Trust Fund Adequacy & Solvency Measures

UI Benefit Financing Seminar
Division of Fiscal and Actuarial Services
U.S. DOL/ETA/OUI
October 23-26, 2018
TRUST FUND ADEQUACY

• What is Trust Fund Adequacy?

• Why is Trust Fund Adequacy Important?

• How to Measure Trust Fund Adequacy
TRUST FUND ADEQUACY

• A trust fund account balance at the start of a recession, which, taking into account tax system features and likely future outlays, provides an acceptable risk of borrowing.
Forward Funding Unemployment Insurance Benefits


- Trust Fud Reserves (L)
- Tax Rate (R)
- Benefits Paid (R)
Methods of Financing Recession Outlays

• Hold Large Trust Fund Balance

• Increase Taxes and/or Cut Benefits During Recessions

• Borrow Funds During Recessions
Consequences of Forward Funding Strategies

**Holding a Large Balance**
- Opportunity cost
- Pressure to divert funds to other uses
- Pressure to expand benefits

**Flexible Financing**
- Reduce automatic stabilization impact

**Borrowing**
- Interest paid from added tax
- Pressure to Raise Taxes and cut benefits
TRUST FUND ADEQUACY MEASURES

- Dollar Amount
- Months of Benefits
- Reserve Ratio
- Total Unemployment Rate for Insolvency
- Reserve Multiple
TRUST FUND ADEQUACY MEASUREMENT

• Desirable features
  – Link to potential liability
  – Relation to past experience
  – Incorporates future projections
<table>
<thead>
<tr>
<th>STATE</th>
<th>Trust Fund Balance as of 1/1/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALASKA</td>
<td>454,832,414</td>
</tr>
<tr>
<td>ALABAMA</td>
<td>560,163,698</td>
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<tr>
<td>ARKANSAS</td>
<td>641,543,173</td>
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<td>ARIZONA</td>
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<td>COLORADO</td>
<td>792,102,726</td>
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<td>CONNECTICUT</td>
<td>449,127,325</td>
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<td>DISTRICT OF COLUMBIA</td>
<td>434,081,766</td>
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<td>DELAWARE</td>
<td>129,262,216</td>
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<tr>
<td>FLORIDA</td>
<td>3,626,299,521</td>
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<tr>
<td>GEORGIA</td>
<td>1,814,994,210</td>
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<tr>
<td>HAWAII</td>
<td>520,364,894</td>
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<tr>
<td>IOWA</td>
<td>1,118,225,591</td>
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<tr>
<td>IDAHO</td>
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<td>ILLINOIS</td>
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<td>INDIANA</td>
<td>381,758,863</td>
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<td>KANSAS</td>
<td>642,939,852</td>
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<td>KENTUCKY</td>
<td>433,218,118</td>
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<td>LOUISIANA</td>
<td>909,569,433</td>
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<td>MASSACHUSETTS</td>
<td>998,795,673</td>
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<td>MARYLAND</td>
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<td>MINNESOTA</td>
<td>1,598,372,750</td>
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<td>MISSOURI</td>
<td>826,486,941</td>
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<td>MISSISSIPPI</td>
<td>655,645,503</td>
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<tr>
<td>MONTANA</td>
<td>314,978,838</td>
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<td>NORTH CAROLINA</td>
<td>3,172,224,039</td>
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<td>NORTH DAKOTA</td>
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<td>NEBRASKA</td>
<td>425,098,270</td>
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<td>NEW HAMPSHIRE</td>
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<tr>
<td>NEW JERSEY</td>
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<td>NEW MEXICO</td>
<td>431,323,224</td>
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<td>NEVADA</td>
<td>1,059,507,443</td>
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<td>NEW YORK</td>
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<td>OHIO</td>
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<td>PENNSYLVANIA</td>
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<td>PUERTO RICO</td>
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<td>RHODE ISLAND</td>
<td>360,916,841</td>
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<tr>
<td>SOUTH CAROLINA</td>
<td>734,895,259</td>
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<td>SOUTH DAKOTA</td>
<td>121,235,469</td>
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<tr>
<td>TENNESSEE</td>
<td>1,096,250,606</td>
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<tr>
<td>TEXAS</td>
<td>924,347,603</td>
</tr>
<tr>
<td>UTAH</td>
<td>1,077,211,363</td>
</tr>
<tr>
<td>VIRGINIA</td>
<td>1,148,066,322</td>
</tr>
<tr>
<td>VIRGIN ISLANDS</td>
<td>372,688</td>
</tr>
<tr>
<td>VERMONT</td>
<td>389,954,455</td>
</tr>
<tr>
<td>WASHINGTON</td>
<td>4,374,067,086</td>
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<tr>
<td>WISCONSIN</td>
<td>1,479,554,224</td>
</tr>
<tr>
<td>WEST VIRGINIA</td>
<td>83,881,611</td>
</tr>
<tr>
<td>WYOMING</td>
<td>304,237,595</td>
</tr>
</tbody>
</table>

