

A photograph showing the silhouettes of several people standing in a meeting room, illuminated by a bright light source from the left, creating a strong backlight effect. The people appear to be engaged in a discussion or presentation.

# Unemployment Insurance ADVISORY COMMITTEE



**Employment Security Department**  
WASHINGTON STATE

October 19, 2022

# Agenda



- I. UIAC Charter
- II. Agency Request Legislation
- III. September UI Trust Fund Report
- IV. UI Appeals Update
- V. November Meeting Topics

# UIAC Charter: Decision Making Structure



**UIAC Charter**: The members agree to use the *Robert's Rules of Order Newly Revised*. Advisory recommendations to policy makers of the committee shall be made on a consensus basis (consensus allows the majority of members to vote in favor of a recommendation while others abstain).

**UIAC Updated Charter Draft**: The members agree that the preferred method for decision-making on matters before the UIAC shall be consensus, when possible. If consensus cannot be reached, the members agree to use the *Robert's Rules of Order Newly Revised* to propose and agree upon decisions before the committee.

# Agency Request Legislation



**Employment  
Security  
Department**  
WASHINGTON STATE

Caitlyn Jekel, Government Relations Director, ESD

# Job Search Agency Request Legislation



## Extend flexibility of job search monitoring requirements (Job Search Requirements)

- ESD's legal ability to pursue alternate ways for claimants to fulfill job search requirements is set to sunset in 2023, ESD proposes removal of this sunset to make these provisions permanent.

## Recommended edits proposed by business:

- Section 1(b) ...meet the intent of rigorous and relevant reemployment efforts that consider a claimant's employment history in determining appropriate job search activities.
- Section 1(c) ...the commissioner's agents shall ~~utilize~~ consult with an existing advisory committee
- Section 2
  - ...in consultation with the advisory committee referenced in RCW 50.20.240(1)(c) must submit a report
  - The report must include a section for advisory committee members to respond directly to the contents of the report.

