

# **Annual Evaluation of the Hawai ‘i Unemployment Compensation Trust Fund**

State of Hawai‘i  
Department of Labor & Industrial Relations

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# EXECUTIVE SUMMARY

## Highlights

	2022	2023	2024
<b>Unemployment Compensation Trust Fund</b>			
Contributions	\$238 million	\$461 million*	\$444 million*
Interest	\$2.7 million	\$8.7 million*	\$16.3 million *
Benefits	\$142 million	\$209 million*	\$364 million*
Loans			
Fund Balance (end of year)	\$249	\$501 million*	\$581 million*
<b>Unemployment Rates</b>			
Hawai'i Insured Unemployment Rate	1.29%	1.50%*	2.25%*
Hawai'i Total Unemployment Rate	3.5%	3.7%*	3.9%*
U.S. Total Unemployment Rate	3.7%		
<b>Taxable Wage Base</b>	\$51,600	\$56,700	\$59,100
<b>Tax Schedule</b>	Schedule D	Schedule F	Schedule D
<b>Tax Rates</b>			
Minimum	0.2%	1.2%	0.2%
Maximum	5.8%	6.2%	5.8%
Average			
% of Taxable Wages	1.33%	2.73%*	2.09*
% of Total Wages	.90%	1.87%*	1.43%*
<b>Weekly Benefit Amount</b>			
Minimum	\$5	\$5	\$5
Maximum	\$695	\$763	\$796
Average	\$520		
<b>Average Benefit Duration</b>	15.5 weeks		

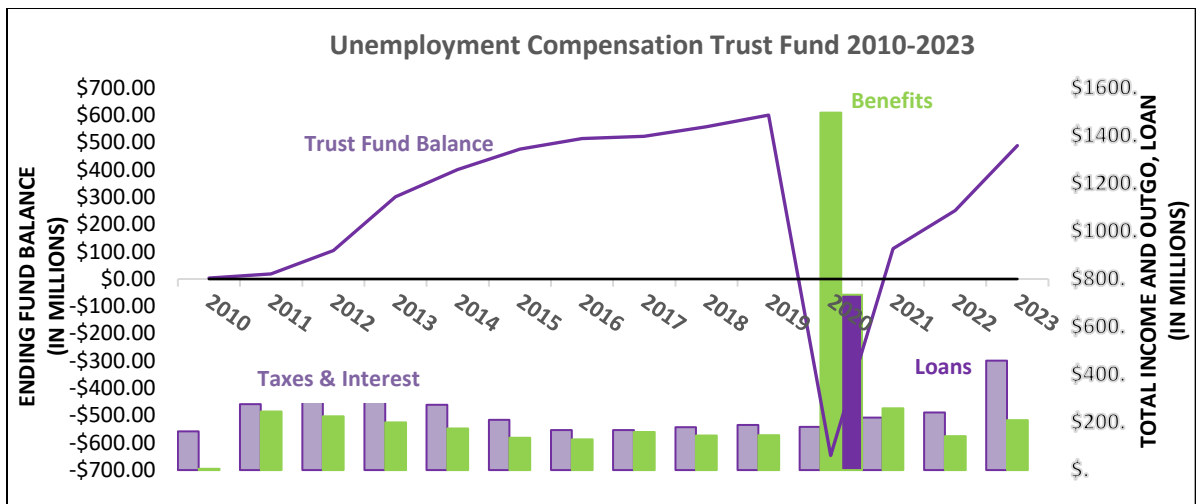
\* Estimated

## Status of the Fund

As of November 2023, the UI Trust Fund balance was \$542 million, the fund balance is .94% of the adequate level and anticipated to be \$581 million by the end of 2024. Unemployment benefit payments from Jan-November 2023 totaled \$169 million and projected to be approximately \$364 million in 2024. Beginning January 2023, Hawaii's monthly regular benefit payments fell below \$15 million for eight consecutive months. Many of those weeks featured payouts of less than \$13 million, which represented a return to pre-pandemic payment levels. However, monthly regular benefit payments began to tick upwards; it doubled starting in September 2023 because of the Maui Wildfires. Employer tax contributions generated to fund the UI programs totaled 453 million and projected to be approximately \$444 million in 2024.

Due to Legislative actions (HB2471 Act 281 SLH 2022), amending the definition of "Adequate Reserve Fund" to exclude the benefit cost rate from June 2020 through August 2021, for calendar years 2023 through 2030, a smaller fund balance is needed for future solvency to rebuild trust fund to the fund adequacy target described in state law and fund balance should be sufficient to trigger the lower tax rate tables.

