



**Annual Evaluation of the
Hawai'i Unemployment Compensation Trust Fund**

State of Hawai'i
Department of Labor & Industrial Relations

December 2021

STATE OF HAWAI'I
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EXECUTIVE SUMMARY

Highlights

	2020	2021	2022
Unemployment Compensation Trust Fund			
Contributions	\$175 million	\$223 million*	\$267 million*
Interest	\$6 million	\$4 million*	4.5 *
Benefits	\$1,496 million	\$284 million*	\$328 million*
Loans	\$692 million		
Fund Balance (end of year)	-\$646 million	\$119 million*	\$58 million*
Unemployment Rates			
Hawai'i Insured Unemployment Rate	11.75%	2.9%*	2.4%*
Hawai'i Total Unemployment Rate	11.6%	7.7%*	5.4%*
U.S. Total Unemployment Rate	8.1%		
Taxable Wage Base			
	\$48,100	\$47,400	\$51,600
Tax Schedule			
	Schedule C	Schedule D	Schedule D
Tax Rates			
Minimum	0.0%	0.2%	0.2%
Maximum	5.6%	5.8%	5.8%
Average			
% of Taxable Wages	1.3%	1.6%*	1.6%*
% of Total Wages	0.9%	1.1%*	0.9%*
Weekly Benefit Amount			
Minimum	\$5	\$5	\$5
Maximum	\$648	\$639	\$695
Average	\$454		
Average Benefit Duration			
	19.1 weeks		

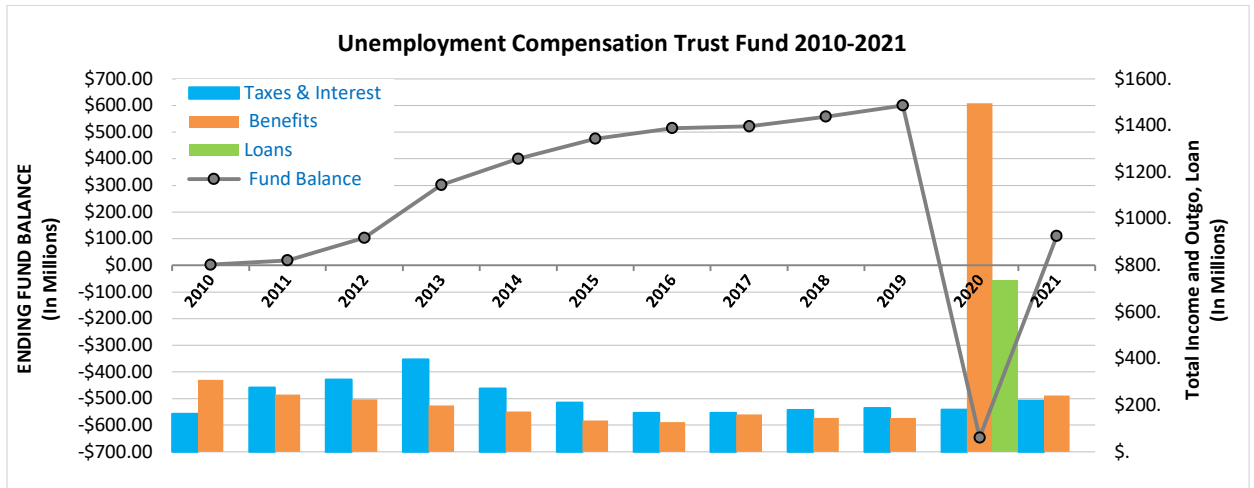
* estimated

Status of the Fund

The Hawai'i Unemployment Compensation Trust Fund *balance* was \$110.9 million at the end of November 2021. During the first eleven months of 2021, \$219.4 million in taxes and no interest were added to the Fund. At the same time, \$241.3 million in benefits were paid out from the Fund. As of November, the fund balance is 0.07 of the adequate level. This amount wouldn't finance at least a year of unemployment at the worst level experienced during the last ten years.

The surge in UI claims because of COVID-19 rapidly depleted the balance of the Hawaii Unemployment Insurance Trust Fund in July 2020, requiring the State to borrow from the federal government to pay claims. Borrowing continued during 2021 with all loan repaid in September 2021. No interest accrues on loans during CY 2020. *Section 1202(b)(10)(A) of the Social Security Act as amended by Section 4103 of PL 116-127 deferred the accrual of interest on state advances until September 6, 2021.

Assuming the calendar year 2022 insured unemployment rate averages 2.4%, or about 12,100 claims per week, the fund balance is estimated to be \$58.0 million at the end of 2022. With this fund balance, Schedule H would be in effect for 2023.

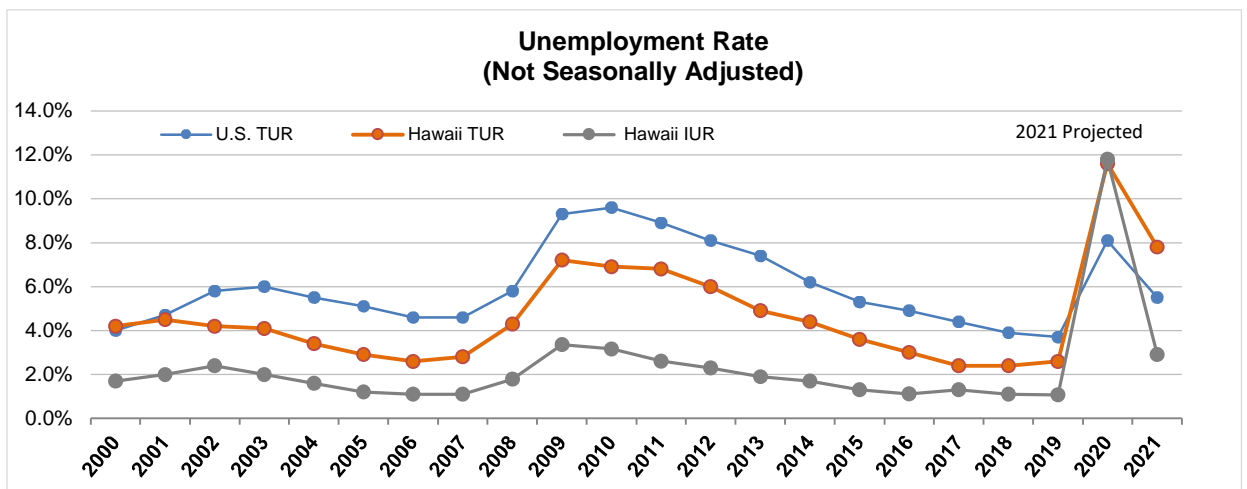


Economic Factors

The national not seasonally adjusted total unemployment rate (TUR) was 3.9% as of November 2021, decreasing from the November 2020 rate of 6.4%. Hawaii's not seasonally adjusted total unemployment rate (TUR) was 5.4% in November 2021 as compared to 10.4% in November 2020. Hawaii's total nonagricultural wage and salary job count grew in 2021, averaging 566,236 for the eleven months ending November 2021. This is a 8,564 increase from the average of 557,673 for the same period in 2020.

The insured unemployment rate (IUR), a measure of the unemployed covered by Hawaii's Unemployment Compensation program, is used to project outgo from the Unemployment Compensation Trust Fund. The IUR averaged 11.8% in 2020. It is at 2.55% as of November 2021.

Projections in this report assume that national and Hawaii labor force numbers will reflect continuing favorable conditions. Hawaii total unemployment rate (TUR) is projected to average 8.1% in 2021 and 5.4% in 2022. Trust fund estimates are based on an insured unemployment rate (IUR) of 2.92% in 2021 and 2.4% in 2022.



2022 Tax Schedule and Taxable Wage Base

The low fund balance in the Unemployment Trust Fund at the end of 2021 would have triggered a scheduled increase in Unemployment Tax Rate for 2022. However, legislative action (HB 1278/Act 1) set employer state unemployment insurance (SUI) tax for 2021-2022 at Rate Schedule D, with rates ranging from 0.2% to 5.8%, rather than at Rate Schedule H, the highest schedule provided for under state law. The average tax rate is estimated to be 1.60%. The taxable wage base (maximum annual wages taxable per employee) will be \$51,600 in 2022.

BACKGROUND INFORMATION

Purpose of Report

This report is produced to meet the requirements of section 383–126.5, Hawai'i Revised Statutes, which calls for an *annual evaluation of the adequacy of the Hawai'i Unemployment Compensation Trust Fund balance*, taking into account conditions in the State and national economic trends.

Fund Definition and Requirements

Establishment of Fund in Hawai'i state law. The Hawai'i Employment Security Law (Hawai'i Revised Statutes, chapter 383) establishes the Unemployment Compensation Trust Fund under the administration of the Department of Labor and Industrial Relations. Unemployment insurance contributions (taxes) are collected from employers and deposited into this fund. Interest earned on the fund balance is also credited to the fund. The fund can be used *only* to pay unemployment insurance benefits or refunds of overpaid contributions.

Federal requirements. Both state and federal laws govern the unemployment insurance program. The Federal Unemployment Tax Act (FUTA), which is part of the U.S. Internal Revenue Code, provides for a federal payroll tax—currently 6.0% of the first \$7,000 in wages per year per employee. Employers receive a tax credit of 5.4% against the Federal tax (resulting in a net tax rate of 0.6%) if their state's law meets all the requirements in the federal laws. The federal tax pays for state and federal administration costs, the federal share of extended benefits, and a loan fund for states that deplete their unemployment funds.

The Social Security Act also contains many requirements relating to the unemployment insurance program.

Three important trust fund related federal requirements are as follows.

- All state Unemployment Compensation Trust funds must be maintained in the U.S. Treasury as part of the federal Unemployment Trust Fund. Each state has an account in the Trust Fund and interest is paid quarterly to the account by the federal government.
- The Trust Fund can be used essentially only for the payment of unemployment benefits.
- Employers receive the full 5.4% federal tax credit only if the state's system for determining individual employer tax rates meets federal standards. For example, the state's maximum tax rate must be at least 5.4% and an employer's tax rate may be reduced from the maximum, but the reduction must be based on that employer's experience with unemployment (experience rating).

Nonconformity to federal standards can result in:

- denial of all credit against the federal tax (employer's federal tax would be the full 6.0% on the \$7,000 wage base);
- denial of additional credit (employer's federal tax would be the difference of the full federal tax minus their state taxes paid); and/or
- denial of administration grants to run the state program.

To insure that Hawai'i employers continue to receive full federal unemployment tax credits, and funding for the state program is not lost, federal standards must be considered in developing laws affecting Hawai'i's Unemployment Compensation Trust Fund.

Self-financing of benefits by governmental and/or nonprofit employers. Sections 383-62 and 62.5, Hawai'i Revised Statutes provide that State and County governmental employers, nonprofit organizations described in section 501(c)(3) of the Internal Revenue Code and exempt from income tax under section 501(a) of such code, and Indian tribes may elect exemption from paying contributions by requesting self-financing status.

STATUS OF THE UNEMPLOYMENT COMPENSATION TRUST FUND

Status of the Fund

(Historical data from 1980: Appendix B, page A-5)

The fund balance was \$110.9 million at the end of November 2021 compared to -\$646.4 million at the end of 2020. During the first eleven months of 2021, \$219.4 million in taxes, were added to the Fund and no interest were added. At the same time, \$241.3 million in benefits were paid out from the Fund.

