

Examples of Solvency Surcharge Provisions

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October 19, 2021

State	Surcharge Amount	When Charged?	Where are Funds Deposited?	Permissible Uses?	Notes
AK	<ul style="list-style-type: none"> • Difference between Reserve Rate and 3% • No greater than 1.1% • Cannot increase by more than 0.3% from year to year 	<ul style="list-style-type: none"> • When Reserve Rate is below 3% • Reserve Rate equals UITF balance divided by payroll of covered employers in previous 12 months 	UITF	Benefits and other UITF uses.	Credit if Reserve Rate is greater than 3%
CA	Each employer's tax rate multiplied by 1.15	When balance of UITF is less than 0.6% of wages in covered employment	UITF	Benefits and other UITF uses.	
CT	<ul style="list-style-type: none"> • Amount necessary to maintain UITF at balance equal to AHCM of 1.0 • No greater than 1.4% 	When balance of UITF is projected to drop below AHCM of 1.0	UITF	Benefits and other UITF uses.	Employers receive reduced rate during next year if UITF ends year above AHCM of 1.0
GA	Increase in tax rates by 25%-100% depending on Reserve Ratio	<ul style="list-style-type: none"> • Statewide Reserve Ratio below 1.7% • Reserve Rate equals UITF 	UITF	Benefits and other UITF uses.	Employers receive rate reduction when Reserve Ratio is above 2.4%

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		balance divided by payroll of covered employers in previous year			
ID	<ul style="list-style-type: none"> Equal to 20% of taxable wage rate Payable by all taxable employers except deficit rated employers paying a higher deficit tax rate 	<ul style="list-style-type: none"> When Reserve Fund is less than 1% of state taxable wages from two years ago. 	Employment Security Reserve Fund	<ul style="list-style-type: none"> Loans to UITF Security for federal loans Repayment of loans and interest 	
IL	0.4-0.55%	Permanent	UITF or, if bond obligations outstanding, the Master Bond Fund	<ul style="list-style-type: none"> Benefits and other UITF uses; or Bond obligations 	
KS	13-26% increase in employer tax rates depending on UITF percentage of AHCM	Applies when UITF is less than 75% of AHCM	UITF	Benefits and other UITF uses	13-26% decrease in employer tax rates when UITF is greater than 125% of AHCM
LA	Up to 30% of employer's quarterly contributions	UITF projected to drop below \$100million in next four calendar quarters	UITF	Benefits and other UITF uses	10% reduction in tax rates if UITF exceeds \$400million
MO	<ul style="list-style-type: none"> 0.25%-1.5% for max rate employers 	<ul style="list-style-type: none"> Employers taxed at maximum rate for 2+ consecutive 	UITF	Benefits and other UITF uses	

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	<ul style="list-style-type: none"> Increases by 0.25% for each additional year at max rate 10-30% increase for all employers 	<ul style="list-style-type: none"> years subject to max rate surcharge All employers subject to solvency increase when UITF drops below \$450million 			
NJ	10% increase	<ul style="list-style-type: none"> Reserve ratio below 1.0% Reserve ratio is UITF balance divided by total taxable wages 	UITF	Benefits and other UITF uses	
OH	0.025-0.2% plus additional percentage derived from average contribution rate of all employers	<ul style="list-style-type: none"> 15% or more below minimum safe level Minimum safe level is amount equal to two standard deviations above average UI benefits from 1970 to most recent CY 	UITF	Benefits and other UITF uses	
OK	Up to 33.3% of UI tax liability for last quarter as necessary to maintain UITF balance of \$25million	UITF projected to drop below \$25million in next quarter	UITF	Benefits and other UITF uses	

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PA	<ul style="list-style-type: none"> • Surcharge of 4-8% on contributions due • Rate of contribution increased by 0.1-0.75% depending on ratio of UITF balance to average benefit costs for past 3 years 	<ul style="list-style-type: none"> • Surcharge triggered when ratio of UITF balance to average benefit cost for past 3 years is less than 1.25 • Contribution rate increased when ratio of UITF balance to average benefit costs for past 3 years is less than 1.1 	UITF	Benefits and other UITF uses	Surcharge of -1.5% when ratio of UITF balance to average benefit cost for past 3 years is at least 1.5
SD	0.1-1.5%	UITF balance less than \$11million	UITF	Benefits and other UITF uses	
VA	0.2%	<ul style="list-style-type: none"> • UITF balance is 50% or less of adequate fund balance • Adequate fund balance is 138% of AHCM 	UITF	Benefits and other UITF uses	
WA	Up to 0.2%	UITF balance is insufficient to provide 7 months of benefits	UITF	Benefits and other UITF uses	