*Assuming the calendar year 2024 insured unemployment rate averages 2.25%, or about 13,500 claims per week, the fund balance is estimated to be \$581 million at the end of 2024. With this fund balance, Schedule D would be in effect for 2025.*

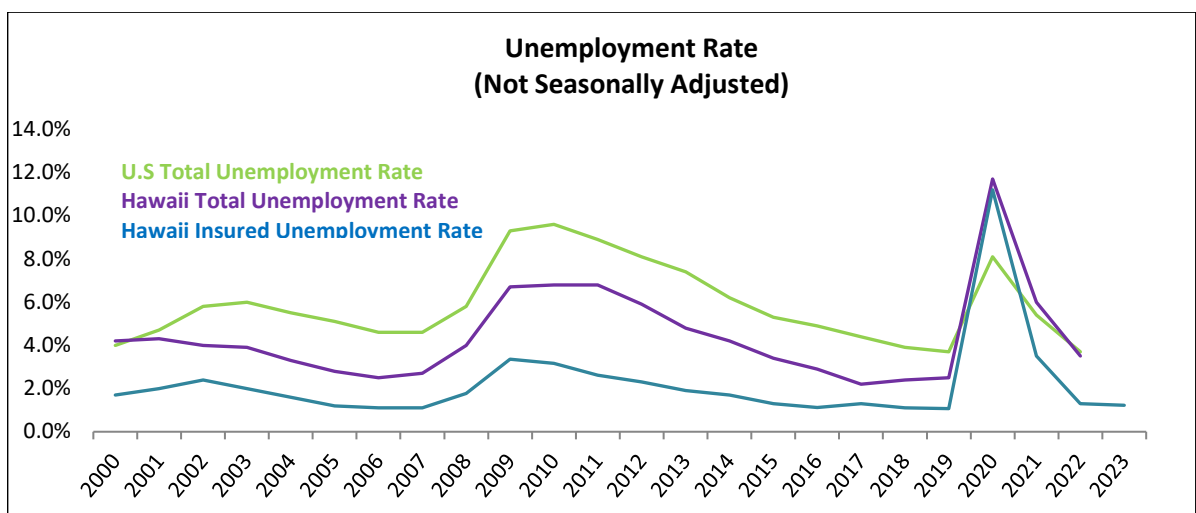


## Economic Factors

The national not seasonally adjusted total unemployment rate (TUR) was 3.4% as of November 2023, increasing from the November 2022 rate of 3.4%. Hawaii's not seasonally adjusted total unemployment rate (TUR) was 2.9% in November 2023 as compared to 3.9% in November 2022. Hawaii's total nonagricultural wage and salary job count grew in 2023, averaging 631,091 for the eleven months ending November 2023. This is a 23,109 increase from the average of 607,982 for the same period in 2022.

The insured unemployment rate (IUR) is the ratio of the UI claims to covered employment, so it represents the percent of covered employment that is collecting UI benefits. It is used to project outgo from the Unemployment Compensation Trust Fund. The IUR averaged 1.29% in 2022. It is at 1.23% as of November 2023.

*Projections in this report assume that national and Hawaii labor force numbers will reflect continuing favorable conditions. Hawaii's total unemployment rate (TUR) is projected to average 3.7% in 2023 and 3.9% in 2024. Trust fund estimates are based on an average insured unemployment rate (IUR) of 1.50% in 2023 and 2.25% in 2024. (Source: UHERO State Forecast))*



## 2023 Tax Schedule and Taxable Wage Base

The tax rates are set on a calendar year basis in December of each year. Tax rates for calendar year 2024 is set to Schedule D and will range from .20% to 5.80%. The average tax rate is estimated to be 1.80%. The taxable wages (maximum annual wages taxable per employee) will increase almost 4.0% to \$59,100 from \$56,700 for 2024.

## 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*, considering 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 Hawaii's Unemployment Compensation Trust Fund.

**Self-financing of benefits by governmental and/or nonprofit employers.** Sections 383-62 and 62.5, Hawaii 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 1990: Appendix B, page A-5)

The UI Trust balance as of November 30, 2023, was \$541,646,718. During the first eleven months of 2023, \$452 million employer contributions paid into the UI Trust Fund, up significantly from \$239 million paid the prior year. and \$5 million in interest were added to the Fund. The increase in employer contributions was due to the taxable wage base rising to \$56,700 from \$51,600 in 2022 and a state economy that continued to improve through lower unemployment rates and strong employment growth. UI benefit payments were decreased through 2022 and continue to a normal level from January to August of 2023 but because of the loss of employment in Maui wildfire last September 2023, \$169 million in benefits during the same time were paid out from the Fund.

*Projections through 2024: For this report, the insured unemployment rate is projected to average 1.50% in 2023 and 2.25% in 2024., This would result in a benefit payment of about \$364 million in 2024, up slightly from \$209 million paid on 2023. Taxes and interest are projected at about \$460 million in 2024. Based on this forecasted level of unemployment, the trust fund balance would be about \$581 million by the end of 2024 and Tax Schedule D would be in effect for 2025.*

### 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	\$175.1	\$6.3	\$1,496.1	\$44.1	\$691.6
2021	\$220.1	\$0.6	\$258.7	\$111.1	\$8.4
2022	\$238.0	\$2.7	\$142.0	\$249.0	0.0
2023					
Jan	\$39.8	\$0.0	\$12.9	\$277.5	\$0.0
Feb	\$2.0	\$0.0	\$10.6	\$269.0	\$0.0
Mar	\$3.4	\$1.0	\$10.8	\$261.5	\$0.0
Apr	\$154.9	\$0.0	\$10.7	\$405.7	\$0.0
May	\$10.7	\$0.0	\$12.7	\$403.7	\$0.0
Jun	\$2.4	\$1.6	\$11.3	\$394.7	\$0.0
Jul	\$136.3	\$0.0	\$13.0	\$518.1	\$0.0
Aug	\$3.8	\$0.0	\$14.8	\$507.1	\$0.0
Sep	\$0.3	\$2.8	\$24.7	\$482.7	\$0.0
Oct	\$101.5	\$0.0	\$27.3	\$556.9	\$0.0
Nov	\$4.7	\$0.0	\$20.0	\$541.6	\$0.0
<i>Projected</i>					
2023	\$461	\$8.7	\$209	\$501	
2024	\$444	\$16.3	\$364	\$581	



