



## Unemployment Insurance Advisory Council

**Council Members: Please bring your calendars to schedule future meetings.**  
<https://dwd.wisconsin.gov/uibola/uiac/>

### MEETING

**Date:** January 16, 2020  
**Time:** 10:00 a.m. – 4:00 p.m.  
**Place:** Department of Workforce Development  
201 E. Washington Avenue  
Madison, Wisconsin  
GEF-1, Room F305

### AGENDA ITEMS AND TENTATIVE SCHEDULE:

1. Call to Order and Introductions
2. Approval of Minutes of the December 6, 2019 Council Meeting
3. Department Update
4. Correspondence
5. Update on Legislation
6. Report on the Unemployment Insurance Reserve Fund
7. Worker Misclassification 2019 Year End Report
8. Review Draft Scope Statement – Occupational Drug Testing Administrative Rule
9. Future Meeting Dates
10. Adjourn

**Notice:**

- ❖ The Council may not address all agenda items or follow the agenda order.
- ❖ The Council may take up action items at a time other than that listed.
- ❖ The Council may discuss other items, including those on any attached lists.
- ❖ The Council members may attend the meeting by telephone.
- ❖ The employee or employer members of the Council may convene in closed session at any time during the meeting to deliberate any matter for potential action or items posted in this agenda, under sec. 19.85(1)(ee), Stats. The employee or employer members of the Council may thereafter reconvene again in open session after completion of the closed session.
- ❖ This location is accessible to persons with disabilities. If you have a disability and need assistance (such as an interpreter or information in an alternate format), please contact Robin Gallagher, Unemployment Insurance Division, at 608-267-1405 or dial 7-1-1 for Wisconsin Relay Service.
- ❖ Today's meeting materials will be available online at the time the meeting is scheduled to begin at: <https://dwd.wisconsin.gov/uibola/uiac/meetings.htm>

# UNEMPLOYMENT INSURANCE ADVISORY COUNCIL

## Meeting Minutes

Offices of the State of Wisconsin Department of Workforce Development  
201 E. Washington Avenue, GEF 1, Room H306  
Madison, WI

December 6, 2019

The meeting was preceded by public notice as required under Wis. Stat. § 19.84.

**Members Present:** Janell Knutson (Chair), **Teleconference:** Scott Manley, Mike Gotzler, Susan Quam, John Mielke, Dennis Delie, Shane Griesbach, and Terry Hayden.

**Department Staff Present:** Mark Reihl, Andrew Rubsam, JoAnna Richard (Deputy Secretary), Pamela McGillivray (Chief Legal Counsel), Patrick Lonergan and Rob Usarek.

**Members of the Public Present:** BJ Dernbach (office of Representative Warren Petryk) and Tyler Longsine (office of Representative James Edming).

### 1. Call to Order and Introduction

Ms. Knutson called the Unemployment Insurance Advisory Council meeting to order at 10:31 a.m. under Wisconsin's Open Meetings law. Council members introduced themselves and Ms. Knutson recognized DWD Deputy Secretary, JoAnna Richard and DWD Chief Legal Counsel, Pamela McGillivray. Ms. Knutson also recognized BJ Dernbach of Rep. Warren Petryk's Office and Tyler Longsine of Rep. James Edming's Office.

### 2. Approval of Minutes of the November 21, 2019 Meeting

Motion by Mr. Gotzler, second by Mr. Hayden, to approve the minutes of the November 21, 2019 meeting without correction. A roll call vote was taken and the motion carried unanimously.

### 3. Review and Discussion of LRB Drafts of Agreed Upon Bill

Ms. Knutson presented the amended LRB drafts of the proposed language for the agreed bill. Draft LRB-4903/P2 is the statutory language draft for proposals D19-08 and D19-09 relating to appropriation revisions and creation of an administrative fund. Draft LRB-4920/P2 is the statutory language draft for proposals D19-01, D19-03, D19-07, D19-19, D19-20, D19-21, and D19-22 relating to various policy changes to the unemployment insurance law. Ms. Knutson noted LRB-4920/P2 has new sections 10, 11, 12, and 23(2), related to proposal D19-21 Eligibility for Certain Employees, which were moved from draft LRB-4903 as requested and approved by the Council.

Motion by Mr. Manley, second by Mr. Hayden to approve drafts LRB-4903/P2 and LRB-4920/P2. A roll call vote was taken and the motion carried unanimously.

#### **4. Agreed Bill Timeline/Future Meeting Dates and Agenda Items**

Ms. Knutson stated the department will request that the bill drafts be prepared to be delivered to the Legislature by the end of the year.

The next regular Council meeting is scheduled for January 16, 2020 and agenda items will include a report on the UI Reserve Fund, a report from the Worker Classification Section, and requesting the Council to approve the withdrawal of Scope Statement 091-15 relating to administrative rules for occupational drug testing, and to approve a new scope statement. Scope Statement 091-15 expires February 4, 2020. Ms. Knutson mentioned that Council members can notify her if they would like any additional items on the agenda or have any research requests for the January meeting.

The department will conduct a poll to confirm availability for the January 16, 2020 meeting date and will provide the schedule for the 2020 regular meeting dates.

#### **5. Adjourn**

Motion by Mr. Manley, second by Mr. Griesbach to adjourn. The motion carried unanimously, and the Council adjourned at 10:40 a.m.



RECEIVED  
2019 DEC 10 AM 1:11  
OFFICE OF  
LEGAL AFFAIRS

**WISCONSIN LEGISLATURE**  
P.O. BOX 8952 • MADISON, WI 53708

December 10, 2019

Secretary Designee Caleb Frostman  
201 E. Washington Avenue, A400  
Madison, WI 53707

Dear Secretary Designee Frostman:

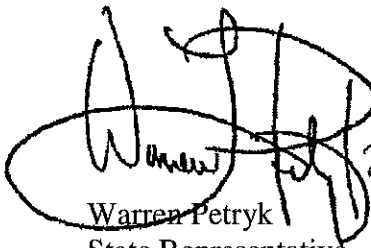
As legislators representing communities near Eau Claire, Appleton and northern Wisconsin it has come to our attention that the Department of Workforce Development is in the process of closing down the Unemployment Insurance Appeals locations in and near our communities. If the Eau Claire and Appleton offices no longer provide in-person hearings, our constituents and businesses will be forced to travel to Madison or Milwaukee for an in-person trial. This change means our constituents would have to drive in excess of 300 miles one-way for an in-person hearing.

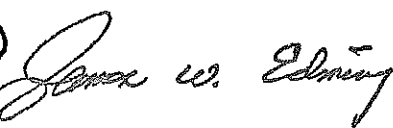
These hearings are important because they allow a constituent or business to be physically present to make their case before a neutral judge. An in-person hearing allows the judge to determine the demeanor and credibility of a witness or of one of the parties during a hearing, which can be a determining factor in making a successful case before a judge.


Additionally, in-person hearings are often more useful; for example, if there are many participants involved, a phone call may not be practical. If there is evidence that cannot be copied or provided to the other participants except in person, then a physical hearing is ideal. Similarly, there may be accommodations that can only be made to an individual through a physical hearing.

These closings follow a pattern of public services being concentrated in Dane and Milwaukee counties. These actions are leaving the businesses and constituents that we represent at a disadvantage just because of where they live in Wisconsin. As representatives of citizens that do not reside near Dane and Milwaukee counties, we urge the Department to reconsider the decision to close the Appleton and Eau Claire offices.

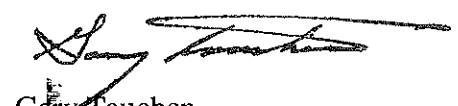
Sincerely,


  
Warren Petryk  
State Representative  
93<sup>rd</sup> Assembly District


  
James Edming  
State Representative  
87<sup>th</sup> Assembly District


  
Ron Tusler  
State Representative  
3<sup>rd</sup> Assembly District


  
Jim Steineke  
State Representative  
5<sup>th</sup> Assembly District


  
Gary Tauchen  
State Representative  
6<sup>th</sup> Assembly District


  
Terry Katsma  
State Representative  
26<sup>th</sup> Assembly District

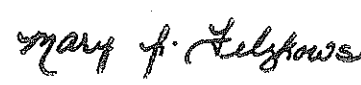
  
Tyler Vorpagel  
State Representative  
27<sup>th</sup> Assembly District


  
Gae Magnafici  
State Representative  
28<sup>th</sup> Assembly District

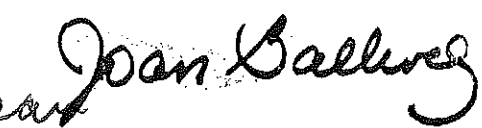
  
Rob Stafsholt  
State Representative  
29<sup>th</sup> Assembly District

  
Shannon Zimmerman  
State Representative  
30<sup>th</sup> Assembly District

  
Rob Swearingen  
State Representative  
34<sup>th</sup> Assembly District

  
Mary Felzkowski  
State Representative  
35<sup>th</sup> Assembly District

  
Rep. Jeff Mursau  
State Representative  
36<sup>th</sup> Assembly District

  
Joan Ballweg  
State Representative  
41<sup>st</sup> Assembly District



Tony Kurtz  
State Representative  
50<sup>th</sup> Assembly District



Michael Schraa  
State Representative  
53<sup>rd</sup> Assembly District



Mike Rohrkaste  
State Representative  
55<sup>th</sup> Assembly District

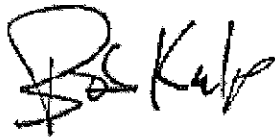


Dave Murphy  
State Representative  
56<sup>th</sup> Assembly District

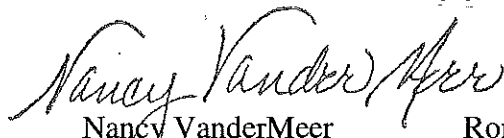
Rob Summerfield  
State Representative  
67<sup>th</sup> Assembly District



Jesse James  
State Representative  
68<sup>th</sup> Assembly District



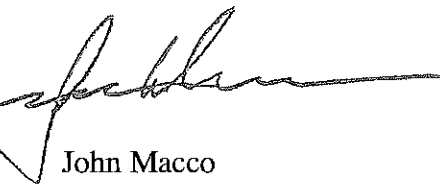
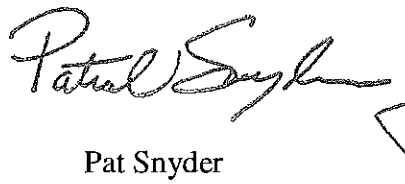
Rob Kulp  
State Representative  
69<sup>th</sup> Assembly District



Nancy VanderMeer  
State Representative  
70<sup>th</sup> Assembly District



Romaine Quinn  
State Representative  
75<sup>th</sup> Assembly District



Pat Snyder  
State Representative  
85<sup>th</sup> Assembly District

John Macco  
State Representative  
88<sup>th</sup> Assembly District



Treig Pronschinske  
State Representative  
92<sup>nd</sup> Assembly District



Loren Oldenburg  
State Representative  
96<sup>th</sup> Assembly District

CC:

Governor Evers  
Wisconsin Unemployment Insurance Advisory Council

Department of Workforce Development  
Secretary's Office  
201 E. Washington Avenue  
P.O. Box 7946  
Madison, WI 53707  
Telephone: (608) 266-3131  
Fax: (608) 266-1784  
Email: sec@dwd.wisconsin.gov



Tony Evers, Governor  
Caleb Frostman, Secretary

December 11, 2019

State Representative Warren Petryk  
Room 103 West  
State Capitol  
PO Box 8953  
Madison, WI 53708

State Representative James Edming  
Room 109 West  
State Capitol  
PO Box 8952  
Madison, WI 53708

**\*\*HAND DELIVERED\*\***

Dear Representatives:

Thank you for contacting me regarding the closure of leased spaces used for in-person unemployment insurance (UI) appeal hearings. As a native of northern Wisconsin, I can appreciate your concerns about residents' ability to access state services and am happy to clear up any misconceptions you may have regarding the impact this decision will have on our shared constituents. I can assure you that all claimants and employers around the state will continue to have convenient access to high-quality appeal processes, both in-person and by telephone, not requiring travel to Milwaukee or Madison.

As you have heard, the Department of Workforce Development (DWD) will not renew leases for hearing offices located in Eau Claire, Appleton, and Madison. They are slated to close in March 2020. Staff were provided the opportunity to either work remotely or relocate to DWD headquarters at GEF-1 in Madison. Staff from the Madison Hearing Office already relocated to GEF-1 last month. As a result of the three office closures, the Department will continue delivering the same quality customer service to UI claimants and employers, while also saving nearly \$350,000 annually, which will be reinvested in system improvements, benefitting all stakeholders.

It is important to note that these hearing offices do not offer direct services to claimants. Assistance with unemployment insurance services will continue to be offered at local Job Centers across the state and at <https://dwd.wisconsin.gov/uiben/>.

