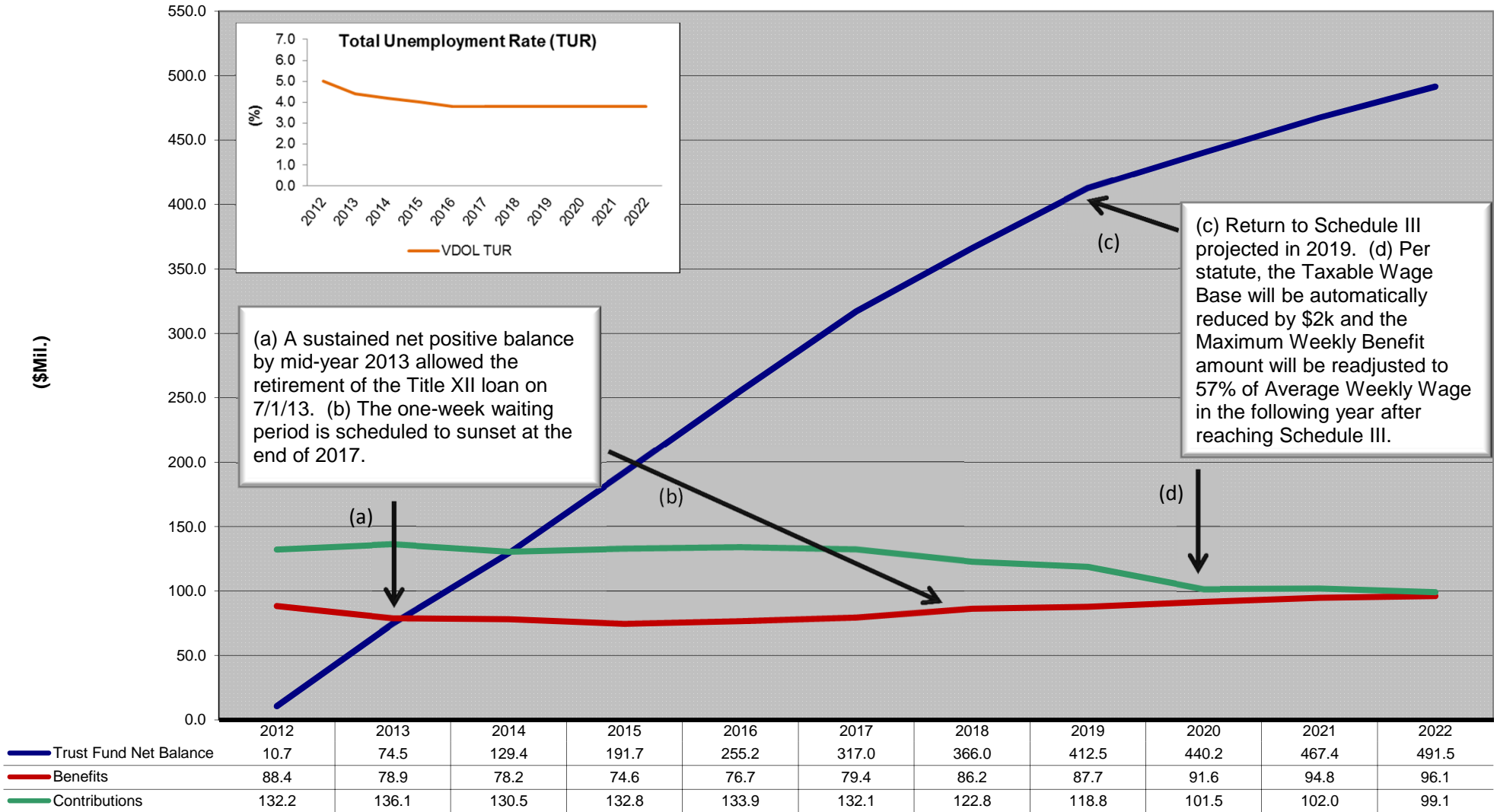


Vermont UI Trust Fund Baseline Forecast - January 2014



NOTES:

- The Trust Fund Net Balance is a theoretical total of cash offset by any loan amount as applicable; Loan repaid in 2013.

SOURCE: VDOL Benefit Finance Model, Jan. 2014, unless otherwise noted.

Vermont UI Trust Fund Baseline Forecast - January 2014

Year ^	Benefits					Contributions		
	Trust Fund Net Balance (\$Mil.)	Regular Benefits (\$Mil.)	Extended Benefits (\$Mil.)	Total Benefits (\$Mil.)	Max Weekly Benefit	Total Contributions (\$Mil.)	Taxable Wage Base	
2012	10.7	88.4	0.0	88.4	425	132.2	16,000	
2013	74.5	78.9	0.0	78.9	425	136.1	16,000	
2014	129.4	78.2	0.0	78.2	434	130.5	16,000	
2015	191.7	74.6	0.0	74.6	442	132.8	16,300	
2016	255.2	76.7	0.0	76.7	451	133.9	16,600	
2017	317.0	79.4	0.0	79.4	460	132.1	16,900	
2018	366.0	86.2	0.0	86.2	469	122.8	17,200	
2019	412.5	87.7	0.0	87.7	479	118.8	17,500	
2020	440.2	91.6	0.0	91.6	509	101.5	15,500	
2021	467.4	94.8	0.0	94.8	520	102.0	15,800	
2022	491.5	96.1	0.0	96.1	530	99.1	16,100	