## Fund Solvency

*(Historical data from 1990: Appendix B, page A-6)*

The Hawaii 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 2022 Legislative Session, Act 281 temporarily redefined the adequate reserve fund for the calendar years 2023 through 2030 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, **but shall not include the benefit cost rate from June 2020 through August 2021**.

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 2024 tax schedule computation, the adequate amount is \$577,585,463. The current reserve fund (actual fund assets as of November 30, 2023) is \$541,646,718. At this fund level, Schedule D will be in effect for 2024.

## Tax Rates

*(Historical data from 1990: 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.

Minimum, maximum, and average tax rates are shown on page A-7; Appendix B. Taxes are estimated to average about 1.8% of taxable wages during calendar year 2024 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 1990: 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. For calendar year 2024, the taxable wage base increased to \$59,100 for all employers, up from the \$56,700 taxable wage base in 2023.

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.

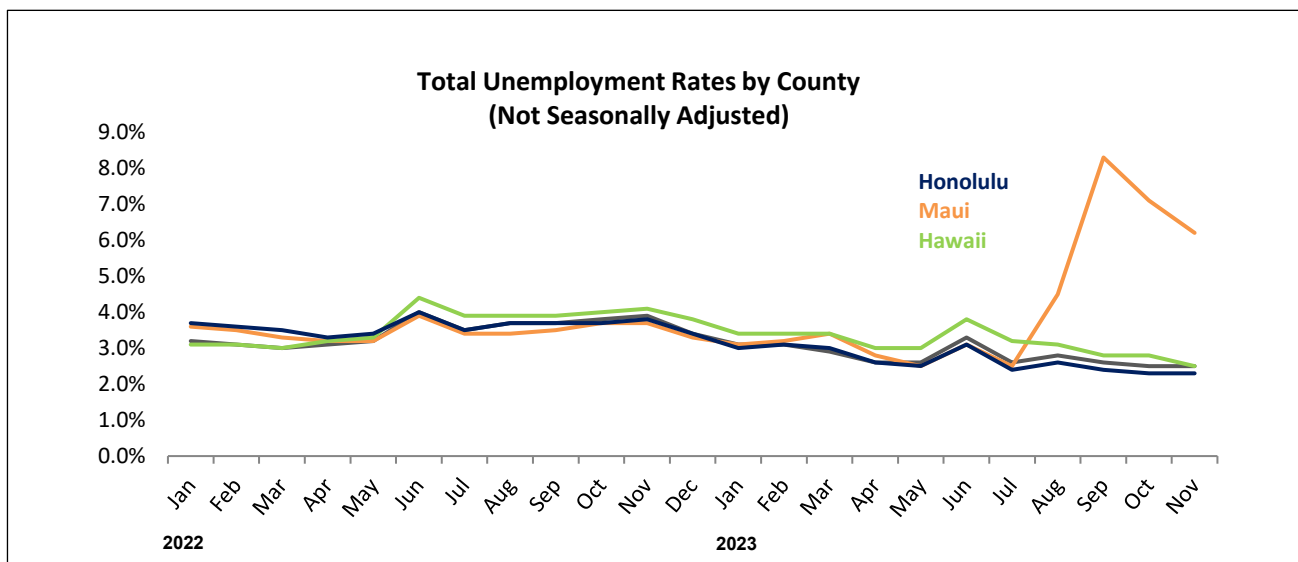
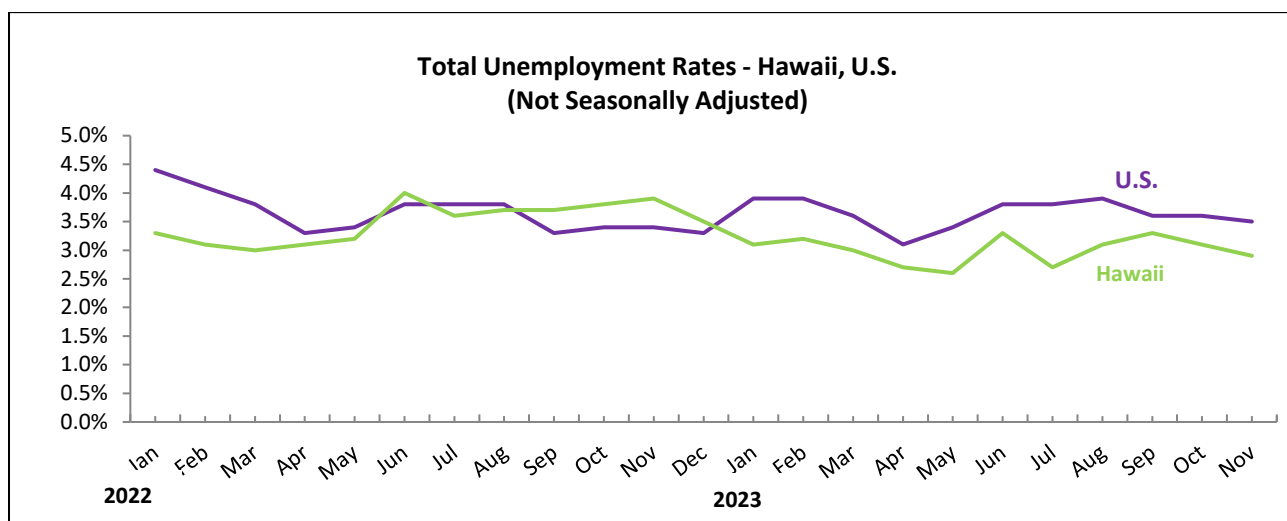
## ECONOMIC FACTORS