Dollar Amount has no relation to potential liability or past experience
Months of Benefits as Trust Fund Adequacy Measure

\[
\text{Months of Benefits} = \frac{\text{Trust Fund Balance}}{\text{Average Monthly Benefit Payment (last 12 Months)}}
\]

- Not linked to Potential Liability
- Relates to Most Recent Experience Only
- Gives False Sense of Security at Peak of Business Cycle

<table>
<thead>
<tr>
<th>State</th>
<th>As of 12/31/2017 Months</th>
</tr>
</thead>
<tbody>
<tr>
<td>NC</td>
<td>212.8</td>
</tr>
<tr>
<td>FL</td>
<td>114.1</td>
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<tr>
<td>MS</td>
<td>103.3</td>
</tr>
<tr>
<td>OR</td>
<td>98.3</td>
</tr>
<tr>
<td>UT</td>
<td>88.7</td>
</tr>
<tr>
<td>OH</td>
<td>8.9</td>
</tr>
<tr>
<td>MA</td>
<td>8.8</td>
</tr>
<tr>
<td>CT</td>
<td>8.6</td>
</tr>
<tr>
<td>WV</td>
<td>7.1</td>
</tr>
<tr>
<td>TX</td>
<td>4.9</td>
</tr>
</tbody>
</table>
Months of Benefits Solvency Measure

Months of Benefits Solvency Measure - 2009 vs. 2017
RESERVE RATIO

Reserve Ratio = \frac{\text{Fund Balance}}{\text{Total Covered Wages}}

- Linked to Covered Wages (Liability)
- Not linked to past cost experience
RESERVE MULTIPLE

Reserve Multiple = \( \frac{\text{Reserve Ratio}}{\text{Cost Rate}} \)

\[
\begin{align*}
\text{Cost Rate} & = \frac{\text{Benefits During a Year}}{\text{Total Cov. Wages Same Year}} \\
\end{align*}
\]

- Accounts for wage growth
- Accounts for benefit cost experience
Alternative Reserve Multiple Measures

- Highest Cost Year Historically
- Second-Highest Cost Year
- Highest Recent Year
- Highest 3-Year Average Recent/Historically
- Average Cost Recent/Historically
Average High Cost Multiple

AHCM = \frac{\text{Average of 3 highest yrs over the last 20 yrs, or last 3 recessions, whichever is longer}}{\text{Average High Cost Rate}}

The AHCM represents the number of years current reserve in a state’s trust fund (not counting incoming revenues) can pay out benefits at historically high payout rate (defined as the average payout rate of the three highest cost years over the previous 20 year-period, or over a period covering the last 3 recessions, whichever is longer).
AVERAGE HIGH COST MULTIPLE

- Linked to potential liability
- Relates to prior high cost experience
- Static measure of dynamic system
- Does not incorporate projections
AHCM vs RESERVE RATIO

AHCM vs Reserve Ratio

RR (%)  AHCM

CY 2008 Data
AHCM vs Months of Benefits

• Both measure how long current reserve can pay out benefits

• MOB – Linked to most recent cost experience

• AHCM – Linked to historically high cost experience (recessions)
Solvency Level Before Recession

Average High Cost Multiple (12/31/2007)

