

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR



JADE T. BUTAY
DIRECTOR

WILLIAM G. KUNSTMAN
DEPUTY DIRECTOR

STATE OF HAWAII
KA MOKU'ĀINA O HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
KA 'OIHANA PONO LIMAHANA
830 PUNCHBOWL STREET, ROOM 321
HONOLULU, HAWAII 96813
www.labor.hawaii.gov

March 7, 2025

The Honorable Ronald D. Kouchi,
President and Members of the Senate
Thirty-Third Legislature
State Capitol, Room 409
Honolulu, HI 96813

The Honorable Nadine K. Nakamura
Speaker and Members of the
House of Representatives
Thirty-Third Legislature
State Capitol, Room 431
Honolulu, HI 96813

Dear President Kouchi, Speaker Nakamura and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the Department of Labor and Industrial Relations, Annual Evaluation of the Hawaii Unemployment Compensation Trust Fund as required by section [383-126.5](#), Hawaii Revised Statutes.

In accordance with section 93-16, HRS, I am also informing you that the report may be viewed electronically at <http://labor.hawaii.gov/find-a-report/>.

Sincerely,

Jade T. Butay
Director of Labor and Industrial Relations

Enclosure

c: Legislative Reference Bureau Library
State Publications Distribution Center
University of Hawaii



Annual Evaluation of the Hawaii Unemployment Compensation Trust Fund

State of Hawaii
Department of Labor & Industrial Relations

December 2024

STATE OF HAWAII
Governor: Josh Green, M.D., Governor

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
Jade T. Butay, Director
William G. Kunstman, Deputy Director

UNEMPLOYMENT INSURANCE DIVISION
Anne Eustaquio, Administrator

Program Development Coordination & Evaluation Staff
Mirasol Valdez, Research Statistician
830 Punchbowl Street, Room 325
Honolulu, HI 96813
(808) 586-8994

December 2024

TABLE OF CONTENTS

	Page
Executive Summary	1
Background Information	4
• Purpose of Report	
• Fund Definition and Requirements	
Status of the Unemployment Compensation Trust Fund	5
• Status of the Fund	
• Fund Solvency	
• Tax Rates	
• Taxable Wage Base	
Economic Factors	7
• General Conditions	
• Civilian Labor Force Data	
• Insured Unemployment and Employment Covered by the UC Fund	
• Weekly Benefit Amounts and Average Duration	
Experience Rating	11
• Description	
• Charged and Noncharged Benefits	
• 2022 Employer Data	
Appendixes	
A Computation of Employer Contribution Rates	A-1
B Annual Data from 1990	
• Civilian Labor Force Data (Data from 1990)	A-2
• Insured Unemployment and Employment Covered by the UC Fund ...	A-3
• Weekly Benefit Amount and Average Duration	A-4
• Hawaii Unemployment Compensation Trust Fund	A-5
• Ratio of Current to Adequate Reserve Fund	A-6
• Unemployment Insurance Tax Rates	A-7
• Total and Taxable Wages	A-8
• Charged and Noncharged Benefits	A-9
C Benefits Not Charged to Employer Accounts	A-10
D The Hawaii Unemployment Compensation Trust Fund and Economic Conditions: 1990 to the Present	A-11

This Page Intentionally Left Blank

EXECUTIVE SUMMARY

Highlights

Unemployment Compensation Trust Fund	2023	2024	2025
Contributions	\$453 million	\$336 million*	\$279 million*
Interest	\$8.6 million	\$17.3 million*	\$23.0 million *
Benefits	\$186 million	\$166 million*	\$177 million*
Loans			
Fund Balance (end of year)	\$528 million	\$713 million*	\$838 million*
Unemployment Rates			
Hawaii Insured Unemployment Rate	1.30%	1.09%*	1.00%*
Hawaii Total Unemployment Rate	3.0%	3.0%*	2.8%*
U.S. Total Unemployment Rate	3.6%	4.0%*	
Taxable Wage Base			
	\$56,700	\$59,100	\$62,000
Tax Schedule			
	Schedule F	Schedule D	Schedule C
Tax Rates			
Minimum	1.2%	0.2%	0.0%
Maximum	6.2%	5.8%	5.6%
Average			
% of Taxable Wages	1.62%	1.50%*	1.72*
% of Total Wages	1.13%	1.05%*	1.18%*
Weekly Benefit Amount			
Minimum	\$5	\$5	\$5
Maximum	\$763	\$796	\$835
Average	\$520		
Average Benefit Duration			
	13.3 weeks		

* Estimated

Status of the Fund

The Hawaii Unemployment Compensation Trust Fund (UCTF) balance grew over the year, climbing to \$711 million at the end of November 2024, up from \$528 million at the end of 2023. Unemployment Insurance (UI) benefit payments from January-November 2024 totaled \$149 million and was projected to be approximately \$177 million in 2025. Employer tax contributions generated to fund UI benefits totaled \$325 million during the same period and was projected to be approximately \$279 million in 2025. Contributions generally exceeded benefits in the 2022-2024 post pandemic period. This enabled the trust fund to rebuild and contribution rates to decline.

