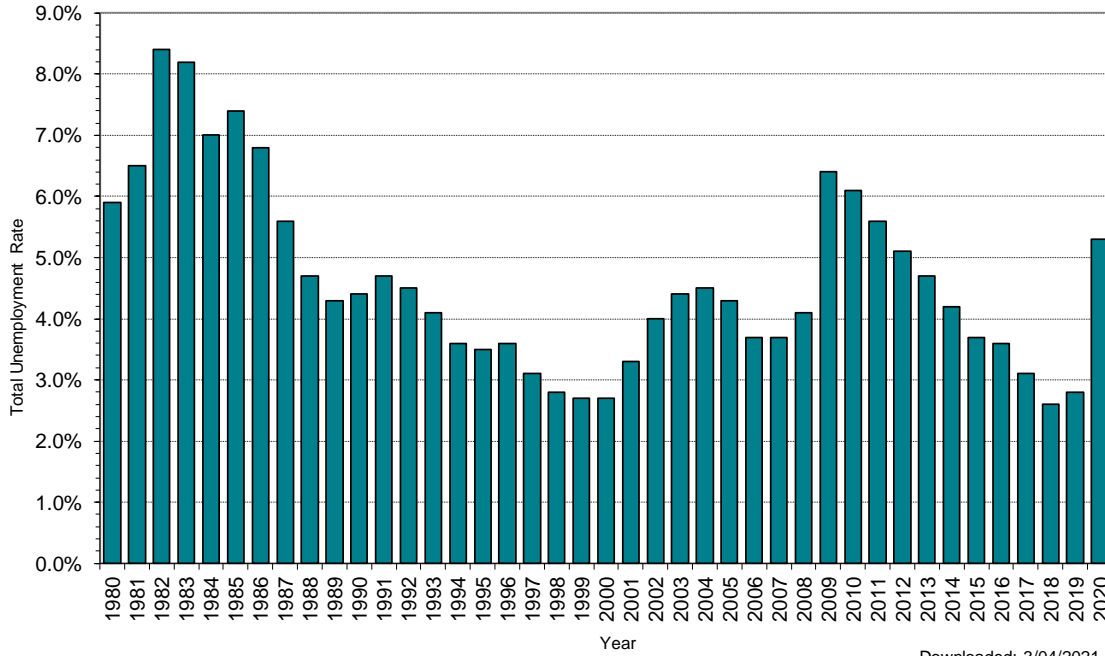






## Iowa Total Unemployment Rate

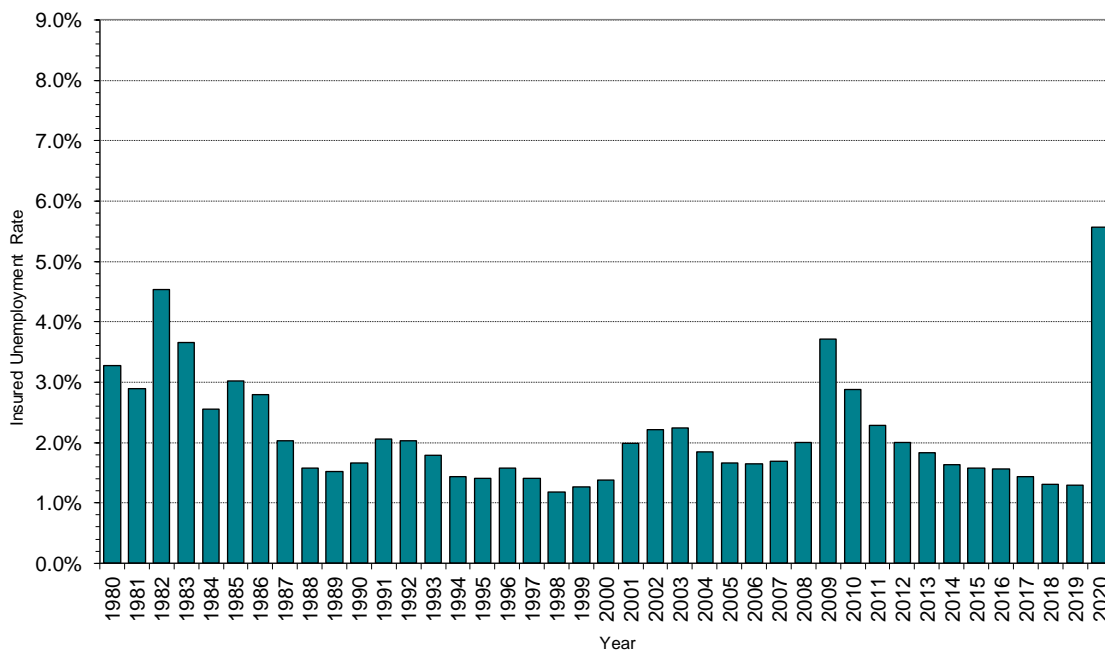
Bureau of Labor Statistics



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## Iowa Insured Unemployment Rate

Average Weeks Claims Divided by Covered Employment



## Appendix C: Definition and Technical Notes

### UI Fund Balance Measures

**Unemployment Trust Fund:** A fund established in the Treasury of the United States which contains all monies deposited by state agencies to the credit of their unemployment fund accounts and federal unemployment taxes (FUTA) collected by the Internal Revenue Service.

**UI Trust Fund Balance (available for benefits):** In this report this term refers to the balance in Iowa's individual account in the Unemployment Trust Fund which is available to pay UI benefits. This balance excludes Reed Act distributions, except for amounts transferred to the trust fund under Iowa Law.

**High Benefit Cost Rate:** The highest historic reserve ratio. The current high cost rate is based in the twelve months ending April 1983 where benefits totaled \$317 million and covered wages totaled \$11.6 billion. Benefits paid equaled 2.746 percent of covered wages.

**Average High Cost Rate:** A measure of past high benefit costs. It is equal to the average of the three highest benefit cost rates in the last twenty years or a period including three national recessions, if longer.

**High Cost Multiple:** A trust fund solvency measure equal to the ratio of the current UI Trust Fund balance (as a percent of total wages) to the High Benefit Cost Rate.

**Average High Cost Multiple:** A trust fund solvency measure equal to the ratio of the current UI Trust Fund balance (as a percent of total wages) to the Average High Cost Rate.

**Iowa Reserve Fund:** This refers to the principal in the Unemployment Compensation Reserve Fund created in the state treasury under S. F. 458 in 2003. Monies in the reserve fund shall be used to pay benefits to the extent moneys in the unemployment compensation fund are insufficient to pay benefits during a calendar quarter. The U. S. Department of Labor does not include this fund in the federal trust fund solvency measures used in this report.