The decision to close these facilities was based on several factors, including reduced federal funding and the desire to offer better customer service through increased efficiencies. Further, federal regulations do not allow states to use their UI administration grant to lease vacant space and facilities. Due to the decline in UI claims and subsequently UI appeals, coupled with the growing trend and desire of participants for more telephone hearings, these facilities now contain a large amount of vacant space that DWD is prohibited from paying for through its UI grant.

Telephone hearings are typically more convenient for the parties and are consistent with the practice of most states in our region. Currently, about 80 percent of Wisconsin's UI appeal hearings are held via telephone. Minnesota, Iowa, Kansas, Ohio and Illinois currently hold over 99 percent of their UI appeal hearings over the phone, with Indiana also operating a predominately telephone-based appeal system.



Despite this trend, situations remain when in-person hearings are both appropriate and preferable. When a UI appeal in northern Wisconsin requires an in-person hearing, hearings will be held in shared space in multiple communities across the region, including in Eau Claire and the Fox Valley where the Department already leases space. The Department will continue to identify additional alternative in-person hearing locations with the assistance of local stakeholders with the intent to reduce the travel distance for those who live in rural communities across the state.

Given changes that have already been implemented, your constituents should not feel any negative impact from the closure of these hearing offices. Historically, hearing offices scheduled and processed appeals for their own offices manually. However, beginning in 2012, modernization of appeal processes and electronic processing have allowed for staff in various offices to be assigned to process work, regardless of which hearing office previously would have been assigned the case.

Offering UI hearings in more convenient locations aligns with the Department's other efforts to bring services directly to our customers, rather than expecting them to come to us. As you may know, we are expanding our job services in local libraries and community centers and have begun offering services through our mobile job center that travels around the state. We encourage the letter's authors to join us at any location or event throughout the state offering DWD services to witness firsthand the great, collaborative work our agency is doing to expand and strengthen Wisconsin's workforce.

Being from northern Wisconsin and having been in constant contact with residents, entrepreneurs, and business owners across the state since taking this role, as well as in my past roles as an economic developer and legislator, I share your commitment to ensuring ease of access to state services like appeal hearings for Unemployment Insurance claims. I look forward to continuing to work with you on providing high-quality, cost-effective workforce services to all Wisconsin residents and businesses.

Thank you for your consideration. I am hopeful that this communication has cleared up any confusion. Please do not hesitate to contact me or DWD's Legislative Liaison, John Keckhaver, with any additional questions you may have.

Sincerely,



Caleb Frostman  
Secretary-designee

- CC: Ron Tusler  
Jim Steineke  
Gary Tauchen  
Terry Katsma  
Tyler Vorpagel  
Gae Magnafici  
Rob Stafsholt  
Shannon Zimmerman  
Rob Swearingen  
Mary Felzkowski  
Jeff Mursau  
Joan Ballweg  
Tony Kurtz  
Michael Schraa
- Mike Rohrkaste  
Dave Murphy  
Rob Summerfield  
Jesse James  
Rob Kulp  
Nancy VanderMeer  
Romaine Quinn  
Pat Snyder  
John Macco  
Treig Pronchinske  
Loren Oldenburg  
Members, Wisconsin Unemployment Insurance  
Advisory Council

## UI Reserve Fund Highlights

2019 Year End Statement  
January 16, 2020

- Benefit payments in 2019 declined by \$3.6 million or 1.0% when compared to benefits paid in 2018.

<b>Benefits Paid</b>	<b>2019</b> <i>(in millions)</i>	<b>2018</b> <i>(in millions)</i>	<b>Change</b> <i>(in millions)</i>	<b>Change</b> <i>(in percent)</i>
Total Regular UI Paid	\$372.3	\$375.9	(\$3.6)	(1.0%)

- Tax receipts in 2019 declined by \$39.2 million or 6.6% when compared to taxes paid in 2018. Since both tax years were rated in Schedule D, the decrease reflects a decrease of individual employers' tax rates due to improved experience rating.

<b>Tax Receipts</b>	<b>2019</b> <i>(in millions)</i>	<b>2018</b> <i>(in millions)</i>	<b>Change</b> <i>(in millions)</i>	<b>Change</b> <i>(in percent)</i>
Total Tax Receipts	\$553.6	\$592.8	(\$39.2)	(6.6%)

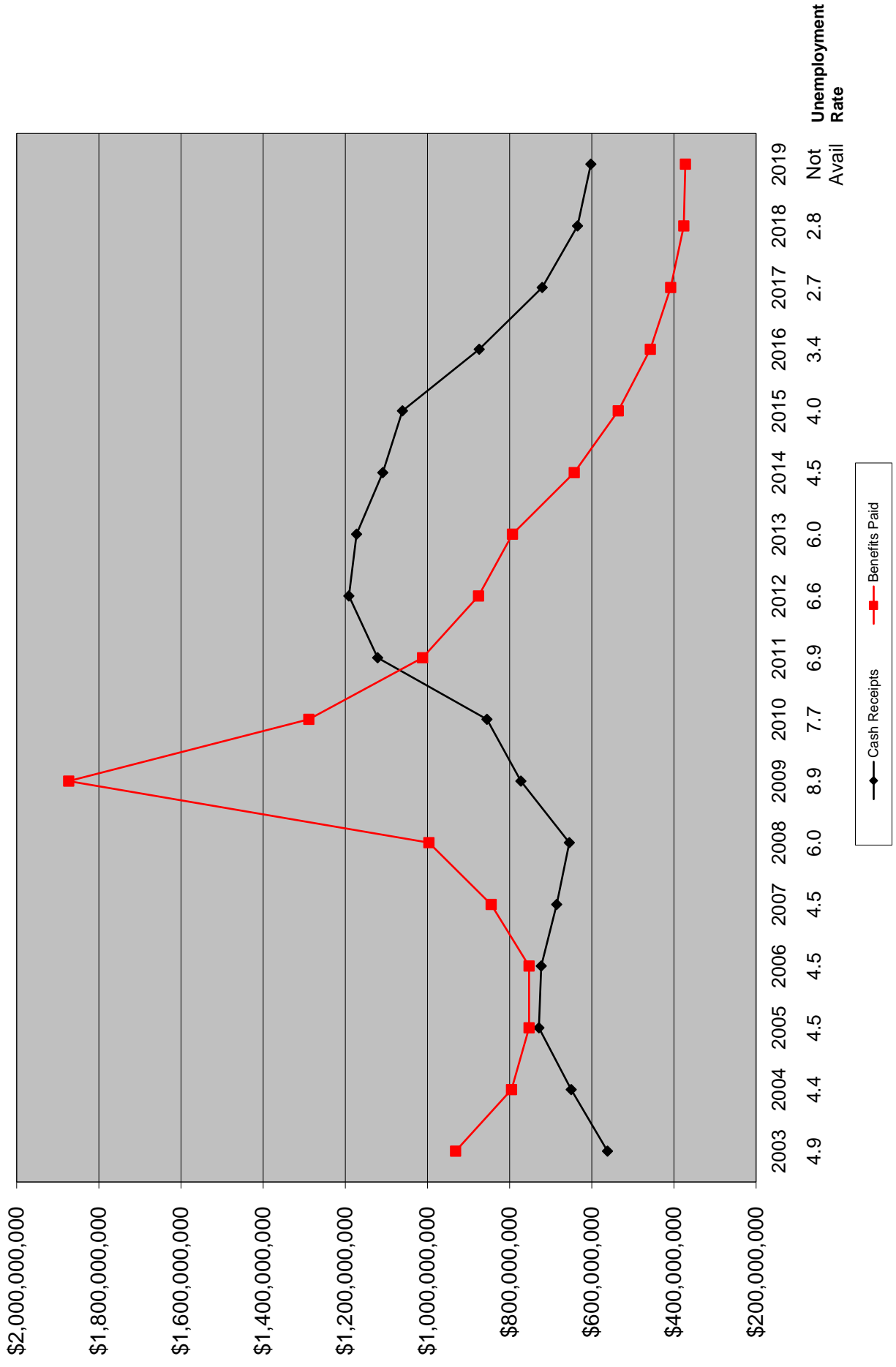
- The 2019 Trust Fund ending balance for 2019 was \$1.96 billion, an increase of 13.3% when compared the ending balance in 2018.

<b>UI Trust Fund Balance</b>	<b>2019</b> <i>(in millions)</i>	<b>2018</b> <i>(in millions)</i>	<b>Change</b> <i>(in millions)</i>	<b>Change</b> <i>(in percent)</i>
Cash Analysis Statement	\$1,960.5	\$1,730.8	\$229.7	13.3%

- Interest earned on the Trust Fund is received quarterly. Interest for 2019 was \$44.9 million compared to \$36.9 million last year. The U.S. Treasury annualized interest rate for this quarter is 2.4%. The Trust Fund is currently earning about \$129,000 in daily interest.

<b>UI Trust Fund Interest</b>	<b>2019</b> <i>(in millions)</i>	<b>2018</b> <i>(in millions)</i>	<b>Change</b> <i>(in millions)</i>	<b>Change</b> <i>(in percent)</i>
Total Interest Earned	\$44.9	\$36.9	\$8.0	21.7%

# Cash Activity Related to Taxable Employers with WI Unemployment Rate (for all years from January to December)



# 2020 UI Employer Tax Rate Highlights

January 16, 2020

Employer tax rates for 2020 were mailed in October of 2019.

Wisconsin Statute §108.18(3)(m) provides for four separate rate schedules. The schedule in effect for the following year depends on the June 30<sup>th</sup> Trust Fund balance. Schedule A has the highest tax rates. The rates are progressively lower as the Trust Fund balance increases. The lowest tax rate schedule is Schedule D.

The balance of the Trust Fund on June 30, 2019 was \$1.8 billion. This means that Wisconsin's employers are in Schedule D for 2020, the lowest schedule, for a third consecutive year.

## Statutory Tax Schedules

- Wisconsin has 4 separate tax rate schedules. They run from A through D, with A raising the largest amount of tax revenue and D the least.
- The schedule for a year depends on the balance of the UI Trust Fund on June 30 of the preceding tax year.

	Tax Schedule	UI Trust Fund Amount "Trigger Amount"
2010-2015	A	Less than \$300 million
2016	B	\$300 to less than \$900 million
2017	C	\$900 million to less than \$1.2 billion
2018-2020	D	At least \$1.2 billion

1. The following shows the number of employers and fiscal year payroll, for employers whose tax rate in comparison to the prior year either decreased, remained the same, increased, or were rated at the new employer tax rate.

**Change in Tax Rate Year to Year  
Employer Count**

	2016 Rates Schedule B		2017 Rates Schedule C		2018 Rates Schedule D		2019 Rates Schedule D		2020 Rates Schedule D		
	Employer Count	Employer Count (%)	Employer Count	Employer Count (%)	Employer Count	Employer Count (%)	Employer Count	Employer Count (%)	Employer Count	Employer Count (%)	
A-	Decrease	81,383	61%	82,234	61%	74,672	54%	53,380	38%	52,025	36%
B-	No change	4,823	4%	3,343	2%	10,819	8%	32,299	23%	33,855	24%
C-	Increase	26,889	20%	28,876	21%	30,447	22%	32,042	23%	33,415	23%
	New ER	20,385	15%	21,243	16%	21,703	16%	22,674	16%	23,248	16%
D-	<b>Total</b>	<b>133,480</b>	<b>100%</b>	<b>135,696</b>	<b>100%</b>	<b>137,641</b>	<b>100%</b>	<b>140,395</b>	<b>100%</b>	<b>142,543</b>	<b>100%</b>

**Change in Tax Rate Year to Year  
Fiscal Year Payroll\***

	2016 Rates Schedule B		2017 Rates Schedule C		2018 Rates Schedule D		2019 Rates Schedule D		2020 Rates Schedule D		
	FY'15 Payroll (in millions)	FY'15 Payroll (%)	FY'16 Payroll (in millions)	FY'16 Payroll (%)	FY'17 Payroll (in millions)	FY'17 Payroll (%)	FY '18 Payroll (in millions)	FY'18 Payroll (%)	FY '19 Payroll (in millions)	FY '19 Payroll (%)	
E-	Decrease	\$24,915	81%	\$23,236	73%	\$23,428	72%	\$14,819	45%	\$13,497	40%
F-	No change	\$739	2%	\$862	3%	\$849	3%	\$8,583	26%	\$9,069	27%
G-	Increase	\$4,434	14%	\$6,752	21%	\$7,364	23%	\$8,790	27%	\$10,212	30%
	New ER	\$826	3%	\$862	3%	\$763	2%	\$816	2%	\$839	2%
H-	<b>Total</b>	<b>\$30,914</b>	<b>100%</b>	<b>\$31,712</b>	<b>100%</b>	<b>\$32,406</b>	<b>100%</b>	<b>\$33,009</b>	<b>100%</b>	<b>\$33,617</b>	<b>100%</b>

\*Payroll is the taxable payroll for the 3<sup>rd</sup> and 4<sup>th</sup> quarters of the prior year and the 1<sup>st</sup> and 2<sup>nd</sup> quarters of the year. Open, subject and taxable accounts.