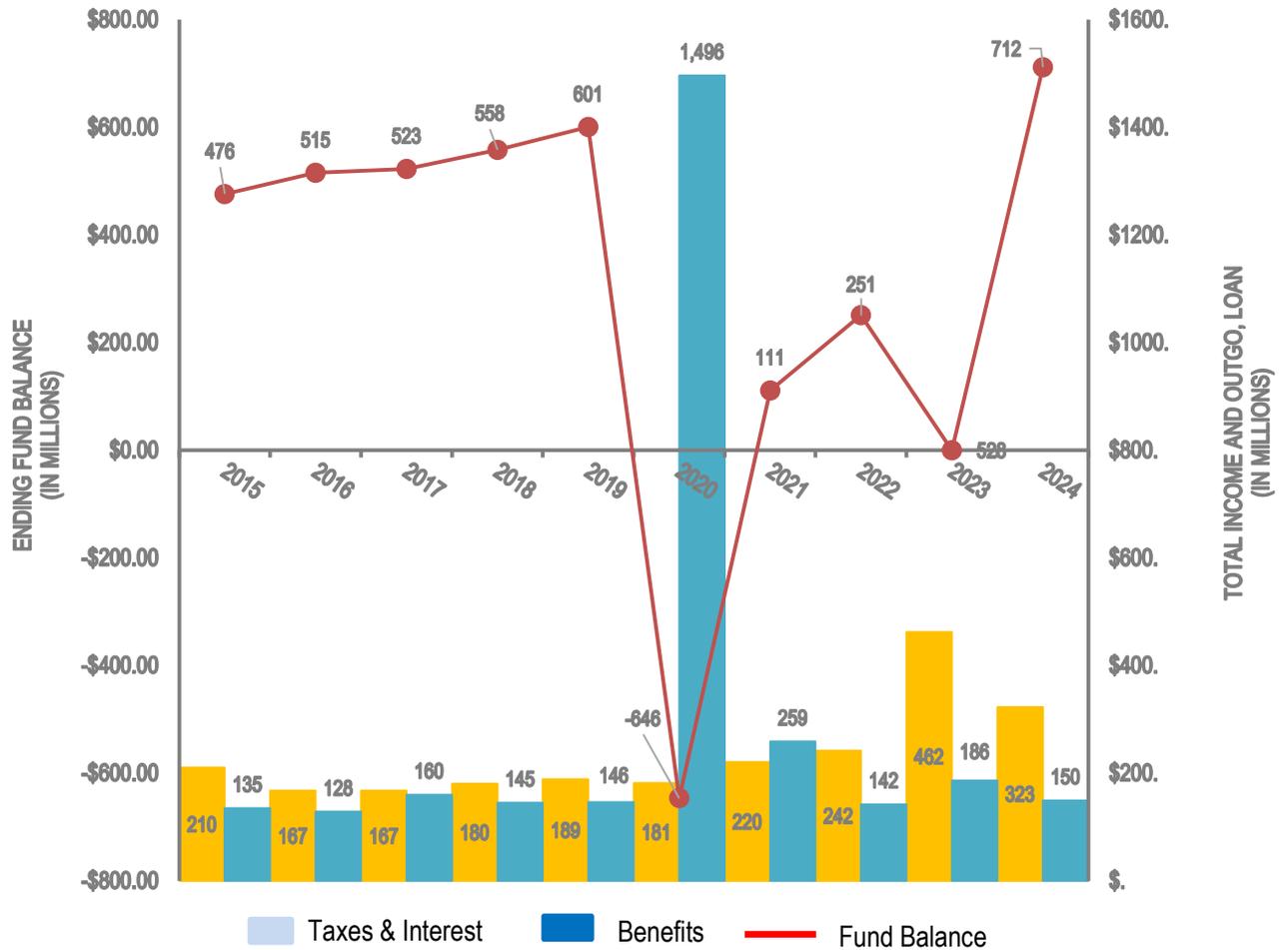
Hawaii's economy continues to recover from the impacts of the COVID-19 Pandemic and the August 2023 Maui wildfires, and the UCTF is expected to grow in 2025 due to projected lower levels of UI claims and benefit payments.

Hawaii's insured unemployment rate (IUR) was at 0.99% for the week ending November 23, 2024. This is lower than the long-time average of 1.16%. The UCTF is projected to remain in good financial standing and year-end balance for 2024 is projected at \$713 million.

UI tax schedule C is in effect in 2025. The department forecasts that schedule C will be in effect through the end of 2026.

Hawaii's maximum weekly benefit amount is \$835 for 2025, \$39 higher than the maximum weekly benefit amount of \$796 for 2024.