Projections through 2022: For this report, the insured unemployment rate is projected to average 2.92% in 2021 and 2.40% in 2022. This would result in a benefit outgo of about \$328 million in 2022. Taxes and interest are projected at about \$269.5 million in 2022. On the basis of this forecasted level of unemployment, the fund balance would be about \$119 million by the end of 2021 and Tax Schedule H would be in effect for 2022, but Hawaii legislation (HB 1278/Act 1) set the employer contribution tax rate at a lower level with Schedule D.

HAWAI'I UNEMPLOYMENT COMPENSATION TRUST FUND (in millions of \$)

Year	Taxes	Interest	Benefits	Fund Balance	Federal Loan Balance
2010	\$160.9	\$ 1.9	\$305.2	-\$11.6	\$14.6
2011	\$275.7	\$ 0.2	\$245.3	\$ 18.9	\$0.0
2012	\$308.2	\$ 1.5	\$225.0	\$103.7	\$0.0
2013	\$392.1	\$ 5.0	\$199.1	\$301.8	\$0.0
2014	\$264.1	\$ 8.6	\$172.6	\$400.5	\$0.0
2015	\$200.2	\$ 10.1	\$134.8	\$475.9	\$0.0
2016	\$156.0	\$ 11.3	\$128.1	\$515.1	\$0.0
2017	\$155.6	\$11.6	\$159.6	\$522.5	\$0.0
2018	\$167.9	\$12.3	\$144.8	\$557.8	\$0.0
2019	\$174.5	\$14.0	\$145.8	\$600.5	\$0.0
2020					
Jan	\$26.5	\$ 0.0	\$ 13.1	\$613.9	\$ 0.0
Feb	\$ 1.5	\$ 0.0	\$ 10.9	\$604.5	\$ 0.0
Mar	\$ 4.8	\$ 3.7	\$ 14.3	\$595.0	\$ 0.0
Apr	\$61.4	\$ 0.0	\$ 97.1	\$559.3	\$ 0.0
May	\$ 2.2	\$ 0.0	\$ 242.6	\$318.9	\$ 0.0
Jun	\$ 7.3	\$ 2.4	\$ 236.9	\$ 89.3	\$ 0.0
Jul	\$43.1	\$ 0.0	\$ 175.8	\$ 54.6	\$ 98.0
Aug	\$ 0.5	\$ 0.0	\$ 236.1	\$ 15.0	\$195.9
Sep	\$ 1.2	\$ 0.1	\$ 218.5	\$ 42.2	\$244.6
Oct	\$29.5	-\$ 0.6	\$ 127.0	\$ 56.3	\$111.6
Nov	\$ 2.5	\$ 0.0	\$ 76.8	\$ 38.1	\$ 56.1
<i>Projected</i>					
2021	\$223	\$0.4	\$284	\$119	
2022	\$267	\$4.5	\$328	\$58	

Fund Solvency

(Historical data from 1980: Appendix B, page A-6)

The Hawai'i Employment Security Law defines the factors used to measure the adequacy of the Fund and how the tax rate schedule for the coming year is determined based on that adequacy level. Appendix A outlines the method for determining the tax schedule and how each employer's individual tax rate is computed based on the employer's benefit and contribution experience as well as the schedule in effect.

During the 2007 Legislative Session, Act 110 temporarily redefined the *adequate reserve fund* as the amount of benefits that would be paid out during one year of unemployment at the highest level experienced during the most recent ten years. The prior provisions of the law set the amount at one and one-half years at the highest

cost rate. During the 2010 Legislative Session, Act 2 permanently redefined the adequate reserve fund amount to the one-year highest cost rate.

On page A-6, Appendix B, the table entitled *Ratio of Current to Adequate Reserve Fund* shows the data used in tax schedule computations since 1980. For the 2022 tax schedule computation, the adequate amount is \$1,538,476,709. The current reserve fund (actual fund assets as of November 30, 2021) is \$110,934,741. At this fund level, Schedule H will be in effect for 2022, but Hawaii legislation (HB 1278/Act 1) set the employer tax rate to Schedule D.

Tax Rates

(Historical data from 1980: Appendix B, page A-7)

One of eight tax schedules, A through H, is in effect for a calendar year as explained in Appendix A. Schedule A has the lowest tax rates, while schedule H has the highest. The average tax rate attainable from a particular tax schedule depends on the distribution of employers by reserve ratio groups. Employers tend to move to higher reserve ratio groups during periods when contributions exceed benefits. During such times, more employers move into the lower tax rate groups and the average tax rate for a schedule decreases. Conversely, during periods of high unemployment, more employers move to the higher tax rate groups and the average tax rate for each schedule automatically increases.

Under Act 2 (2010 Legislative Session), rather than apply the computed tax schedules, Schedule D was set for rate year 2010 and Schedule F was set for rate year 2011. Without Act 2, the tax schedule would have been F for 2010, and G for 2011. Act 6 (2012 Legislative Session) set the 2012 tax schedule at F; under the normal computations, it would have been Schedule H.

Hawaii legislation (HB 1278/Act 1) freezes employer state unemployment insurance (SUI) tax rates for 2021-2022 at Rate Schedule D, with rates ranging from 0.2% to 5.8%, rather than setting SUI tax rates at Schedule H, the highest schedule provided for under state law.

Minimum, maximum, and average tax rates are shown on page A-7; Appendix B. Taxes are estimated to average about 1.6% of taxable wages during calendar year 2022 with Schedule D in effect. From 1985 to 2012 the maximum tax rate on each tax schedule was 5.4%. Under Act 263 (2012 Legislative Session) the maximum tax rates on each schedule were increased as shown on Appendix A.

Taxable Wage Base

(Historical data from 1980: Appendix B, page A-8)

There is a maximum limit on the amount of taxable annual wages per employee for unemployment insurance tax purposes. The law sets this amount, the *taxable wage base*, at 100% of the statewide average annual wage.

Act 110 (2007 Legislative Session) set the taxable wage base at \$13,000 for 2008 through 2010. Act 110 also contained a provision to increase the wage base back to the regular formula if the fund fell below the adequate reserve fund level. Because the fund fell below adequate at the end of November 2009, the 2010 wage base computation should have returned to the 100% formula. However, Act 2 (2010 Legislative Session) reduced the taxable wage base to 90% of the average annual wage for calendar years 2010 and 2011. From 2012, the 100% formula is in effect. The taxable wage base for calendar year 2022 will be \$51,600, a \$4,200 increase from the \$47,400 wage base in 2021.

Setting the wage base at the average annual wage results in approximately 70% of all wages being subject to unemployment insurance taxes. The *Total and Taxable Wages* table on page A-8, Appendix B shows the taxable wage bases and the proportions of wages taxed since 1970.

The current tax schedule system was designed to work with the currently defined taxable wage base. When the wage base is lowered, the tax schedules will produce lower levels of income than they were designed to produce.

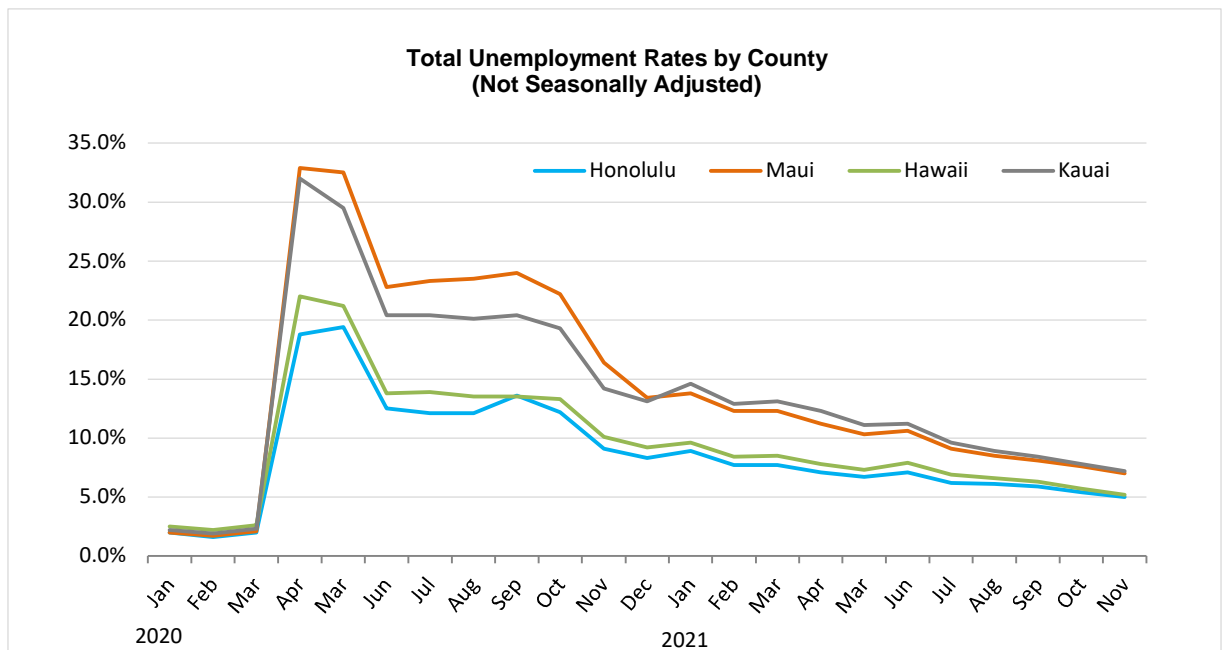
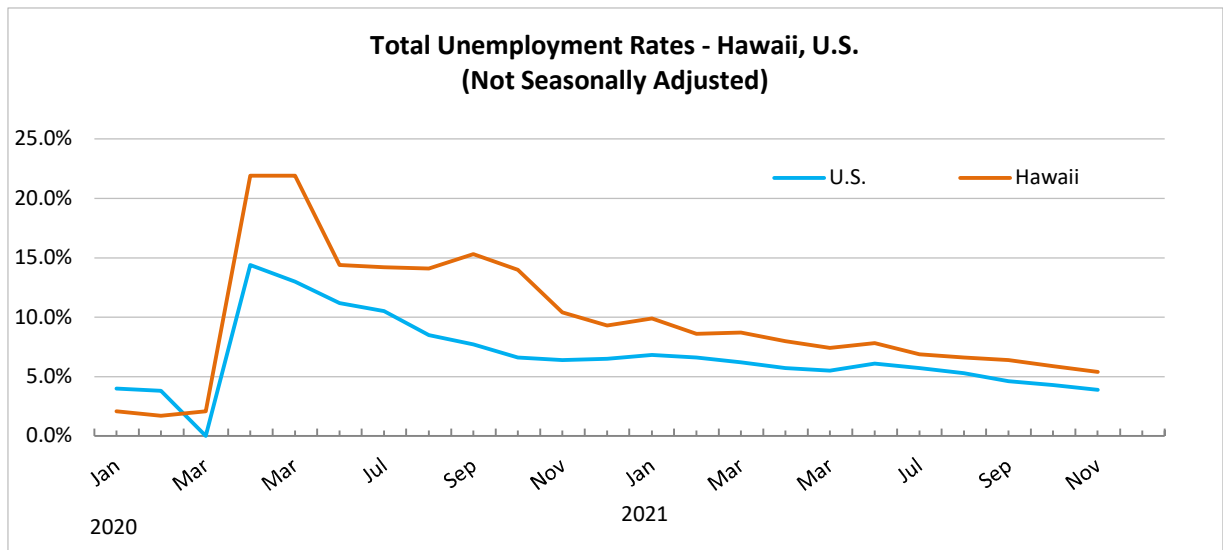
ECONOMIC FACTORS

General Conditions

Despite the headwinds created by the COVID-19, the economy is recovering. The National not seasonally adjusted total unemployment rate (TUR) was 3.9% for November 2021, down from the November 2020 rate of 6.4%. Hawai'i's not seasonally adjusted TUR was 5.4% in November 2021 as compared to 10.4% in November 2020. As shown in the chart below, Hawai'i's unemployment rate decreased over the year from 9.9% in January 2021 to 5.4% in November 2021. For the month of November 2021, unemployment rates were 5.0% for Honolulu, 7.0% for Maui County, 5.2% for Hawai'i County, and 7.2% for Kaua'i County.