- Since 2020 is the third year in Schedule D, all changes are due to employer experience rating, and are not a result of a schedule change.
- Of the "No change" employers, over 90% had a positive reserve fund balance which means they have a history of paying more taxes than benefits are being paid out on their behalf. Twenty-four percent (8,105) of the "No Change" employers were already rated at the lowest possible tax rate (zero for small employers and 0.05% for large). Another 5% remained at the maximum rate of 12%.
- For employers with 2020 rates higher than 2019, 61% (20,480) experienced less than a 1% increase in employer tax rates. Another 23% (7,865) had an increase that was limited by Wisconsin Statute §108.18 (5) which limits the increase in tax rates in a single year.

2. For each employer, the 2019 and 2020 tax rates are multiplied by their 2019 Fiscal Year Taxable Payroll. By holding payroll constant, the effect of tax rate changes can be measured. This is not a forecast or projection.

Since 2020 rates are based on the same schedule as 2019, any change in taxes is due solely to the individual employer's experience.

<b>Comparison of 2020 Tax Rates with 2019 Tax Rates            Rate Differences Multiplied by FY Payroll*</b>							
	<b>Tax Rate Change</b>	<b>Employer Count</b>	<b>FY19 Payroll (in millions)</b>	<b>FY19 Payroll Percent</b>	<b>2020 Calculated Tax (in millions)</b>	<b>2020 Calculated Tax Percent</b>	<b>Tax Increase or (Decrease) (in millions)</b>
A-	Decrease	52,025	\$13,497.5	40%	\$158.1	31%	(\$89.4)
	No change	33,855	\$9,068.9	27%	\$137.9	27%	\$0.0
B-	Increase	33,415	\$10,212.1	30%	\$193.5	38%	\$60.9
	<u>New ER</u>	<u>23,248</u>	<u>\$838.9</u>	<u>2%</u>	<u>\$26.3</u>	<u>5%</u>	<u>\$0.2</u>
	<b>Total</b>	<b>142,543</b>	<b>\$33,617.4</b>	<b>100%</b>	<b>\$515.7</b>	<b>100%</b>	<b>(\$28.3)</b>

\*FY Payroll is the taxable payroll for the 3rd and 4th quarters of 2018 and 1st and 2nd quarters of 2019. Each employer's most recent Fiscal Year Payroll is multiplied by the difference in year-to-year tax rate to determine an increase or decrease.

3. Below is a calculation of the savings in each NAICS code based on holding payroll constant and using the 2019 and 2020 rates.

<b>2020 Tax Rate Analysis</b>				
<b>NAICS Who Pays and Saves</b>				
<b>2020 Tax Savings*</b>				
<i>Sorted by Tax Difference</i>				
<b>NAICS Number and Description</b>	<b>2019 Calculated Tax 2019 Tax Rates (in millions)</b>	<b>2020 Calculated Tax 2020 Tax Rates (in millions)</b>	<b>Tax Difference 2020 minus 2019 (in millions)</b>	<b>Tax Savings (2020 minus 2019) Divided by 2019 Calculated Tax (in percent)</b>
31-33 Manufacturing	\$117.4	\$110.5	(\$6.9)	(5.9%)
62 Health Care and Social Assistance	\$39.7	\$35.4	(\$4.2)	(10.6%)
72 Accommodation and Food Services	\$34.8	\$31.3	(\$3.5)	(10.1%)
56 Administrative and Support and Waste Management and Remediation Services	\$52.6	\$49.2	(\$3.4)	(6.5%)
23 Construction	\$92.2	\$89.8	(\$2.4)	(2.6%)
44-45 Retail Trade	\$44.3	\$42.3	(\$2.0)	(4.5%)
48-49 Transportation and Warehousing	\$29.9	\$28.3	(\$1.6)	(5.4%)
42 Wholesale Trade	\$26.9	\$25.7	(\$1.2)	(4.5%)
81 Other Services (except Public Administration)	\$11.6	\$10.8	(\$0.8)	(6.9%)
54 Professional, Scientific, and Technical Services	\$26.0	\$25.2	(\$0.8)	(3.1%)
53 Real Estate and Rental and Leasing	\$6.2	\$5.7	(\$0.5)	(8.1%)
11 Agriculture, Forestry, Fishing and Hunting	\$6.7	\$6.3	(\$0.4)	(6.0%)
71 Arts, Entertainment, and Recreation	\$8.8	\$8.5	(\$0.3)	(3.4%)
92 Public Administration	\$1.7	\$1.5	(\$0.2)	(11.8%)
61 Educational Services	\$2.3	\$2.2	(\$0.2)	(8.7%)
21 Mining, Quarrying, and Oil and Gas Extraction	\$2.0	\$1.9	(\$0.1)	(5.0%)
55 Management of Companies and Enterprises	\$5.6	\$5.5	(\$0.1)	(1.8%)
22 Utilities	\$1.2	\$1.2	(\$0.1)	(8.3%)
99/00 Unclassified	\$3.2	\$3.2	\$0.0	0.0%
52 Finance and Insurance	\$22.2	\$22.2	\$0.0	0.0%
51 Information	\$8.8	\$8.9	\$0.2	2.3%
<b>Total</b>	<b>\$544.0</b>	<b>\$515.7</b>	<b>(\$28.3)</b>	<b>(5.2%)</b>

\*Calculated Tax is the sum of each employer's tax rate multiplied by the employer's FY Payroll.

FY Payroll is the taxable payroll for 3rd and 4th quarters of 2018 and 1st and 2nd quarters of 2019.

The Tax Savings is calculated as the Tax Difference as a percent of the Calculated Tax using 2019 Tax Rates.

4. The following chart shows the history of the number of employers in each of the various rate range categories. The maximum tax rate is 12%. Schedules C and D have a tax rate of zero for employers with payroll under \$500,000.

Number of Employers By Tax Rate Category					
Rate Categories	2016 Employer Count	2017 Employer Count	2018 Employer Count	2019 Employer Count	2020 Employer Count
Schedule in Effect	Schedule B	Schedule C	Schedule D	Schedule D	Schedule D
A- 0%		11,096	11,867	12,745	13,613
B- More than 0% and less than 1%	44,366	45,121	56,319	59,057	60,750
1% and less than 2%	32,348	27,248	20,402	20,617	20,526
2% and less than 3%	10,034	9,441	10,500	10,734	10,929
3% and less than 4%	25,006	26,497	26,416	26,586	27,158
4% and less than 5%	7,730	6,226	3,614	3,205	2,975
5% and less than 6%					
6% and less than 7%	3,638	2,828	2,620	2,177	1,952
7% and less than 8%	1,897	888	733	592	519
8% and less than 9%	1,865	1,062	836	799	713
9% and less than 10%	1,100	922	736	646	546
10% and less than 11%	304	291	269	211	190
11% and less than 12%	937	791	598	549	486
C- 12%	4,254	3,284	2,730	2,475	2,186
<b>Total</b>	<b>133,480</b>	<b>135,696</b>	<b>137,641</b>	<b>140,395</b>	<b>142,543</b>
D- Positive	119,485	125,630	129,119	132,946	135,951
E- Negative	13,995	10,066	8,522	7,449	6,592
<b>Total</b>	<b>133,480</b>	<b>135,696</b>	<b>137,641</b>	<b>140,395</b>	<b>142,543</b>
F- Positive	89.5%	92.6%	93.8%	94.7%	95.4%
G- Negative	10.5%	7.4%	6.2%	5.3%	4.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

The green colored rows are employers with positive reserve fund balances. The reserve fund balance reflects the amount of taxes paid in comparison to the amount of benefits paid for an individual employer's account.

The gold colored rows are employers with negative reserve fund balances.

- For 2020, 95% of employers were rated based on a positive reserve fund balance.
- Note that the number of employers with a positive reserve fund (in green) increased by 3,005 employers in 2020 compared to 2019. The percentage of employers with a positive reserve fund balance has increased every year during the time period shown, and has increased every year since 2012, as employers recovered from the recession.



- There are 13,613 employers who will have a zero-tax rate for 2020. Although these employers will pay no UI taxes for 2020 payrolls, these employers are still required to file tax and wage reports. Of the zero-rated employers, 8,076 (59%) were also at the zero-tax rate for 2019.
- Likewise, the number of employers at the maximum rate of 12% has decreased from 2,475 in 2019 to 2,186 for 2020. Of those employers at the 12% rate, a little over 80% were at the maximum in 2019, and the other 20% saw a tax increase. The number of employers at tax rates of 9% and above has also declined every year since 2012.

Below is the same chart with Fiscal Year payrolls instead of counts:

FY Payroll By Tax Rate Category					
Rate Categories	2015 FY Payroll (in millions)	2016 FY Payroll (in millions)	2017 FY Payroll (in millions)	2018 FY Payroll (in millions)	2019 FY Payroll (in millions)
Schedule in Effect	Schedule B	Schedule C	Schedule D	Schedule D	Schedule D
A- 0%		\$ 238.1	\$ 270.7	\$ 305.5	\$ 344.1
B- More than 0% and less than 1%	\$ 3,636.7	\$ 5,655.2	\$ 11,464.0	\$ 13,715.4	\$ 15,034.2
1% and less than 2%	\$ 13,004.8	\$ 14,790.1	\$ 13,134.5	\$ 12,058.8	\$ 11,468.1
2% and less than 3%	\$ 6,469.6	\$ 5,034.8	\$ 2,832.2	\$ 2,763.1	\$ 2,858.7
3% and less than 4%	\$ 2,708.7	\$ 2,372.7	\$ 2,215.2	\$ 1,991.7	\$ 1,906.7
4% and less than 5%	\$ 2,760.7	\$ 1,872.5	\$ 1,088.1	\$ 919.5	\$ 778.6
5% and less than 6%					
6% and less than 7%	\$ 415.2	\$ 496.6	\$ 384.5	\$ 387.7	\$ 413.7
7% and less than 8%	\$ 511.0	\$ 303.3	\$ 212.9	\$ 185.9	\$ 171.2
8% and less than 9%	\$ 338.5	\$ 98.7	\$ 102.2	\$ 70.9	\$ 86.4
9% and less than 10%	\$ 243.6	\$ 187.4	\$ 136.1	\$ 91.8	\$ 104.0
10% and less than 11%	\$ 56.9	\$ 60.1	\$ 70.7	\$ 58.8	\$ 39.4
11% and less than 12%	\$ 98.3	\$ 102.5	\$ 69.7	\$ 85.4	\$ 52.8
C- 12%	\$ 669.8	\$ 500.3	\$ 423.9	\$ 374.0	\$ 359.6
<b>Total</b>	<b>\$ 30,913.8</b>	<b>\$ 31,712.5</b>	<b>\$ 32,405.5</b>	<b>\$ 33,008.5</b>	<b>\$ 33,617.4</b>
D- Positive	\$ 28,580.5	\$ 29,963.5	\$ 31,005.4	\$ 31,754.1	\$ 32,390.3
E- Negative	\$ 2,333.3	\$ 1,748.9	\$ 1,400.1	\$ 1,254.4	\$ 1,227.1
<b>Total</b>	<b>\$ 30,913.8</b>	<b>\$ 31,712.5</b>	<b>\$ 32,405.5</b>	<b>\$ 33,008.5</b>	<b>\$ 33,617.4</b>
F- Positive	92%	94%	96%	96%	96%
G- Negative	8%	6%	4%	4%	4%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

\*Payroll is the taxable payroll for the 3rd and 4th quarters of the prior year and the 1st and 2nd quarters of the year.

5. An individual account called the Reserve Fund Balance is maintained for each individual employer covered under Wisconsin UI law. The balance in this account is maintained for the purpose of determining the annual tax rate. The balance increases with a portion of each tax payment made and decreases with every unemployment benefit payment made to laid off workers. The taxes paid are like insurance premiums, and in the event an employer goes out of business, no money in the Reserve Fund is ever returned to the employer.

For taxable employers that are open and subject, employers with a positive reserve balance paid \$569.7 million more in taxes than had benefits paid out to their former employees. Employers with a negative reserve fund balance had \$119.2 million more benefits paid out to their former employees than these employers paid in basic taxes.