Unemployment Compensation Trust Fund 2015-2024



Economic Factors

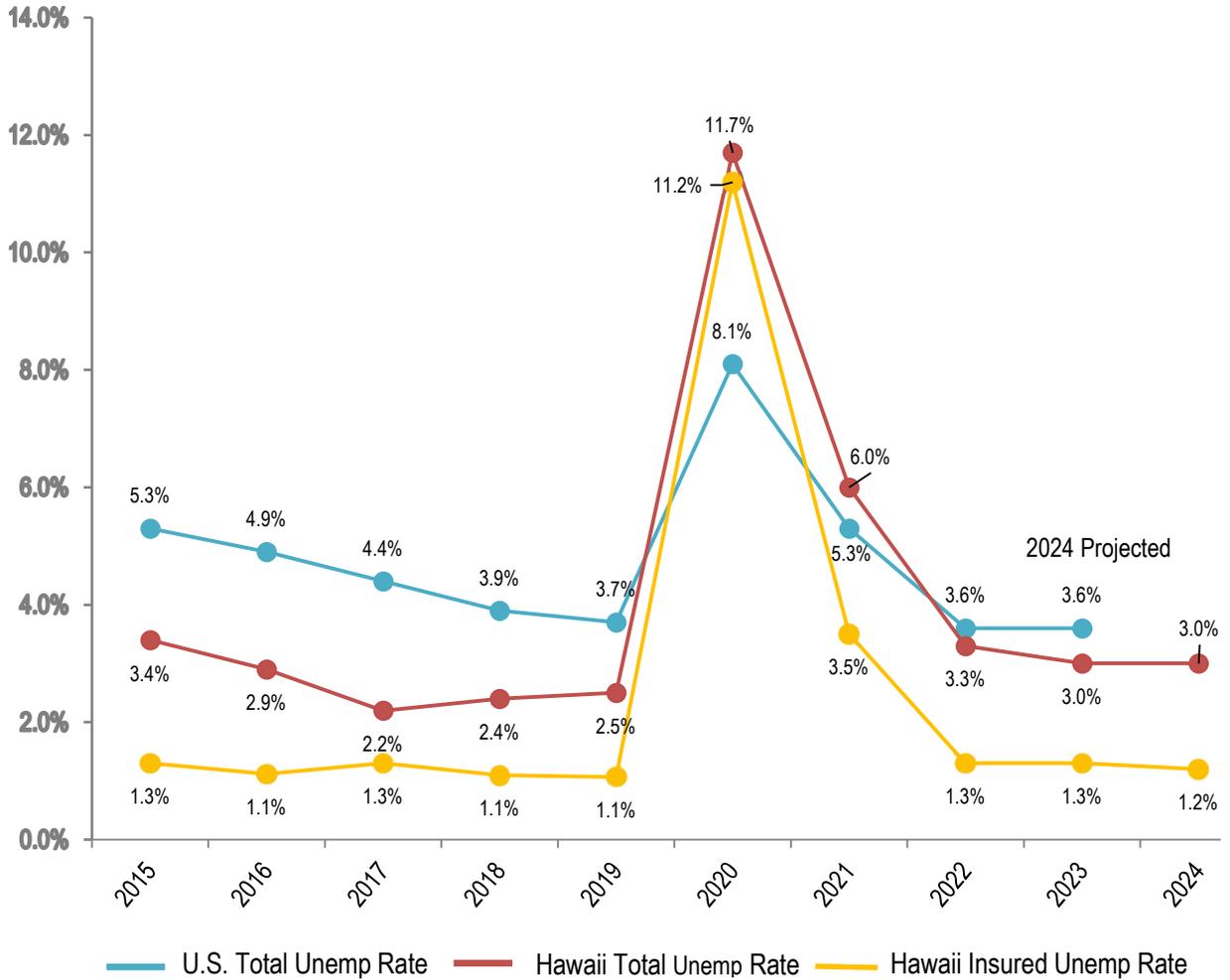
The national not seasonally adjusted total unemployment rate (TUR) was 4.0% as of November 2024, increasing from the November 2023 rate of 3.6%. Hawaii's not seasonally adjusted total unemployment rate (TUR) was 3.1% in November 2024 as compared to 3.0% in November 2023. Hawaii's total nonagricultural wage and salary job count grew in 2024, averaging 636,273 for the eleven months ending November 2024. This is a 4,909 increase from the average of 631,364 for the same period in 2023.

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 UCTF. The IUR averaged 1.30% in 2023. It is at 0.99% as of November 2024.

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 3.0% in 2024 and 2.8% in 2025. Trust fund estimates are based on an average insured unemployment rate (IUR) of 1.30% in 2023 and 1.09% in 2024.

(Source: UHERO State Forecast)

Unemployment Rate (Not Seasonally Adjusted)



2024 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 2025 is set to Schedule C and will range from 0% to 5.60%. The average tax rate is estimated to be 1.10%. The taxable wages (maximum annual wages taxable per employee) will increase almost 5.0% to \$62,000 from \$59,100 for 2025.

BACKGROUND INFORMATION

Purpose of Report

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

Fund Definition and Requirements

Establishment of Fund in Hawaii state law. The Hawaii Employment Security Law (Hawaii 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 ensure that Hawaii 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 UCTF.

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 2015: Appendix B, page A-5)

The UCTF balance as of November 30, 2024, was \$711,575,033.47. During the first eleven months of 2024, \$311 million of employer contributions were paid into the UCTF under schedule D, down significantly from the \$452 million in the prior year under schedule F. The decrease in employer contributions was due to the lower tax schedule from Schedule F in 2023 to Schedule D in 2024. UI benefit payments were decreased through 2023 and continued to a normal level from January to November of 2024, with \$149 million in benefits paid out from the Fund.

Projections through 2025: For this report, the insured unemployment rate is projected to average 1.09% in 2024 and 1.00% in 2025. This would result in a benefit payment of about \$177 million in 2025, up slightly from \$166 million paid on 2024. Taxes and interest are projected at about \$279 million in 2025. Based on this forecasted level of unemployment, the trust fund balance would be about \$713 million by the end of 2024 and Tax Schedule C would be in effect for 2025.

