



PANDEMIC RECOVERY OFFICE

Unemployment Insurance Trust Fund Contribution Final Report

Submitted by State of Rhode Island Pandemic Recovery Office

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<https://pandemicrecovery.ri.gov>

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Unemployment Insurance Trust Fund Contribution

Project Identification Number: 10029

Pandemic Recovery Office Approval Date: September 12, 2022

Project Completion Date: March 31, 2024

Funded Amount: \$100,000,000

Expended Amount: \$100,000,000

Project Expenditure Category: 2.28 Negative Economic Impacts: Contributions to UI Trust Funds

Problem Statement: Unemployment Insurance (UI) provides temporary income support to workers who have lost their jobs through no fault of their own and meet the State's eligibility requirements. UI benefits are funded from State and Federal UI taxes paid by Rhode Island employers. UI tax rates are calculated using a statutory formula based on the balance of the State's employment security fund. In calendar year 2022 when this project was approved by the Pandemic Recovery Office (PRO), schedule H – with rates ranging from 1.2% to 9.8% – was in effect, and the taxable wage base for most Rhode Island employers was \$24,600. For employers at the highest tax rate, the taxable wage base was set \$1,500 higher at \$26,100.¹

The COVID-19 pandemic contributed to an unprecedented increase in UI claims filed in Rhode Island – peaking at 100,265 in April 2020.² The increase in UI claims contributed, in part, to the depletion of the UI trust fund. From January 27, 2020, to August 1, 2022, the balance decreased from \$525.9 million to \$258.2 million. The lower balance resulted in the UI tax rate schedule moving up from schedule F to H in calendar year 2021 and remaining at schedule H in calendar year 2022, costing businesses approximately \$31 million in additional UI taxes. Without a contribution to the UI trust fund, businesses would have continued paying higher UI tax rates than they had been before the pandemic.

Project Overview: The State deposited \$99,970,000 of State Fiscal Recovery Funds (SFRF) into the UI trust fund in September 2022. An infusion of at least \$78,625,000 was needed to move the UI tax rate schedule down from schedule H to schedule G. The UI tax rate schedule for calendar year 2023 moved to schedule G after receipt of this deposit.

¹ [Department of Labor and Training Announces Unemployment Insurance Tax Rates for 2022](#)

² Department of Labor and Training - Monthly Update for April 2020

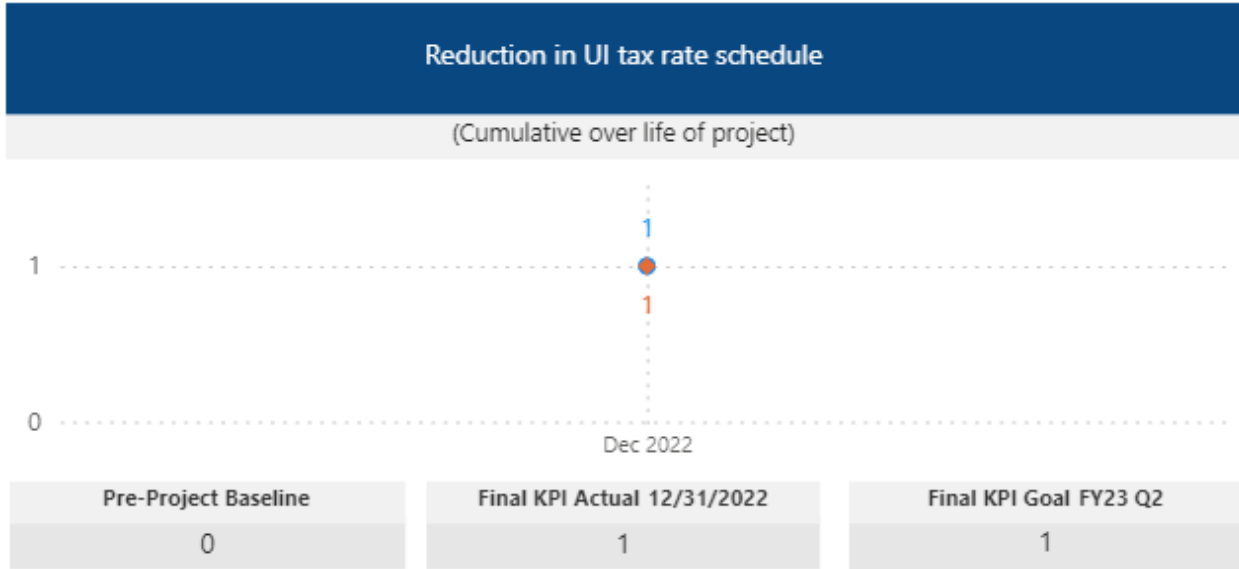
Financial Overview: The \$100 million project budget included a \$99,970,000 contribution to the UI trust fund and a \$30,000 single audit fee. All program payments can be found on the [Pandemic Recovery Office’s website](#) by filtering the “Project” box for “Unemployment Insurance Trust Fund Contribution.” The table below shows planned expenditures by fiscal quarter and actual expenditures by fiscal quarter:

