

**VT Employers to See Continued  
Unemployment Insurance Tax  
Relief; Claimants to See  
Increased Maximum Weekly  
Benefit Amount**



**FOR IMMEDIATE RELEASE**

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MONTPELIER, VT – The Vermont Department of Labor announced Friday, March 2, 2018, three potential changes to the Unemployment Insurance (UI) program, that will ultimately reduce tax rates for employers beginning July 1, 2018. These anticipated changes will also reduce the taxable wage base amount that employers currently pay on unemployment taxes by \$2,000, beginning January 1, 2019, and on the benefits side, claimants are expected to see an increase in the maximum benefit amount effective July 1, 2018.

Nearly 22,600 employers remit state unemployment taxes to the Vermont Department of Labor on an annual basis. These taxes are deposited into the Unemployment Insurance Trust Fund and are used for the payment of unemployment insurance benefits to eligible claimants. The unemployment trust fund is “forward-funded,” meaning tax schedules are designed to raise more funds during periods of economic growth to ensure that there is adequate funding during economic recessions. The Department moved to Tax Rate Schedule IV (4) in July of 2017, which triggered a reduction in unemployment insurance tax rates for employers starting July 1, 2017. These new changes will be triggered by the anticipated move from Tax Rate Schedule IV (4) to Tax Rate Schedule III (3) in July of 2018.

Individual employers’ reduced taxable wage rates will vary according to their experience rating; however, the rate reduction anticipated in July of 2018 will reduce the highest UI tax rate from 7.7 percent to 6.5 percent. The lowest UI tax rate will see a reduction from 1.1 percent to 0.8 percent. Additionally, it is anticipated that on July 1, 2018, the maximum weekly unemployment benefit will be indexed upwards to 57% of the average weekly wage. The current maximum weekly benefit amount is \$466, which is expected to increase to \$513. The change in maximum weekly benefit amount is directly tied to the change in the Tax Rate Schedule.

“Our unemployment trust fund has been steadily recovering from the impacts of the recession and is currently funded at an amount that is considered healthy,” said Labor Commissioner, Lindsay Kurrle. “The health of our trust fund is owed to the businesses who saw more than a 100% increase in their taxable wage base amounts since 2008. The anticipated changes, which the Department will be able to confirm in the coming months, represent tax relief for employers for the second year and an increase in benefits to claimants, both of which are encouraging for Vermont.

For more information regarding tax schedules and rates, please visit the Vermont Department of Labor’s website: <http://labor.vermont.gov/unemployment-insurance/employers/ui-tax-rates/>

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