Transaction Dates 7/1/16 to 6/30/19						
Taxes Paid and Benefits Charged By Tax Rate Range						
2020 Rate Ranges	Credit to Reserve Fund	Benefit Charges	Reserve Fund Less Benefit Charges	FY Payroll*	Benefit Charges	Taxes (Solvency & RFB) Paid
	<i>(in millions)</i>			<i>(in percent)</i>		
A- 0%	\$14.0	\$6.7	\$7.3	1.0%	0.7%	1.0%
B- More than 0% and less than 1%	\$363.3	\$127.9	\$235.4	44.7%	14.2%	30.2%
B- 1% and less than 2%	\$397.0	\$177.5	\$219.5	34.1%	19.7%	31.0%
2% and less than 3%	\$130.6	\$73.8	\$56.9	8.5%	8.2%	9.3%
3% and less than 4%	\$80.6	\$44.7	\$35.9	5.7%	5.0%	5.5%
4% and less than 5%	\$89.0	\$74.2	\$14.8	2.3%	8.3%	5.8%
6% and less than 7%	\$65.3	\$71.2	(\$5.9)	1.2%	7.9%	4.2%
7% and less than 8%	\$35.8	\$36.8	(\$1.0)	0.5%	4.1%	2.3%
8% and less than 9%	\$17.8	\$23.5	(\$5.7)	0.3%	2.6%	1.1%
9% and less than 10%	\$24.1	\$29.6	(\$5.5)	0.3%	3.3%	1.5%
10% and less than 11%	\$9.9	\$12.1	(\$2.2)	0.1%	1.3%	0.6%
11% and less than 12%	\$12.7	\$20.2	(\$7.5)	0.2%	2.3%	0.8%
C- 12%	\$109.3	\$200.7	(\$91.4)	1.1%	22.3%	6.7%
<b>Total</b>	<b>\$1,349.4</b>	<b>\$899.0</b>	<b>\$450.4</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Positive or Negative Reserve Fund Balance	Credit to Reserve Fund	Benefit Charges	Reserve Fund Less Benefit Charges	FY Payroll*	Benefit Charges	Taxes (Solvency & RFB) Paid
	<i>(in millions)</i>			<i>(in percent)</i>		
D- Positive Balance	\$1,074.5	\$504.8	\$569.7	96.3%	56.2%	82.7%
E- Negative Balance	\$274.9	\$394.2	(\$119.2)	3.7%	43.8%	17.3%
<b>Total</b>	<b>\$1,349.4</b>	<b>\$899.0</b>	<b>\$450.4</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

\*FY Payroll is the taxable payroll for 3rd and 4th quarters of 2018 and 1st and 2nd quarters of 2019.

6. For a three-year period of 2016 through 2019, a similar calculation is shown below by NAICS codes.

<b>Taxes Paid and Benefits Charged By NAICS</b>						
<i>Sorted by Reserve Fund Less Benefit Charges</i>						
Transactions from 7/1/16 to 6/30/19	Credit to Reserve Fund	Benefit Charges	Reserve Fund Less Benefit Charges	FY Payroll*	Benefit Charges	Taxes (Solvency & RFB) Paid
Naics Name and Number	<i>(in millions)</i>			<i>(in percent)</i>		
31-33 Manufacturing	\$287.2	\$170.3	\$116.9	23.5%	18.9%	22.2%
44-45 Retail Trade	\$112.3	\$49.7	\$62.7	12.4%	5.5%	9.2%
62 Health Care and Social Assistance	\$90.1	\$32.1	\$58.0	8.6%	3.6%	6.9%
72 Accommodation and Food Services	\$85.1	\$33.0	\$52.1	8.1%	3.7%	6.4%
56 Administrative and Support and Waste Management and Remediation Services	\$145.2	\$100.0	\$45.3	7.6%	11.1%	10.3%
42 Wholesale Trade	\$63.5	\$33.7	\$29.8	5.8%	3.7%	4.9%
54 Professional, Scientific, and Technical Services	\$59.4	\$35.0	\$24.4	5.2%	3.9%	4.5%
52 Finance and Insurance	\$47.7	\$27.4	\$20.3	5.9%	3.1%	4.0%
48-49 Transportation and Warehousing	\$69.2	\$53.2	\$16.0	4.3%	5.9%	4.9%
81 Other Services (except Public Administration)	\$28.7	\$14.2	\$14.5	2.7%	1.6%	2.1%
71 Arts, Entertainment, and Recreation	\$25.0	\$17.0	\$8.0	1.3%	1.9%	1.7%
51 Information	\$21.0	\$14.1	\$7.0	2.1%	1.6%	1.7%
11 Agriculture, Forestry, Fishing and Hunting	\$19.4	\$12.6	\$6.8	1.3%	1.4%	1.4%
53 Real Estate and Rental and Leasing	\$14.2	\$7.5	\$6.7	1.2%	0.8%	1.1%
55 Management of Companies and Enterprises	\$14.9	\$11.2	\$3.7	1.5%	1.2%	1.2%
61 Educational Services	\$5.6	\$2.6	\$3.0	0.5%	0.3%	0.4%
92 Public Administration	\$5.1	\$2.8	\$2.3	0.3%	0.3%	0.4%
99 Unclassified	\$1.3	\$0.3	\$1.1	0.3%	0.0%	0.1%
21 Mining, Quarrying, and Oil and Gas Extraction	\$5.6	\$4.8	\$0.9	0.2%	0.5%	0.4%
22 Utilities	\$2.5	\$2.8	(\$0.3)	0.5%	0.3%	0.2%
23 Construction	\$246.4	\$274.9	(\$28.5)	6.5%	30.6%	16.0%
<b>Total</b>	<b>\$1,349.4</b>	<b>\$899.0</b>	<b>\$450.4</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

\*FY Payroll is the taxable payroll for 3<sup>rd</sup> and 4<sup>th</sup> quarters of 2018 and 1<sup>st</sup> and 2<sup>nd</sup> quarters of 2019.

7. The following charts show the distribution of tax rates by employment sector. The first small chart is the tax rate distribution for all employers. The charts are in descending FY Payroll order. Appendix 4 and 5 show the same information in more detailed charts.

## 2020 Tax Rates by Industry Sector

		Rate		Employer		FY Payroll	
		Categories	Percent	Count	Percent	(in millions)	Percent
All Employers		Less than 2%	67%	94,889	67%	\$26,846.3	80%
		2.0% to 3.9%	27%	38,087	27%	\$4,765.4	14%
		4.0% to 5.9%	2%	2,975	2%	\$778.6	2%
		6.0% to 7.9%	2%	2,471	2%	\$584.9	2%
		8.0% to 9.9%	1%	1,259	1%	\$190.4	1%
		More than 10%	2%	2,862	2%	\$451.8	1%
<b>All Employers</b>		<b>Total</b>	<b>100%</b>	<b>142,543</b>	<b>100%</b>	<b>\$33,617.4</b>	<b>100%</b>

NAICS Number and Description		Rate		Employer		FY Payroll	
		Categories	Percent	Count	Percent	(in millions)	Percent
31-33 Manufacturing		Less than 2%	79%	6,486	79%	\$6,844.1	86%
		2.0% to 3.9%	16%	1,275	16%	\$883.0	11%
		4.0% to 5.9%	2%	171	2%	\$73.1	1%
		6.0% to 7.9%	1%	122	1%	\$49.6	1%
		8.0% to 9.9%	0%	48	1%	\$10.4	0%
		More than 10%	1%	114	1%	\$55.2	1%
<b>31-33 Manufacturing</b>		<b>More than 10%</b>	<b>6%</b>	<b>8,216</b>	<b>6%</b>	<b>\$7,915.4</b>	<b>24%</b>

NAICS Number and Description		Rate		Employer		FY Payroll	
		Categories	Percent	Count	Percent	(in millions)	Percent
62 Health Care and Social Assistance		Less than 2%	62%	13,389	62%	\$2,343.9	81%
		2.0% to 3.9%	36%	7,754	36%	\$495.6	17%
		4.0% to 5.9%	1%	325	1%	\$37.3	1%
		6.0% to 7.9%	1%	179	1%	\$10.5	0%
		8.0% to 9.9%	0%	46	0%	\$2.4	0%
		More than 10%	0%	31	0%	\$4.2	0%
<b>62 Health Care and Social Assistance</b>		<b>More than 10%</b>	<b>15%</b>	<b>21,724</b>	<b>15%</b>	<b>\$2,893.8</b>	<b>9%</b>

NAICS Number and Description		Rate		Employer		FY Payroll	
		Categories	Percent	Count	Percent	(in millions)	Percent
56 Administrative and Support and Waste Management and Remediation Services		Less than 2%	56%	4,138	56%	\$1,773.1	69%
		2.0% to 3.9%	27%	2,009	27%	\$532.8	21%
		4.0% to 5.9%	5%	350	5%	\$120.4	5%
		6.0% to 7.9%	4%	309	4%	\$65.4	3%
		8.0% to 9.9%	3%	196	3%	\$24.5	1%
		More than 10%	6%	408	6%	\$50.2	2%
<b>56 Administrative and Support and Waste Management and Remediation Services</b>		<b>More than 10%</b>	<b>5%</b>	<b>7,410</b>	<b>5%</b>	<b>\$2,566.5</b>	<b>8%</b>

NAICS Number and Description		Rate		Employer		FY Payroll	
		Categories	Percent	Count	Percent	(in millions)	Percent
44-45 Retail Trade		Less than 2%	81%	8,591	81%	\$3,817.1	92%
		2.0% to 3.9%	15%	1,632	15%	\$268.0	6%
		4.0% to 5.9%	1%	149	1%	\$56.7	1%
		6.0% to 7.9%	1%	116	1%	\$12.4	0%
		8.0% to 9.9%	0%	52	0%	\$2.9	0%
		More than 10%	1%	117	1%	\$6.4	0%
<b>44-45 Retail Trade</b>		<b>More than 10%</b>	<b>7%</b>	<b>10,657</b>	<b>7%</b>	<b>\$4,163.5</b>	<b>12%</b>

NAICS Number and Description		Rate		Employer		FY Payroll	
		Categories	Percent	Count	Percent	(in millions)	Percent
72 Accommodation and Food Services		Less than 2%	78%	8,893	78%	\$2,302.3	85%
		2.0% to 3.9%	19%	2,142	19%	\$320.4	12%
		4.0% to 5.9%	1%	150	1%	\$39.2	1%
		6.0% to 7.9%	1%	75	1%	\$25.3	1%
		8.0% to 9.9%	0%	33	0%	\$21.4	1%
		More than 10%	1%	87	1%	\$10.2	0%
<b>72 Accommodation and Food Services</b>		<b>More than 10%</b>	<b>8%</b>	<b>11,380</b>	<b>8%</b>	<b>\$2,718.9</b>	<b>8%</b>

NAICS Number and Description		Rate		Employer		FY Payroll	
		Categories	Percent	Count	Percent	(in millions)	Percent
23 Construction		Less than 2%	54%	7,815	54%	\$820.7	37%
		2.0% to 3.9%	23%	3,361	23%	\$518.3	24%
		4.0% to 5.9%	5%	698	5%	\$265.7	12%
		6.0% to 7.9%	5%	731	5%	\$265.1	12%
		8.0% to 9.9%	3%	489	3%	\$96.8	4%
		More than 10%	10%	1,382	10%	\$235.2	11%
<b>23 Construction</b>		<b>More than 10%</b>	<b>10%</b>	<b>14,476</b>	<b>10%</b>	<b>\$2,201.9</b>	<b>7%</b>

NAICS Number and Description	Rate		Employer		FY Payroll	
	Categories	Percent	Count	Percent	(in millions)	Percent
52 Finance and Insurance	Less than 2%	79%	4,125	79%	\$1,777.1	89%
	2.0% to 3.9%	18%	928	18%	\$202.4	10%
	4.0% to 5.9%	2%	81	2%	\$9.7	0%
	6.0% to 7.9%	1%	45	1%	\$5.0	0%
	8.0% to 9.9%	0%	18	0%	\$5	0%
	More than 10%	0%	16	0%	\$2	0%
<b>52 Finance and Insurance</b>		<b>4%</b>	<b>5,213</b>	<b>4%</b>	<b>\$1,995.0</b>	<b>6%</b>

NAICS Number and Description	Rate		Employer		FY Payroll	
	Categories	Percent	Count	Percent	(in millions)	Percent
54 Professional, Scientific, and Technical Services	Less than 2%	69%	10,223	69%	\$1,299.3	74%
	2.0% to 3.9%	27%	3,986	27%	\$402.3	23%
	4.0% to 5.9%	2%	241	2%	\$28.2	2%
	6.0% to 7.9%	1%	202	1%	\$13.3	1%
	8.0% to 9.9%	0%	94	1%	\$4.7	0%
	More than 10%	0%	126	1%	\$5.5	0%
<b>54 Professional, Scientific, and Technical Services</b>		<b>10%</b>	<b>14,872</b>	<b>10%</b>	<b>\$1,753.3</b>	<b>5%</b>