Fiscal Year Quarter	Planned Expenditures	Actual Expenditures
FY 2023 Q1	\$99,970,000	\$99,970,000
FY 2023 Q3	\$30,000	\$30,000
Total	\$100,000,000	\$100,000,000

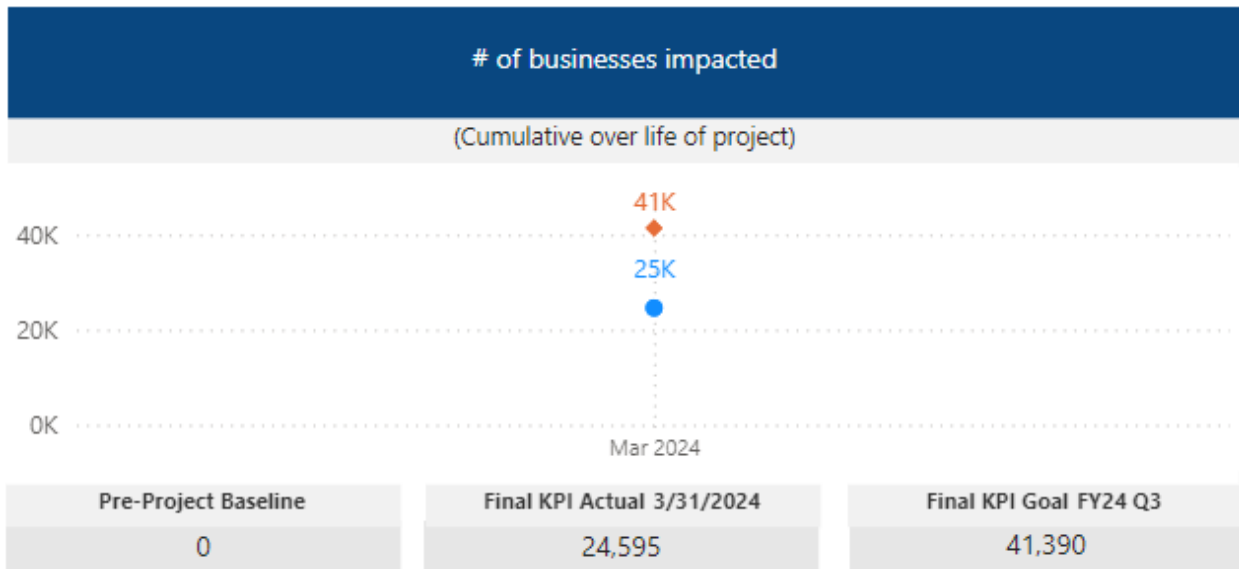
Key Performance Indicators: The following are the key performance indicators based on quarterly goals and monthly data collections.