Hawai'i's total nonagricultural wage and salary job count averaged 566,236 for the eleven months ending November 2021. This is a 8,563 increase from the 557,673 average for the same period in 2020. During this eleven-month period, five of ten major industrial sectors experienced increases in jobs in 2021. The three sectors with the largest job growth were Leisure and Hospitality, Private Service-Providing, and Professional & Business Services.

Outlook: This report assumes slightly improved unemployment levels for Hawai'i through 2021.



Civilian Labor Force Data

(Historical data from 1980: Appendix B, page A-2)

Total Civilian Labor Force in Hawai'i increased from an annual average of 648,200 in calendar year 2020 to 649,641 in the first eleven months of 2021.

Total employed in Hawai'i increased from an annual average 572,800 in calendar year 2020 to 601,473 during the first eleven months in 2021. Total unemployed decreased from an average of 75,400 in 2020 to 48,173 for the January through November 2021 period.

Hawai'i's not seasonally adjusted total unemployment rate (TUR) averaged 7.4% over the first eleven months of 2021, decreasing over the calendar year 2020 average of 11.6%.

The not seasonally adjusted total unemployment rate for the U.S. averaged 5.5% for the first eleven months of 2021, decreasing over the calendar year 2020 average of 8.1%.

Projections for this publication assume the Hawai'i total unemployment rate will average 7.7% in 2021 and 5.4% in 2022.

CIVILIAN LABOR FORCE DATA

Not Seasonally Adjusted

Year	Civilian Labor Force				
	State of Hawai'i			Total Unempl. Rate (TUR)	U.S. Total Unempl. Rate (TUR)
	Total	Employed	Unemployed		
2015 (B)	670,600	647,600	23,000	3.4%	5.3%
2016 (B)	679,100	659,550	19,550	2.9%	4.9%
2017 (B)	679,800	664,750	15,050	2.2%	4.4%
2018 (B)	675,200	659,250	15,950	2.4%	3.9%
2019 (B)	669,200	652,750	16,400	2.5%	3.7%
2020 (B)	648,200	572,800	75,400	11.6%	8.1%
2021					
Jan (R)	655,550	590,750	64,850	9.9	6.8%
Feb (R)	658,650	602,000	56,650	8.6	6.6%
Mar (R)	652,550	596,000	56,550	8.7	6.2%
Apr (R)	652,250	600,200	52,050	8.0	5.7%
May (R)	644,850	596,950	47,900	7.4	5.5%
Jun (R)	644,250	593,800	50,450	7.8	6.1%
Jul (R)	646,750	602,400	44,350	6.9	5.7%
Aug (R)	648,500	605,500	43,000	6.6	5.3%
Sep (R)	647,450	606,250	41,200	6.4	4.6%
Oct (R)	645,250	607,350	37,900	5.9	4.3%
Nov (P)	650,000	615,000	35,000	5.4	3.9%
<i>Projected</i>					
2021				7.7%	
2022				5.4%	

Notes: Except for percent unemployed, rounded to nearest 50.
 Totals may not add due to rounding.
 (B) Data from 2015-2020 reflect revised inputs, revised population controls and model reestimation.
 (R) Revised
 (P) Preliminary
 Total Unemployment Rate: Percent of Labor Force

Insured Unemployment and Employment Covered by the Unemployment Compensation Trust Fund

(Historical data from 1980: Appendix B, page A-3)

The average monthly number of employees covered by the Fund was 395,613 in 2020, decreasing from 482,634 in 2019. Covered employees decreased to an average of 389,269 for the 12-month period ending June 2021.

The insured unemployment rate (IUR) is average weekly unemployment insurance claims as a percent of covered employees. The IUR was 2.66% as of November 2021, compared to the 2020 average of 11.15%. The average weekly number of claims filed under the regular state program was 74,561 in 2020. The number of weekly claims averaged 13,318 as of November 2021.

Projections for the IUR: average of 2.92% for 2021 and 2.4% for 2022.

INSURED UNEMPLOYMENT RATE AND EMPLOYMENT COVERED BY THE UC FUND

Year	Insured Unemployment		Employees Covered By the Fund
	Rate (IUR)	Average Weekly Claims*	
2014	1.71%	9,740	458,518
2015	1.33%	7,607	467,820
2016	1.14%	7,012	475,512
2017	1.25%	7,637	481,001
2018	1.14%	6,949	484,587
2019	1.06%	6,553	482,634
2020	11.15%	74,561	395,613
2021			
Jan	6.32%	37,125	390,000
Feb	4.89%	28,723	395,835
Mar	4.04%	23,739	402,126
Apr	3.54%	19,605	413,637
May	3.22%	17,837	419,831
Jun	3.0%	16,617	427,517
Jul	2.93%	15,382	
Aug	2.70%	14,197	
Sep	2.62%	13,790	
Oct	2.77%	13,859	
Nov	2.66%	13,318	
Dec	2.32%	11,623	
<i>Projected</i>			
2021	2.92%	15,978	
2022	2.40%	12,075	

*Monthly data are for the week containing the 12th of the month and are based on 13-week moving averages. Figures do not include claims under special programs that extend benefits beyond 26 weeks of regular benefits.

Weekly Benefit Amounts and Average Duration

(Historical data from 1980: Appendix B, page A-4)

The *maximum weekly benefit amount* payable to claimants *will increase to \$695 for the calendar year 2022*, \$56 more than the \$639 maximum in 2021. Under Hawai'i's law a new maximum weekly benefit amount is normally computed each year as 70% of the current statewide average weekly wage. Prior to 1992, the computation used 2/3 rather than 70%. Effective for calendar years 2008 through 2010, the computation was made with a 75% multiplier due to Act 110 (2007 Legislative Session). Act 2 (2010 Legislative Session) extended the 75% multiplier through the 2011 computation. The computation returned to 70% for January through March 2012. Act 6 of the 2012 Legislative Session changed the computation back to 75% for claims filed from April through December 2012. From 2013 the formula returned to 70%.

Average weekly benefits received by claimants averaged \$436 for the 12-month period ending November 2021 as compared to an average of \$441 for calendar year 2020. A weekly benefit amount is computed for each claimant based on prior earnings. Average weekly benefits usually increase over time with increases in earnings. Average benefits increase more rapidly when workers with higher wages experience more unemployment and may decrease when lower wage claimants represent a larger proportion of the unemployed.

Claimants may receive up to the equivalent of 26 weeks of regular benefits at their computed weekly benefit amount. However, many return to work before collecting this entire amount. The *average number of weeks of regular benefits* received per claimant was 22.2 weeks for the eleven-month period ending November 2021. This is higher than the 2020 annual average of 19.1 weeks. These averages do not include benefits paid under special programs that extend benefits beyond the 26 weeks of regular benefits.

EXPERIENCE RATING

Description

Experience rating means that each employer's unemployment insurance tax rate is based on the employer's own benefit, contribution, and wage history. For each employer an account is kept of the amount of benefits paid to former employees and the amount of taxes paid into the Unemployment Compensation Trust Fund. At the end of the year, a *reserve ratio* is computed for each employer and that reserve ratio determines the employer's tax rate for the coming year. Appendix A describes this procedure.

Charged and Noncharged Benefits

(Historical data from 1980: Appendix B, page A-9)

For experience rating purposes benefits paid to former employees are usually charged to the employers' individual accounts. However, under certain conditions where the employer may be considered not responsible for the claimant's unemployment, the benefits paid to that former employee is *not* charged to the employer's account. The conditions for noncharging are described in Appendix C. In 2020, 40% of all benefits paid were not charged to an individual employer account. Noncharged benefits are financed by Unemployment Compensation Trust Fund interest income or by employers as a whole by triggering a higher tax schedule due to a lower fund balance.

2020 Employer Data

The following tables show 2020 employment, wage, benefit, and contribution data for employers who contribute to the Unemployment Compensation Trust Fund and for whom a tax rate was computed for calendar year 2021. Information on employers who were covered under the Hawai'i unemployment insurance program during 2020, but were no longer covered as of January 1, 2021, are not included in these tables. Data are shown by reserve ratio, county, size of firm, and industry groups. The reserve ratio tables show 2020 data by reserve ratios as of the end of 2020. Also shown on those tables are the 2021 tax rates assigned to each reserve ratio group.

Thirty percent of all employers were in the highest reserve ratio group with ratios of 0.1200 and higher. These 10,696 employers were assigned the minimum 0.2% - 0.8% tax rate for 2021. Fifteen percent of the employers were assigned the maximum 5.8% tax rate, mostly due to delinquent filing of tax reports.

Employer Data

2020 Employers and Wage Data by Reserve Ratio

Reserve Ratio <i>End of 2020</i>	2021 Tax Rate	Number of Employers	% of Total	Employment	% of Total	Total Wages \$000	% of Total	Taxable Wages \$000	% of Total
.1500 and over	0.2%	5,688	16	39,879	9	1,851,470	9	1,294,813	9
.1400 to .1499	0.4%	1,166	3	21,542	5	974,713	5	700,945	5
.1300 to .1399	0.6%	1,789	5	38,378	9	1,903,018	9	1,355,965	9
.1200 to .1299	0.8%	2,053	6	56,779	13	3,134,434	15	2,120,315	14
.1100 to .1199	1.0%	1,840	5	41,247	10	2,403,155	11	1,529,857	10
.1000 to .1099	1.2%	1,724	5	45,353	11	2,176,975	10	1,422,407	10
.0900 to .0999	1.4%	1,545	4	22,915	5	1,239,316	6	816,884	6
.0800 to .0899	1.6%	1,506	4	28,474	7	1,368,858	6	985,929	7
.0700 to .0799	1.8%	3,348	9	24,576	6	1,297,842	6	891,233	6
.0600 to .0699	2.0%	1,894	5	20,024	5	1,051,781	5	728,305	5
.0500 to .0599	2.2%	854	3	10,584	2	700,463	3	422,495	3
.0300 to .0499	2.6%	421	1	9,771	2	572,550	3	398,969	3
.0000 to .0299	3.0%	382	1	4,198	1	286,914	1	179,529	1
-.0000 to -.0499	3.4%	258	1	4,279	1	283,403	1	185,991	1
-.0500 to -.0999	4.0%	189	1	2,798	1	207,403	1	130,886	1
-.1000 to -.4999	4.6%	500	1	6,973	2	558,000	3	331,465	2
-.5000 to -.9999	5.2%	174	1	2,711	1	233,717	1	140,440	1
-1.0000 to - 1.4999	5.4%	83	0	805	0	66,948	0	43,144	0
-1.5000 to - 1.9999	5.6%	53	0	621	0	39,905	0	29,429	0
-2.0000 and less	5.8%	100	0	382	0	26,171	0	16,795	0
New & Reactive	3.0%	4,780	14	5,818	1	294,567	1	211,261	2
N&R Neg Reserve	5.8%	180	1	210	0	6,751	0	6,100	0
Delinquent	5.8%	4,926	14	40,555	9	903,154	4	751,592	5
Total		35,453	100	428,874	100	21,581,509	100	1,294,813	100

Employment, wages, and percentages may not add to totals due to rounding.