NAICS Number and Description	Rate		Employer		FY Payroll	
	Categories	Percent	Count	Percent	(in millions)	Percent
81 Other Services (except Public Administration)	Less than 2%	81%	10,022	81%	\$754.7	82%
	2.0% to 3.9%	16%	2,050	16%	\$138.1	15%
	4.0% to 5.9%	1%	153	1%	\$12.4	1%
	6.0% to 7.9%	1%	111	1%	\$7.5	1%
	8.0% to 9.9%	0%	29	0%	\$1.1	0%
	More than 10%	0%	62	0%	\$4.2	0%
<b>81 Other Services (except Public Administration)</b>		<b>9%</b>	<b>12,427</b>	<b>9%</b>	<b>\$917.9</b>	<b>3%</b>

NAICS Number and Description	Rate		Employer		FY Payroll	
	Categories	Percent	Count	Percent	(in millions)	Percent
55 Management of Companies and Enterprises	Less than 2%	71%	410	71%	\$458.4	91%
	2.0% to 3.9%	26%	147	26%	\$42.6	8%
	4.0% to 5.9%	2%	9	2%	\$8	0%
	6.0% to 7.9%	1%	6	1%	\$3.0	1%
	8.0% to 9.9%	0%	0	\$0	0%	
	More than 10%	0%	3	1%	\$2	0%
<b>55 Management of Companies and Enterprises</b>		<b>0%</b>	<b>575</b>	<b>0%</b>	<b>\$505.0</b>	<b>2%</b>

NAICS Number and Description	Rate		Employer		FY Payroll	
	Categories	Percent	Count	Percent	(in millions)	Percent
42 Wholesale Trade	Less than 2%	75%	8,399	75%	\$1,601.8	82%
	2.0% to 3.9%	20%	2,286	20%	\$305.8	16%
	4.0% to 5.9%	2%	168	2%	\$26.7	1%
	6.0% to 7.9%	2%	171	2%	\$10.0	1%
	8.0% to 9.9%	1%	81	1%	\$3.1	0%
	More than 10%	0%	63	1%	\$2.8	0%
<b>42 Wholesale Trade</b>		<b>8%</b>	<b>11,168</b>	<b>8%</b>	<b>\$1,950.1</b>	<b>6%</b>

NAICS Number and Description	Rate		Employer		FY Payroll	
	Categories	Percent	Count	Percent	(in millions)	Percent
48-49 Transportation and Warehousing	Less than 2%	63%	3,092	63%	\$1,074.0	74%
	2.0% to 3.9%	25%	1,234	25%	\$214.0	15%
	4.0% to 5.9%	3%	157	3%	\$27.8	2%
	6.0% to 7.9%	3%	150	3%	\$82.9	6%
	8.0% to 9.9%	2%	75	2%	\$12.9	1%
	More than 10%	4%	216	4%	\$44.4	3%
<b>48-49 Transportation and Warehousing</b>		<b>3%</b>	<b>4,924</b>	<b>3%</b>	<b>\$1,456.1</b>	<b>4%</b>

NAICS Number and Description	Rate		Employer		FY Payroll	
	Categories	Percent	Count	Percent	(in millions)	Percent
51 Information	Less than 2%	70%	1,149	70%	\$577.3	80%
	2.0% to 3.9%	26%	427	26%	\$138.7	19%
	4.0% to 5.9%	2%	33	2%	\$4.7	1%
	6.0% to 7.9%	1%	24	1%	\$1.4	0%
	8.0% to 9.9%	0%	6	0%	\$1	0%
	More than 10%	0%	5	0%	\$0	0%
<b>51 Information</b>		<b>1%</b>	<b>1,644</b>	<b>1%</b>	<b>\$722.2</b>	<b>2%</b>

NAICS Number and Description	Rate		Employer		FY Payroll	
	Categories	Percent	Count	Percent	(in millions)	Percent
11 Agriculture, Forestry, Fishing and Hunting	Less than 2%	80%	2,095	80%	\$358.5	83%
	2.0% to 3.9%	11%	300	11%	\$36.0	8%
	4.0% to 5.9%	2%	58	2%	\$14.1	3%
	6.0% to 7.9%	3%	76	3%	\$9.3	2%
	8.0% to 9.9%	1%	26	1%	\$2.0	0%
	More than 10%	3%	79	3%	\$11.9	3%
<b>11 Agriculture, Forestry, Fishing and Hunting</b>		<b>2%</b>	<b>2,634</b>	<b>2%</b>	<b>\$431.8</b>	<b>1%</b>

NAICS Number and Description	Rate Categories	Employer Count	Employer Percent	FY Payroll (in millions)	FY Payroll Percent
71 Arts, Entertainment, and Recreation	Less than 2%	1,642	66%	\$289.3	67%
	2.0% to 3.9%	553	22%	\$75.8	18%
	4.0% to 5.9%	89	4%	\$36.6	9%
	6.0% to 7.9%	68	3%	\$16.0	4%
	8.0% to 9.9%	28	1%	\$3.7	1%
<b>71 Arts, Entertainment, and Recreation</b>	<u>More than 10%</u>	<b>91</b>	<b>4%</b>	<b>\$8.5</b>	<b>2%</b>
		<b>2,471</b>	<b>2%</b>	<b>\$429.9</b>	<b>1%</b>

NAICS Number and Description	Rate Categories	Employer Count	Employer Percent	FY Payroll (in millions)	FY Payroll Percent
61 Educational Services	Less than 2%	1,013	73%	\$138.1	81%
	2.0% to 3.9%	344	25%	\$28.6	17%
	4.0% to 5.9%	23	2%	\$3.6	2%
	6.0% to 7.9%	9	1%	\$4	0%
	8.0% to 9.9%	4	0%	\$0	0%
<b>61 Educational Services</b>	<u>More than 10%</u>	<b>4</b>	<b>0%</b>	<b>\$2</b>	<b>0%</b>
		<b>1,397</b>	<b>1%</b>	<b>\$170.9</b>	<b>1%</b>

NAICS Number and Description	Rate Categories	Employer Count	Employer Percent	FY Payroll (in millions)	FY Payroll Percent
99/00 Unclassified	Less than 2%	339	5%	\$28.7	27%
	2.0% to 3.9%	6,604	94%	\$66.7	64%
	4.0% to 5.9%	36	1%	\$1.6	2%
	6.0% to 7.9%	10	0%	\$7	1%
	8.0% to 9.9%	2	0%	\$0	0%
<b>99/00 Unclassified</b>	<u>More than 10%</u>	<b>12</b>	<b>0%</b>	<b>\$7.2</b>	<b>7%</b>
		<b>7,003</b>	<b>5%</b>	<b>\$104.9</b>	<b>0%</b>

NAICS Number and Description	Rate Categories	Employer Count	Employer Percent	FY Payroll (in millions)	FY Payroll Percent
21 Mining, Quarrying, and Oil and Gas Extraction	Less than 2%	61	40%	\$28.8	46%
	2.0% to 3.9%	38	25%	\$20.8	33%
	4.0% to 5.9%	11	7%	\$3.3	5%
	6.0% to 7.9%	13	9%	\$4.0	6%
	8.0% to 9.9%	7	5%	\$2.0	3%
<b>21 Mining, Quarrying, Oil and Gas Extraction</b>	<u>More than 10%</u>	<b>22</b>	<b>14%</b>	<b>\$3.3</b>	<b>5%</b>
		<b>152</b>	<b>0%</b>	<b>\$62.1</b>	<b>0%</b>

NAICS Number and Description	Rate Categories	Employer Count	Employer Percent	FY Payroll (in millions)	FY Payroll Percent
53 Real Estate and Rental and Leasing	Less than 2%	2,873	71%	\$310.1	78%
	2.0% to 3.9%	998	25%	\$69.7	18%
	4.0% to 5.9%	68	2%	\$8.5	2%
	6.0% to 7.9%	52	1%	\$3.2	1%
	8.0% to 9.9%	24	1%	\$1.8	0%
<b>53 Real Estate and Rental and Leasing</b>	<u>More than 10%</u>	<b>22</b>	<b>1%</b>	<b>\$1.8</b>	<b>0%</b>
		<b>4,037</b>	<b>3%</b>	<b>\$395.1</b>	<b>1%</b>

NAICS Number and Description	Rate Categories	Employer Count	Employer Percent	FY Payroll (in millions)	FY Payroll Percent
22 Utilities	Less than 2%	88	86%	\$161.2	99%
	2.0% to 3.9%	11	11%	\$1.3	1%
	4.0% to 5.9%	2	2%	\$1.0	1%
	6.0% to 7.9%	1	1%	\$0	0%
	8.0% to 9.9%	0	0%	\$0	0%
<b>22 Utilities</b>	<u>More than 10%</u>	<b>0</b>	<b>0%</b>	<b>\$0</b>	<b>0%</b>
		<b>102</b>	<b>0%</b>	<b>\$163.5</b>	<b>0%</b>

NAICS Number and Description	Rate Categories	Employer Count	Employer Percent	FY Payroll (in millions)	FY Payroll Percent
92 Public Administration	Less than 2%	46	75%	\$87.8	88%
	2.0% to 3.9%	8	13%	\$4.4	4%
	4.0% to 5.9%	3	5%	\$7.2	7%
	6.0% to 7.9%	1	2%	\$0	0%
	8.0% to 9.9%	1	2%	\$0	0%
<b>92 Public Administration</b>	<u>More than 10%</u>	<b>2</b>	<b>3%</b>	<b>\$1</b>	<b>0%</b>
		<b>61</b>	<b>0%</b>	<b>\$99.5</b>	<b>0%</b>

# Appendix 1 Rate Table

Rate Table Schedule A Through Schedule D									
Wisconsin Statute §108.18 Tax Table									
Tax Schedule		SCHEDULE A		SCHEDULE B		SCHEDULE C		SCHEDULE D	
Trust Fund Balance		Less than \$300 Million		\$300 Million to Less Than \$900 Million		\$900 Million to Less Than \$1.2 Billion		At Least \$1.2 Billion	
Years Rate Schedule Recently Used		2010-2015		2016		2017		2018-2020	
RESERVE PERCENT		Tax Rate %		Tax Rate %		Tax Rate %		Tax Rate %	
		Payroll		Payroll		Payroll		Payroll	
At least	But less than	Under \$500K	\$500K or over	Under \$500K	\$500K or over	Under \$500K	\$500K or over	Under \$500K	\$500K or over
Greater than 15%		0.27	0.70	0.05	0.10	0.00	0.05	0.00	0.05
10.00%	15.00%	0.27	0.70	0.25	0.30	0.22	0.25	0.12	0.15
9.50%	10.00%	0.45	1.05	0.40	0.50	0.37	0.40	0.27	0.30
9.00%	9.50%	0.53	1.23	0.50	0.65	0.47	0.50	0.37	0.40
8.50%	9.00%	0.92	1.42	0.85	0.95	0.75	0.80	0.65	0.70
8.00%	8.50%	1.09	1.59	1.00	1.15	0.90	1.00	0.80	0.90
7.50%	8.00%	1.26	1.76	1.10	1.30	1.00	1.15	0.90	1.05
7.00%	7.50%	1.47	1.97	1.30	1.50	1.20	1.35	1.10	1.25
6.50%	7.00%	1.83	2.23	1.60	1.80	1.45	1.65	1.35	1.55
6.00%	6.50%	2.18	2.58	1.95	2.15	1.80	2.00	1.70	1.90
5.50%	6.00%	2.62	3.02	2.40	2.55	2.20	2.40	2.10	2.30
5.00%	5.50%	3.06	3.46	2.80	2.95	2.60	2.80	2.50	2.70
4.50%	5.00%	3.40	3.90	3.20	3.35	3.00	3.20	2.90	3.10
4.00%	4.50%	3.84	4.34	3.60	3.70	3.40	3.55	3.30	3.45
3.50%	4.00%	4.28	4.78	4.10	4.15	3.85	4.00	3.75	3.90
0.00%	3.50%	4.77	5.27	4.65	4.70	4.40	4.55	4.30	4.45
LT 0	-1.00%	6.60	6.60	6.60	6.60	6.40	6.40	6.40	6.40
-1.00%	-2.00%	7.10	7.10	7.10	7.10	6.90	6.90	6.90	6.90
-2.00%	-3.00%	7.60	7.60	7.60	7.60	7.40	7.40	7.40	7.40
-3.00%	-4.00%	8.10	8.10	8.10	8.10	7.90	7.90	7.90	7.90
-4.00%	-5.00%	8.60	8.60	8.60	8.60	8.50	8.50	8.50	8.50
-5.00%	-6.00%	9.10	9.10	9.10	9.10	9.05	9.05	9.05	9.05
-6.00%	-7.00%	9.80	9.80	9.80	9.80	9.80	9.80	9.75	9.75
-7.00%	-8.00%	10.55	10.55	10.55	10.55	10.55	10.55	10.55	10.55
-8.00%	-9.00%	11.30	11.30	11.30	11.30	11.30	11.30	11.30	11.30
-9.00%		12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Rates unaffected by schedule.									
New Employer		3.60	4.10	3.25	3.40	3.05	3.25	3.05	3.25
New Construction Rates Calculated Annually									