Legend: ● Actual KPI Value Reported ◆ Quarterly Goals

1. Reduction in UI tax rate schedule from H to G



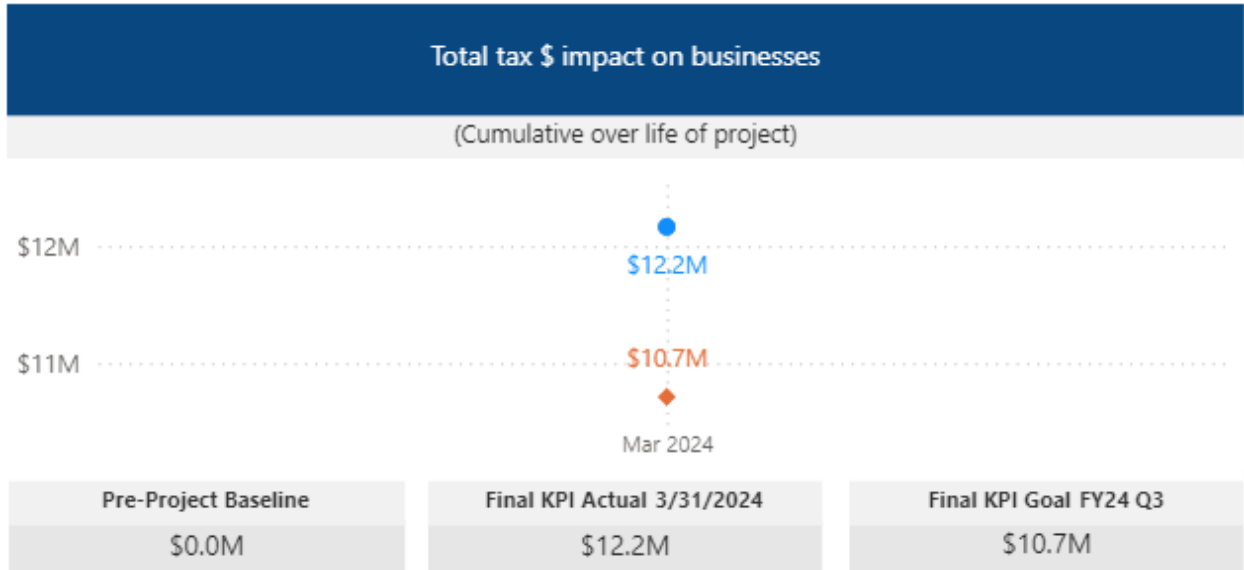
2. Number of businesses impacted by reduction in the UI schedule in calendar year 2023*



* Of the 41,390 businesses that paid into the UI trust fund each quarter, 24,595 benefited from the reduction in the UI schedule. The remaining 16,795 were “new employers” as defined by the Rhode Island Department of Labor and Training (DLT) and paid the new employer rate, which was not affected by the reduction in the UI schedule. For more information about UI schedules, please use [this link](#).