HAWAII UNEMPLOYMENT COMPENSATION TRUST FUND

(In millions of \$)

Year	Taxes	Interest	Benefits	Fund Balance	Federal Loan Balance
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	\$453.3	\$8.6	\$186.4	\$528.0	\$0.0
2024					
Jan	\$77.7	\$0.0	\$20.4	\$585.5	\$0.0
Feb	-\$2.8	\$0.0	\$14.4	\$568.6	\$0.0
Mar	\$1.8	\$3.4	\$12.6	\$561.6	\$0.0
Apr	\$84.7	\$0.0	\$14.0	\$632.7	\$0.0
May	\$5.5	\$0.0	\$12.7	\$626.0	\$0.0
Jun	\$2.5	\$3.9	\$11.1	\$621.2	\$0.0
Jul	\$75.0	\$0.2	\$13.9	\$689.9	\$0.0
Aug	\$4.1	\$0.3	\$12.0	\$682.9	\$0.0
Sep	\$1.5	\$4.8	\$13.5	\$674.9	\$0.0
Oct	\$56.9	\$8.9	\$13.2	\$718.8	\$0.0
Nov	\$3.8	\$5.5	\$11.3	\$711.6	\$0.0
<i>Projected</i>					
2024	\$336	\$17.3	\$166	\$713	
2025	\$249	\$23.0	\$177	\$838	

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 2025 tax schedule computation, the adequate amount is \$600,533,616. The current reserve fund (actual fund assets as of November 30, 2024) is \$711,575,033.47. At this fund level, Schedule C will be in effect for 2025.

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 1.1% of taxable wages during calendar year 2025 with Schedule C 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 2025, the taxable wage base increased to \$62,000 for all employers, up from the \$59,100 taxable wage base in 2024.

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

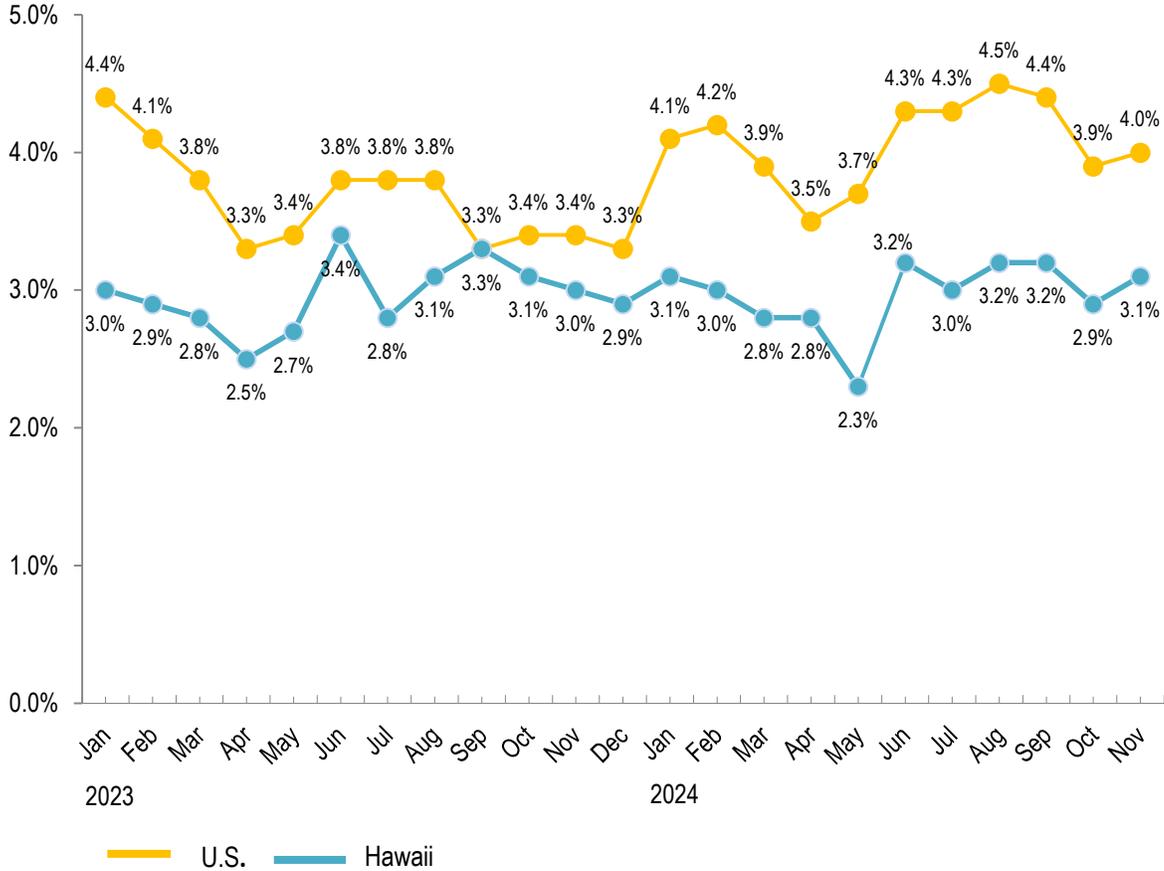
General Conditions

Hawaii’s economy is steady and expected to continue growing despite challenges posed by the Maui wildfires. The National not seasonally adjusted total unemployment rate (TUR) was 4.0 percent for November 2024, has increased from the November 2023 rate of 3.5 percent. Hawaii’s not seasonally adjusted TUR has slightly increased from 3.0 percent in November 2023 to 3.1 percent for November 2024. As shown in the chart below, Hawaii’s unemployment rate is at steady level of 3.1 percent in January 2024 and November 2024. For the month of November 2024, unemployment rates were 2.9 percent for Honolulu, 3.8 percent for Maui County, 3.1 percent for Hawaii County, and 2.9 percent for Kauai County.