2020 Benefit and Contribution Data by Reserve Ratio

Reserve Ratio End of 2020	2021 Tax Rate	Benefits Charged \$000	Benefits Noncharged \$000	Total Benefits \$000	% of Total	Cost Rate* %	Contributions \$000	% of Total	Tax Rate* %
.1500 and over	0.2%	147,551	82,096	229,647	16	17.74	6,078	4	0.47
.1400 to .1499	0.4%	55,900	39,201	95,102	7	13.57	3,074	2	0.44
.1300 to .1399	0.6%	111,141	72,724	183,865	13	13.56	8,098	5	0.60
.1200 to .1299	0.8%	69,495	53,371	122,865	9	5.79	12,287	7	0.58
.1100 to .1199	1.0%	81,615	64,436	146,051	10	9.55	12,279	7	0.80
.1000 to .1099	1.2%	70,034	55,977	126,011	9	8.86	13,589	8	0.96
.0900 to .0999	1.4%	35,501	28,126	63,627	4	7.79	9,469	5	1.16
.0800 to .0899	1.6%	54,871	27,439	82,310	6	8.35	13,916	8	1.41
.0700 to .0799	1.8%	42,763	32,180	74,943	5	8.41	16,440	9	1.84
.0600 to .0699	2.0%	47,024	35,634	82,658	6	11.35	12,085	7	1.66
.0500 to .0599	2.2%	14,730	9,556	24,286	2	5.75	7,569	4	1.79
.0300 to .0499	2.6%	20,805	11,072	31,877	2	7.99	8,527	5	2.14
.0000 to .0299	3.0%	9,370	5,084	14,454	1	8.05	4,804	3	2.68
-.0000 to -.0499	3.4%	15,498	12,284	27,782	2	14.94	5,302	3	2.85
-.0500 to -.0999	4.0%	18,156	3,714	21,870	2	16.71	4,406	2	3.37
-.1000 to -.4999	4.6%	23,877	4,869	28,745	2	8.67	12,065	7	3.64
-.5000 to -.9999	5.2%	11,923	1,773	13,696	1	9.75	6,143	4	4.37
-1.0000 to -1.4999	5.4%	5,432	697	6,128	0	14.20	2,083	1	4.83
-1.5000 to -1.9999	5.6%	4,272	611	4,883	0	16.59	1,572	1	5.34
-2.0000 and less	5.8%	3,936	453	4,389	0	26.13	882	0	5.25
New & Reactive	3.0%	320	706	1,026	0	0.49	5,031	3	2.38
N&R Neg Reserve	5.8%	1308	215	1,524	0	24.98	174	0	2.85
Delinquent	5.8%	32,047	22,521	54,569	3	7.26	7,529	5	1.00
Total		877,567	564,739	1,442,306	100	9.82	173,401	100	1.18

Benefits, contributions, and percentages may not add to totals due to rounding.

* Cost Rate: Total Benefits divided by Taxable Wages; average for all employers is indicated on total line.

* Tax Rate: Contributions divided by Taxable Wages; average for all employers is indicated on total line.

2020 Employers and Wage Data by County

County	Number of Employers	% of Total	Employment	% of Total	Total Wages \$000	% of Total	Taxable Wages \$000	% of Total
O'ahu	16,997	48	241,265	56	11,629,871	54	7,712,071	52
Maui	4,948	14	34,398	8	1,731,970	8	1,277,412	9
Hawai'i	4,757	13	33,003	8	1,536,189	7	1,152,016	8
Kaua'i	2,194	6	15,771	4	759,934	4	574,087	4
Interstate	6,557	19	104,436	24	5,923,545	27	3,979,163	27
Total	35,453	100	428,874	100	21,581,509	100	14,694,748	100

Employment, wages, and percentages may not add to totals due to rounding.

2020 Benefit and Contribution Data by County

County	Benefits Charged \$000	Benefits Noncharged \$000	Total Benefits \$000	% of Total	Cost Rate* %	Contributions \$000	% of Total	Tax Rate* %
O'ahu	398,558	230,886	629,444	44	8.16	86,385	50	1.12
Maui	123,681	98,428	222,109	15	17.39	18,874	11	1.48
Hawai'i	73,045	43,923	116,968	8	10.15	14,484	8	1.26
Kaua'i	63,093	52,429	115,522	8	20.12	7,935	5	1.38
Interstate	219,190	139,073	358,263	25	9.00	45,723	26	1.15
Total	877,567	564,739	1,442,306	100	9.82	173,401	100	1.18

Benefits, contributions, and percentages may not add to totals due to rounding.

* Cost Rate: Total Benefits divided by Taxable Wages; average for all employers is indicated on total line.

* Tax Rate: Contributions divided by Taxable Wages; average for all employers is indicated on total line.

2020 Employment and Wage Data by Size of Firm

Employment Size	Number of Employers	% of Total	Employment	% of Total	Total Wages \$000	% of Total	Taxable Wages \$000	% of Total
Less than 5	25,287	71	36,156	8	2,069,066	10	1,330,239	9
5 to 9	4,447	12	30,912	7	1,502,748	7	1,036,815	7
10 to 19	2,764	8	38,710	9	1,952,032	9	1,336,383	9
20 to 49	1,780	5	54,322	13	2,937,607	14	1,964,043	13
50 to 99	630	2	43,605	10	2,448,384	11	1,659,506	11
100 to 249	355	1	55,189	13	3,083,228	14	2,128,290	15
250 or more	190	1	169,979	40	7,588,444	35	5,239,472	36
Total	35,453	100	428,874	100	21,581,509	100	14,694,748	100

Employment, wages, and percentages may not add to totals due to rounding.

2020 Benefit and Contribution Data by Size of Firm

Employment Size	Benefits Charged \$000	Benefits Noncharged \$000	Total Benefits \$000	% of Total	Cost Rate * %	Contributions \$000	% of Total	Tax Rate* %
Less than 5	71,589	45,345	116,934	8	8.79	17,933	10	1.35
5 to 9	47,643	31,282	78,925	6	7.61	13,489	8	1.30
10 to 19	72,341	48,864	121,206	8	9.07	17,785	10	1.33
20 to 49	121,214	82,175	203,389	14	10.36	25,420	15	1.29
50 to 99	85,039	58,242	143,281	10	8.63	20,396	12	1.23
100 to 249	126,707	86,610	213,317	15	10.02	27,673	16	1.30
250 or more	353,033	212,221	565,254	39	10.79	50,706	29	0.97
Total	877,567	564,739	1,442,306	100	9.82	173,401	100	1.18

Benefits, contributions, and percentages may not add to totals due to rounding.

* Cost Rate: Total Benefits divided by Taxable Wages; average for all employers is indicated on total line.

* Tax Rate: Contributions divided by Taxable Wages; average for all employers is indicated on total line.

2020 Employers and Wage Data by NAICS Industry

Industry	Number of Employers	% of Total	Employment	% of Total	Total Wages \$000	% of Total	Taxable Wages \$000	% of Total
Natural Resources & Mining	464	1	5,130	1	216,607	1	176,622	1
Utilities	61	0	3,687	1	393,459	2	183,337	1
Construction	3,572	10	33,185	7	2,730,701	13	1,649,319	11
Manufacturing	1,057	3	11,205	3	555,749	3	414,625	3
Wholesale Trade	1,815	5	15,342	3	969,081	4	644,450	5
Retail Trade	2,862	8	64,934	15	2,426,167	11	1,933,942	13
Transportation & Warehousing	946	3	23,866	6	1,493,408	7	932,615	6
Information	833	2	7,137	2	528,059	2	315,752	2
Finance & Insurance	1,269	4	17,997	4	1,629,534	8	841,704	6
Real Estate, Rental & Leasing	1,704	5	9,652	2	614,657	3	403,142	3
Professional, Scientific, & Technical Services	5,290	15	28,563	5	1,894,578	9	1,009,355	7
Management of Companies & Enterprises	208	1	1,154	0	137,090	1	55,865	0
Administrative & Support; Waste Management & Remediation Services	2,626	7	57,319	14	2,586,067	12	2,000,615	14
Educational Services	766	2	3,308	1	108,360	0	83,187	1
Health Care & Social Assistance	3,823	11	36,642	8	1,975,898	9	1,209,357	8
Arts, Entertainment & Recreation	661	2	6,567	3	262,256	1	196,004	1
Accommodation & Food Services	3,358	9	733,391	0	2,295,480	11	3,146,141	14
Other Services (except Public Administration)	3,606	10	33,267	3	733,391	3	662,650	4
Unknown	532	2	473	0	30,970	0	19,435	0
Total	35,453	100	428,874	100	21,581,509	100	14,694,748	100

Employment, wages, and percentages may not add to totals due to rounding.

2020 Benefit and Contribution Data by NAICS Industry

Industry	Benefits Charged \$000	Benefits Noncharged \$000	Total Benefits \$000	% of Total	Cost Rate* %	Contributions \$000	% of Total	Tax Rate* %
Natural Resources & Mining	4,069	2,646	6,535	1	3.70	2,719	2	1.54
Utilities	655	38	221	0	0.12	624	0	0.34
Construction	80,191	3,476	65,581	48	4.00	43,648	25	2.65
Manufacturing	20,009	420	3,013	2	0.65	4,303	3	1.04
Wholesale Trade	16,344	547	2,708	2	0.39	6,385	4	0.99
Retail Trade	76,360	1,850	5,808	4	0.27	13,951	8	0.72
Transportation & Warehousing	68,274	741	3,674	3	0.33	9,535	6	1.02
Information	15,919	358	5,474	4	1.49	3,291	2	1.04
Finance & Insurance	3,598	407	1,736	1	0.21	6,145	4	0.73
Real Estate, Rental & Leasing	20,318	500	2,196	2	0.50	4,170	2	1.03
Professional, Scientific, & Technical Services	13,569	563	5,489	4	0.55	12,028	7	1.19
Management of Companies & Enterprises	2,241	48	253	0	0.38	734	0	1.31
Administrative & Support; Waste Management & Remediation Services	104,558	2,879	16,176	12	0.76	26,251	15	1.31
Educational Services	3,717	59	968	1	1.07	855	0	1.03
Health Care & Social Assistance	19,024	766	3,098	2	0.26	10,558	6	0.87
Arts, Entertainment & Recreation	21,583	247	2,778	2	1.08	2,466	1	0.96
Accommodation & Food Services	377,408	2,158	11,701	9	0.37	20,388	12	1.0
Other Services (except Public Administration)	29,127	574	2,512	2	0.38	5,772	3	0.97
Unknown	604	438	1,041	0	0.01	260	0	0.00
Total	877,567	564,739	1,442,306	100	9.82	173,401	98	1.18

Benefits, contributions, and percentages may not add to totals due to rounding.