### General Conditions

Hawaii's economy continues to grow despite challenges posed by the Maui wildfires. The National not seasonally adjusted total unemployment rate (TUR) was 3.5% for November 2023, up from the November 2022 rate of 3.4%. Hawaii's not seasonally adjusted TUR was 2.9% in November 2023 as compared to 3.9% in November 2022. As shown in the chart below, Hawaii's unemployment rate is at current level of 2.9% down from 3.1% in January 2023. For the month of November 2023, unemployment rates were 2.5% for Honolulu, 6.2% for Maui County, 2.5% for Hawaii County, and 2.3% for Kauai County.

Hawaii total nonagricultural wage and salary job count averaged 631,091 for the eleven months ending November 2023. This is a 23,109 increase from the 607,982 averages for the same period in 2022. During this eleven-month period, three of ten major industrial sectors experienced increases in jobs in 2023. The three sectors with the largest job growth were Private Service-Providing, Trade, Leisure and Hospitality and Other Services.

*Outlook:* This report assumes slightly improved unemployment levels for Hawaii through 2024.



## Civilian Labor Force Data

(Historical data from 1990: Appendix B, page A-2)

Total Civilian Labor Force in Hawai'i decreased slightly from an annual average of 676,300 in calendar year 2022 to 676,100 in the first eleven months of 2023.

Total employed in Hawaii increased from an annual average 652,700 in calendar year 2022 to 655,800 during the first eleven months in 2023. Total unemployed decreased from an average of 23,600 in 2022 to 20,300 for the January through November 2023 period.

Hawaii's not seasonally adjusted total unemployment rate (TUR) averaged 3.0% over the first eleven months of 2023, decreasing over the calendar year 2022 average of 3.5%.

The not seasonally adjusted total unemployment rate for the U.S. averaged 3.6% for the first eleven months of 2023, decreasing over the calendar year 2021 average of 3.7%.

Projections for this publication assume the Hawaii 'i total unemployment rate will average 3.7% in 2023 and 3.9% in 2024.

### CIVILIAN LABOR FORCE DATA

Not Seasonally Adjusted

Year	Civilian Labor Force				
	State of Hawai'i				U.S.
	Total	Employed	Unemployed	Total Unempl. Rate (TUR)	Total Unempl. Rate (TUR)
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)	695,300	679,850	15,450	2.2%	4.4%
2018 (B)	692,450	675,850	16,600	2.4%	3.9%
2019 (B)	686,100	668,750	17,350	2.5%	3.7%
2020 (B)	664,100	586,200	77,900	11.7%	8.1%
2021 (B)	670,000	629,650	40,350	6.0%	5.4%
2022 (B)	676,300	652,700	23,600	3.5%	3.7%
2023					
Jan (R)	678,250	657,150	21,100	3.1%	3.9%
Feb (R)	678,000	656,600	21,400	3.2%	3.9%
Mar (R)	680,400	659,650	20,750	3.0%	3.6%
Apr (R)	679,550	661,250	18,300	2.7%	3.1%
May (R)	671,700	654,150	17,550	2.6%	3.4%
Jun (R)	676,650	654,250	22,400	3.3%	3.8%
Jul (R)	673,800	655,800	18,000	2.7%	3.8%
Aug (R)	673,450	652,700	20,750	3.1%	3.9%
Sep (R)	673,550	651,200	22,400	3.3%	3.6%
Oct (R)	673,750	653,100	20,650	3.1%	3.6%
Nov (P)	678,250	658,350	19,950	2.9%	3.5%
Projected 2023				3.7%	
2024				3.9%	

Notes: Except for percent unemployed, rounded to nearest 50.

Totals may not add due to rounding.

(B) Data from 2015-2022 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 1990: Appendix B, page A-3)

The average monthly number of employees covered by the Fund was 455,155 in 2022, up from 423,710 in 2021. Covered employees increased further to an average of 465,015 for the 12-month period ending June 2023.

The insured unemployment rate (IUR) is average weekly unemployment insurance claims as a percent of covered employees. The IUR was 2.14% as of November 2023, compared to the 2022 average of 1.29%. The average weekly number of claims filed under the regular state program was 6,450 in 2022. The number of weekly claims averaged 12,652 as of November 2023.