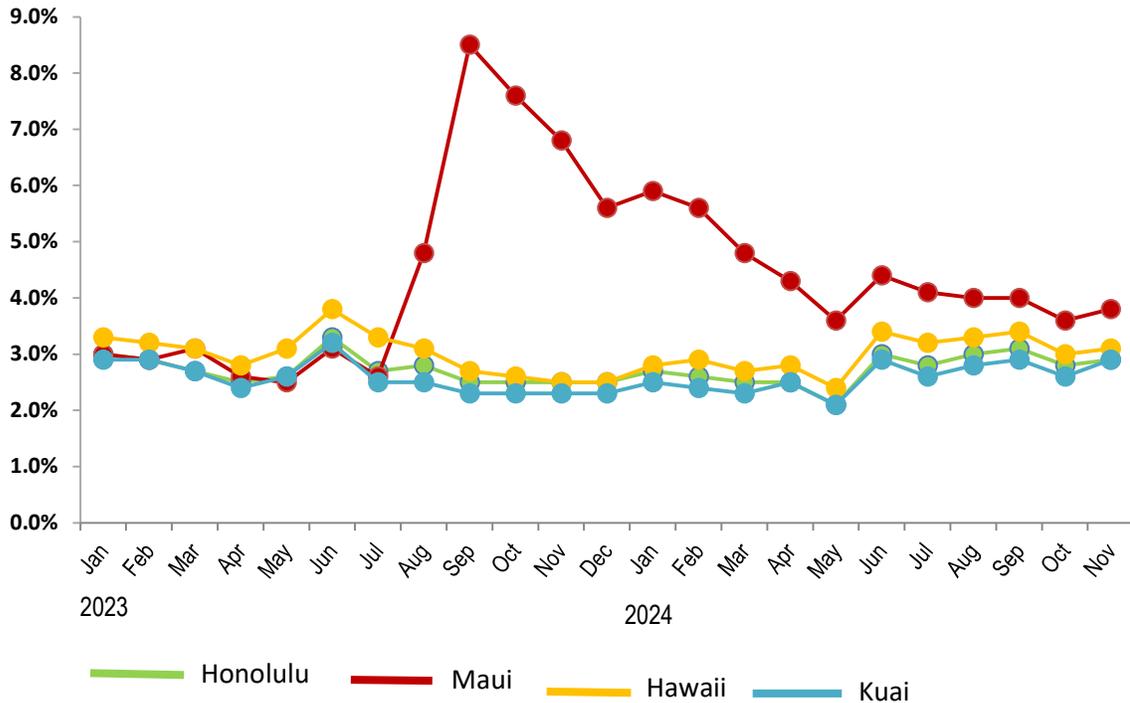
Hawaii total nonagricultural wage and salary job count averaged 636,273 for the eleven months ending November 2024. This is a 4,909 increase from the 631,364 averages for the same period in 2023. During this eleven-month period, three of ten major industrial sectors experienced increases in jobs in 2024. The three sectors with the largest job growth were Goods-Producing, National Resources and Mining and Construction, and Private Education and Health Services.

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

Total Unemployment Rates - Hawaii, U.S.
(Not Seasonally Adjusted)



Total Unemployment Rates by County
(Not Seasonally Adjusted)



Civilian Labor Force Data

(Historical data from 2015: Appendix B, page A-2)

Total Civilian Labor Force in Hawaii decreased slightly from an annual average of 676,346 in calendar year 2023 to 670,995 in the first eleven months of 2024.

Total employed in Hawaii decreased from an annual average 656,333 in calendar year 2023 to 651,086 during the first eleven months in 2024. Total unemployed decreased from an average of 20,017 in 2023 to 19,914 for the January through November 2024 period.

Hawaii’s not seasonally adjusted total unemployment rate (TUR) averaged 3.0 percent over the first eleven months of 2024, has remained steady over the calendar year 2023 average of 3.0 percent .

The not seasonally adjusted total unemployment rate for the U.S. averaged 4.0 percent for the first eleven months of 2024, increasing over the calendar year 2023 average of 3.6 percent and ranked the eight lowest in the nation among all the states.

Projections for this publication assume the Hawaii ’i total unemployment rate will remain steady at average of 3.0 percent in 2024 with no change for 2025.

CIVILIAN LABOR FORCE DATA

Not Seasonally Adjusted

YEAR	Civilian Labor Force				
	State of Hawaii				
	Total	Employed	Unemployed	Total Unemployment Rate (TUR)	Total Unemployment Rate (TUR)
2015 (B)	670,600	647,600	23,000	5.3%	3.4%
2016 (B)	679,100	659,550	19,550	4.9%	2.9%
2017 (B)	695,300	679,850	15,450	4.4%	2.2%
2018 (B)	692,450	675,850	16,600	3.9%	2.4%
2019 (B)	686,050	668,750	17,300	3.7%	2.5%
2020 (B)	665,950	588,150	77,800	8.1%	11.7%
2021 (B)	670,200	630,150	40,050	5.3%	6.0%
2022 (B)	672,750	650,650	22,050	3.6%	3.3%
2023 (B)	676,350	656,350	20,000	3.6%	3.0%
2024					3.0%
Jan (R)	671,800	650,950	20,850	3.1%	4.1%
Feb (R)	676,050	655,650	20,400	3.0%	4.2%
Mar (R)	669,800	651,150	18,650	2.8%	3.9%
Apr (R)	664,150	645,650	18,500	2.8%	3.5%
May (R)	665,050	649,500	15,550	2.3%	3.7%
Jun (R)	674,750	652,950	21,800	3.2%	4.3%
Jul (R)	676,700	656,350	20,350	3.0%	4.3%
Sep (R)	666,050	644,950	21,150	3.2%	4.5%
Oct (R)	669,050	647,550	21,500	3.2%	4.4%
Nov (R)	670,450	650,950	19,500	2.9%	3.9%
Dec (R)	677,100	656,300	20,800	3.1%	4.0%
<i>Projected</i>					
2024				3.0%	
2025				3.0%	

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

Totals may not add due to rounding.

