



DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

NEIL ABERCROMBIE
GOVERNOR

DWIGHT TAKAMINE
DIRECTOR

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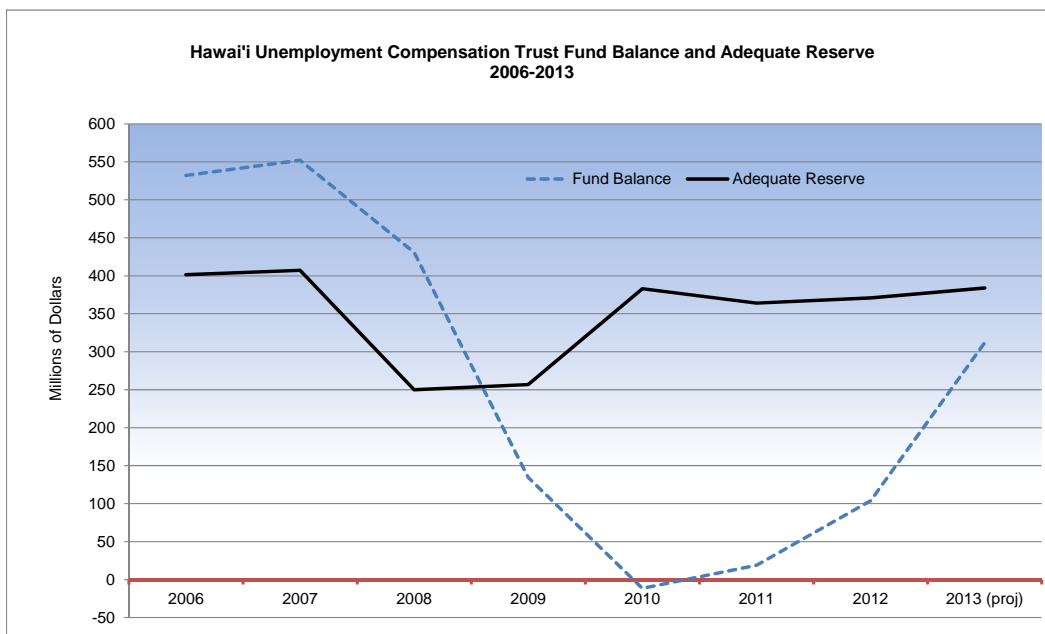
Dec. 19, 2013

STATE ANNOUNCES REDUCTION IN UNEMPLOYMENT TAXES FOR 2014 *Improved Rates Projected to Save Employers \$300 per Employee*

HONOLULU — The Hawaii State Department of Labor and Industrial Relations (DLIR) today announced that Unemployment Insurance tax rates for 2014 will be reduced 35 percent on average, resulting in employers paying \$130 million less in taxes, or \$300 less per employee on average for 2014.

The unemployment rate has dropped to 4.4 percent from 6.8 percent in December 2010, which has helped contribute to the replenishment of the Unemployment Compensation Trust Fund. As of October 2013, Hawaii had the fourth lowest unemployment rate among states.