Projections for the IUR: average of 1.50% for 2023 and 2.25% for 2024.

### INSURED UNEMPLOYMENT RATE AND EMPLOYMENT COVERED BY THE UC FUND

Year	Insured Unemployment		Employees Covered By the Fund
	Rate (IUR)	Average Weekly Claims*	
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	3.45%	15,769	423,710
2022	1.29%	6,450	455,155
2023			
Jan	0.98%	5,622	438,543
Feb	0.99%	5,692	441,769
Mar	1.01%	5,814	440,490
Apr	0.99%	5,738	440,430
May	0.99%	5,731	440,513
Jun	0.99%	5,754	442,205
Jul	1.00%	5,869	
Aug	1.04%	6,129	
Sep	1.54%	9,054	
Oct	1.90%	11,271	
Nov	2.14%	12,652	
Dec			
<i>Projected</i>			
2023	1.50%	8,788	
2024	2.25%	13,450	

\*Monthly data are for the week containing the 12<sup>th</sup> 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 1990: Appendix B, page A-4)

The *maximum weekly benefit amount* payable to claimants *will increase to \$796 for the calendar year 2024*, \$33 more than the \$763 maximum in 2023. 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 \$594 for the 12-month period ending November 2023 as compared to an average of \$520 for calendar year 2022. 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 fell from 15.0 weeks to 12.6 weeks for the eleven-month period ending November 2023. 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 number 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 1990: 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 2022, .09% 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 by triggering a higher tax schedule due to a lower fund balance.

### 2022 Employer Data

The following tables show 2022 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 2023. Information on employers who were covered under the Hawai'i unemployment insurance program during 2022, but were no longer covered as of January 1, 2023, are not included in these tables. Data are shown by reserve ratio, county, size of firm, and industry groups. The reserve ratio tables show 2022 data by reserve ratios as of the end of 2022. Also shown on those tables are the 2022 tax rates assigned to each reserve ratio group.

Fifteen percent of all employers were in the highest reserve ratio group with ratios of 0.1500 and higher. These 5,919 employers were assigned the minimum 0.2% tax rate for 2023. Fifteen percent of the employers were assigned the maximum 5.8% tax rate, mostly due to delinquent filing of tax reports.

## Employer Data

### 2022 Employers and Wage Data by Reserve Ratio

Reserve Ratio End of 2022	2023 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%	5,919	15	53,621	12	2,713,230	10	1,929,520	11
.1400 to .1499	0.4%	1,380	3	20,350	5	1,184,674	5	780,651	4
.1300 to .1399	0.6%	1,908	5	42,185	9	2,870,513	11	1,771,465	10
.1200 to .1299	0.8%	1,807	5	42,024	9	3,002,318	11	1,753,293	10
.1100 to .1199	1.0%	1,787	5	39,798	9	2,165,743	8	1,512,821	8
.1000 to .1099	1.2%	1,604	4	33,699	7	1,822,627	7	1,311,837	7
.0900 to .0999	1.4%	3,421	9	33,296	7	1,765,994	7	1,230,070	7
.0800 to .0899	1.6%	2,149	5	24,050	5	1,390,114	5	955,923	5
.0700 to .0799	1.8%	1,829	5	31,848	7	1,754,980	7	1,219,290	7
.0600 to .0699	2.0%	1,758	4	29,220	6	1,680,908	6	1,165,206	6
.0500 to .0599	2.2%	494	1	20,022	4	1,048,716	4	774,499	4
.0300 to .0499	2.6%	580	1	17,179	4	922,038	3	670,216	4
.0000 to .0299	3.0%	595	2	9,654	2	638,664	2	427,409	2
-.0000 to - .0499	3.4%	453	1	5,816	1	372,538	1	264,884	1
-.0500 to - .0999	4.0%	294	1	3,129	1	202,618	1	137,532	1
-.1000 to - .4999	4.6%	655	2	11,497	3	886,760	3	576,587	3
-.5000 to - .9999	5.2%	205	1	2,514	1	213,381	1	137,497	1
-1.0000 to - 1.4999	5.4%	85	0	959	0	73,130	0	51,204	0
-1.5000 to - 1.9999	5.6%	46	0	622	0	48,634	0	34,580	0
-2.0000 and less	5.8%	103	0	572	0	37,366	0	26,392	0
New & Reactive	3.0%	6,401	16	8,739	2	505,586	2	364,677	2
N&R Neg Reserve	5.8%	191	0	102	0	5,397	0	4,465	0
Delinquent	5.8%	5,787	15	26,737	6	1,578,444	6	1,296,795	7
Total		39,451	100	457,635	100	26,884,373	100	18,396,812	100