(B) Data from 2015-2023 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 2015: Appendix B, page A-3)

The average monthly number of employees covered by the Fund has increased from 455,155 in 2022 to 463,375 in 2023. For the for the 12-month period ending June 2024 the average covered employees were 462,480.

The insured unemployment rate (IUR) is average weekly unemployment insurance claims as a percent of covered employees. The IUR was 1.00% as of November 2024, compared to the 2023 average of 1.27%. The average weekly number of claims filed under the regular state program was 8,152 in 2023. The number of weekly claims averaged 6,032 as of November 2024.

Projections for the IUR: average of 1.09% for 2024 and 1.00% for 2025.

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	1.27%	8,152	463,375
2024			
Jan	1.71%	10,202	461,718
Feb	1.52%	9,097	464,872
Mar	1.35%	8,072	464,297
Apr	1.19%	7,146	465,391
May	1.06%	6,346	467,021
Jun	1.01%	6,053	465,213
Jul	0.99%	5,977	
Aug	0.97%	5,847	
Sep	0.97%	5,850	
Oct	0.99%	5,940	
Nov	1.00%	6,032	
Dec			
<i>Projected</i>			
2024	1.09%	6,372	
2025	1.00%	6,100	

*Monthly data are for the week containing the 12th of the month and are based on 13-week moving averages.

Figures do not included 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 \$835 for the calendar year 2025, \$39 more than the \$796 maximum in 2024. Under Hawaii'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 \$617 for the 11-month period ending November 2024 as compared to an average of \$590 for calendar year 2023. 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 has increased from 12.6 weeks to 16.6 weeks for the eleven-month period ending November 2024. 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 2023, 42% 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.

2023 Employer Data

The following tables show 2023 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 2024. Information on employers who were covered under the Hawaii unemployment insurance program during 2023, but were no longer covered as of January 1, 2024, are not included in these tables. Data are shown by reserve ratio, county, size of firm, and industry groups. The reserve ratio tables show 2023 data by reserve ratios as of the end of 2023. Also shown on those tables are the 2023 tax rates assigned to each reserve ratio group.

Seventeen percent of all employers were in the highest reserve ratio group with ratios of 0.1500 and higher. These 6,933 employers were assigned the minimum 0.2% tax rate for 2024. Sixteen percent of the employers were assigned the maximum 5.8% tax rate, mostly due to delinquent filing of tax reports.

Employer Data

2023 Employers and Wage Data by Reserve Ratio

Reserve Ratio End of 2023	2024 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%	6,933	17	68,671	14	3,984,091	14	2,730,505	141
.1400 to .1499	0.4%	2,017	5	37,416	8	2,864,124	10	1,693,378	4
.1300 to .1399	0.6%	1,933	5	41,984	9	2,643,424	9	1,815,499	10
.1200 to .1299	0.8%	1,923	5	52,659	11	3,406,915	12	2,277,602	10
.1100 to .1199	1.0%	2,232	6	36,173	8	1,880,792	7	1,416,539	8
.1000 to .1099	1.2%	3,485	9	43,445	9	2,483,171	9	1,832,127	7
.0900 to .0999	1.4%	2,348	6	44,141	9	2,428,331	9	1,793,043	7
.0800 to .0899	1.6%	2,956	7	35,656	8	2,101,933	7	1,512,451	5
.0700 to .0799	1.8%	829	2	25,346	5	1,407,261	5	1,052,681	7
.0600 to .0699	2.0%	405	1	15,324	3	795,182	3	595,273	6
.0500 to .0599	2.2%	293	1	4,436	1	278,903	1	195,951	4
.0300 to .0499	2.6%	425	1	6,268	1	442,953	2	296,143	4
.0000 to .0299	3.0%	448	1	4,635	1	292,255	1	211,761	2
-.0000 to -.0499	3.4%	395	1	3,821	1	249,239	1	170,056	1
-.0500 to -.0999	4.0%	238	1	2,718	1	211,201	1	139,377	1
-.1000 to -.4999	4.6%	663	2	8,114	2	704,582	2	459,215	3
-.5000 to -.9999	5.2%	200	0	2,631	1	235,184	1	155,501	1
-1.0000 to - 1.4999	5.4%	69	0	864	0	73,335	0	51,606	0
-1.5000 to - 1.9999	5.6%	43	0	715	0	60,840	0	42,725	0
-2.0000 and less	5.8%	95	0	412	0	32,706	0	18,788	0
New & Reactive	3.0%	5,803	14	10,614	2	595,210	2	422,457	2
N&R Neg		168	0	55	0	4,450	0	2,933	0
Reserve	5.8%								
Delinquent	5.8%	6,413	16	28,373	6	1,355,308	4	1,119,855	7
Total		40,314	100	474,469	99	28,531,388	99	20,005,468	99

