

## 2021 Reemployment Tax Rate Calculations

The Minimum Tax Rate increased from .0010 to .0029.

The Non-Charge ratio was determined by dividing total non-charges of \$1,373,633,168.85 by a three-year taxable payroll amount of \$188,981,950,635.39 resulting in a ratio of .0073. Non-Charge Ratio increased from .0009.

The Excess Payment Ratio was determined by dividing total three-year excess payment amount of \$38,092,735.21 by the same three-year taxable payroll amount resulting in a ratio of .0002. Excess Payment Ratio remains the same as in 2020.

The three-year taxable payroll amount included in the above calculations excludes employers whose benefit ratio is equal to or greater than .0540 (or .0640 for Short Time Compensation.)

The Fund Balance as of September 30, 2020 was \$1,416,087,743.66 which is .0216 of the one-year taxable payroll of \$65,639,172,148.08. Since the Fund Balance was below 4%, a fund size adjustment was calculated. This resulted in a Fund Size Ratio of .0071.

The Multiplier has increased from -.2400 to 2.3934

The multiplier is determined by adding the Non-Charge Ratio + Excess Payment Ratio + Fund Size Ratio divided by the Gross Benefit Ratio.

Calculation for Gross Benefit Ratio

Total 3 Year Rated Charges	\$1,189,630,501.44
Total 3 Year Excess Payments	- \$ 38,092,735.21
	\$1,151,537,766.23

This amount is then divided by the three-year experience payroll of \$188,981,950,635.39 resulting in a gross benefit ratio of .0061.

$$(NCR + EPR + FSR) / GBR = Multiplier$$
$$(.0073 + .0002 + .0071) / .0061 = 2.3934$$

The Sum of Products (SOP) is determined by multiplying the Variable Adjustment Factor of each employer by their taxable payroll.

The Final Adjustment Ratio (minimum rate) collects the percentage of money the IBR and Multiplier does not:

$$FAF = NCR + EPR + FSR - (SOP / 3 \text{ year Exp Payroll})$$
$$.0073 \text{ (NCR)} + .0002 \text{ (EPR)} + .0071 \text{ (FSR)} = .0146$$

Sum of Products /	\$2,229,016,665.53
Total 3 Year Exp Payroll	\$190,278,595,692.93 = .0117

$$.0146 - .0117 = .0029.$$

This is above the statutory minimum, so the 2021 minimum rate is .0029.