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

## 2022 Benefit and Contribution Data by Reserve Ratio

Reserve Ratio End of 2022	2023 Tax Rate	Benefits Charged \$000	Benefits Noncharged \$000	Total Benefits \$000	% of Total	Cost Rate* %	Contribu tions \$000	% of Total	Tax Rate* %
.1500 and over	0.2%	-135,908	124,481	-11,427	-16	-0.59	10,052	4	0.52
.1400 to .1499	0.4%	-29,324	30,726	1,402	2	0.18	4,987	2	0.64
.1300 to .1399	0.6%	-31,638	34,527	2,889	4	0.16	11,329	5	0.64
.1200 to .1299	0.8%	-51,974	36,053	-15,920	-22	-0.91	13,799	6	0.79
.1100 to .1199	1.0%	-29,652	33,225	3,573	5	0.24	13,400	6	0.89
.1000 to .1099	1.2%	-53,494	56,766	3,272	5	0.25	12,581	5	0.96
.0900 to .0999	1.4%	-34,638	38,174	3,536	5	0.29	17,738	8	1.44
.0800 to .0899	1.6%	-20,678	23,850	3,172	4	0.33	14,684	6	1.54
.0700 to .0799	1.8%	-35,374	26,114	-9,260	-13	-0.76	18,381	8	1.51
.0600 to .0699	2.0%	-24,107	29,301	5,194	7	0.45	16,910	7	1.45
.0500 to .0599	2.2%	-25,136	30,042	4,907	7	0.63	12,222	5	1.58
.0300 to .0499	2.6%	-18,146	25,667	7,521	11	1.12	9,925	4	1.48
.0000 to .0299	3.0%	-13,011	20,716	7,705	11	1.80	6,734	3	1.58
-.0000 to -.0499	3.4%	-5,039	15,555	10,516	15	3.97	6,086	3	2.30
-.0500 to -.0999	4.0%	-5,176	12,568	7,392	10	5.37	3,782	2	2.75
-.1000 to -.4999	4.6%	-7,018	35,728	28,711	40	4.98	19,022	8	3.30
-.5000 to -.9999	5.2%	-2,487	13,488	11,001	15	8.00	6,946	3	5.05
-1.0000 to -1.4999	5.4%	-2,696	7,958	5,262	8	10.28	2,702	1	5.28
-1.5000 to -1.9999	5.6%	-251	5,290	5,040	7	14.57	1,833	1	5.30
-2.0000 and less	5.8%	-811	3,738	2,928	4	11.09	1,467	1	5.56
New & Reactive	3.0%	-4,796	5,143	348	1	0.10	11,196	5	3.07
N&R Neg Reserve	5.8%	-1,109	1,376	267	0	5.98	171	0	3.83
Delinquent	5.8%	-47,499	40,858	-6,642	-10	-0.51	15,704	7	1.21
Total		-579,958	651,344	71,386	100	0.39	231,653	100	1.26

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.



## 2022 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
Oahu	17,292	44	233,694	51	13,539,423	51	9,075,671	49
Maui	5,558	14	44,216	10	2,513,738	9	1,811,056	10
Hawai 'i	5,740	15	40,074	9	2,169,134	8	1,635,061	9
Kauai	2,431	6	19,885	4	1,087,054	4	806,181	4
Interstate	8,430	21	119,768	26	7,575,025	28	5,068,844	28
Total	39,451	100	457,635	100	26,884,373	100	18,396,812	100

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

## 2022 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* %
Oahu	-269,755	314,571	44,816	53	0.49	111,473	48	1.42
Maui	-82,174	92,654	10,480	11	0.58	23,690	10	1.49
Hawai 'i	-44,086	53,768	9,682	7	0.59	21,941	9	1.62
Kauai	-43,260	46,859	3,599	5	0.45	12,277	5	1.47
Interstate	-140,682	143,493	2,811	24	0.06	62,271	27	1.46
Total	-579,958	351,344	71,386	100	0.39	231,653	100	0.15

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.

## 2022 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	28,587	72	38,467	8	2,676,790	10	1,697,961	9
5 to 9	4,657	12	32,435	7	1,728,444	6	1,178,520	7
10 to 19	2,966	8	41,065	9	2,225,254	8	1,520,618	8
20 to 49	1,894	5	57,412	13	3,363,483	13	2,221,479	12
50 to 99	744	2	51,291	11	3,037,941	11	2,076,504	11
100 to 249	388	1	59,447	13	3,514,783	13	2,469,308	14
250 or more	215	1	177,518	39	10,337,678	39	7,232,422	39
Total	39,451	100	457,635	100	26,884,373	100	18,396,812	100

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

## 2022 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	-47,681	63,728	16,047	23	0.95	27,262	12	1.61
5 to 9	-29,874	40,071	10,197	14	0.87	16,883	7	1.43
10 to 19	-34,912	50,055	15,143	21	1.00	21,771	9	1.43
20 to 49	-57,259	76,760	19,502	27	0.88	29,975	13	1.35
50 to 99	-58,511	79,137	20,627	29	0.99	27,448	12	1.32
100 to 249	-79,799	98,361	18,561	26	0.75	34,130	15	1.38
250 or more	-271,924	243,233	-28,691	-40	-0.40	74,184	32	1.03
Total	-579,958	651,344	71,386	100	0.39	231,653	100	1.26

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.

