

New 2021 Employer Premium Rates

You receive a notice from the Department of Workforce Development with your 2021 applied rate mailed to the mailing address provided to the Agency. Your applied rate is a combination of your premium rate and the solvency surcharge. The solvency surcharge for 2021 is 0 percent of your premium. If you wish to estimate your rate, follow the steps below.

First, determine your Premium Rate:

How to Determine Your Premium Rate

Your premium rate will be determined based on the employer's individual experience account status as of June 30th of each year.

Your premium rate is determined by following these steps:

1. Determine your type of UI premium rate (new employer, penalty or merit)
2. Determine your experience rate ratio
3. Determine your premium rate from the applicable schedule.
4. Determine your Applied Premium Rate (your premium rate multiplied by 1.00 to reflect the interest surcharge)

1. Determine your type of UI premium rate.

There are three types of UI premium rates:

New Employer Rate: A new employer rate of 2.5%, NAICS code 23 of 2.5%, or a government rate of 1.6% applies unless the following conditions are met. New employers are exempt from the solvency surcharge.

1. You have been subject to paying UI premiums for the past 36 months prior to June 30.
2. You have reporting liability in each of the three 12 month periods immediately preceding June 30.
3. You are not subject to the penalty rate.

Penalty Rate: Any employer, new or merit-rate can be assessed the penalty rate. The penalty rate is your rate as calculated in step 1 or 3 plus 2%. You are subject to the penalty rate if:

1. You fail to file any required quarterly report within 10 days of the specific date requested by the Merit Rate Delinquency Notice sent by certified mail.
2. You fail to pay the premiums, interest and/or penalty charges owed for past quarters within 10 days of the specific date requested by the Merit Rate Delinquency Notice sent by certified mail.

3. You fail to pay the premiums, interest and/or penalties charges owed by a predecessor account within ten days of the specific date requested by the Merit Rate Delinquency Notice sent by certified mail.

Merit Rate: Employers that no longer hold new employer status and are not subject to the penalty rate qualify for an experience-based merit rate.

A merit rate is computed based on:
Your experience balance as of June 30th
Your past 36 months' payroll

2. Determine your experience rate ratio

Your merit rate is based on the status of your DWD employer experience account. The experience account compares all premiums (contributions) paid into your account and all benefits charged against your account. Be sure to convert to a ratio (percentage) prior to comparing to the appropriate rate chart.

$$\text{Reserve Ratio} = \frac{\text{Experience account credit balance as of June 30}}{\text{Total taxable wages paid by the employer/predecessor during the 36 months immediately preceding June 30}}$$

3. Determine your premium rate from the applicable schedule

Your experience account will have one of the following status designations:

Credit reserve balance -Your state UI premiums paid exceed benefits charged to your account. You have a positive experience balance.

Debit reserve balance -UI benefits charged to your account exceed state UI premiums paid into your account. You have a negative experience balance.

Be sure to convert to a percentage prior to comparing to the appropriate rate chart.

Rate Schedule for Accounts with a Credit Reserve Balance

Rate Schedule for Accounts with Credits Balance as of June 30		
As Much As	But Less Than	%
3.00		0.50
2.80	3.00	0.70
2.60	2.80	0.90
2.40	2.60	1.20
2.20	2.40	1.40
2.00	2.20	1.60
1.80	2.00	1.80
1.60	1.80	2.00
1.40	1.60	2.30
1.20	1.40	2.50
1.00	1.20	2.70
0.80	1.00	2.90
0.60	0.80	3.10
0.40	0.60	3.40
0.20	0.40	3.60
0.00	0.20	3.80

Rate Schedule for Accounts with a Debit Reserve Balance

Rate Schedule for Accounts with Debit Balance as of June 30		
As Much As	But Less Than	%
0.00	1.50	4.90
1.50	3.00	5.10
3.00	4.50	5.30
4.50	6.00	5.50
6.00	8.00	5.70
8.00	10.00	6.00
10.00	12.00	6.40
12.00	14.00	6.80
14.00	16.00	7.10
16.00	Or more	7.40

Next, determine your Applied Rate:

Determining your applied rate is very easy once you have determined your premium rate.

From step one, determine your rate type.

- If you are subject to the new employer rate, you are not subject to the solvency surcharge. Your applied rate is 2.5%, 2.5%, or 1.6% depending on your employer industry type.
- If you are subject to the penalty rate, but are also a new employer, you are not subject to the surcharge. Your premium rate is 4.5%, 4.5%, or 3.6% depending on your industry type.
- If you are a merit rated employer, multiply your premium rate above by 1.00 to determine your applied rate.

The surcharge for 2021 is 0 percent. The charts below convert the premium rate to applied rate for 2021.

Applied Rate Schedule for Accounts with a Credit Reserve Balance

Rate Schedule for Accounts with Credit Balance as of June 30				
As Much As	But Less Than	Premium Rate	Applied Rate	Penalty Rate
3		0.5	0.500	2.500
2.8	3	0.7	0.700	2.700
2.6	2.8	0.9	0.900	2.900
2.4	2.6	1.2	1.200	3.200
2.2	2.4	1.4	1.400	3.400
2	2.2	1.6	1.600	3.600
1.8	2	1.8	1.800	3.800
1.6	1.8	2	2.000	4.000
1.4	1.6	2.3	2.300	4.300
1.2	1.4	2.5	2.500	4.500
1	1.2	2.7	2.700	4.700
0.8	1	2.9	2.900	4.900
0.6	0.8	3.1	3.100	5.100
0.4	0.6	3.4	3.400	5.400
0.2	0.4	3.6	3.600	5.600
0	0.2	3.8	3.800	5.800

Rate Schedule for Accounts with a Debit Reserve Balance

Rate Schedule for Accounts with Debit Balance as of June 30				
As Much As	But Less Than	Premium Rate	Applied Rate	Penalty Rate
0	1.5	4.9	4.900	6.900
1.5	3	5.1	5.100	7.100
3	4.5	5.3	5.300	7.300
4.5	6	5.5	5.500	7.500
6	8	5.7	5.700	7.700
8	10	6	6.000	8.000
10	12	6.4	6.400	8.400
12	14	6.8	6.800	8.800
14	16	7.1	7.100	9.100
16	Or More	7.4	7.400	9.400