# September UI Trust Fund Report



**Employment  
Security  
Department**  
WASHINGTON STATE

Vaughn Ellis, UI Trust Fund Analysis Supervisor, ESD

# September UI Trust Fund Report

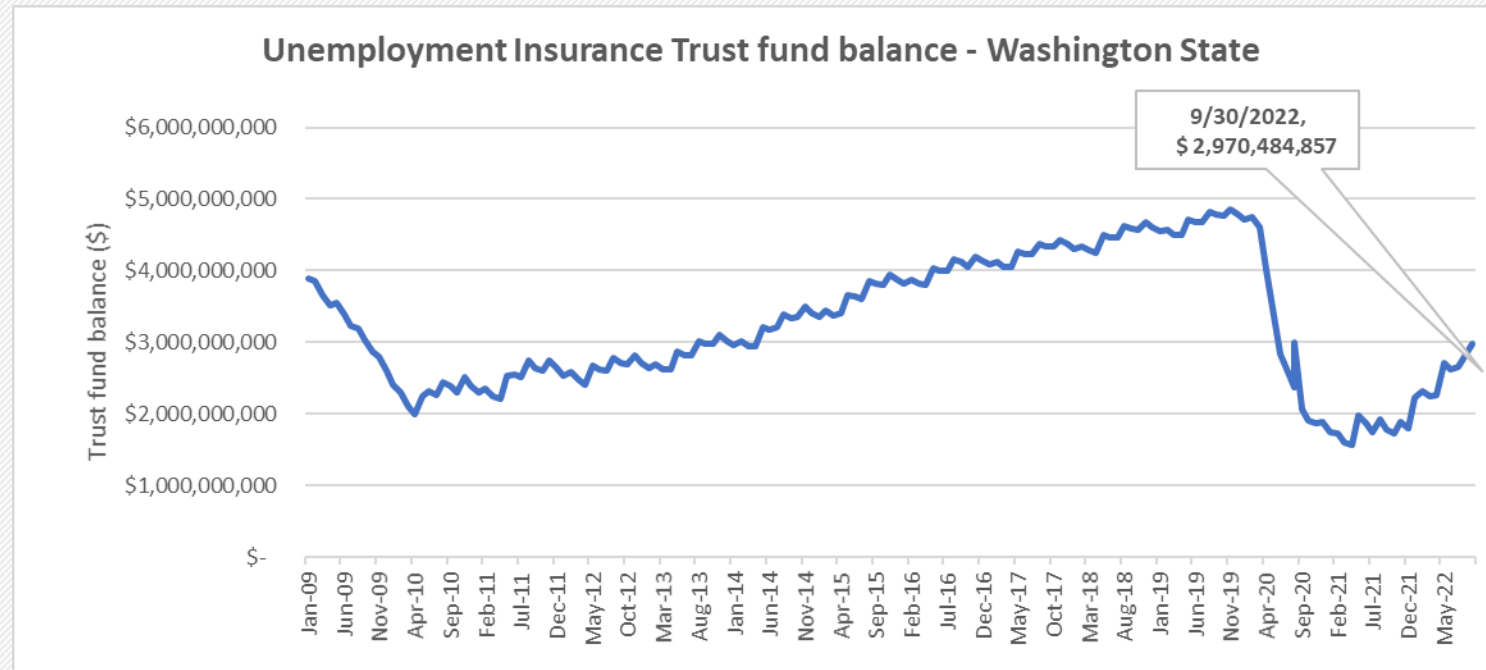


- The [September 2022 report](#) provides the status and updated projections of the state's unemployment insurance (UI) trust fund for 2022 through 2027.
- The report is based upon the September 2022 economic forecast released by the state's Economic and Revenue Forecast Council (ERFC).
- The report uses quarterly forecast information and UI tax and benefit data through June 2022 (Q2 2022).

# Unemployment Insurance Trust fund



- On September 30, the UI trust fund balance was approximately \$3.0 billion





# September UI Trust Fund Report: Key Takeaways



- The unemployment trust fund balance is on a positive trajectory through 2027.
- The projected trust fund balance for 2022 is roughly \$3.3 billion, about \$340 million higher than in the June report.
- The average projected tax rate for 2022 is 1.33%, compared to 1.34% projected in June.
- Benefit payments are projected to be approximately \$98 million lower in 2022 than projected in the June report.

# UI Trust Fund Forecast (September 2022)



	June 2022 Forecast	Sept 2022 Forecast
2022 Unemployment Benefit payment projection	\$1.2 Billion	\$1.1 Billion
2023 Unemployment Benefit payment projection	\$1.4 Billion	\$1.3 Billion
2022 Employer Contributions	\$1.8 Billion	\$1.8 Billion
2023 Employer Contributions	\$1.8 Billion	\$1.8 Billion

# Benefit Payments



- The average annual wage is used to calculate unemployment benefit levels for the year (July-June).
- The minimum weekly unemployment benefit, calculated per state statute at 20 percent of the average weekly wage, is \$317 for new claims opened on or after July 4th.
- The maximum weekly benefit, which is the greater of \$496 or 63 percent of the average weekly wage, is \$999.

## Benefit Payment Amounts

Year:	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025	CY 2026	CY 2027
Amount (in billions):	\$1.6	\$1.2	\$1.4	\$1.6	\$1.7	\$1.6	\$1.6

# Experience Tax Rate



- The experience rate tax is an annual calculation based on the ratio of benefit claims charged to the employer and “taxable wages” reported by the employer over the preceding four fiscal years.
- Per state statute, the taxable wage base was \$62,500 in 2022 and will be \$67,600 in 2023.