### Other Definitions

**Regular UI Benefits Paid:** Unemployment benefits paid under the regular unemployment program. This figure does not include federal unemployment benefits, voluntary shared work benefits and special episodic programs such as Pandemic Emergency Unemployment Compensation (PEUC) and Pandemic Unemployment Assistance (PUA). (Source: ETA-5159)

**Average Duration:** The number of weeks compensated for the year divided by the number of first payments.

**Exhaustion Rate:** A rate computed by dividing the average monthly exhaustions by the average monthly first payments. To allow for the normal flow of claimants through the program, the denominator lags the numerator by 26 weeks,

**First Payments:** The first payment in a benefit year for a week of unemployment claimed under a specific UI program. (Source: ETA-5159).

**Final Payments:** The number of claimants drawing the final payment of their original UI entitlement. This is also called benefit exhaustions. (Source: ETA 5159)

**Trust Fund Interest:** The amount of interest earned on the Unemployment Trust Fund account. Interest paid by the U. S Treasury is credited on the notification date for this report. The interest rate paid to states is available at: [http://www.treasurydirect.gov/govt/rates/rates\\_tfr.htm](http://www.treasurydirect.gov/govt/rates/rates_tfr.htm).

**Additional Resources:** More definitions can be found in [glossary page](#) of the [UI Data Summary](#). More information about unemployment insurance financing methods and trust fund solvency measures can be found in the [Unemployment Insurance Technical Guide](#). Both are published by Division of Fiscal and Actuarial Services of the Office of Unemployment Insurance in the U.S. Department of Labor.

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