States Borrowing as of April 30, 2010

AHCM

State
# Average High Cost Multiple vs. Borrowing

<table>
<thead>
<tr>
<th>Average High Cost Multiple</th>
<th>&gt;=2.0</th>
<th>1.75-1.99</th>
<th>1.50-1.74</th>
<th>1.25-1.49</th>
<th>1.00-1.24</th>
<th>0.75-0.99</th>
<th>0.50-0.74</th>
<th>&lt;0.50</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1974-1976</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td># of States</td>
<td>12</td>
<td>7</td>
<td>5</td>
<td>6</td>
<td>5</td>
<td>6</td>
<td>6</td>
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<td>51</td>
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<tr>
<td># of Loans</td>
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<td>2</td>
<td>2</td>
<td>3</td>
<td>6</td>
<td>6</td>
<td>4</td>
<td>25</td>
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<tr>
<td>% of Loans</td>
<td>0%</td>
<td>29%</td>
<td>40%</td>
<td>33%</td>
<td>60%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>49%</td>
</tr>
<tr>
<td>*<em>1980-1984</em></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td># of States</td>
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<td>0</td>
<td>5</td>
<td>7</td>
<td>10</td>
<td>5</td>
<td>6</td>
<td>16</td>
<td>51</td>
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<td>0</td>
<td>1</td>
<td>2</td>
<td>6</td>
<td>3</td>
<td>6</td>
<td>15</td>
<td>33</td>
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<tr>
<td>% of Loans</td>
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<td>0%</td>
<td>20%</td>
<td>25%</td>
<td>60%</td>
<td>60%</td>
<td>100%</td>
<td>94%</td>
<td>65%</td>
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<tr>
<td><strong>1990-1992</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td># of States</td>
<td>2</td>
<td>4</td>
<td>7</td>
<td>9</td>
<td>10</td>
<td>8</td>
<td>7</td>
<td>5</td>
<td>52</td>
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<td># of Loans</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>% of Loans</td>
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<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>13%</td>
<td>29%</td>
<td>60%</td>
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<tr>
<td><strong>2001-2004</strong></td>
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<td></td>
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<tr>
<td># of States</td>
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<td>2</td>
<td>5</td>
<td>8</td>
<td>10</td>
<td>12</td>
<td>7</td>
<td>4</td>
<td>53</td>
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<td># of Loans</td>
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<td>0</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>% of Loans</td>
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<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>10%</td>
<td>17%</td>
<td>29%</td>
<td>75%</td>
<td>15%</td>
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<td><strong>2008-2010</strong></td>
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<tr>
<td># of States</td>
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<td>4</td>
<td>3</td>
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<td>8</td>
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<td>5</td>
<td>5</td>
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<td>36</td>
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<tr>
<td>% of Loans</td>
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<td>50%</td>
<td>0%</td>
<td>0%</td>
<td>50%</td>
<td>63%</td>
<td>100%</td>
<td>95%</td>
<td>68%</td>
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</tbody>
</table>


*This Period includes both recessions of 1980 and 1981-82
# Average High Cost Multiple vs. Borrowing

<table>
<thead>
<tr>
<th>Average High Cost Multiple</th>
<th>&gt;= 1.0</th>
<th>&lt;1.0</th>
</tr>
</thead>
<tbody>
<tr>
<td># of States</td>
<td>37</td>
<td>15</td>
</tr>
<tr>
<td># of Loans</td>
<td>8</td>
<td>13</td>
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<tr>
<td>% of Loans</td>
<td>22%</td>
<td>87%</td>
</tr>
<tr>
<td>1974-1976</td>
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</tr>
<tr>
<td># of States</td>
<td>26</td>
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<tr>
<td># of Loans</td>
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<td>24</td>
</tr>
<tr>
<td>% of Loans</td>
<td>35%</td>
<td>89%</td>
</tr>
<tr>
<td>1980-1984*</td>
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<tr>
<td># of States</td>
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<td>20</td>
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<tr>
<td># of Loans</td>
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<tr>
<td>% of Loans</td>
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<td>30%</td>
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<td>1990-1992</td>
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<td># of Loans</td>
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<td>2001-2003</td>
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<td># of Loans</td>
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<td>30</td>
</tr>
<tr>
<td>% of Loans</td>
<td>27%</td>
<td>88%</td>
</tr>
<tr>
<td>2007-2011</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


*This Period includes both recessions of 1980 and 1981-82
Additional Solvency Measures

**Maximum Unemployment Rate For Solvency:** Highest Total Unemployment Rate under which the Trust fund will remain solvent one year out.