## Average Experience Tax Rates

CY 2021	CY 2022	CY 2023	CY 2024	CY 2025	CY 2026	CY 2027
1.23%	1.00%	1.00%	1.00%	1.00%	0.78%	0.75%

# Social Tax Rate

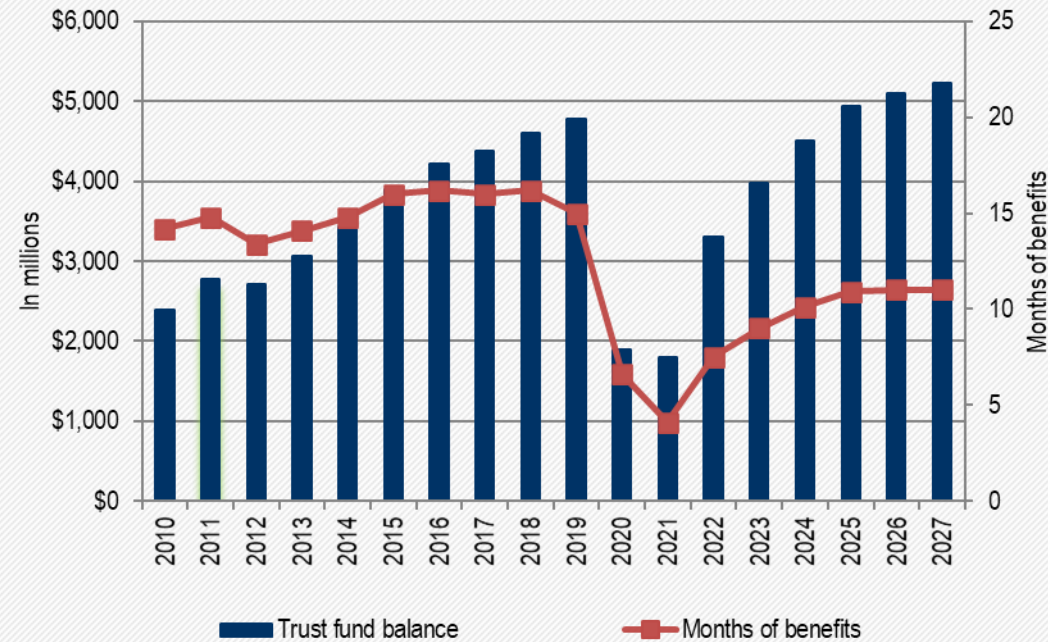


- The “flat social tax” is an annual tax calculation made after September 30 subtracting total experience rated taxes paid by all employers over four consecutive quarters from total unemployment benefits paid to all claimants over those same quarters.
- This amount is then divided by total taxable payrolls and expressed as a percent.

## Projected Flat Social Tax Rates

CY 2021	CY 2022	CY 2023	CY 2024	CY 2025	CY 2026	CY 2027
0.50%	0.50%	0.60%	0.60%	0.50%	0.50%	0.45%

# Projected Trust Fund Balances



Year	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025	CY 2026	CY 2027
Amount (in billions):	\$ 1.8	\$ 3.3	\$ 4.0	\$ 4.5	\$ 4.9	\$ 5.1	\$ 5.2