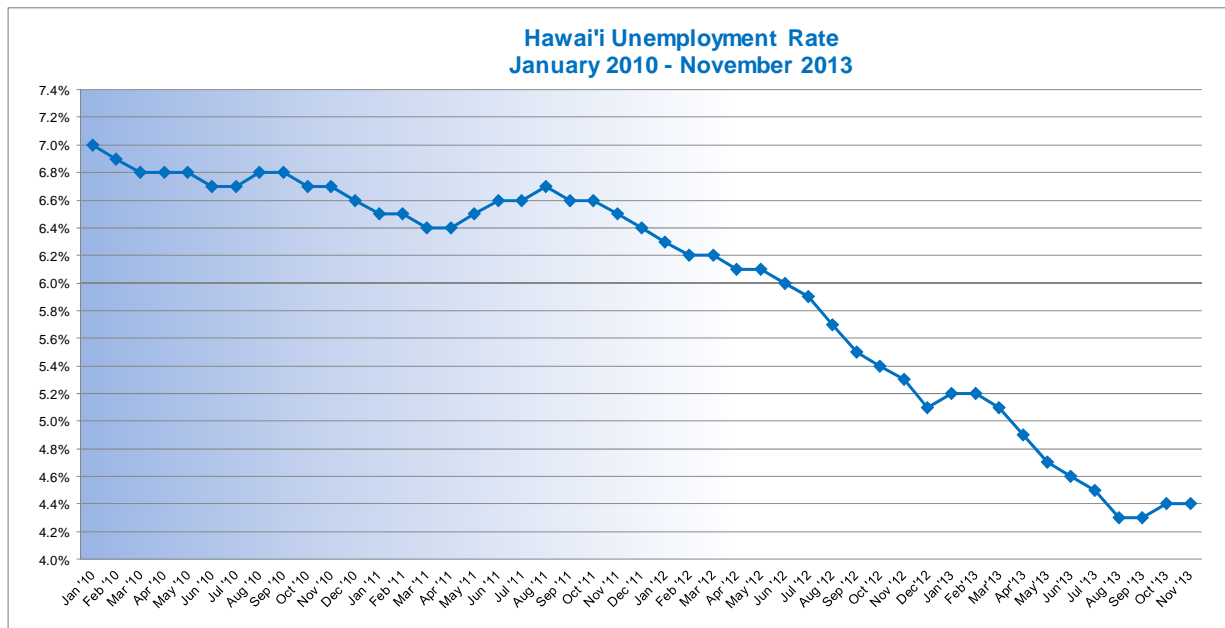
“This is welcome news to many small business throughout the state who can now consider investing the savings in their businesses and personnel,” said Gov. Neil Abercrombie. “The growing balance in the Unemployment Compensation Trust Fund is yet another signal that our local economy is improving. The program is designed to replenish its balance when times are better so the taxes on employers do not rise when the economy falters and when employers can least afford higher taxes.”



The Unemployment Compensation Trust Fund went bankrupt in December 2010, and the state had to borrow \$183 million to pay benefits. However, with the improved economy and prudent stewardship by the Abercrombie Administration, the fund balance has grown to more than \$300 million. The goal of the unemployment insurance financing structure is to maintain the Unemployment Compensation Trust Fund at an adequate reserve level, which is the balance necessary to pay out one year of benefits. The current reserve is at 0.79 of the adequate level, or about nine months of benefits. The higher fund balance triggered Schedule E for 2014, down from Schedule G in 2013.

“Unemployment benefits play a major role in stabilizing the economy during recessions by maintaining the purchasing power of those without income from employment, and DLIR’s duty is to protect employers against the double ‘whammy’ of diminishing profits and rising unemployment taxes during recessionary times,” said DLIR Director Dwight Takamine.

“Unemployment benefits also provide the ability for a worker unemployed through no fault of their own to put food on the table and shelter over the heads of their family while they search for another job.”



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**Unemployment Rate Ranking by State
(Seasonally Adjusted) – October 2013**

1	NORTH DAKOTA 2.7%	17	ALASKA 6.5%	31	SOUTH CAROLINA 7.5
2	SOUTH DAKOTA 3.7%	17	LOUISIANA 6.5%	36	NEW YORK 7.7
3	NEBRASKA 3.9%	17	MISSOURI 6.5%	36	OREGON 7.7%
4	HAWAII 4.4%	17	WISCONSIN 6.5%	38	CONNECTICUT 7.9%
5	VERMONT 4.5%	22	NEW MEXICO 6.6%	39	NORTH CAROLINA 8.0%
6	IOWA 4.6%	23	FLORIDA 6.7%	40	GEORGIA 8.1%
6	UTAH 4.6%	23	IDAHO 6.7%	41	ARIZONA 8.2%
6	WYOMING 4.6%	23	MAINE 6.7%	42	KENTUCKY 8.4%
9	MINNESOTA 4.8%	23	MARYLAND 6.7%	42	NEW JERSEY 8.4%
10	NEW HAMPSHIRE 5.1%	27	COLORADO 6.8%	42	TENNESSEE 8.4%
11	MONTANA 5.2%	27	DELAWARE 6.8%	45	MISSISSIPPI 8.5%
12	OKLAHOMA 5.5%	29	WASHINGTON 7.0%	46	CALIFORNIA 8.7%
13	KANSAS 5.6%	30	MASSACHUSETTS 7.2%	47	<i>DISTRICT OF COLUMBIA 8.9%</i>
13	VIRGINIA 5.6%	31	ARKANSAS 7.5%	47	ILLINOI 8.9%
15	TEXAS 6.2%	31	INDIANA 7.5%	49	MICHIGAN 9.0%
15	WEST VIRGINIA 6.2%	31	OHIO 7.5%	50	RHODE ISLAND 9.2%
17	ALABAMA 6.5%	31	PENNSYLVANIA 7.5%	51	NEVADA 9.3%