- Takes into account the near-term tax response
- Requires forecasting revenue and relationships between TUR and IUR and Weeks Claimed to Weeks Compensated

**Simulation Modeling:** Modeling entire UI program; captures system dynamics, assess level of risk and impact of law changes.
STATE UNEMPLOYMENT INSURANCE
TRUST FUND SOLVENCY REPORT
2018

U.S. Department of Labor
Office of Unemployment Insurance
Division of Fiscal and Actuarial Services

February 2018

View this report online at:
https://oui.doleta.gov/unemploy/solvency.asp
UNITED STATES

Trust Fund Status

1) 2017 Year End Aggregate State Trust Fund Balances: $55,227,038,259
2) Aggregate Interest Earned for 2017: $1,164,351,296
3) 2017 Year End Outstanding Title XII Advances: $1,232,312,368
4) 4b) Total Interest Owed since Jan 2008: $3,898,263,588
5) Total Title XII Advances since 12/31/2007: $152,299,322,848
6) Total Max. Amt. of Outstanding Advances: $47,200,150,556
7) Title XII Advances Per Cov. Employee: $10.73
8) Date of Maximum Outstanding Amount: 2/28/2011
9) Title XII Advances as % of Cov. Wages: 0.019%
4b) Total Interest Paid since Jan 2008: $3,898,263,588
5) Total Title XII Advances since 12/31/2007: $152,299,322,848
6) Total Max. Amt. of Outstanding Advances: $47,200,150,556
7) Title XII Advances Per Cov. Employee: $10.73
8) Date of Maximum Outstanding Amount: 2/28/2011
9) Title XII Advances as % of Cov. Wages: 0.019%
10) Total Non Title XII Debt Issued Since 2010: $11,445,120,000
11) Est. Amt. of Non- Title XII Debt Outstanding¹: $3,941,345,000

State Trust Fund Solvency

State Trust Fund Solvency Levels

Calculations of Federal Borrowing Statutes and FUTA Credit Reductions

Eligibility for Interest Free Borrowing in 2018

12) Number of States Eligible for Interest Free Borrowing in 2018³: 31

FUTA Credit Reductions

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of States with Credit Reduction Due to Outstanding Loans</th>
<th>Number of States with 2.7% Add- on</th>
<th>Number of States with BCR Add- on</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2017</td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Potential 2018⁴</td>
<td>2</td>
<td>0</td>
<td>1</td>
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</tbody>
</table>

¹. Average High Cost Multiple (AHCM) value- uses actual trust fund balances as of 12/31/2017 and estimated wages for CY2017. This measure compares the state trust fund level to the average of the three highest years of benefit payments.
². Non- Title XII Advances includes all private market Revenue Bonds and loans.
³. States that have met the interest free borrowing conditions of an AHCM of 0.9 in last five years and tax maintainence criteria.
⁴. Credit reductions apply only to states with outstanding loans as of January 1, 2018, and those not repaying their loan as of November 10, 2018.
GEORGIA

State Trust Fund Status

1) UI Trust Fund Balance as of 1/1/2018: $1,814,994,210
2) Interest Earned for 2017: $36,943,726
3) Outstanding Title XII Advance as of 1/1/2018: $0
4) Title XII Interest Owed for FY2017: $0
5) Total Title XII Advances Since 12/31/2007: $956,389,307
6) Max. Amount of Outstanding Advances: $760,781,100
7) Title XII Advances Per Cov. Employee: $0.00
8) Date of Maximum Outstanding Amount: 3/31/2012
9) Title XII Advances as % of Cov. Wages: 0.00%
10) Non Title XII Debt Issued Since 2010: $0
11) Est. Amt. of Non-Title XII Debt Outstanding: $0
12) Trust Fund Balance Compared to Yearly Benefit Costs