## 2022 Employment 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	455	1	5,166	1	232,434	1	205,720	1
Utilities	79	0	3,603	1	425,653	2	193,516	1
Construction	3,725	9	32,525	7	2,774,458	10	1,745,313	9
Manufacturing	1,265	3	11,173	3	614,711	2	455,544	2
Wholesale Trade	1,815	5	15,248	3	1,111,021	4	692,827	4
Retail Trade	2,965	8	64,894	14	2,816,347	10	2,183,301	12
Transportation& Warehousing	991	3	25,573	6	1,785,974	7	1,091,174	6
Information	1,367	4	8,522	2	770,452	3	428,126	2
Finance & Insurance	1,533	4	17,570	4	1,674,581	6	888,606	5
Real Estate, Rental & Leasing	1,793	5	10,395	2	729,275	3	462,498	3
Professional, Scientific, & Technical Services	6,537	17	23,853	5	2,305,065	9	1,214,974	7
Management of Companies & Enterprises	234	1	1,220	0	180,665	1	65,678	0
Administrative & Support; Waste Management & Remediation Services	2,968	8	72,322	16	3,617,185	13	2,785,224	15
Educational Services	927	2	3,914	1	145,831	1	110,213	1
Health Care & Social Assistance	4,359	11	38,211	8	2,308,307	9	1,460,509	8
Arts, Entertainment & Recreation	718	2	8,726	2	375,953	1	270,718	1
Accommodation & Food Services	3,591	9	94,744	21	4,090,302	15	3,420,791	19
Other Services (except Public Administration)	3,809	10	19,777	4	883,883	3	706,312	4
Public Administration	17	0	6	0	746	0	606	0
Unknown	303	1	192	0	21,531	0	15,162	0
Total	39,451	100	457,635	100	26,884,373	100	18,396,812	100

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

## 2022 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 Resource & Mining	-2,449	3,992	1,547	2	0.75	3,095	1	1.50
Utilities	-139	319	179	0	0.09	1,427	1	0.74
Construction	-24,128	89,752	65,624	92	3.76	47,177	20	2.70
Manufacturing	-15,112	18,503	3,390	5	0.74	5,383	2	1.18
Wholesale Trade	-12,075	13,811	1,736	3	0.25	7,178	3	1.04
Retail Trade	-52,789	58,550	5,761	8	0.26	19,614	8	0.90
Transportation & Warehousing	-56,960	43,034	-13,925	-20	-1.28	10,635	5	0.97
Information	-3,385	8426	5,041	7	1.18	6,505	3	1.52
Finance & Insurance	192	2,890	3,083	4	0.35	8,483	4	0.95
Real Estate, Rental & Leasing	-13,755	15,801	2,046	3	0.44	5,245	2	1.13
Professional, Scientific, & Technical Services	-7,636	13,405	5,770	8	0.47	17,486	8	1.44
Management of Companies & Enterprises	-1,575	1,778	203	0	0.31	832	0	1.27
Administrative & Support; Waste Management & Remediation Services	-62,915	65,328	2,413	4	0.09	38,579	17	1.39
Educational Services	-2,575	2,990	415	1	0.38	1,558	1	1.41
Health Care & Social Assistance	-11,607	15,465	3,858	5	0.26	16,502	7	1.13
Arts, Entertainment & Recreation	-14,095	15,373	1,278	2	0.47	3,053	1	1.13
Accommodation & Food Services	-277,149	257,463	-19,686	-28	-0.58	30,747	13	0.90
Other Services (except Public Administration)	-21426	23,951	2,525	4	0.36	7,971	3	1.13
Public Administration	0	0	0	0	0.00	11	0	0.07
Unknown	-379	128	128	0	0.84	173	0	0.00
Total	-579,958	71,386	71,386	100	0.39	231,653	100	1.26

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 =  $\frac{\text{all contributions paid by the employer minus all benefits charged to the employer}}{\text{the sum of the employer's taxable payrolls for the last 3 consecutive calendar years.}}$

#### 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 =  $\frac{\text{total benefits paid during a 12 consecutive month period}}{\text{total wages for the last 4 completed calendar quarters ending at least 5 months before the end of the 12 consecutive month period.}}$

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

Ratio =  $\frac{\text{Current Reserve (Unemployment Compensation Trust Fund balance as of November 30)}}{\text{Adequate Reserve.}}$

##### (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	
	A	B	C	D	E	F	G	H			
Reserve Ratio	Contribution Rates (%)									Ratio of Current to Adequate Reserve	Tax Schedule
.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 1990

**CIVILIAN LABOR FORCE DATA**  
**Not Seasonally Adjusted**  
**Annual Averages**

Year	Civilian Labor Force				
	Total	Employed	Unemployed	Total Unempl. Rate (TUR)	U.S. Total Unempl. Rate (TUR)
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)	695,300	679,850	15,450	2.2%	4.4%
2018 (B)	692,450	675,850	16,600	2.4%	3.9%
2019 (B)	686,100	668,750	17,350	2.5%	3.7%
2020 (B)	664,100	586,200	77,900	11.7%	8.1%
2021 (B)	670,000	629,650	40,350	6.0%	5.4%
2022 (B)	676,300	652,700	23,600	3.5%	3.7%

Sources: Hawai'i Workforce Informer web page )

Total Unemployment Rate: Percent of Labor Force

U.S. Bureau of Labor Statistics ([www.bls.gov](http://www.bls.gov))

Note: (RA) Data for 1990- 2009 ratio adjusted

(B) Data from 2010-2022 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
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	1%
2019	1.1%	6,553	482,634	0%
2020	11.2%	74,561	395,613	-18%
2021	3.5%	15,769	423,710	7%
2022	1.3%	6,450	455,155	7%

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
	<i>Maximum</i>	<i>Average</i>	<i>(weeks)</i>
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	\$444	20.1
2022	\$695	\$520	15.5
2023	\$763		
2024	\$796		

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
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	\$175.1	\$6.3	\$1,496.1	\$44.1
2021	\$220.1	\$0.06	\$258.7	\$111.1
2022	\$238.8	\$2.7	\$142.0	\$250.6

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.

