

Unemployment Insurance Tax Forecasts

- ▶ Below are the forecasts for average Virginia unemployment tax rates under low end and high end scenarios.
- ▶ These projections are based on certain modeling assumptions that may change given the fluid nature of the COVID-19 crisis circumstances.
- ▶ These are average rates and individual employers' rates will vary, but could reach as much as \$550 per employee, for employers that become rated at the maximum of 6.20%.
- ▶ For context, the average tax rate paid by Virginia employers in 2020 is 0.87% which equates to \$69.92 per employee. There is currently no fund builder tax imposed and the pool charge is so small that it does not impact employers taxes.

| Low End | Fund Builder | POOL | AVG Tax | Tax Per Emp |
|---------|----------------|--------|---------|----------------|
| 2021 | 0.20% \$ 16.00 | 0.531% | \$42.45 | 1.78% \$142.11 |
| 2022 | 0.20% \$ 16.00 | 0.534% | \$42.73 | 1.70% \$136.38 |
| 2023 | 0.20% \$ 16.00 | 0.526% | \$42.10 | 1.48% \$118.58 |

| High End | Fund Builder | POOL | AVG Tax | Tax Per Emp |
|----------|----------------|--------|---------|----------------|
| 2021 | 0.20% \$ 16.00 | 0.531% | \$42.45 | 2.22% \$177.60 |
| 2022 | 0.20% \$ 16.00 | 0.534% | \$42.73 | 2.35% \$187.60 |
| 2023 | 0.20% \$ 16.00 | 0.526% | \$42.10 | 2.34% \$187.40 |