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

2023 Benefit and Contribution Data by Reserve Ratio

Reserve Ratio End of 2023	2024 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%	2,916	5,040	7,955	-16	0.29	43,347	4	1.59
.1400 to .1499	0.4%	1,404	1,898	3,302	2	0.19	28,418	2	1.68
.1300 to .1399	0.6%	1,560	4,447	6,007	4	0.33	33,797	5	1.86
.1200 to .1299	0.8%	2,682	2,783	5,465	-22	0.24	44,664	6	1.96
.1100 to .1199	1.0%	2,391	3,839	6,230	5	0.44	34,783	6	2.46
.1000 to .1099	1.2%	3,261	4,963	8,224	5	0.45	46,319	5	2.53
.0900 to .0999	1.4%	5,927	8,487	14,414	5	0.80	49,792	8	2.78
.0800 to .0899	1.6%	4,223	7,999	12,222	4	0.81	43,404	6	2.87
.0700 to .0799	1.8%	4,634	6,865	11,500	-13	1.09	30,372	8	2.89
.0600 to .0699	2.0%	4,683	4,435	9,118	7	1.53	19,126	7	3.21
.0500 to .0599	2.2%	2,652	1,945	4,598	7	2.35	6,925	5	3.53
.0300 to .0499	2.6%	5,020	3,013	8,034	11	2.71	10,375	4	3.50
.0000 to .0299	3.0%	6,442	1,997	8,439	11	3.99	8,229	3	3.89
-.0000 to -.0499	3.4%	7,047	761	7,808	15	4.59	7,507	3	4.41
-.0500 to -.0999	4.0%	7,068	339	7,407	10	5.31	6,905	2	4.95
-.1000 to -.4999	4.6%	32,275	1,075	33,350	40	7.26	24,377	8	5.31
-.5000 to -.9999	5.2%	11,135	374	11,510	15	7.40	8,455	3	5.44
-1.0000 to - 1.4999	5.4%	4,475	99	4,574	8	8.86	2,976	1	5.77
-1.5000 to - 1.9999	5.6%	4,980	136	5,116	7	11.97	2,570	1	6.02
-2.0000 and less	5.8%	2,261	527	2,787	4	14.83	1,102	1	5.87
New & Reactive	3.0%	215	287	502	1	0.12	17,200	5	4.07
N&R Neg Reserve	5.8%	299	26	325	0	11.08	155	0	5.28
Delinquent	5.8%	4,839	2,673	7,512	-10	0.67	15,234	7	1.36
Total		122,391	64,009	186,399	98	0.39	486,033	100	2.43

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.

2023 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	17,399	43	237,522	50	14,308,876	50	9,892,042	49
Maui	5,541	14	43,778	9	2,467,358	9	1,829,706	9
Hawaii	5,814	14	41,949	9	2,386,481	8	1,793,332	9
Kauai	2,497	6	20,671	4	1,156,367	4	881,896	4
Interstate	9,063	22	130,548	28	8,212,306	29	5,608,492	28
Total	40,314	99	474,469	100	28,531,388	99	20,005,468	99

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

2023 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	56,558	21,454	78,012	42	0.79	230,083	47	2.326
Maui	15,076	27,587	42,662	23	2.33	48,240	10	2.636
Hawaii	8,732	1,693	10,425	6	0.58	47,236	10	2.634
Kauai	5,062	1,278	6,339	3	0.72	23,083	5	2.617
Interstate	36,963	11,997	48,960	26	0.87	137,390	28	2.450
Total	122,391	64,009	186,399	100	0.93	486,033	100.00	0.941

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.

2023 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	29,373	73	39,043	8	2,797,748	10	1,789,873	9
5 to 9	4,692	12	32,661	7	1,781,506	6	1,259,579	6
10 to 19	2,985	7	41,543	9	2,392,797	8	1,645,315	8
20 to 49	1,898	5	58,223	12	3,495,344	12	2,414,392	12
50 to 99	744	2	51,802	11	3,199,490	11	2,232,712	11
100 to 249	403	1	62,663	13	3,756,940	13	2,722,970	14
250 or more	219	1	188,534	40	11,107,564	39	7,940,626	40
Total	40,314	101	474,469	100	28,531,388	99	20,005,468	100

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

2023 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	15,618	4,835	20,453	11	1.14	44,403	9	2.48
5 to 9	9,353	4,428	13,781	7	1.09	30,700	6	2.44
10 to 19	12,634	3,880	16,514	9	1.00	40,736	8	2.48
20 to 49	20,662	8,792	29,454	16	1.22	60,889	13	2.52
50 to 99	15,421	4,905	20,326	11	0.91	55,969	12	2.51
100 to 249	15,836	9,529	25,364	14	0.93	66,668	14	2.45
250 or more	32,867	27,640	60,506	32	0.76	186,668	38	2.35
Total	122,391	64,008	186,399	100	0.93	486,033	100	2.43

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.

2023 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	448	1	4,982	1	245,910	1	202,278	1
Utilities	8	0	23	0	2,014	0	1,250	0
Construction	77	0	3,689	1	458,585	2	215,221	1
Manufacturing	3,755	9	38,071	8	2,957,414	10	1,917,129	10
Wholesale Trade	1,314	3	11,553	2	666,031	2	502,391	3
Retail Trade	1,796	4	15,017	3	1,126,911	4	737,761	4
Transportation & Warehousing	2,942	7	65,483	14	2,967,408	10	2,376,744	12
Information	1,003	2	27,210	6	2,067,970	7	1,239,424	6
Finance & Insurance	1,459	4	8,309	2	797,917	3	435,530	2
Real Estate, Rental & Leasing	1,577	4	17,367	4	1,670,229	6	935,038	5
Professional, Scientific, & Technical Services	1,794	4	10,486	2	731,124	3	489,237	2
Management of Companies & Enterprises	6,879	17	26,825	6	2,520,699	9	1,360,552	7
Administrative & Support; Waste Management & Remediation Services	243	1	1,250	0	186,810	1	71,046	0
Educational Services	3,058	8	73,913	16	3,810,390	13	3,002,668	15
Health Care & Social Assistance	942	2	4,203	1	153,458	1	119,040	1
Arts, Entertainment & Recreation	4,511	11	37,751	8	2,370,333	8	1,528,076	8
Accommodation & Food Services	753	2	9,239	2	399,273	1	297,854	1
Other Services (except Public Administration)	3,662	9	98,969	21	4,452,035	16	3,805,467	19
Public Administration	3,833	10	19,947	4	925,542	3	753,010	4
Unknown	17	0	11	0	1,014	0	748	0
Total	40,314	99	474,469	101	28,531,388	100	20,005,468	101