# Appendix 2 New Employer Rate History

Initial Rates*					
		New Employer Rates		New Construction Rates	
Rate Year	Schedule	Employers with Payroll Under \$500,000	Employers with Payroll of \$500,000 or more	Employers with Payroll Under \$500,000	Employers with Payroll of \$500,000 or more
2010	A	3.60%	4.10%	6.60%	6.60%
2011	A	3.60%	4.10%	6.60%	6.60%
2012	A	3.60%	4.10%	7.10%	7.10%
2013	A	3.60%	4.10%	6.60%	6.60%
2014	A	3.60%	4.10%	6.60%	6.60%
2015	A	3.60%	4.10%	6.60%	6.60%
2016	B	3.25%	3.40%	6.60%	6.60%
2017	C	3.05%	3.25%	4.40%	4.55%
2018	D	3.05%	3.25%	3.75%	3.90%
2019	D	3.05%	3.25%	3.75%	3.90%
2020	D	3.05%	3.25%	3.30%	3.45%

*\*Initial rates apply for each of the first 3 calendar years for new employers. An employer engaged in the construction of roads, bridges, highways, sewers, water mains, utilities, public buildings, factories, housing, or similar construction projects shall pay contributions for each of the first 3 calendar years at the average rate for construction industry employers. Wisconsin Statute §108.18(2)*

## Appendix 3 Rate Schedule History 1990 to Present

Years	Schedule
1990	Schedule B
1991-1997	Schedule C
Schedule D added for 1998 Tax Year	
1998-2003	Schedule D
2004	Schedule C
2005-2009	Schedule B
2010 – 2015	Schedule A
2016	Schedule B
2017	Schedule C
2018-2020	Schedule D

# Appendix 4 2020 Rates by Employment Sector

NAICS Code	Employer Count By 2020 Rates										Taxable, Subject and Open		
	Less than 2%	2.0% to 3.9%	4.0% to 5.9%	6.0% to 7.9%	8.0% to 9.9%	More than 10%	Total	100%	100%	100%	100%	100%	
11 Agriculture, Forestry, Fishing and Hunting	2,095	300	58	76	26	79	2,634	3%	1%	3%	79	3%	100%
21 Mining, Quarrying, and Oil and Gas Extraction	61	38	11	13	7	22	152	14%	5%	14%	22	14%	100%
22 Utilities	88	11	2	1	0	0	102	0%	0%	0%	0	0%	100%
23 Construction	7,815	3,361	698	731	489	1,382	14,476	10%	3%	10%	1,382	10%	100%
31-33 Manufacturing	6,486	1,275	171	122	48	114	8,216	1%	1%	1%	114	1%	100%
42 Wholesale Trade	8,399	2,286	168	171	81	63	11,168	1%	1%	1%	63	1%	100%
44-45 Retail Trade	8,591	1,632	149	116	52	117	10,657	1%	0%	1%	117	1%	100%
48-49 Transportation and Warehousing	3,092	1,234	157	150	75	216	4,924	4%	2%	4%	216	4%	100%
51 Information	1,149	427	33	24	6	5	1,644	0%	0%	0%	5	0%	100%
52 Finance and Insurance	4,125	928	81	45	18	16	5,213	0%	0%	0%	16	0%	100%
53 Real Estate and Rental and Leasing	2,873	998	68	52	24	22	4,037	1%	1%	1%	22	1%	100%
54 Professional, Scientific, and Technical Services	10,223	3,986	241	202	94	126	14,872	1%	1%	1%	126	1%	100%
55 Management of Companies and Enterprises	410	147	9	6	0	3	575	1%	0%	1%	3	1%	100%
56 Administrative and Support and Waste Management and Remediation Services	4,138	2,009	350	309	196	408	7,410	6%	3%	6%	408	6%	100%
61 Educational Services	1,013	344	23	9	4	4	1,397	0%	0%	0%	4	0%	100%
62 Health Care and Social Assistance	13,389	7,754	325	179	46	31	21,724	0%	0%	0%	31	0%	100%
71 Arts, Entertainment, and Recreation	1,642	553	89	68	28	91	2,471	4%	1%	4%	91	4%	100%
72 Accommodation and Food Services	8,893	2,142	150	75	33	87	11,380	1%	0%	1%	87	1%	100%
81 Other Services (except Public Administration)	10,022	2,050	153	111	29	62	12,427	0%	0%	0%	62	0%	100%
92 Public Administration	46	8	3	1	1	2	61	3%	2%	3%	2	3%	100%
99.00 Unclassified	339	6,604	36	10	2	12	7,003	0%	0%	0%	12	0%	100%
<b>Total</b>	<b>94,889</b>	<b>38,087</b>	<b>2,975</b>	<b>2,471</b>	<b>1,259</b>	<b>2,862</b>	<b>142,543</b>	<b>2%</b>	<b>1%</b>	<b>2%</b>	<b>2,862</b>	<b>2%</b>	<b>100%</b>
Percent of Row													

# Appendix 5 2020 Rates by Employment Sector

FY Payroll* (in millions) by 2020 Rates											Taxable, Subject and Open			
NAICS Code	Less than 2%	2.0% to 3.9%	4.0% to 5.9%	6.0% to 7.9%	8.0% to 9.9%	More than 10%	Total	100%	100%	100%				
11 Agriculture, Forestry, Fishing and Hunting	\$ 358.5	83%	\$ 36.0	8%	\$ 14.1	3%	\$ 9.3	2%	\$ 2.0	0%	\$ 11.9	3%	\$ 431.8	100%
21 Mining, Quarrying, and Oil and Gas Extraction	\$ 28.8	46%	\$ 20.8	33%	\$ 3.3	5%	\$ 4.0	6%	\$ 2.0	3%	\$ 3.3	5%	\$ 62.1	100%
22 Utilities	\$ 161.2	99%	\$ 1.3	1%	\$ 1.0	1%	\$ -	0%	\$ -	0%	\$ -	0%	\$ 163.5	100%
23 Construction	\$ 820.7	37%	\$ 518.3	24%	\$ 265.7	12%	\$ 265.1	12%	\$ 96.8	4%	\$ 235.2	11%	\$ 2,201.9	100%
31-33 Manufacturing	\$ 6,844.1	86%	\$ 883.0	11%	\$ 73.1	1%	\$ 49.6	1%	\$ 10.4	0%	\$ 56.2	1%	\$ 7,915.4	100%
42 Wholesale Trade	\$ 1,601.8	82%	\$ 305.8	16%	\$ 26.7	1%	\$ 10.0	1%	\$ 3.1	0%	\$ 2.8	0%	\$ 1,950.1	100%
44-45 Retail Trade	\$ 3,817.1	92%	\$ 268.0	6%	\$ 56.7	1%	\$ 12.4	0%	\$ 2.9	0%	\$ 6.4	0%	\$ 4,163.5	100%
48-49 Transportation and Warehousing	\$ 1,074.0	74%	\$ 214.0	15%	\$ 27.8	2%	\$ 82.9	6%	\$ 12.9	1%	\$ 44.4	3%	\$ 1,456.1	100%
51 Information	\$ 577.3	80%	\$ 138.7	19%	\$ 4.7	1%	\$ 1.4	0%	\$ 0.1	0%	\$ -	0%	\$ 722.2	100%
52 Finance and Insurance	\$ 1,777.1	89%	\$ 202.4	10%	\$ 9.7	0%	\$ 5.0	0%	\$ 0.5	0%	\$ 0.2	0%	\$ 1,995.0	100%
53 Real Estate and Rental and Leasing	\$ 310.1	78%	\$ 69.7	18%	\$ 8.5	2%	\$ 3.2	1%	\$ 1.8	0%	\$ 1.8	0%	\$ 395.1	100%
54 Professional, Scientific, and Technical Services	\$ 1,299.3	74%	\$ 402.3	23%	\$ 28.2	2%	\$ 13.3	1%	\$ 4.7	0%	\$ 5.5	0%	\$ 1,753.3	100%
55 Management of Companies and Enterprises	\$ 458.4	91%	\$ 42.6	8%	\$ 0.8	0%	\$ 3.0	1%	\$ -	0%	\$ 0.2	0%	\$ 505.0	100%
56 Administrative and Support and Waste Management and Remediation Services	\$ 1,773.1	69%	\$ 532.8	21%	\$ 120.4	5%	\$ 65.4	3%	\$ 24.5	1%	\$ 50.2	2%	\$ 2,566.5	100%
61 Educational Services	\$ 138.1	81%	\$ 28.6	17%	\$ 3.6	2%	\$ 0.4	0%	\$ -	0%	\$ 0.2	0%	\$ 170.9	100%
62 Health Care and Social Assistance	\$ 2,343.9	81%	\$ 495.6	17%	\$ 37.3	1%	\$ 10.5	0%	\$ 2.4	0%	\$ 4.2	0%	\$ 2,893.8	100%
71 Arts, Entertainment, and Recreation	\$ 289.3	67%	\$ 75.8	18%	\$ 36.6	9%	\$ 16.0	4%	\$ 3.7	1%	\$ 8.5	2%	\$ 429.9	100%
72 Accommodation and Food Services	\$ 2,302.3	85%	\$ 320.4	12%	\$ 39.2	1%	\$ 25.3	1%	\$ 21.4	1%	\$ 10.2	0%	\$ 2,718.9	100%
81 Other Services (except Public Administration)	\$ 754.7	82%	\$ 138.1	15%	\$ 12.4	1%	\$ 7.5	1%	\$ 1.1	0%	\$ 4.2	0%	\$ 917.9	100%
92 Public Administration	\$ 87.8	88%	\$ 4.4	4%	\$ 7.2	7%	\$ -	0%	\$ -	0%	\$ 0.1	0%	\$ 99.5	100%
99/00 Unclassified	\$ 28.7	27%	\$ 66.7	64%	\$ 1.6	2%	\$ 0.7	1%	\$ -	0%	\$ 7.2	7%	\$ 104.9	100%
<b>Total</b>	<b>\$ 26,846.3</b>		<b>\$ 4,765.4</b>		<b>\$ 778.6</b>		<b>\$ 584.9</b>		<b>\$ 190.4</b>		<b>\$ 451.8</b>		<b>\$ 33,617.4</b>	
<b>Percent of Row</b>		<b>80%</b>		<b>14%</b>		<b>2%</b>		<b>2%</b>		<b>1%</b>		<b>1%</b>		<b>100%</b>

\*FY Payroll is the taxable payroll for 3rd and 4th quarters of 2018 and 1st and 2nd quarters of 2019.

# FINANCIAL STATEMENTS

For the Month Ended December 31, 2019



Division of Unemployment Insurance

Bureau of Tax and Accounting

DEPARTMENT OF WORKFORCE DEVELOPMENT  
U.I. TREASURER'S REPORT  
BALANCE SHEET  
FOR THE MONTH ENDED December 31, 2019

	CURRENT YEAR	PRIOR YEAR
<u>ASSETS</u>		
CASH:		
U.I. CONTRIBUTION ACCOUNT	694,378.33	1,098,930.63
U.I. BENEFIT ACCOUNTS	(75,473.51)	180,336.92
U.I. TRUST FUND ACCOUNTS (1) (2)	1,971,405,286.58	1,740,205,766.98
TOTAL CASH	1,972,024,191.40	1,741,485,034.53
ACCOUNTS RECEIVABLE:		
BENEFIT OVERPAYMENT RECEIVABLES	69,472,671.26	75,921,647.38
LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS (3)	(33,030,029.84)	(35,717,316.00)
NET BENEFIT OVERPAYMENT RECEIVABLES	36,442,641.42	40,204,331.38
TAXABLE EMPLOYER RFB & SOLVENCY RECEIV (4) (5)	27,566,592.70	29,768,851.97
LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS (3)	(15,574,316.24)	(18,729,115.64)
NET TAXABLE EMPLOYER RFB & SOLVENCY RECEIV	11,992,276.46	11,039,736.33
OTHER EMPLOYER RECEIVABLES	22,258,689.27	22,621,101.20
LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS	(7,715,937.86)	(8,547,537.59)
NET OTHER EMPLOYER RECEIVABLES	14,542,751.41	14,073,563.61
TOTAL ACCOUNTS RECEIVABLE	62,977,669.29	65,317,631.32
TOTAL ASSETS	2,035,001,860.69	1,806,802,665.85
<u>LIABILITIES AND EQUITY</u>		
LIABILITIES:		
CONTINGENT LIABILITIES (6)	27,015,631.07	28,675,990.83
OTHER LIABILITIES	11,697,582.72	11,066,322.66
FEDERAL BENEFIT PROGRAMS	200,576.27	209,392.92
CHILD SUPPORT HOLDING ACCOUNT	78,333.00	12,027.00
FEDERAL WITHHOLDING TAXES DUE	157,277.94	176,596.00
STATE WITHHOLDING TAXES DUE	1,741,623.25	1,587,487.80
DUE TO OTHER GOVERNMENTS (7)	406,408.39	365,796.47
TOTAL LIABILITIES	41,297,432.64	42,093,613.68
EQUITY:		
RESERVE FUND BALANCE	2,464,041,842.14	2,347,851,629.67
BALANCING ACCOUNT	(470,337,414.09)	(583,142,577.50)
TOTAL EQUITY	1,993,704,428.05	1,764,709,052.17
TOTAL LIABILITIES AND EQUITY	2,035,001,860.69	1,806,802,665.85

1. \$1,891,913 of this balance is for administration purposes and is not available to pay benefits.
2. \$2,154,287 of this balance is the remaining amount set aside for charging of benefits financed by Reimbursable Employers in cases of Identity Theft.
3. The allowance for uncollectible benefit overpayments is 50.3%. The allowance for uncollectible delinquent employer taxes is 42.5%. This is based on the historical collectibility of our receivables. This method of recognizing receivable balances is in accordance with generally accepted accounting principles.
4. The remaining tax due at the end of the current month for employers utilizing the 1st quarter deferral plan is \$186,485. Deferrals for the prior year were \$224,299.
5. \$7,825,082, or 28.4%, of this balance is estimated.
6. \$12,787,572 of this balance is net benefit overpayments which, when collected, will be credited to a reimbursable or federal program. \$14,228,059 of this balance is net interest, penalties, SAFI, and other fees assessed to employers and penalties and other fees assessed to claimants which, when collected, will be credited to the state fund.
7. This balance includes SAFI Payable of \$6,904. The 12/31/2019 balance of the Unemployment Interest Payment Fund (DWD Fund 214) is \$8,540. Total Life-to-date transfers from DWD Fund 214 to the Unemployment Program Integrity Fund (DWD Fund 298) were \$9,501,460.