# UI Appeals Update

JR Richards, Unemployment Insurance Customer Support Director, ESD

Brendon Tukey, Division Chief, OAH

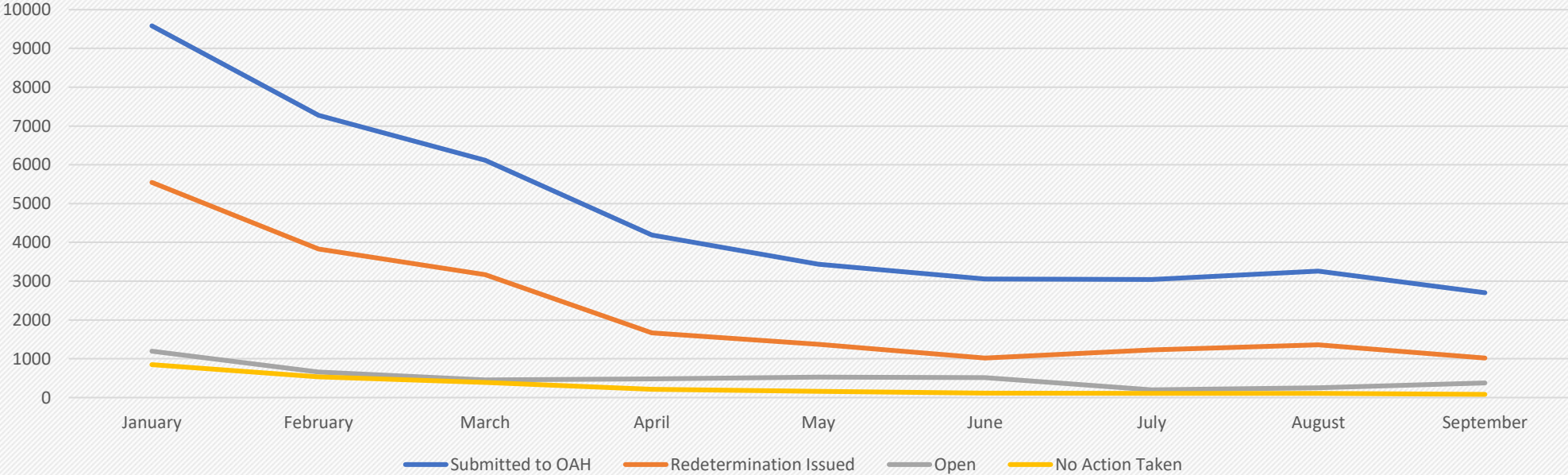


**Employment  
Security  
Department**  
WASHINGTON STATE

# UI Benefit Appeals Requests

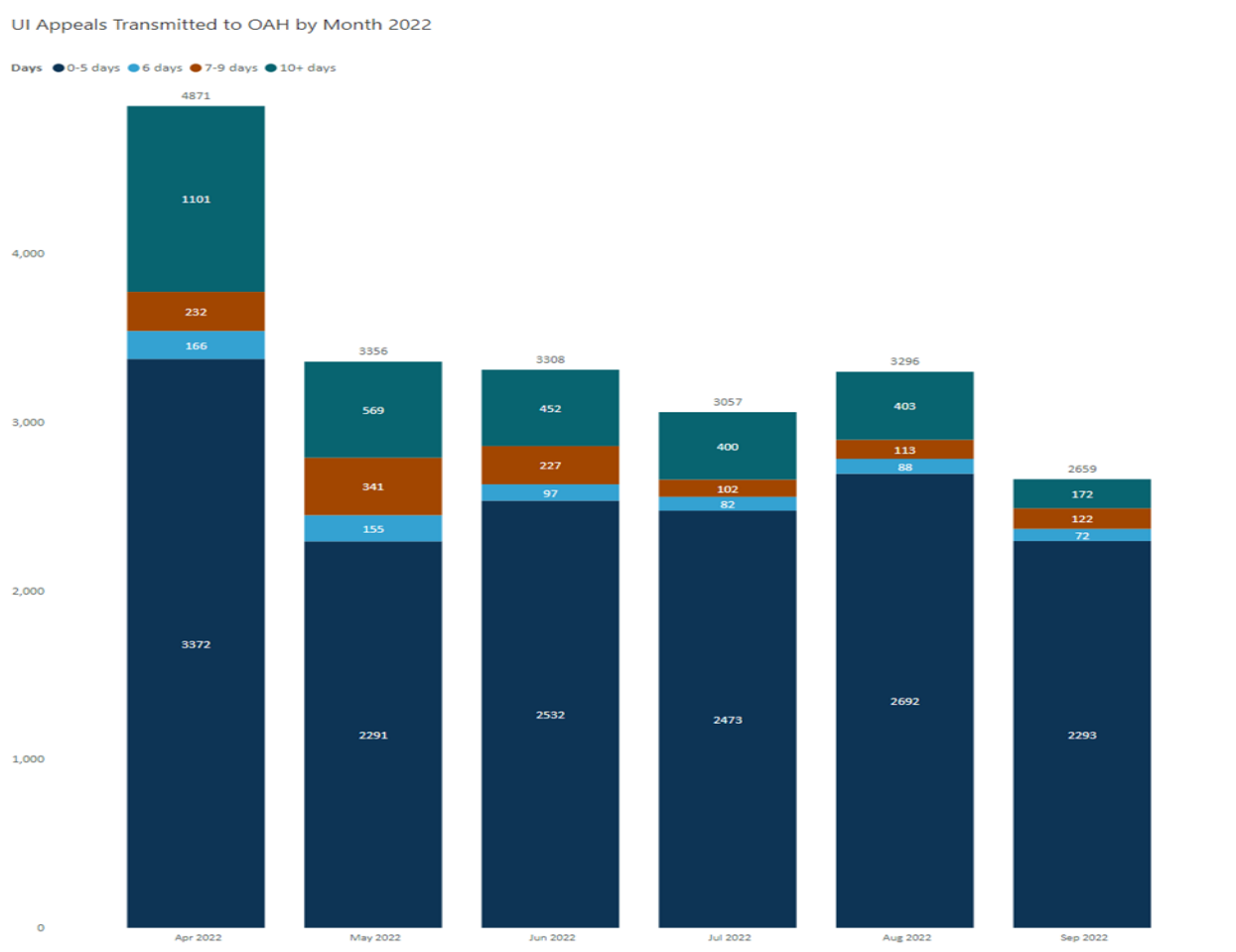


Disposition of Appeal Requests  
By Month Received 2022





# UI Appeals - Days to Transmit to OAH



# UI Appeals Update (2019-22 Overview)

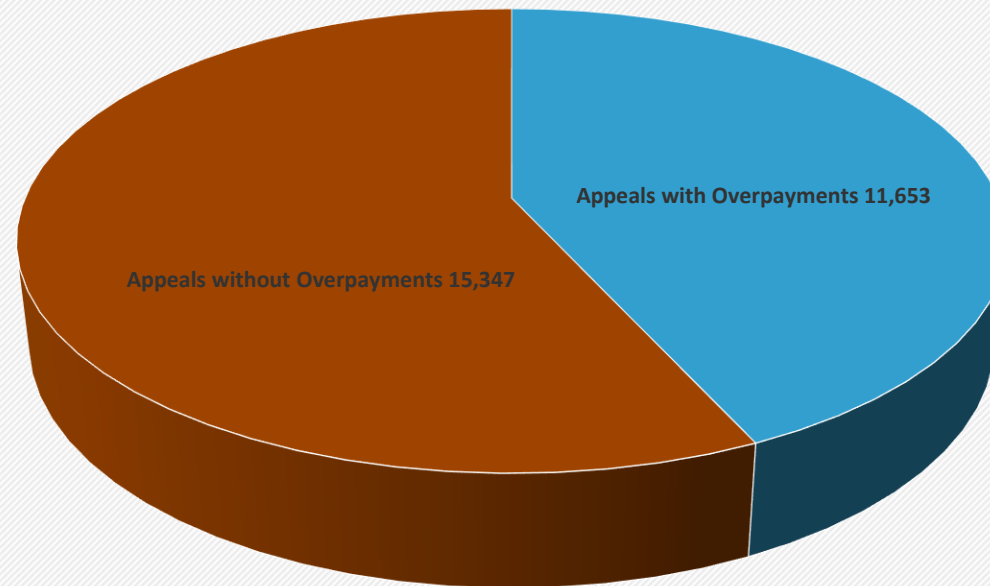


	1 <sup>st</sup> Quarter CY 2022	2 <sup>nd</sup> Quarter CY 2022	3 <sup>rd</sup> Quarter CY 2022	4 <sup>th</sup> Quarter CY 2022	CY 2022 (To Date)	CY 2021	CY 2020	CY 2019
Intake	29,267	13,199	10,608	TBD	53,073	88,775	60,584	29,671
Closed Appeals	24,043	19,460	17,102	TBD	60,605	74,825	35,789	31,184
Backlog Change	<b>+5,224</b>	<b>-6,261</b>	<b>-6,494</b>	TBD	<b>-7,532</b>	<b>+13,950</b>	<b>+24,795</b>	<b>-1,513</b>
Default Rate	39.95%	34.56%	30.33%	TBD	35.5%	35.09%	36.10%	35.61%

# OAH Appeals Update (Overpayments)



ESD - Claimants with Overpayments



# OAH Appeals Update (Brief Adjudicative Procedures - BAPs)



## As of 30 Sep 2022

- Total Docket No's: 3,487
- Withdrawals: 151 (5.5%)
- Conversions: 134 (3.8%)
- Docket No's Resolved: 3,157 (90.5%)
- Would expect about 1,860 w/ FAP
- Submissions: 653 (20.6%)

## Overpayment Pilot

- Starting: 7 Oct 2022
- Set to run for three weeks (complete by 28 Oct 2022)
- 60 Docket No's per week – total: 180 (Predict 160+ resolved w/in BAPs)

# November Meeting Topics



- **OPMA Training**
- **UI Overpayments Update**
- **State Quality Service Plan**
- ESSB 5193 (2021) Implementation
- CARES Act Program Close-Out