<table>
<thead>
<tr>
<th>Year</th>
<th>Reserve Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>0.95</td>
</tr>
<tr>
<td>2017 Benefit Cost Rate</td>
<td>0.16</td>
</tr>
<tr>
<td>High 3 Yr. Avg. Benefit Cost Rate</td>
<td>0.99</td>
</tr>
<tr>
<td>Highest Yr. Benefit Cost Rate</td>
<td>1.29</td>
</tr>
<tr>
<td>13) Solvency Level - Using Average High Cost Multiple²</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>0.96</td>
</tr>
<tr>
<td>2.7% Add-on</td>
<td>0.0%</td>
</tr>
<tr>
<td>BCR Add-on</td>
<td>0.0%</td>
</tr>
<tr>
<td>Total Credit Reduction</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

Calculations of Federal Borrowing Statutes and FUTA Credit Reductions

Eligibility for Interest Free Borrowing in 2018

14) Last year in which State achieved a 0.9 Avg. High Cost Multiple³: 2017
15) Lowest Percentage Avg. Tax rate is of the Previous 5 yr. Ben Cost Rate (> 75% elig. Req.) N/A*
16) Lowest Percentage Avg. Tax Rate is of the Previous Avg. Year's Tax Rate (> 80% elig. Req.) N/A*

FUTA Tax Rate

<table>
<thead>
<tr>
<th>Year</th>
<th>Credit Reduction Due to Outstanding Loans</th>
<th>2.7% Add-on</th>
<th>BCR Add-on</th>
<th>Total Credit Reduction</th>
<th>FUTA Tax Rate⁴</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.00%</td>
<td>0.6%</td>
</tr>
<tr>
<td>2017</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.00%</td>
<td>0.6%</td>
</tr>
<tr>
<td>Potential 2018⁵</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.00%</td>
<td>0.6%</td>
</tr>
</tbody>
</table>

1. Estimated from original Bond issue information from: http://emma.msrb.org/
2. Average High Cost Multiple (AHCM) value- uses actual trust fund balances as of 12/31/2017 and estimated wages for CY2017. This measure compares the state trust fund balance to the average of the three highest years of benefit payments.
3. Must occur in the last 5 years to be eligible for an interest free loan.
4. Represents the difference between total FUTA credit (with any reductions) and the FUTA tax rate of 6.0%.
5. Credit reductions apply only to states with outstanding loans as of January 1, 2018, and not repaid by November 10, 2018.