Legend: ● Actual KPI Value Reported ◆ Quarterly Goals

3. Total UI tax savings to businesses in calendar year 2023

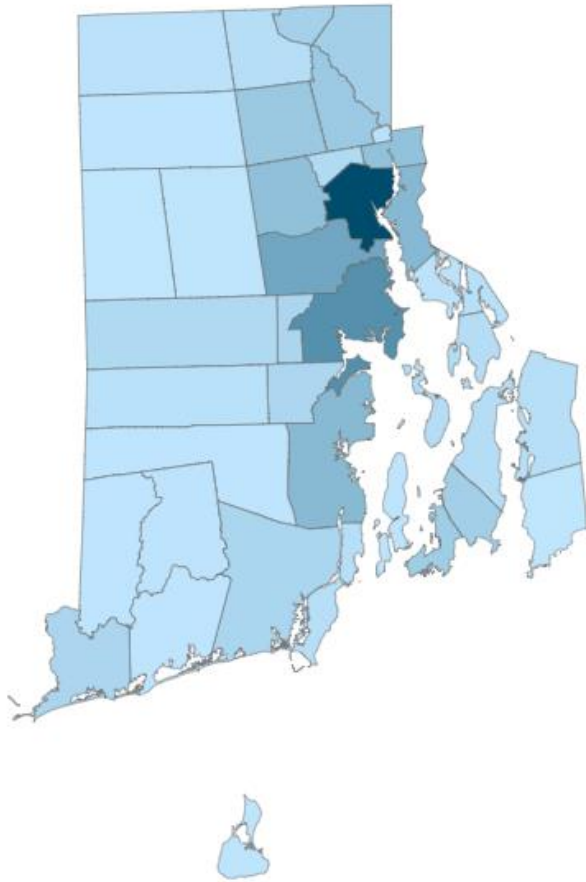


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Demographics: The information below shows the distribution of estimated tax savings and number of employers by North American Industry Classification System (NAICS) code and by location.

2-Digit NAICS Code	Sector	Number of Employers	Estimated Total Tax Savings
11	Agriculture, Forestry, Fishing and Hunting	143	\$29,621
21	Mining, Quarrying, and Oil and Gas Extraction	14	\$5,971
22	Utilities	28	\$53,567
23	Construction	2,763	\$870,353
31-33	Manufacturing	1,178	\$1,511,375
42	Wholesale Trade	1,889	\$560,008
44-45	Retail Trade	2,257	\$1,325,983
48-49	Transportation and Warehousing	513	\$294,875
51	Information	401	\$188,324
52	Finance and Insurance	958	\$968,333
53	Real Estate and Rental and Leasing	838	\$238,717
54	Professional, Scientific, and Technical Services	3,380	\$1,053,761
55	Management of Companies and Enterprises	118	\$350,766
56	Administrative and Support and Waste Management and Remediation Services	1,973	\$1,031,398
61	Educational Services	409	\$196,570
62	Health Care and Social Assistance	2,590	\$1,457,711
71	Arts, Entertainment, and Recreation	476	\$187,151
72	Accommodation and Food Services	2,228	\$1,297,856
81	Other Services (except Public Administration)	2,353	\$469,222
92	Public Administration (not covered in economic census)	28	\$11,442
Other	Confidential	58	\$62,048
Total		24,595	\$12,165,052

Distribution of Estimated Tax Savings by Location



Municipality	Number of Employers	Estimated Tax Savings
Barrington	342	\$62,010
Bristol	469	\$150,587
Burrillville	226	\$82,203
Central Falls	219	\$84,604
Charlestown	169	\$39,376
Coventry	542	\$200,643
Cranston	1,996	\$922,972
Cumberland	674	\$349,698
East Greenwich	646	\$233,911
East Providence	1,140	\$659,445
Exeter	148	\$43,635
Foster	69	\$8,725
Glocester	148	\$31,359
Hopkinton	149	\$38,284
Jamestown	134	\$30,805
Johnston	904	\$565,435
Lincoln	590	\$435,989
Little Compton	114	\$22,759
Middletown	568	\$354,429
Narragansett	344	\$117,747
New Shoreham	155	\$33,626
Newport	937	\$371,164
North Kingstown	805	\$650,927
North Providence	505	\$186,350
North Smithfield	310	\$130,765
Pawtucket	1,186	\$540,644
Portsmouth	395	\$148,169
Providence	4,255	\$2,212,399
Richmond	126	\$46,304
Scituate	208	\$33,095
Smithfield	682	\$439,041
South Kingstown	771	\$255,343
Tiverton	313	\$116,538
Warren	311	\$113,004
Warwick	2,486	\$1,247,234
West Greenwich	152	\$99,700
West Warwick	439	\$246,799
Westerly	698	\$252,086
Woonsocket	631	\$315,105
Total	24,956	\$11,872,910

The total number of employers in the above chart is higher than the total number of employers in the chart on the previous page. Each operating location of an employer is included in the above chart, while an employer is only counted once in the chart on the previous page regardless of how many locations they operate.

Additionally, some businesses' location information was not available at the time that this report was published, and those savings are not included in the above table.