DEPARTMENT OF WORKFORCE DEVELOPMENT  
U.I. TREASURER'S REPORT  
RESERVE FUND ANALYSIS  
FOR THE MONTH ENDED December 31, 2019

	<u>CURRENT ACTIVITY</u>	<u>YTD ACTIVITY</u>	<u>PRIOR YTD</u>
BALANCE AT BEGINNING OF MONTH/YEAR:			
U.I. TAXABLE ACCOUNTS	2,940,936,524.82	2,794,896,813.36	2,635,459,959.45
BALANCING ACCOUNT	<u>(922,329,448.45)</u>	<u>(1,030,187,761.19)</u>	<u>(1,125,485,495.65)</u>
TOTAL BALANCE	2,018,607,076.37	1,764,709,052.17	1,509,974,463.80
<u>INCREASES:</u>			
TAX RECEIPTS/RFB PAID	1,563,026.12	402,909,719.21	437,062,924.82
ACCRUED REVENUES	1,098,133.95	(1,435,180.97)	(2,046,869.66)
SOLVENCY PAID	339,057.60	150,721,213.75	155,760,888.40
FORFEITURES	2,788.00	34,434.00	232,714.16
BENEFIT CONCEALMENT INCOME	44,616.52	679,471.92	772,761.21
INTEREST EARNED ON TRUST FUND	12,055,554.87	44,861,619.00	36,939,644.90
FUTA TAX CREDITS	0.00	19,240.03	43,916.63
OTHER CHANGES	<u>23,231.63</u>	<u>386,977.45</u>	<u>439,874.16</u>
TOTAL INCREASES	15,126,408.69	598,177,494.39	629,205,854.62
<u>DECREASES:</u>			
TAXABLE EMPLOYER DISBURSEMENTS	33,422,848.94	310,248,957.63	315,749,703.74
QUIT NONCHARGE BENEFITS	4,975,581.87	45,537,442.59	44,983,108.08
OTHER DECREASES	10,895.99	(2,164,445.15)	(567,423.00)
OTHER NONCHARGE BENEFITS	<u>1,619,730.21</u>	<u>15,560,163.44</u>	<u>14,305,877.43</u>
TOTAL DECREASES	40,029,057.01	369,182,118.51	374,471,266.25
BALANCE AT END OF MONTH/YEAR:			
RESERVE FUND BALANCE	2,464,041,842.14	2,464,041,842.14	2,347,851,629.67
BALANCING ACCOUNT	<u>(470,337,414.09)</u>	<u>(470,337,414.09)</u>	<u>(583,142,577.50)</u>
TOTAL BALANCE (8) (9) (10)	<u><u>1,993,704,428.05</u></u>	<u><u>1,993,704,428.05</u></u>	<u><u>1,764,709,052.17</u></u>

8. This balance differs from the cash balance related to taxable employers of \$1,960,524,402 because of non-cash accrual items.

9. \$1,891,913 of this balance is set up in the Trust Fund in two subaccounts to be used for administration purposes and is not available to pay benefits.

10. \$2,154,287 of this balance is the remaining amount set aside for charging of benefits financed by Reimbursable Employers in cases of Identity Theft.

**DEPARTMENT OF WORKFORCE DEVELOPMENT  
U.I. TREASURER'S REPORT  
RECEIPTS AND DISBURSEMENTS STATEMENT  
FOR THE MONTH ENDED 12/31/19**

<b>RECEIPTS</b>	<b>-CURRENT ACTIVITY--</b>	<b>--YEAR TO DATE---</b>	<b>PRIOR YEAR TO DATE</b>
TAX RECEIPTS/RFB	\$1,563,026.12	\$402,909,719.21	\$437,062,924.82
SOLVENCY	339,057.60	150,721,213.75	155,760,888.40
ADMINISTRATIVE FEE	128.67	1,195.81	1,300.38
ADMINISTRATIVE FEE - PROGRAM INTEGRITY	6,249.49	3,337,702.46	3,279,868.91
UNUSED CREDITS	(3,934.00)	3,962,605.92	6,146,521.38
GOVERNMENTAL UNITS	615,812.16	9,967,557.56	10,562,922.19
NONPROFITS	770,285.06	10,414,875.47	11,365,973.62
INTERSTATE CLAIMS (CWC)	284,098.17	4,399,304.15	3,859,338.89
ERROR SUSPENSE	1,039.79	1,459.61	695.62
FEDERAL PROGRAMS RECEIPTS	93,452.96	(231,338.20)	379,962.27
OVERPAYMENT COLLECTIONS	1,164,504.28	17,720,302.65	19,563,803.93
FORFEITURES	2,788.00	34,434.00	232,714.16
BENEFIT CONCEALMENT INCOME	44,616.52	679,471.92	772,761.21
EMPLOYER REFUNDS	(447,304.95)	(5,605,921.07)	(6,274,574.22)
COURT COSTS	40,650.35	476,855.97	521,184.29
INTEREST & PENALTY	275,841.56	3,655,854.80	3,738,633.90
CARD PAYMENT SERVICE FEE	977.71	7,313.18	0.00
BENEFIT CONCEALMENT PENALTY-PROGRAM INTEGRITY	70,554.51	1,007,013.25	1,063,856.10
MISCLASSIFIED EMPLOYEE PENALTY-PROG INTEGRITY	338.25	27,260.06	2,330.41
SPECIAL ASSESSMENT FOR INTEREST	4,166.36	23,569.76	18,100.98
INTEREST EARNED ON U.I. TRUST FUND BALANCE	12,055,554.87	44,861,619.00	36,939,644.90
MISCELLANEOUS	3,289.78	77,895.38	86,660.38
<b>TOTAL RECEIPTS</b>	<b>\$16,885,193.26</b>	<b>\$648,449,964.64</b>	<b>\$685,085,512.52</b>

**DISBURSEMENTS**

CHARGES TO TAXABLE EMPLOYERS	\$34,292,622.25	\$325,664,423.92	\$331,758,643.93
NONPROFIT CLAIMANTS	821,280.26	9,598,545.93	10,619,754.52
GOVERNMENTAL CLAIMANTS	856,711.04	9,147,263.05	9,770,270.86
INTERSTATE CLAIMS (CWC)	412,948.03	3,787,194.50	3,748,886.14
QUITS	4,975,581.87	45,537,442.59	44,983,108.08
OTHER NON-CHARGE BENEFITS	1,523,811.58	15,962,817.22	14,634,944.74
CLOSED EMPLOYERS	(48.70)	(19,816.69)	3,007.46
FEDERAL PROGRAMS			
FEDERAL EMPLOYEES (UCFE)	157,656.42	1,255,644.36	1,437,007.83
EX-MILITARY (UCX)	39,474.42	400,110.15	509,267.83
TRADE ALLOWANCE (TRA/TRA-NAFTA)	99,057.00	1,181,561.82	2,409,608.44
DISASTER UNEMPLOYMENT (DUA)	0.00	19,310.00	20,959.00
2003 TEMPORARY EMERGENCY UI (TEUC)	(1,129.15)	(20,719.08)	(15,579.09)
FEDERAL ADD'L COMPENSATION \$25 ADD-ON (FAC)	(25,180.86)	(280,517.33)	(384,314.62)
FEDERAL EMERGENCY UI (EUC)	(182,094.21)	(2,571,062.16)	(3,199,189.95)
FEDERAL EXTENDED BENEFITS (EB)	(13,804.44)	(196,987.05)	(260,244.55)
FEDERAL EMPLOYEES EXTENDED BEN (UCFE EB)	0.00	(1,331.67)	(4,847.23)
FEDERAL EX-MILITARY EXTENDED BEN (UCX EB)	(290.21)	(8,530.59)	(4,649.75)
INTERSTATE CLAIMS EXTENDED BENEFITS (CWC EB)	(80.44)	(1,495.12)	(3,361.39)
INTEREST & PENALTY	322,840.99	3,628,523.76	3,763,460.09
CARD PAYMENT SERVICE FEE TRANSFER	832.91	6,335.47	0.00
PROGRAM INTEGRITY	57,080.46	4,367,699.15	4,341,991.56
SPECIAL ASSESSMENT FOR INTEREST	0.00	19,946.95	22,351.66
COURT COSTS	28,904.14	473,191.92	524,820.47
ADMINISTRATIVE FEE TRANSFER	200.33	1,162.25	1,278.34
FEDERAL WITHHOLDING	(85,753.64)	19,318.06	(150,065.00)
STATE WITHHOLDING	(801,504.00)	(154,135.45)	(21,988.57)
STC IMPLEMENT/IMPROVE & PROMOTE/ENROLL EXP	0.00	114,151.84	8,871.23
FEDERAL LOAN REPAYMENTS	0.00	(19,240.03)	(43,916.63)
<b>TOTAL DISBURSEMENTS</b>	<b>\$42,479,116.05</b>	<b>\$417,910,807.77</b>	<b>\$424,470,075.40</b>

NET INCREASE(DECREASE)	(25,593,922.79)	230,539,156.87	260,615,437.12
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BALANCE AT BEGINNING OF MONTH/YEAR	\$1,997,618,114.19	\$1,741,485,034.53	\$1,480,869,597.41
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BALANCE AT END OF MONTH/YEAR	\$1,972,024,191.40	\$1,972,024,191.40	\$1,741,485,034.53
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DEPARTMENT OF WORKFORCE DEVELOPMENT  
U.I. TREASURER'S REPORT  
CASH ANALYSIS  
FOR THE MONTH ENDED December 31, 2019

	<u>CURRENT ACTIVITY</u>	<u>YEAR TO DATE ACTIVITY</u>	<u>PRIOR YTD ACTIVITY</u>
BEGINNING U.I. CASH BALANCE	\$1,986,213,916.04	\$1,730,835,304.79	\$1,471,761,579.73
INCREASES:			
TAX RECEIPTS/RFB PAID	1,563,026.12	402,909,719.21	437,062,924.82
U.I. PAYMENTS CREDITED TO SURPLUS	720,961.99	154,321,293.43	160,959,840.40
INTEREST EARNED ON TRUST FUND	12,055,554.87	44,861,619.00	36,939,644.90
FUTA TAX CREDITS	<u>0.00</u>	<u>19,240.03</u>	<u>43,916.63</u>
TOTAL INCREASE IN CASH	<u>14,339,542.98</u>	<u>602,111,871.67</u>	<u>635,006,326.75</u>
TOTAL CASH AVAILABLE	<u>2,000,553,459.02</u>	<u>2,332,947,176.46</u>	<u>2,106,767,906.48</u>
DECREASES:			
TAXABLE EMPLOYER DISBURSEMENTS	33,422,848.94	310,248,957.63	315,749,703.74
BENEFITS CHARGED TO SURPLUS	<u>6,606,208.07</u>	<u>62,059,664.98</u>	<u>60,174,026.72</u>
TOTAL BENEFITS PAID DURING PERIOD	40,029,057.01	372,308,622.61	375,923,730.46
SHORT-TIME COMPENSATION EXPENDITURES	<u>0.00</u>	<u>114,151.84</u>	<u>8,871.23</u>
ENDING U.I. CASH BALANCE (11) (12) (13)	<u><u>1,960,524,402.01</u></u>	<u><u>1,960,524,402.01</u></u>	<u><u>1,730,835,304.79</u></u>

11. \$1,607,328 of this balance was set up in 2009 in the Trust Fund as a subaccount per the ARRA UI Modernization Provisions and is not available to pay benefits.