* Cost Rate: Total Benefits divided by Taxable Wages; average for all employers is indicated on total line.

* Tax Rate: Contributions divided by Taxable Wages; average for all employers is indicated on total line.

APPENDIX A Computation of Employer Contribution Rates

An employer's Hawai'i unemployment insurance tax rate is computed once a year based on the employer's reserve ratio and the tax schedule (one of eight possible schedules, A through H) in effect for the year. The tax rates corresponding to each tax schedule and reserve ratio group are shown below in the **Contribution Rate Schedules** table.

Employers not chargeable with benefits for the 12-month period prior to the rate computation date are ineligible for an experience (reserve ratio) computation and are assigned the tax rate corresponding to a zero reserve ratio; if the ineligible employer has a negative reserve balance, the maximum tax rate on the tax schedule in effect for the calendar year is assigned.

Computation of Employer Reserve Ratio:

Reserve Ratio = all contributions paid by the employer minus all benefits charged to the employer, divided by 1/3 of the sum of the employer's taxable payrolls for the last 3 consecutive calendar years.

Determination of Tax Schedule:

(a) Compute Adequate Reserve:

Adequate Reserve = *highest benefit cost rate occurring during the last 10 years, times total wages for last completed fiscal year ending June 30.

Benefit cost rate = total benefits paid during a 12 consecutive month period, divided by total wages for the last 4 completed calendar quarters ending at least 5 months before the end of the 12 consecutive month period.

(b) Compute ratio of Current Reserve to Adequate Reserve:

Ratio = Current Reserve (Unemployment Compensation Trust Fund balance as of November 30) divided by Adequate Reserve.

(b) Determine Tax Schedule based on ratio of current to adequate reserve as shown below.

*1.5 times multiplier was in effect for rate years 1970 to 1978 and 1992 to 2007.

Contribution Rate Schedules										Tax Schedule Computation	
Reserve Ratio	A	B	C	D	E	F	G	H	Ratio of Current to Adequate Reserve	Tax Schedule	
	Contribution Rates (%)										
.1500 and over	0.0	0.0	0.0	0.2	0.6	1.2	1.8	2.4	More than 1.69	A	
.1400 to .1499	0.0	0.0	0.1	0.4	0.8	1.4	2.0	2.6	1.3 to 1.69	B	
.1300 to .1399	0.0	0.0	0.2	0.6	1.0	1.6	2.2	2.8	1.0 to 1.29	C	
.1200 to .1299	0.0	0.1	0.4	0.8	1.2	1.8	2.4	3.0	0.80 to 0.99	D	
.1100 to .1199	0.0	0.2	0.6	1.0	1.4	2.0	2.6	3.2	0.60 to 0.79	E	
.1000 to .1099	0.1	0.3	0.8	1.2	1.6	2.2	2.8	3.4	0.40 to 0.59	F	
.0900 to .0999	0.3	0.5	1.0	1.4	1.8	2.4	3.0	3.6	0.20 to 0.39	G	
.0800 to .0899	0.5	0.7	1.2	1.6	2.0	2.6	3.2	3.8	Less than 0.20	H	
.0700 to .0799	0.7	0.9	1.4	1.8	2.2	2.8	3.4	4.0			
.0600 to .0699	0.9	1.1	1.6	2.0	2.4	3.0	3.6	4.2			
.0500 to .0599	1.1	1.3	1.8	2.2	2.6	3.2	3.8	4.4			
.0300 to .0499	1.3	1.5	2.0	2.6	3.0	3.6	4.2	4.8			
.0000 to .0299	1.7	1.9	2.4	3.0	3.4	4.0	4.6	5.2			
-.0000 to -.0499	2.1	2.3	2.8	3.4	3.8	4.4	5.0	5.4			
-.0500 to -.0999	2.5	2.7	3.2	4.0	4.4	5.0	5.4	5.6			
-.1000 to -.4999	2.9	3.1	3.6	4.6	5.0	5.4	5.6	5.8			
-.5000 to -.9999	3.4	3.6	4.2	5.2	5.4	5.6	5.8	6.0			
-1.0000 to -1.4999	4.1	4.2	4.8	5.4	5.6	5.8	6.0	6.2			
-1.5000 to -1.9999	4.7	4.8	5.4	5.6	5.8	6.0	6.2	6.4			
-2.0000 and less	5.4	5.4	5.6	5.8	6.0	6.2	6.4	6.6			

Note: from 1985 to 2012 maximum tax rate on each schedule was 5.4%

APPENDIX B Annual Labor Force Data from 1980

CIVILIAN LABOR FORCE DATA

Not Seasonally Adjusted

Annual Averages

Year	Civilian Labor Force				
	Total	State of Hawai'i		Total Unempl. Rate (TUR)	U.S. Total Unempl. Rate (TUR)
		Employed	Unemployed		
1980 (RA)	440,750	419,000	21,750	4.9%	7.1%
1981 (RA)	450,450	427,200	23,250	5.2%	7.6%
1982 (RA)	458,050	430,050	28,000	6.1%	9.7%
1983 (RA)	470,850	443,000	27,850	5.9%	9.6%
1984 (RA)	473,950	448,200	25,750	5.4%	7.5%
1985 (RA)	481,650	456,500	25,150	5.2%	7.2%
1986 (RA)	493,150	470,200	22,950	4.7%	7.0%
1987 (RA)	511,550	492,650	18,900	3.7%	6.2%
1988 (RA)	518,250	502,300	15,950	3.1%	5.5%
1989 (RA)	530,000	517,000	13,000	2.5%	5.3%
1990 (RA)	550,500	536,150	14,350	2.6%	5.6%
1991 (RA)	564,850	549,050	15,800	2.8%	6.8%
1992 (RA)	576,950	553,000	23,950	4.1%	7.5%
1993 (RA)	582,100	556,750	25,400	4.4%	6.9%
1994 (RA)	583,200	552,950	30,300	5.2%	6.1%
1995 (RA)	585,350	553,100	32,250	5.5%	5.6%
1996 (RA)	594,950	559,600	35,350	5.9%	5.4%
1997 (RA)	601,750	566,000	35,750	5.9%	4.9%
1998 (RA)	602,650	567,550	35,100	5.8%	4.5%
1999 (RA)	603,650	572,300	31,350	5.2%	4.2%
2000 (RA)	605,400	579,750	25,650	4.2%	4.0%
2001 (RA)	607,550	579,900	27,650	4.6%	4.7%
2002 (RA)	601,800	577,600	24,150	4.0%	5.8%
2003 (RA)	603,950	580,350	23,600	3.9%	6.0%
2004 (RA)	611,750	591,600	20,150	3.3%	5.5%
2005 (RA)	625,550	607,850	17,700	2.8%	5.1%
2006 (RA)	635,400	619,350	16,050	2.5%	4.6%
2007 (RA)	636,700	619,200	17,500	2.7%	4.6%
2008 (RA)	641,550	615,750	25,750	4.0%	5.8%
2009 (RA)	631,950	589,800	42,150	6.7%	9.3%
2010 (B)	648,550	604,200	44,350	6.8%	9.6%
2011 (B)	660,650	615,450	45,150	6.8%	8.9%
2012 (B)	650,400	612,000	38,450	5.9%	8.1%
2013 (B)	651,000	620,000	30,950	4.8%	7.4%
2014 (B)	664,000	635,900	28,100	4.2%	6.2%
2015 (B)	670,600	647,600	23,000	3.4%	5.3%
2016 (B)	679,100	659,550	19,550	2.9%	4.9%
2017 (B)	679,800	664,750	15,050	2.2%	4.4%
2018 (B)	675,200	659,250	15,950	2.4%	3.9%
2019 (B)	669,200	652,750	16,400	2.5%	3.7%
2020 (B)	648,200	572,800	75,400	11.6%	8.1%

Sources: Hawai'i Workforce Informer web page (www.hiwi.org)

Total Unemployment Rate: Percent of Labor Force

U.S. Bureau of Labor Statistics (www.bls.gov)

Note: (RA) Data for 1980- 2009 ratio adjusted

(B) Data from 2010-2020 reflect revised population controls and model reestimation

APPENDIX B continued

INSURED UNEMPLOYMENT AND EMPLOYMENT COVERED BY THE UC FUND

Year	Insured Unemployment		Employees Covered by the Fund	
	Rate	Average Weekly Claims	Number	% change
1980	2.9%	10,740	309,424	2%
1981	3.0%	11,681	311,997	1%
1982	3.5%	13,411	306,395	-2%
1983	3.5%	12,919	309,752	1%
1984	2.9%	11,104	317,669	3%
1985	2.6%	9,696	328,268	3%
1986	2.2%	8,548	337,832	3%
1987	1.7%	7,045	358,801	6%
1988	1.5%	6,452	371,952	4%
1989	1.1%	5,041	393,693	6%
1990	1.1%	5,547	416,341	6%
1991	1.5%	7,909	415,883	0%
1992	2.2%	11,520	415,275	0%
1993	2.5%	12,721	409,338	-1%
1994	2.9%	14,752	406,316	-1%
1995	3.0%	15,324	402,645	-1%
1996	3.0%	14,854	401,001	0%
1997	2.7%	13,356	400,817	0%
1998	2.5%	12,605	398,354	-1%
1999	2.2%	10,684	401,109	1%
2000	1.7%	8,413	414,768	3%
2001	2.0%	11,545	416,770	0%
2002	2.4%	11,979	414,417	-1%
2003	2.0%	10,327	422,293	2%
2004	1.6%	8,202	435,079	3%
2005	1.2%	6,260	452,366	4%
2006	1.1%	6,234	465,014	3%
2007	1.1%	6,798	472,151	2%
2008	1.8%	11,611	463,561	-2%
2009	3.4%	20,176	435,018	-6%
2010	3.2%	17,302	423,429	-3%
2011	2.6%	14,186	429,306	1%
2012	2.3%	12,627	438,486	2%
2013	2.0%	11,221	451,156	3%
2014	1.7%	9,740	458,518	2%
2015	1.3%	7,607	467,820	2%
2016	1.1%	7,012	475,512	2%
2017	1.2%	7,637	481,001	1%
2018	1.1%	6,949	484,587	%
2019	1.1%	6,553	482,634	0%
2020	11.15%	74,561	395,269	-18.0%

Sources: Insured Unemployment from ETA 539 Weekly Claims and Extended Benefits Trigger Data; Covered Employment from Quarterly Census of Employment and Wages
 Note: Insured unemployment data includes private industry, state and county governments, and nonprofit organizations;. Employment data is for private industry only.