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

2023 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	2,082	256	2,338	1	1.16	6,068	1	3.00
Utilities	3	0	3	0		41	0	
Construction	97	37	134	0	0.06	3,709	1	1.72
Manufacturing	54,450	3,338	57,788	31	3.01	72,784	15	3.80
Wholesale Trade	1,995	748	2,743	1	0.55	11,682	2	2.33
Retail Trade	1,768	695	2,463	1	0.33	14,888	3	2.02
Transportation & Warehousing	4,420	5,241	9,662	5	0.41	46,271	10	1.95
Information	4,037	4,558	8,596	5	0.69	27,730	6	2.24
Finance & Insurance	13,853	491	14,345	8	3.29	10,558	2	2.42
Real Estate, Rental & Leasing	2,906	550	3,456	2	0.37	17,577	4	1.88
Professional, Scientific, & Technical Services	1,796	1524	3,320	2	0.68	10,775	2	2.20
Management of Companies & Enterprises	5,791	1054	6,845	4	0.50	32,671	7	2.40
Administrative & Support; Waste Management & Remediation Services	161	33	194	0	0.27	1,654	0	2.33
Educational Services	13,891	17,438	31,328	17	1.04	81,335	17	2.71
Health Care & Social Assistance	674	381	1,054	1	0.89	2,784	1	2.34
Arts, Entertainment & Recreation	2,681	1,198	3,878	2	0.25	31,973	7	2.09
Accommodation & Food Services	1,346	1,460	2,806	2	0.94	7,004	1	2.35
Other Services (except Public Administration)	8,200	22,901	31,101	17	0.82	89,610	18	2.35
Public Administration	2,126	1,964	4,090	2	0.54	16,695	3	2.22
Unknown	0	0	0	0	0.00	19	0	0.13
Total	122,391	64,009	186,399	101	0.93	486,033	100	2.43

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 Hawaii 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
.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				U.S. Total Unempl. Rate (TUR)
	Total	State of Hawaii		Total Unempl. Rate (TUR)	
		Employed	Unemployed		
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)	603,950	580,350	23,600	4.0%	5.8%
2003 (RA)	611,750	591,600	20,150	3.9%	6.0%
2004 (RA)	625,550	607,850	17,700	3.3%	5.5%
2005 (RA)	635,400	619,350	16,050	2.8%	5.1%
2006 (RA)	636,700	619,200	17,500	2.5%	4.6%
2007 (RA)	641,550	615,750	25,750	2.7%	4.6%
2008 (RA)	631,950	589,800	42,150	4.0%	5.8%
2009 (RA)	648,550	604,200	44,350	6.7%	9.3%
2010 (B)	601,800	577,600	24,150	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)	686,050	668,750	17,300	2.5%	3.7%
2020 (B)	660,650	588,150	77,800	11.7%	8.1%
2021 (B)	670,200	630,150	40,050	6.0%	5.4%
2022 (B)	672,750	650,650	22,050	3.3%	3.7%
2023 (B)	676,350	656,350	20,000	3.0%	3.6%

Sources: Department of Business, Economic Development & Tourism research and Economic Analysis
[\(https://dbedt.hawaii.gov/economic/unemployment-statistics/\)](https://dbedt.hawaii.gov/economic/unemployment-statistics/) Total Unemployment Rate: Percent of Labor Force
 U.S. Bureau of Labor Statistics (www.bls.gov)

Note: (RA) Data for 1990- 2009 ratio adjusted
 (B) Data from 2010-2023 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%
2023	1.3%	8,152	463,735	2%

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
2023	\$463.3	\$8.6	\$186.4	\$528.0

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	\$28,089,838,588	7%	\$19,565,714,752	1%	70%	\$56,700
2024	\$28,539,967,258	2%	\$20,013,377,363	2%	70%	\$59,100
2025						\$62,000

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

APPENDIX B continued

CHARGED AND NONCHARGED BENEFITS
(in millions of \$)

<i>Year</i>	Total Benefits	Charged Benefits	% of Total	Noncharged Benefits	% of Total
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%
2023	\$221.1	\$128.7	58%	\$92.3	42%

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 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.⁴

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

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

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

⁴Effective from September 13, 1992.

APPENDIX D

The Hawaii Unemployment Compensation Trust Fund and Economic Conditions: 1980 to the Present

- 1990** Despite Mainland recessionary conditions, Hawaii 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 Hawaii 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 Hawaii economies. The tourism and construction industries were especially hard hit. Recessionary conditions on the mainland and in Hawaii 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 Hawaii 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 Hawaii 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 was 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.

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 pail 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.

Signature:



Email: Jade.butay@hawaii.gov