12. \$284,585 of this balance was set up in 2015 in the Trust Fund as a Short-Time Compensation (STC) subaccount to be used for Implementation and Improvement of the STC program and is not available to pay benefits.

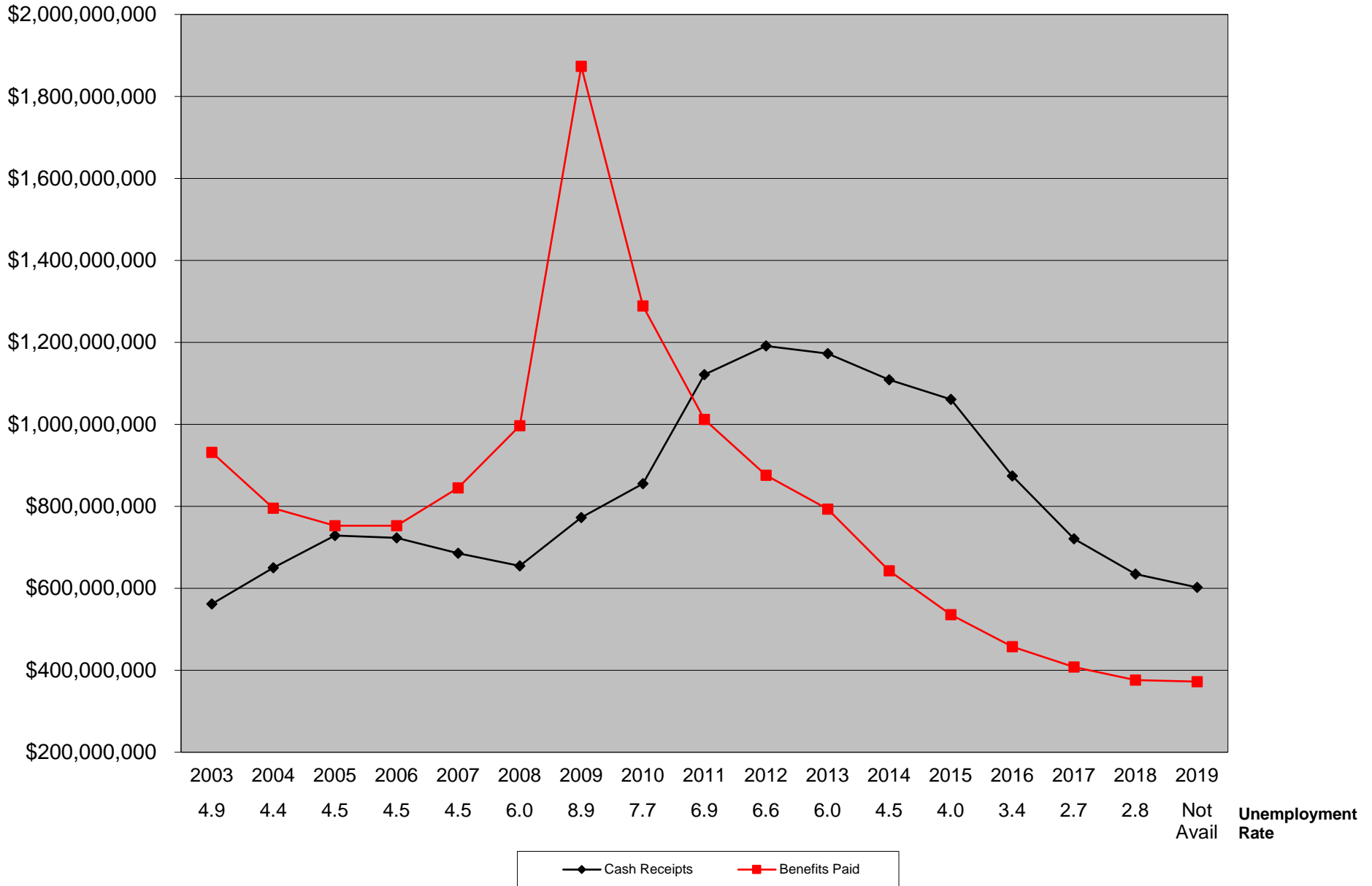
13. \$2,154,287 of this balance is the remaining amount set aside for charging of benefits financed by Reimbursable Employers in cases of Identity Theft.

DEPARTMENT OF WORKFORCE DEVELOPMENT  
U.I. TREASURER'S REPORT  
BALANCING ACCT SUMMARY  
FOR THE MONTH ENDED December 31, 2019

	<u>CURRENT ACTIVITY</u>	<u>YEAR TO DATE ACTIVITY</u>	<u>PRIOR YTD ACTIVITY</u>
BALANCE AT THE BEGINNING OF THE MONTH/YEAR	(\$509,681,599.46)	(\$617,016,324.88)	(\$715,103,113.34)
INCREASES:			
U.I. PAYMENTS CREDITED TO SURPLUS:			
SOLVENCY PAID	339,057.60	150,721,213.75	155,760,888.40
FORFEITURES	2,788.00	34,434.00	232,714.16
OTHER INCREASES	<u>379,116.39</u>	<u>3,565,645.68</u>	<u>4,966,237.84</u>
U.I. PAYMENTS CREDITED TO SURPLUS SUBTOTAL	720,961.99	154,321,293.43	160,959,840.40
TRANSFERS BETWEEN SURPLUS ACCTS (14)	(6,149.46)	(23,529,450.89)	(39,673,715.52)
INTEREST EARNED ON TRUST FUND	12,055,554.87	44,861,619.00	36,939,644.90
FUTA TAX CREDITS	<u>0.00</u>	<u>19,240.03</u>	<u>43,916.63</u>
TOTAL INCREASES	12,770,367.40	175,672,701.57	158,269,686.41
DECREASES:			
BENEFITS CHARGED TO SURPLUS:			
QUITS	4,975,581.87	45,537,442.59	44,983,108.08
OTHER NON-CHARGE BENEFITS	1,630,626.20	16,522,219.39	15,190,918.64
MISCELLANEOUS EXPENSE	<u>0.00</u>	<u>3.00</u>	<u>0.00</u>
BENEFITS CHARGED TO SURPLUS SUBTOTAL	6,606,208.07	62,059,664.98	60,174,026.72
SHORT-TIME COMPENSATION EXPENDITURES	<u>0.00</u>	<u>114,151.84</u>	<u>8,871.23</u>
BALANCE AT THE END OF THE MONTH/YEAR	<u><u>(503,517,440.13)</u></u>	<u><u>(503,517,440.13)</u></u>	<u><u>(617,016,324.88)</u></u>

14. The 10% writeoff for 2019 was \$37.5 million and is included in this balance. The 10% writeoff shifts employer benefit charges to the balancing account. The 10% writeoff has no effect on receivable balances.

## Cash Activity Related to Taxable Employers with WI Unemployment Rate (for all years from January to December)



# **STATEMENT OF SCOPE**

## **Department of Workforce Development**

**Rule No.:** DWD 100 and 131

**Relating to:** Drug Testing of Unemployment Insurance Applicants

**Rule Type:** Permanent

### **Detailed Description of the Objective of the Proposed Rule**

The proposed rules will amend chs. DWD 100 and 131, relating to occupational drug testing for unemployment insurance (UI) benefit applicants. The proposed rules will establish a drug testing program to require certain applicants to submit to tests for the unlawful use of controlled substances, if the applicant is determined to be an individual for whom suitable work is only available in an occupation that regularly conducts drug testing.

If the department determines the applicant's only suitable work is in an occupation that regularly conducts drug testing, the proposed rules will provide that the department must screen the applicant to determine if there is a reasonable suspicion the applicant has engaged in the unlawful use of controlled substances before requiring the applicant to submit to a drug test.

In addition, the proposed rules will provide that if an applicant for whom there is reasonable suspicion of unlawful use of controlled substances declines to submit to a drug test, or submits to a drug test, but tests positive for controlled substances without providing a valid prescription for the control substance and refuses to participate in a substance abuse program, the applicant will be ineligible for unemployment insurance benefits.

### **Description of Existing Policies Relevant to the Rule, New Policies Proposed to be Included in the Rule, and an Analysis of Policy Alternatives**

No existing policies are related to the proposed rules. As directed by section 108.133, the proposed rules will:

- Establish a drug testing program to test applicants for regular UI benefits for the unlawful use of controlled substances.
- Identify occupations for which drug testing is regularly conducted in this state.
- Establish procedures to determine whether an applicant who applies for regular UI benefits is an individual for whom suitable work is only available in an occupation that regularly conducts drug testing.
- Create a screening process for determining whether there is a reasonable suspicion that an applicant has engaged in the unlawful use of controlled substances.
- Identify a process for testing applicants for the unlawful use of controlled substances.
- Identify the parameters for a substance abuse treatment program for applicants

who engage in the unlawful use of controlled substances in order to be considered in full compliance with the requirements of the substance abuse treatment program.

- Provide that, if an applicant enrolled in a substance abuse treatment program is required to submit to additional drug tests, the applicant may have at least one more positive test, following the initial drug test, and still be considered in compliance with the substance abuse treatment program requirements.
- Identify the parameters for a jobs skills assessment for applicants who engage in the unlawful use of controlled substances and specify the criteria that an applicant must satisfy in order to be considered in full compliance with the requirements of the job skills assessment.
- Identify a period of ineligibility that must elapse or a requalification requirement that must be satisfied, or both, in order for an applicant to again qualify for benefits after becoming ineligible after the applicant declined to submit to a drug test, or the applicant submitted to the drug test, and tested positive for the use of controlled substances for which the applicant did not present evidence satisfactory to the department of possessing a valid prescription.

The policy alternative is to do nothing. If the department does not promulgate the proposed rules, the department’s administrative rules will be inconsistent with statutory requirements.

**Detailed explanation of statutory authority for the rule, including the statutory citation and language**

Under Wis. Stat. § 108.133(2), “The department shall establish a program to test applicants for the unlawful use of controlled substances in accordance with this section and shall, under the program...”

“Promulgate rules to establish the program.” Wis. Stat. § 108.133(2)(a).

“Promulgate rules identifying occupations for which drug testing is regularly conducted in this state.” Wis. Stat. § 108.133(2)(am).

**Estimate of amount of time that state employees will spend developing the rule and other resources necessary to develop the rule**

The total amount of staff time is estimated to be approximately 200 hours.

**List with description of all entities that may be affected by the proposed rule**

The proposed rules may affect individuals who apply for regular UI benefits whose only suitable work is in an occupation that regularly conducts drug testing and may affect their employers.

**Summary and preliminary comparison with any existing or proposed federal regulation that is intended to address the activities to be regulated by the proposed rule**

Federal law permits states to, as a condition of receiving UI benefits, test unemployment insurance applicants for whom suitable work is only available in an occupation that regularly conducts drug testing for the unlawful use of controlled substances. A state may deny UI benefits to such applicants who test positive for the unlawful use of controlled substances. 42 U.S.C. § 503(l).

Federal law requires that state law conform to and comply with federal requirements. *See* 20 C.F.R. § 601.5.

**Anticipated economic impact of implementing the rule (note if the rule is likely to have an economic impact on small businesses)**

The anticipated economic impact of the proposed rules on businesses, including small businesses, is indeterminate.

**Contact Person:** Janell Knutson, Director, Bureau of Legal Affairs, Unemployment Insurance Division, at (608) 266-1639 or [janell.knutson@dwd.wisconsin.gov](mailto:janell.knutson@dwd.wisconsin.gov).

**Approval of the agency head or authorized individual:**

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**Pamela R. McGillivray, Chief Legal Counsel**

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**Date Submitted**

**Unemployment Insurance Advisory Council  
Tentative Schedule 2020**

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January 16, 2020	Scheduled Meeting of UIAC
February 20, 2020	Scheduled Meeting of UIAC
March 19, 2020	Scheduled Meeting of UIAC
April 16, 2020	Scheduled Meeting of UIAC
May 21, 2020 (*Thurs. before Memorial Day Weekend)	Scheduled Meeting of UIAC
June 18, 2020	Scheduled Meeting of UIAC
July 16, 2020	Scheduled Meeting of UIAC
August 20, 2020	Scheduled Meeting of UIAC
September 17, 2020	Scheduled Meeting of UIAC
October 15, 2020	Scheduled Meeting of UIAC
November 19, 2020 (Tentative Public Hearing Date)	Scheduled Meeting of UIAC Tentative Public Hearing via Video Conference (3:30 p.m. – 6:00 p.m.)