Year ^	Total Unemployment Rate*	Total Wages (\$Bil.)	Taxable Wages (\$Bil.)	Wage Growth*	Labor Force Growth*	Tax Rate Schedule
2012	5.0	8.3	3.3	-	-	5
2013	4.4	8.3	3.3	2.0%	-1%	5
2014	4.2	8.4	3.3	2.0%	0%	5
2015	4.0	8.6	3.3	2.0%	0%	5
2016	4.0	8.7	3.3	2.0%	-1%	5
2017	4.0	8.9	3.4	2.0%	0%	4
2018	4.0	9.1	3.5	2.0%	0%	4
2019	4.0	9.2	3.5	2.0%	-1%	3
2020	4.0	9.3	3.2	2.0%	0%	3
2021	4.0	9.5	3.3	2.0%	0%	3
2022	4.0	9.6	3.3	2.0%	-1%	2

Year ^	Interest Rate % [‡]	Interest Earned (\$Mil.)	End of Year Loan Amount (\$Mil.)*	Interest Payable September 30 (\$Mil.)*	FUTA Credit Reduction %	FUTA Credit Payment Jan 1 (\$Mil.)**
2012	2.94	0.3	57.7	2.5	0.3	0.0
2013	2.68	2.0	0.0	1.1	0.0	4.9
2014	2.58	2.5	0.0	0.0	0.0	0.0
2015	2.43	4.0	0.0	0.0	0.0	0.0
2016	2.48	6.3	0.0	0.0	0.0	0.0
2017	2.79	9.2	0.0	0.0	0.0	0.0
2018	3.20	12.4	0.0	0.0	0.0	0.0
2019	3.62	15.4	0.0	0.0	0.0	0.0
2020	3.95	17.9	0.0	0.0	0.0	0.0
2021	4.21	19.9	0.0	0.0	0.0	0.0
2022	4.41	21.1	0.0	0.0	0.0	0.0
Totals				3.6		4.9

NOTES & SOURCES:

* VDOL E&LMI Projections.

^ #s are as of end of year; 2012-13 are actual data.

‡ Based on Fiscal Years; The interest rate for 2014 forward is a forecast provided by USDOL.

** Current to date; additional money is received quarterly.

SOURCE: VDOL Benefit Finance Model, Jan. 2014, unless otherwise noted.

Forecast Parameters Extracted From Bill S. 290 (ACT 0124)

Title: An Act Relating to Restoring Solvency to the Unemployment Trust Fund

Taxable Wage Base (TWB)

Beginning January 1, 2012, the TWB will remain at \$16,000 until the Trust Fund has a positive balance on June 1 (with no outstanding loan amount), at which point the TWB will index upward annually by overall wage growth as determined by the QCEW program beginning January 1 of the following year and thereafter. Based on the July 1, 2013 date of repayment for the Title XII loan, the TWB will begin indexing in 2015 and annually thereafter.

When the unemployment contribution rate schedule is reduced to Schedule III, the TWB will be reduced by \$2,000 on January 1 of the following year and will index upward annually by overall wage growth thereafter. When reduced to Schedule I, the TWB will be reduced again by \$2,000 on January 1 of the following year and will continue to index thereafter. The first downward adjustment is forecast to occur in 2021.

Maximum Weekly Benefit (MWB)

The MWB will remain frozen at \$425 until the Trust Fund has a positive balance as of December 31 of any given year, at which point the MWB will index upward annually by overall wage growth as determined by the QCEW program beginning the first day of the first calendar week of July of the following year and thereafter. Based on the July 1, 2013 retirement of the Title XII loan, the MWB will begin indexing in 2014 and annually thereafter.

When the unemployment contribution rate schedule is reduced to Schedule III, the MWB will be adjusted on the first day of the first calendar week in July to an amount equal to 57% of the state annual average weekly wage. An adjustment as previously described is projected to occur in 2021 based on this current forecast.

Disregarded Part-time Earnings

For claims established on or after July 1, 2012, \$40.00 or 30% of weekly earnings will be disregarded, whichever amount is greater.

Computation of Benefits

For claims established on or after July 1, 2011, the maximum benefits paid during a benefit year will not exceed the lesser of 26 times the claimant's weekly benefit or 46% of the total wages paid to the claimant during the base period.

One Week Waiting Period

For claims established on or after July 1, 2012, a one week waiting period will have to be served before any benefit payment is allowed. The required waiting period will end on July 1, 2017 or when the Trust Fund has a positive balance on December 31 of the prior year, whichever is later. Claimants will still receive the full 26 weeks of benefits, just delayed by one week.

Misconduct

For claims established on or after July 1, 2011, findings of simple misconduct will result in a cap of 23 weeks of benefits.