

Q: What is Oregon's Maximum tax rate for 2010?

A: 5.4%. (972 employers will pay at the maximum rate in 2010).

Q: What is the new employer rate for 2010?

A: 3.1%

Q: How are the tax rate ranges in the tax schedules determined?

A: Tax rate ranges are contained in the statutory tax rate schedules. Oregon law determines the tax rate schedule to be used in a given year based on the solvency of the trust fund.

Q: Give an example of the amount paid by an "average" employer in Oregon

A: In 2009, the average tax rate is 1.97% and the taxable wage base is \$31,300. This means the maximum amount of tax per employee in 2009 is \$617. In 2010, the average tax rate is 2.76% and the taxable wage base is \$32,100. The maximum amount of tax per employee will be \$886.

Q: How many taxpaying employers are in Oregon?

A: 109,110 (as of 10/15/09).

**PLEASE NOTE:** *It is difficult at best to compare UI tax structures from state-to-state. Each state determines their own structure. State UI tax law must be in conformity with federal law. Comparing UI tax structures is like comparing apples to oranges.*

Q: What is Washington's average tax rate and taxable wage base?

A: The taxable wage base for 2009 is \$35,700. Washington uses a three part rate schedule system (experience, social costs and solvency), a combined average tax rate for all three parts is not available. The average tax rate for 2008 for the experience portion only was 1.7%.

Q: What is California doing to replenish its trust fund?

A: California uses a system of seven tax rate schedules (from AA to F), for 2009, employers use schedule F+, which is the highest schedule, plus an additional 15% surcharge. For 2009, the maximum tax rate is 6.2% and the new employer rate is 3.4%.

Q: What is Hawaii doing to replenish its trust fund?

A: Hawaii uses a 'reserve ratio' system to determine employer tax rates. This system has a reserve in place for each individual employer, rather than the trust fund as a whole.

Each employer's reserve ratio is determined annually and an employer pays at a rate to maintain their own individual reserve. It is difficult to compare tax rates from a reserve ratio state like Hawaii to a benefit ratio state like Oregon. However, on 9/17/09 Hawaii issued a press release warning Hawaii employers to expect higher UI taxes in 2010. The press release stated that UI taxes averaged about \$90 per employee in 2009, but will rise to between \$450 to \$2,040 per employee for 2010 (a minimum 500% increase).

Q: How did HB 2127 affect Oregon's UI Trust Fund?

A: 1. Adjusted one of the solvency equations (to 5.6% IUR formula)

HB 2127 maintains the Trust Fund at a level sufficient to pay UI benefits for 18 months with IUR at a 5.6% level.

2. Reduced Base Year Tax Rates (New Employers)

3. Smoothed Taxable Wage Base Increments (rounds taxable wage base to nearest \$100)

4. Stabilized revenue to the Supplemental Employment Department Administrative Fund (SEDAF).

Q: Where can I check out Oregon's UI Trust Fund balance?

A: Go to: [www.employment.oregon.gov/EMPLOY/BUDGET/UI/current\\_reports.shtml](http://www.employment.oregon.gov/EMPLOY/BUDGET/UI/current_reports.shtml) and click on "UI Pub 102". This report is updated weekly.