APPENDIX B continued

WEEKLY BENEFIT AMOUNT AND AVERAGE DURATION

Year	Weekly Benefit Amount		Average Benefit Duration (weeks)
	<i>Maximum</i>	<i>Average</i>	
1980	\$144	\$103	13.7
1981	\$157	\$114	14.2
1982	\$169	\$124	14.8
1983	\$178	\$123	15.8
1984	\$188	\$136	14.8
1985	\$194	\$134	14.6
1986	\$200	\$140	14.3
1987	\$212	\$150	13.4
1988	\$223	\$162	13.5
1989	\$239	\$170	12.0
1990	\$256	\$189	11.4
1991	\$275	\$206	13.0
1992	\$306	\$235	14.8
1993	\$322	\$246	17.6
1994	\$337	\$259	17.4
1995	\$344	\$262	16.0
1996	\$347	\$261	17.8
1997	\$351	\$259	17.1
1998	\$356	\$258	16.4
1999	\$364	\$266	16.5
2000	\$371	\$273	15.4
2001	\$383	\$282	12.8
2002	\$395	\$280	19.2
2003	\$407	\$298	15.7
2004	\$417	\$312	15.6
2005	\$436	\$328	14.2
2006	\$459	\$357	13.3
2007	\$475	\$374	13.6
2008	\$523	\$406	13.9
2009	\$545	\$411	18.9
2010	\$559	\$406	19.7
2011	\$549	\$405	18.4
2012	\$523 (Jan-Mar) \$560 (Apr-Dec)	\$413	17.9
2013	\$534	\$416	16.7
2014	\$544	\$422	16.7
2015	\$551	\$433	15.3
2016	\$569	\$447	14.3
2017	\$592	\$484	15.6
2018	\$619	\$494	15.1
2019	\$630	\$514	15.3
2020	\$648	\$441	19.1
2021	\$639		
2022	\$695		

Source: Unemployment Insurance workload data on Gross Benefits, Weeks Compensated and First Payments

Note: Data are for all claim programs, including federal programs.

APPENDIX B continued

HAWAII UNEMPLOYMENT COMPENSATION TRUST FUND (in millions of \$)

Year	Taxes	Interest	Benefits	Fund Balance
1980	\$58.2	\$7.0	\$42.6	\$100.6
1981	\$53.4	\$9.9	\$57.5	\$106.3
1982	\$54.9	\$11.5	\$71.1	\$101.6
1983	\$70.9	\$11.5	\$61.0	\$123.0
1984	\$67.8	\$13.4	\$63.4	\$140.9
1985	\$60.2	\$15.7	\$54.3	\$162.5
1986	\$65.4	\$12.9	\$49.3	\$191.5
1987	\$75.1	\$24.0	\$42.6	\$248.0
1988	\$51.3	\$22.5	\$44.2	\$277.7
1989	\$64.0	\$25.6	\$35.4	\$331.9
1990	\$79.5	\$31.3	\$45.0	\$397.7
1991	\$55.2	\$26.8	\$76.0	\$403.8
1992	\$40.9	\$41.7	\$129.6	\$356.7
1993	\$67.0	\$25.5	\$145.4	\$303.9
1994	\$77.0	\$19.6	\$171.6	\$228.9
1995	\$150.0	\$15.7	\$180.4	\$214.2
1996	\$152.4	\$14.9	\$173.3	\$208.2
1997	\$144.2	\$14.7	\$154.2	\$212.9
1998	\$136.8	\$15.1	\$143.3	\$221.5
1999	\$134.1	\$15.7	\$124.1	\$247.2
2000	\$138.9	\$17.8	\$96.9	\$307.0
2001	\$106.3	\$21.1	\$136.1	\$298.2
2002	\$103.8	\$24.2	\$152.7	\$304.3
2003	\$147.0	\$14.4	\$123.6	\$342.0
2004	\$124.6	\$26.0	\$104.7	\$388.0
2005	\$130.2	\$21.4	\$82.3	\$457.2
2006	\$142.2	\$23.3	\$90.6	\$532.1
2007	\$108.4	\$19.8	\$108.2	\$552.2
2008	\$59.4	\$31.5	\$212.3	\$430.8
2009	\$42.1	\$12.7	\$381.7	\$134.4
2010	\$160.9	\$1.9	\$308.7	-\$11.6
2011	\$275.7	\$0.2	\$245.4	\$18.9
2012	\$308.2	\$1.5	\$225.0	\$103.7
2013	\$392.1	\$5.0	\$199.1	\$301.8
2014	\$264.1	\$8.6	\$174.1	\$400.5
2015	\$200.2	\$10.1	\$134.8	\$475.9
2016	\$156.0	\$11.3	\$128.0	\$515.1
2017	\$155.6	\$11.6	\$159.6	\$522.5
2018	\$167.9	\$12.3	\$144.8	\$557.8
2019	\$174.7	\$14.0	\$145.8	\$600.5
2020	\$248.2	\$6.2	\$1,496.1	\$44.1

Source: ETA 2112, UI Financial Transaction Summary, Unemployment Fund

Fund Balance Notes:

- 2002: Includes \$30.8 M, special Federal Reed Act distribution.
- 2009: Includes \$30.5 M in Federal ARRA (American Recovery & Reinvestment Act).
- 2010: -\$11.6 M fund balance equals \$14.64 M federal loan balance minus \$3.07 M special Administration and Reed Act fund account balance.
- 2020: Includes \$691.6 M in Title XII Loan and Repayment, \$.25 M CMIA receipts to State UI Account, \$66.8 M Relief Funds from Other State Department and 50% Reimbursement from COVID-19 relief fund and .26 M CMIA Payment withdrawal and Reconciling item for PUA Benefits.

APPENDIX B continued
RATIO OF CURRENT TO ADEQUATE RESERVE FUND

Rate Year	High Cost Rate	Total Wages	Adequate Reserve Fund	Current Reserve Fund	Ratio of Current to Adequate Reserve	Rate Schedule in Effect	Fund Solvency Contribution Rate
1980	2.86%	\$3,314,556,620	\$94,796,319	\$80,341,186	0.85		+0.8%
1981	2.86%	\$3,769,977,490	\$107,821,356	\$104,980,243	0.97		+0.4%
1982	2.86%	\$4,111,362,943	\$117,584,980	\$112,290,817	0.95		+0.4%
1983	2.86%	\$4,292,985,503	\$122,779,385	\$106,708,377	0.87		+0.8%
1984	2.86%	\$4,498,499,775	\$128,657,094	\$127,176,245	0.99		+0.4%
1985	2.86%	\$4,801,506,793	\$137,323,094	\$147,004,681	1.07		0.0%
1986	2.86%	\$5,037,888,349	\$144,083,607	\$166,408,163	1.15		0.0%
1987	2.76%	\$5,500,278,375	\$151,807,683	\$195,095,469	1.29		0.0%
1988	1.94%	\$6,093,516,291	\$118,214,216	\$246,416,114	2.08		-0.5%
1989	1.68%	\$6,864,348,520	\$115,321,055	\$274,840,914	2.38		-0.5%
1990	1.68%	\$7,756,988,055	\$130,317,399	\$334,252,180	2.56		-0.5%
1991	1.68%	\$8,753,700,993	\$147,062,177	\$401,647,674	2.73		-0.5%
1992	1.68%	\$9,561,673,898	\$240,954,182	\$411,119,192	1.71	A	
1993	1.66%	\$9,996,218,073	\$248,905,830	\$370,277,128	1.49	B	
1994	1.49%	\$10,315,548,416	\$230,552,507	\$315,881,780	1.37	B	
1995	1.65%	\$10,384,936,463	\$257,027,177	\$241,892,817	0.94	D	
1996	1.73%	\$10,401,361,958	\$269,915,343	\$226,972,601	0.84	D	
1997	1.78%	\$10,391,160,430	\$277,443,983	\$222,340,367	0.80	D	
1998	1.78%	\$10,554,781,603	\$281,812,669	\$226,036,037	0.80	D	
1999	1.78%	\$10,782,123,532	\$287,882,698	\$233,020,224	0.81	D	
2000	1.78%	\$11,025,705,500	\$294,386,337	\$256,407,449	0.87	D	
2001	1.78%	\$11,661,028,670	\$311,349,465	\$313,480,166	1.01	C	
2002	1.78%	\$12,294,711,901	\$328,268,808	\$317,703,649	0.97	C*	
2003	1.78%	\$12,412,503,464	\$331,413,842	\$309,477,079	0.93	D	
2004	1.78%	\$13,070,239,827	\$348,975,403	\$352,679,746	1.01	C	
2005	1.78%	\$13,820,414,010	\$369,005,054	\$389,302,103	1.06	C	
2006	1.78%	\$15,032,599,530	\$401,370,407	\$457,851,939	1.14	C	
2007	1.67%	\$16,258,037,800	\$407,263,847	\$532,892,238	1.31	B	
2008	1.46%	\$17,113,432,304	\$249,856,112	\$561,709,268	2.25	A	
2009	1.44%	\$17,834,793,224	\$256,821,022	\$454,058,555	1.77	A	
2010	2.20%	\$17,411,259,934	\$383,047,719	\$161,906,928	0.42	D**	
2011	2.22%	\$16,400,411,316	\$364,089,131	\$9,413,687	0.03	F**	
2012	2.22%	\$16,709,152,489	\$370,943,185	\$37,507,312	0.10	F**	
2013	2.22%	\$17,299,166,791	\$384,041,503	\$117,461,110	0.31	G	
2014	2.22%	\$18,073,144,220	\$401,223,802	\$315,321,135	0.79	E	
2015	2.22%	\$18,735,821,886	\$415,935,246	\$412,585,123	0.99	D	
2016	2.22%	\$19,685,807,805	\$437,024,933	\$482,602,848	1.10	C	
2017	2.22%	\$20,935,035,208	\$464,757,782	\$523,648,600	1.13	C	
2018	2.22%	\$22,096,686,379	\$490,546,438	\$531,346,177	1.08	C	
2019	2.22%	\$22,731,354,470	\$504,636,069	\$565,254,484	1.12	C	
2020	2.22%	\$23,535,541,902	\$522,489,030	\$607,469,431	1.16	C	
2021	6.41%	\$23,412,048,230	\$1,500,712,292	-\$658,744,653	-0.44	D**	
2022	7.02%	\$21,902,097,674	\$1,538,476,709	\$110,934,741	.072	D**	

Rate year: year during which rate schedule or Fund Solvency Rate is in effect.

High Cost Rate: highest benefit cost rate (benefits as a percent of total wages) in the last ten years.

Total Wages: for last four calendar quarters ending June 30 of calendar year prior to rate year.0

Adequate Reserve Fund: 1992 to 2007 adequate reserve equals 1.5 times high cost rate times total wages. 1979 to 1991 and from 2008, adequate reserve equals high cost rate times total wages.

Current Reserve Fund: UC Trust Fund assets on November 30 of calendar year immediately preceding rate year.

Rate Schedule in Effect: *2002: schedule C remained in effect due to special legislation. **2010 and 2011: Act 2 (2010 Legislative Session) set tax schedules at D and F; 2012: Act 6 (2012 Legislative Session) set schedule at F. **2021 and *2022 HB 1278/Act1 2021 Legislative Session) set tax schedules at D.