* Not Applicable
# TABLE 1

## SUMMARY OF STATE ELIGIBILITY FOR INTEREST FREE ADVANCE

<table>
<thead>
<tr>
<th>States Meeting Eligibility For Interest Free Advances</th>
<th>States Not Meeting Eligibility For Interest Free Advances</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. ALASKA</td>
<td>1. ALABAMA</td>
</tr>
<tr>
<td>2. ARKANSAN</td>
<td>2. ARIZONA</td>
</tr>
<tr>
<td>3. DISTRICT OF COLUMBIA</td>
<td>3. CALIFORNIA</td>
</tr>
<tr>
<td>4. FLORIDA</td>
<td>4. COLORADO</td>
</tr>
<tr>
<td>5. GEORGIA</td>
<td>5. CONNECTICUT</td>
</tr>
<tr>
<td>6. HAWAII</td>
<td>6. DELAWARE</td>
</tr>
<tr>
<td>7. IOWA</td>
<td>7. ILLINOIS</td>
</tr>
<tr>
<td>8. IDAHO</td>
<td>8. INDIANA</td>
</tr>
<tr>
<td>9. KANSAS</td>
<td>9. KENTUCKY</td>
</tr>
<tr>
<td>10. LOUISIANA</td>
<td>10. MASSACHUSETTS</td>
</tr>
<tr>
<td>11. MAINE</td>
<td>11. MARYLAND</td>
</tr>
<tr>
<td>12. MICHIGAN</td>
<td>12. MISSOURI</td>
</tr>
<tr>
<td>13. MINNESOTA</td>
<td>13. NEW JERSEY</td>
</tr>
<tr>
<td>14. MISSISSIPPI</td>
<td>14. NEW YORK</td>
</tr>
<tr>
<td>15. MONTANA</td>
<td>15. OHIO</td>
</tr>
<tr>
<td>16. NORTH CAROLINA</td>
<td>16. PENNSYLVANIA</td>
</tr>
<tr>
<td>17. NORTH DAKOTA</td>
<td>17. RHODE ISLAND</td>
</tr>
<tr>
<td>18. NEBRASKA</td>
<td>18. SOUTH CAROLINA</td>
</tr>
<tr>
<td>19. NEW HAMPSHIRE</td>
<td>19. TEXAS</td>
</tr>
<tr>
<td>20. NEW MEXICO</td>
<td>20. VIRGIN ISLANDS</td>
</tr>
<tr>
<td>21. NEVADA</td>
<td>21. WISCONSIN</td>
</tr>
<tr>
<td>22. OKLAHOMA</td>
<td>22. WEST VIRGINIA</td>
</tr>
<tr>
<td>23. OREGON</td>
<td></td>
</tr>
<tr>
<td>24. PUERTO RICO</td>
<td></td>
</tr>
<tr>
<td>25. SOUTH DAKOTA</td>
<td></td>
</tr>
<tr>
<td>26. TENNESSEE</td>
<td></td>
</tr>
<tr>
<td>27. UTAH</td>
<td></td>
</tr>
<tr>
<td>28. VIRGINIA</td>
<td></td>
</tr>
<tr>
<td>29. VERMONT</td>
<td></td>
</tr>
<tr>
<td>30. WASHINGTON</td>
<td></td>
</tr>
<tr>
<td>31. WYOMING</td>
<td></td>
</tr>
</tbody>
</table>
# NEW JERSEY

## State Trust Fund Status

1. **UI Trust Fund Balance as of 1/1/2018:** $2,212,907,518
2. **Interest Earned for 2017:** $46,771,318
3. **Outstanding Title XII Advance as of 1/1/2018:** $0
4. **Title XII Interest Owed for FY2017:** $0
5. **Total Title XII Advances Since 12/31/2007:** $9,835,363,525
6. **Max. Amount of Outstanding Advances:** $2,054,066,515
7. **Title XII Advances Per Cov. Employee:** $0.00
8. **Date of Maximum Outstanding Amount:** 3/31/2011
9. **Title XII Advances as % of Cov. Wages:** 0.00%
10. **Non Title XII Debt Issued Since 2010:** $0
11. **Est. Amt. of Non-Title XII Debt Outstanding:** $0
12. **Trust Fund Balance Compared to Yearly Benefit Costs:**
   - Trust Fund Balance: 0.0
   - Yearly Benefit Costs: 3.5
13. **Solvency Level - Using Average High Cost Multiple**
    - Reserve Ratio: 1.05
    - 2017 Benefit Cost Rate: 0.89
    - High 3 Yr. Avg. Benefit Cost Rate: 1.86
    - Highest Yr. Benefit Cost Rate: 2.12
14. **Last year in which State achieved a 0.9 Avg. High Cost Multiple:** 2001
15. **Lowest Percentage Avg. Tax rate is of the Previous 5 yr. Ben Cost Rate (> 75% elig. Req.)** 92%
16. **Lowest Percentage Avg. Tax Rate is of the Previous Avg. Year's Tax Rate (> 80% elig. Req.)** 80%

## Calculations of Federal Borrowing Statutes and FUTA Credit Reductions

### Eligibility for Interest Free Borrowing in 2018

1. **Credit Reduction Due to Outstanding Loans:**
   - 2.7% Add-on: 0.0%
   - BCR Add-on: 0.0%
   - Total Credit Reduction: 0.0%

2. **FUTA Tax Rate:**
   - 0.0%

### Ineligible

3. **Potential 2018:**
   - 0.0%

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* Not Applicable
未雨绸缪

Repair The House Before it Rains Again