2021: Includes \$97.0 M in Relief funds from other State Department and \$2.6 M 50% Reimbursement from Covid-19 Relief Fund.

## 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
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	-.44	D**	
2022	7.02%	\$21,902,097,674	\$1,538,476,70923	\$110,934,741	.072	D**	
2023	2.05%	\$25,771,789,534	\$528,321,685	\$259,646,534	.49	F	
2024	2.05%	\$28,174,900,642	\$577,585,463	\$541,646,718	.94	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.

2022: HB No. 2471, HD 1, SD2 ) - Amending the definition of "Adequate Reserve Fund" to exclude the benefit cost rate from June 2020 through August 2021, for calendar years 2023 through 2030.

## APPENDIX B continued

### UNEMPLOYMENT INSURANCE TAX RATES

Year	Tax Rates (Percent of Taxable Wages)			Taxes as a Percent of Total Wages
	<i>Minimum</i>	<i>Maximum</i>	<i>Average</i>	
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%
2021	0.2%	5.8%	1.6%	1.0%
2022	0.2%	5.8%	1.5%	0.9%
<i>Projected</i>				
2023	1.2%	6.2%	2.7%	1.9% <i>est</i>
2024	0.2%	5.8%	1.8%	1.4% <i>est</i>

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	-12%	\$14,264,927,551	-16%	68%	\$48,100
2021	\$23,527,945,885	10%	\$15,524,518,654	8%	66%	\$47,400
2022	\$26,330,630,719	12%	\$17,818,908,237	13%	68%	\$51,600
2023						\$56,700

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

## APPENDIX B continued

### CHARGED AND NONCHARGED BENEFITS

*(in millions of \$)*

<i>Year</i>	<b>Total Benefits</b>	<b>Charged Benefits</b>	<b>% of Total</b>	<b>Noncharged Benefits</b>	<b>% of Total</b>
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%
2021	\$275.9	\$206.1	75%	\$69.8	25%
2022	\$141.2	\$128.8	91%	\$12.4	09%

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 cause<sup>1</sup>;
- 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)<sup>2</sup>;
- 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 states<sup>3</sup>;
- h. Benefits overpaid to a claimant because 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.<sup>4</sup>

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

<sup>2</sup>EB was chargeable from January 1, 1985 through October 4, 1986.

<sup>3</sup>Benefits described in g and h became nonchargeable from July 15, 1976.

<sup>4</sup>Effective from September 13, 1992.

## **APPENDIX D**

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

- 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.
- 1991** The Persian Gulf War triggered a slowdown in March as tourist traffic declined dramatically and unemployment jumped. Mainland recessionary conditions began affecting Hawaii'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 Kauai. 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, Hawaii'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.

## APPENDIX D continued

**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.



## APPENDIX D continued

- 2013** The EUC08 program was extended from January 2, 2013, to January 1, 2014, by the American Taxpayer 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 several 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 entitlements to regular UI and provides at least 13 weeks of benefits. Benefits for the EB program is 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.

## APPENDIX D continued

**2022** HB1278/Act 1 mandates that Rate Schedule D, be used for calendar 2022. The rates ranging from 0.2% to 5.8%.

Additionally, under HB2471 HD1 SD2, effective for the calendar years 2023 through 2030 the computation of the “adequate reserve fund” which is derived by multiplying the benefit cost rate that is the highest during the ten-year period ending in November 30 of each by the total remuneration paid by all employers, with respect to all employment for which contributions are payable during the last four calendar quarters ending June 30 of the same year, as reported on contribution reports filed on or before October 31 of the same year, but shall not include the benefit cost rate from June 2020 through August 2021.

**2023** Unemployment rate in Maui County increase slightly to 4.2 percent in August from 2.5 percent in July, the same month that wildfires destroyed much of Lahaina town which killed at least 100 people, destroyed more than 2,200 structures including many historic landmarks in Lahaina and forced the closure of business and hotels on the west side.

The devastating wildfires that ravaged the Hawaiian island of Maui shake the island’s tourism industry, which generates half of its jobs. Visitor’s arrival to Maui in September were down after the fire and visitor spending was half of what it was, as the island continued to deal with the aftermath of the deadly wildfire in Lahaina on August 8.

An emergency declaration was signed on August 8, authorizing several actions, including activation of the Hawaii National Guard, appropriate actions by the director of the Hawaii Emergency Management Agency and the Administrator of Emergency Management, and the expenditure of state general revenue funds for relief of conditions created by the fires. By August 9, the state government of Hawaii issued a state of emergency for the entirety of the state. On August 10, U.S. President Joe Biden issued a federal major disaster declaration.