APPENDIX B continued

UNEMPLOYMENT INSURANCE TAX RATES

Year	Tax Rates (Percent of Taxable Wages)			Taxes as a Percent of Total Wages
	Minimum	Maximum	Average	
1980	1.0%	4.5%	2.1%	1.4%
1981	0.6%	4.5%	1.8%	1.2%
1982	0.6%	4.5%	1.8%	1.3%
1983	1.0%	4.5%	2.3%	1.6%
1984	0.6%	4.5%	1.9%	1.3%
1985	0.2%	5.4%	1.6%	1.1%
1986	0.2%	5.4%	1.7%	1.2%
1987	0.2%	5.4%	1.7%	1.2%
1988	0.0%	5.4%	1.3%	0.6%
1989	0.0%	5.4%	1.3%	0.9%
1990	0.0%	5.4%	1.3%	0.9%
1991	0.0%	5.4%	1.3%	0.5%
1992	0.0%	5.4%	0.6%	0.4%
1993	0.0%	5.4%	1.0%	0.7%
1994	0.0%	5.4%	1.1%	0.8%
1995	0.2%	5.4%	2.2%	1.6%
1996	0.2%	5.4%	2.1%	1.5%
1997	0.2%	5.4%	1.9%	1.4%
1998	0.2%	5.4%	1.8%	1.3%
1999	0.2%	5.4%	1.7%	1.2%
2000	0.2%	5.4%	1.7%	1.2%
2001	0.0%	5.4%	1.1%	0.8%
2002	0.0%	5.4%	1.2%	0.8%
2003	0.2%	5.4%	1.7%	1.2%
2004	0.0%	5.4%	1.2%	0.8%
2005	0.0%	5.4%	1.3%	0.9%
2006	0.0%	5.4%	1.3%	0.9%
2007	0.0%	5.4%	0.8%	0.6%
2008	0.0%	5.4%	0.7%	0.3%
2009	0.0%	5.4%	0.7%	0.3%
2010	0.2%	5.4%	1.8%	1.2%
2011	1.2%	5.4%	2.6%	1.7%
2012	1.2%	5.4%	2.6%	1.8%
2013	1.8%	6.4%	3.2%	2.2%
2014	0.6%	5.8%	1.8%	1.2%
2015	0.2%	5.8%	1.4%	1.0%
2016	0.0%	5.6%	1.0%	0.7%
2017	0.0%	5.6%	1.1%	0.7%
2018	0.0%	5.6%	1.1%	0.8%
2019	0.0%	5.6%	1.1%	0.8%
2020	0.0%	5.6%	1.3%	0.9%
<i>Projected</i>				
2021	0.2%	5.8%	1.6%	1.1% est
2022	0.2%	5.8%	1.6%	0.9% est

Source : Quarterly Census of Employment and Wages (QCEW)

Note for 1974 and 1975: Minimum tax rate was 0.8% until July 1, 1974 then all employers' rates were increased by 0.5%, up to a maximum of 3.0%. The additional 0.5% was in effect until April 1, 1975 when all employers' rates became 3.0%.

APPENDIX B continued

TOTAL AND TAXABLE WAGES

Year	Total Wages	% change	Taxable Wages	% change	% Taxable of Total Wages	Taxable Wage Base
1980	\$3,934,930,405	11%	\$2,689,241,050	10%	68%	\$11,200
1981	\$4,227,065,294	7%	\$2,921,073,895	9%	69%	\$12,200
1982	\$4,349,032,222	3%	\$3,030,663,748	4%	70%	\$13,100
1983	\$4,599,981,090	6%	\$3,198,088,181	6%	70%	\$13,800
1984	\$4,891,168,412	6%	\$3,430,347,509	7%	70%	\$14,600
1985	\$5,245,375,308	7%	\$3,661,947,705	7%	70%	\$15,100
1986	\$5,686,112,648	8%	\$3,922,702,338	7%	69%	\$15,600
1987	\$6,402,054,956	13%	\$4,391,057,014	12%	69%	\$16,500
1988	\$7,192,157,365	12%	\$3,314,009,708	-25%	46%	\$8,700
1989	\$8,130,492,059	13%	\$5,518,167,643	67%	68%	\$18,600
1990	\$9,237,628,172	14%	\$6,226,942,266	13%	67%	\$19,900
1991	\$9,599,527,870	4%	\$3,342,374,834	-46%	35%	\$7,000
1992	\$10,155,519,160	6%	\$7,042,429,428	111%	69%	\$22,700
1993	\$10,291,898,574	1%	\$7,251,815,678	3%	70%	\$23,900
1994	\$10,309,424,610	0%	\$7,394,972,486	2%	72%	\$25,000
1995	\$10,320,158,899	0%	\$7,411,024,845	0%	72%	\$25,500
1996	\$10,443,561,580	1%	\$7,420,054,226	0%	71%	\$25,800
1997	\$10,675,517,263	2%	\$7,483,098,627	1%	70%	\$26,000
1998	\$10,899,921,524	2%	\$7,560,072,702	1%	69%	\$26,400
1999	\$11,180,959,288	3%	\$7,748,893,876	2%	69%	\$27,000
2000	\$11,945,344,421	7%	\$8,209,730,134	6%	69%	\$27,500
2001	\$12,299,179,723	3%	\$8,455,669,862	3%	69%	\$28,400
2002	\$12,701,746,952	3%	\$8,701,690,997	3%	69%	\$29,300
2003	\$13,376,170,472	5%	\$9,155,378,879	5%	68%	\$30,200
2004	\$14,461,560,596	8%	\$9,752,243,796	7%	67%	\$31,000
2005	\$15,471,398,437	7%	\$10,545,452,082	8%	68%	\$32,300
2006	\$16,520,578,034	7%	\$11,353,002,832	8%	69%	\$34,000
2007	\$17,508,474,137	6%	\$12,056,590,692	6%	69%	\$35,300
2008	\$17,626,344,437	1%	\$6,452,926,682	-47%	37%	\$13,000
2009	\$16,587,402,171	-6%	\$5,891,874,889	-9%	36%	\$13,000
2010	\$16,292,046,023	-2%	\$10,916,560,473	85%	67%	\$34,900
2011	\$16,728,000,105	3%	\$10,989,382,103	1%	66%	\$34,200
2012	\$17,543,283,316	5%	\$12,051,835,343	10%	69%	\$38,800
2013	\$18,313,312,299	4%	\$12,628,120,662	5%	69%	\$39,600
2014	\$19,068,458,173	4%	\$13,149,245,380	4%	69%	\$40,400
2015	\$20,293,537,427	6%	\$13,772,027,328	5%	68%	\$40,900
2016	\$21,254,705,644	5%	\$14,514,591,883	5%	68%	\$42,200
2017	\$22,177,715,602	4%	\$15,200,434,075	5%	69%	\$44,000
2018	\$22,923,953,622	3%	\$15,985,017,842	5%	70%	\$45,900
2019	\$23,650,317,714	3%	\$16,486,720,104	3%	70%	\$46,800
2020	\$21,095,142,756	-11%	\$14,264,927,551	-1%	68%	\$48,100
2021						\$47,400
2022						\$51,600

Source: Wages from Quarterly Census of Employment and Wages (QCEW)

APPENDIX B continued

CHARGED AND NONCHARGED BENEFITS

(in millions of \$)

Year	Total Benefits	Charged Benefits	% of Total	Noncharged Benefits	% of Total
1980	\$40.7	\$40.2	99%	\$0.5	1%
1981	\$56.7	\$56.1	99%	\$0.6	1%
1982	\$70.5	\$69.9	99%	\$0.6	1%
1983	\$60.9	\$59.7	98%	\$1.2	2%
1984	\$62.4	\$61.8	99%	\$0.6	1%
1985	\$53.9	\$53.4	99%	\$0.5	1%
1986	\$48.4	\$47.8	99%	\$0.6	1%
1987	\$43.6	\$36.6	84%	\$7.0	16%
1988	\$44.1	\$35.3	80%	\$8.8	20%
1989	\$35.4	\$26.9	76%	\$8.5	24%
1990	\$44.2	\$30.9	70%	\$13.3	30%
1991	\$76.5	\$56.6	74%	\$19.9	26%
1992	\$129.1	\$101.7	79%	\$27.4	21%
1993	\$144.8	\$105.9	73%	\$38.9	27%
1994	\$170.5	\$137.9	81%	\$32.6	19%
1995	\$178.9	\$148.0	83%	\$30.9	17%
1996	\$171.7	\$145.5	85%	\$26.2	15%
1997	\$153.8	\$131.5	85%	\$22.3	15%
1998	\$142.4	\$121.9	86%	\$20.5	14%
1999	\$123.2	\$104.4	85%	\$18.8	15%
2000	\$96.1	\$79.6	83%	\$16.4	17%
2001	\$132.9	\$109.9	83%	\$22.9	17%
2002	\$144.7	\$120.0	83%	\$24.6	17%
2003	\$122.2	\$102.9	84%	\$19.3	16%
2004	\$103.7	\$87.5	84%	\$16.2	16%
2005	\$81.8	\$67.0	82%	\$14.8	18%
2006	\$90.1	\$72.7	81%	\$17.4	19%
2007	\$107.6	\$88.0	82%	\$19.7	18%
2008	\$211.2	\$179.5	85%	\$31.7	15%
2009	\$374.2	\$331.6	89%	\$42.6	11%
2010	\$304.8	\$276.2	91%	\$28.7	9%
2011	\$244.6	\$221.1	90%	\$23.6	10%
2012	\$222.7	\$201.1	90%	\$21.6	10%
2013	\$196.6	\$176.1	90%	\$20.6	10%
2014	\$171.7	\$150.7	88%	\$21.1	12%
2015	\$135.3	\$117.1	87%	\$18.2	13%
2016	\$127.6	\$108.5	85%	\$19.1	15%
2017	\$159.2	\$138.8	87%	\$20.4	13%
2018	\$144.5	\$126.4	87%	\$18.1	13%
2019	\$144.9	\$126.9	88%	\$18.0	12%
2020	\$1559.5	\$941.1	60%	\$618.5	40%

Source: ETA-204, Experience Rating Report

Includes regular program benefits only; does not include extended benefits.

APPENDIX C

Benefits Not Charged to Employer Accounts

The following types of unemployment insurance benefits are not charged to individual employer's unemployment insurance accounts:

- a. Benefits paid to a claimant based on wages from an employer from whom the claimant voluntarily quit work without good cause¹;
- b. Benefits paid to a claimant based on wages from an employer from whom the claimant was discharged for misconduct connected with work;
- c. Benefits paid to a claimant based on wages from an employer from whom the claimant left work voluntarily for a good cause that was not attributable to the employer;
- d. Benefits paid to an individual who during that individual's base period earned wages for part-time employment with an employer, are not charged to that employer if the employer continues to employ the individual to the same extent while the individual is receiving benefits as during the individual's base period;
- e. Benefits paid to an individual for the period that individual is enrolled in and is in regular attendance at an approved training course;
- f. One-half of Extended Benefits (the other half of EB is financed with federal unemployment tax funds)²;
- g. Benefits paid to an individual who qualifies to receive benefits by meeting the minimum earnings and employment requirements only by combining the individual's employment and wages earned in two or more states³;
- h. Benefits overpaid to a claimant as a result of ineligibility or disqualification, unless the overpayment resulted from the employer's failure to furnish information as required;
- i. Benefits paid to an individual based on wages from an employer from whom the individual is separated as a direct result of a major disaster.⁴

¹ Benefits described in a, b, and c were chargeable from July 15, 1976 through October 4, 1986.

² EB was chargeable from January 1, 1985 through October 4, 1986.

³ Benefits described in g and h became nonchargeable from July 15, 1976.

⁴ Effective from September 13, 1992.

APPENDIX D

The Hawai'i Unemployment Compensation Trust Fund and Economic Conditions: 1980 to the Present

- 1980** Employer tax rates were decreased based on the healthy fund reserves. Although Hawai'i's unemployment remained low, an Extended Benefits period was triggered on by high national unemployment. This EB period was from July 1980 to January 1981. Fund income exceeded outgo and reserves reached \$100.6 million by the end of 1980.
- 1981-1984** Unemployment was very stable with the IUR fluctuating only between 2.5% and 3.5%, weathering airline, construction, and other strikes occurring during this time. The fund balance was kept at about the adequate reserve level throughout the period
- 1985** Tax schedules were adjusted to include a maximum tax rate of 5.4% in order to allow employers to continue to receive full tax credits under the Federal Unemployment Tax Act (FUTA).
- 1986-1987** The tourism and construction industries were in a boom period resulting in declining unemployment and a growing fund balance.
- 1988** The high fund balance resulted in the triggering of a negative Fund Solvency Rate for the first time. Also, a one-year special law provision cut the Taxable Wage Base to 50% of the statewide average annual wage.
- 1989** Unemployment continued to decline with the IUR reaching an all time low of 0.96% in December 1989. The fund continued to be more than twice the adequate reserve level allowing the negative 0.5% Fund Solvency Rate to remain in effect.
- 1990** Despite Mainland recessionary conditions, Hawai'i tourism and construction continued to do well through 1990. Although a hotel strike during March caused a temporary rise in unemployment, the average IUR for the year remained level with 1989.

APPENDIX D continued

- 1991** The Persian Gulf War triggered a slowdown in March as tourist traffic declined dramatically and unemployment jumped. Mainland recessionary conditions began affecting Hawai'i's economy as unemployment remained high through the year especially in the construction and tourism related industries. A one-year special provision cut the taxable wage base to \$7,000.
- 1992** A new tax schedule system was implemented and the lowest tax schedule (A) was in effect for 1992. Hurricane Iniki hit the islands in September 1992 resulting in major damage and high unemployment on Kaua'i. Mainland and Japanese recessionary conditions continued to weaken the tourist and construction sectors. The end of year fund balance declined from the previous year for the first time since 1982. Emergency Unemployment Compensation (EUC) benefits were paid to claimants from November 1991 through April 1994. EUC benefits, paid to claimants who exhausted their regular state benefits, were 100% federally funded.
- 1993-1994** Tax schedule B was in effect for 1993 and 1994, keeping the average unemployment tax rate at a low 1%. At the same time, the tourism and construction sectors remained sluggish causing large benefit payouts from the fund.
- 1995-1998** The economy remained flat from 1995 through 1998, with benefit levels declining slightly each year. The fund balance stabilized at around \$210 million and tax schedule D stayed in effect from 1995 through 1998.
- 1999-2000** The economy was on the rise with insured unemployment dropping below 2% and the fund balance reaching \$300 million levels, triggering tax schedule C for 2001.
- 2001-2002** In the aftermath of terrorist attacks on the World Trade Center and the Pentagon on September 11, 2001, the number of unemployed increased and the fund balance began to drop. Special legislation provided Hawai'i claimants exhausting regular benefits between September 11, 2001 and June 30, 2002 with 13 weeks of additional benefits and kept tax schedule C in effect for calendar year 2002. A special federally funded program, Temporary Extended Unemployment Compensation (TEUC) also provided an additional 13 weeks of benefits to claimants, effective from March 10 to December 31, 2002.

2003-2004

The federal TEUC program was extended to December 31, 2003 with a transition period for the continuation of payments to individuals, who had balances as of the end of December, to March 31, 2004. Effective from April 20, 2003 through December 28, 2003, displaced airline and related workers who exhausted their 26 weeks of regular benefits received up to 39 weeks of additional federally funded TEUC-A benefits. Throughout 2004, Hawai'i's unemployment dropped significantly resulting in a growing trust fund.

2005-2006

Tourism, construction and real estate contributed to a very healthy economy where the insured unemployment rate dropped to 1.0% by the last quarter of 2005. The fund balance grew to more than \$500 million by November 2006 triggering a decrease in tax rates to Tax Schedule B for calendar year 2007.

2007

The 2007 Legislature enacted Act 110 which: increased the partial earnings disregard amount from \$50 to \$150; increased the maximum weekly benefit amount formula from 70% to 75% of statewide average annual wages for calendar years 2008 through 2010; set the taxable wage base at \$13,000 for calendar years 2008 through 2010; and changed the adequate reserve formula to remove the one and one-half times multiplier for the calendar years 2008 through 2010 tax schedule computations.

2008-2009

Airline closures in April 2008, the departure of major cruise ships, closures of pineapple and sugar operations, and finally major problems with the national financial sector resulted in a downturn in both the national and Hawai'i economies. The tourism and construction industries were especially hard hit. Recessionary conditions on the Mainland and in Hawai'i resulted in the IUR nearly doubling from an average 1.78% in 2008 to 3.36% in 2009, and the fund balance falling from \$552 million at the end of 2007 to \$134 million as of the end of 2009.

A 100% federally financed Emergency Unemployment Compensation (EUC08) program was enacted to provide claimants who exhaust their regular 26 weeks of benefits with an additional 13 weeks of benefits effective from July 6, 2008. From November 23, 2008 an additional seven weeks were added, for a total of 20 weeks, of EUC08 benefits. Beginning with the week ending May 9, 2009, claimants who exhaust their first 20 weeks of EUC08 benefits (Tier 1) before December 31, 2009 could receive an additional 13 weeks of Tier 2 EUC08 benefits. Effective with the week ending November 14, 2009, claimants are eligible for one additional week of Tier 2, and 13 weeks of Tier 3 EUC08 benefits. This brought the total to 47 weeks of federally funded EUC08 benefits for Hawai'i claimants.

2010-2011

The EUC08 program was extended twice in 2010 and is scheduled to end January 3, 2012. Claimants who exhaust their regular or EUC08 tier benefits will not be able to begin a new tier after that date. Claimants may continue to receive benefits under their current tier until June 9, 2012.

Act 2 was enacted during the 2010 Legislative Session resulting in: extending the 75% formula for computing the maximum weekly benefit amount (MWBA) for 2010 and 2011; reducing the taxable wage base formula to 90% of the statewide average annual wage for 2010 and 2011; permanently reducing the adequate reserve fund definition by eliminating the 1.5 times multiplier; and setting the tax schedules at D for 2010 and F for 2011, rather than applying the computed tax schedules which would have been F and G respectively.

Economic conditions slowly improved throughout this period with the IUR declining from 3.4% in January 2010 to 2.4% in November 2011. However, benefit outgo continued to exceed contributions through the first half of 2011. The unemployment fund was depleted in December 2010 requiring Hawai'i to borrow federal Title IX loan funds to continue paying benefits. From December 2010 through August 2011, \$163 million in federal loans were received. All loans were repaid by August 2011.

2012

The EUC08 program was extended from June 2012 to end on January 2, 2013.

Effective January 2012 the MWBA formula returned to the 70% computation. However, it was only in effect from January through March as Act 6 (2012 Legislative Session) changed the formula back to 75% from April to the end of 2012. Act 6 also changed the 2012 tax schedule to F. The highest schedule, H, should have been in effect for 2012 as the fund balance had dropped to less than \$38 million at the end of November 2012.

The unemployment fund was depleted at the end of March 2012 requiring borrowing from the federal loan fund. Borrowing continued during the month of April 2012 with all loans repaid by the end of the month. Improving economic conditions during the second half of 2012 resulted in the fund balance increasing to over \$100 million by the end of November.

2013

The EUC08 program was extended from January 2, 2013 to January 1, 2014 by the American Tax Payer Relief Act of 2012. Last payable week was December 28, 2013.

Under Act 263 (2012 Legislative Session), the maximum tax rates on the tax schedules were increased from 5.4% on each schedule to increasing rates from 5.4% for Schedule A to 6.6% for Schedule H. See Appendix A for rates on each schedule.

Act 100, passed by the 2013 State Legislature and approved by the Governor on June 1, 2013, reclassified the Unemployment Compensation Fund as a trust fund as recommended by the state auditor.

2014-2015

The economic conditions continued to improve during this time frame, with the IUR decreasing from 1.88% in January 2014 to 1.13% in November 2015. The healthy labor market with the strong growth in tourism and expansion in construction contributed to the improved economy. The trust fund balance has grown to almost \$485 million at the end of November 2015, which triggered lowering the tax rates to Tax Schedule C for calendar year 2016.

- 2016** Act 070, passed by the 2016 State Legislature and approved by the Governor on June 17, 2016, provided an additional 13 weeks of unemployment benefits to the dislocated workers of a number of large employers in Maui County. Act 070 will be repealed on October 28, 2017.

2017-2018

There was little change in overall unemployment while funds continued to grow slowly and it remained on the third lowest Schedule C for 4 years since 2016.

2020-2021

The coronavirus (COVID-19) pandemic created both a public health and economic crisis for both the US and Hawaii. Unemployment spiked to its highest rate in April 2020 hitting 14.4% National and 23.6% in Hawaii. While all sectors of the world's economy were affected by the coronavirus outbreak, the hotel, leisure, retail and travel industries have been hit hardest.

The surge in newly jobless people receiving unemployment benefits, depleted the trust funds in June requiring Hawaii to borrow federal Title IX loan to continue paying benefits. From July 2020 through end of November 2020 \$706.3 million in federal loans were received. Hawaii will continue to borrow to pay regular UI benefits until the loan principal is paid off and contributions exceed benefits pay out.

Congress enacted the CARES Act a temporary Pandemic Emergency Unemployment Compensation program (PEUC) providing up to 13 weeks of 100% federally funded benefits to individuals who have exhausted their regular unemployment compensation (UC) entitlement. Effective from December 26, 2020, an additional eleven weeks was added, for a total of 24 weeks of PEUC.

Furloughs and layoffs resulted in IUR exceeding 5.0% and the percentage of the prior two years being over 20%, triggering Hawaii on to Extended Benefits program for what appears to be the first time since 1981. Extended Benefits is the permanent "Triggered" extended benefits and would be payable when triggered on, to claimants that have exhausted their 26 entitlement to regular UI and provides at least 13 weeks of benefits. Benefits for the EB program are typically paid 50/50 by State/Federal trust funds, however the Families First Coronavirus Act made EB temporarily 100% Federally funded until end of this year. By law, PEUC should be paid before EB and will be available for claimants exhausting both their regular and PEUC benefit entitlement.

Hawaii legislation (HB1278/Act 1) sets employer state unemployment insurance (SUI) tax for 2021-2022 at Rate Schedule D, with rates ranging from 0.2% to 5.8 % rather than issuing SUI tax rates at Rate Schedule H, the highest schedule provided for under state law. The result of HB 1278 is a lower average tax rate for 2021-2022 of 1.6% rather than 3.7 % under Rate Schedule H.