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**FOR IMMEDIATE RELEASE**

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

MONTPELIER, VT – The Vermont Department of Labor announced changes to the Unemployment Insurance (UI) program starting July 1, 2018 that will ultimately reduce the cost of UI taxes for employers for the second year in a row.

Nearly 22,200 employers remit state unemployment taxes to the Vermont Department of Labor on a quarterly 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 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 are triggered by a move from Tax Rate Schedule IV (4) to Tax Rate Schedule III (3), starting in July of this year.

Individual employers reduced taxable wage rates will vary according to their experience rating; however, the rate reduction will lower 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. Also, effective 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 will increase to \$498. Both changes are directly tied to the change in the Tax Rate Schedule.

In addition to lower tax rates, the move to Tax Rate Schedule III will also reduce the taxable wage base amount that employers pay on unemployment taxes by \$2,000, beginning January 1, 2019.

“We are pleased to announce rate reductions and savings for employers for the second year in a row,” said Labor Commissioner, Lindsay Kurrle. “We continue to be encouraged by the fact that our unemployment trust fund remains at an amount that is considered healthy, and that we are able to provide increased benefits to eligible claimants as they search for new work.”

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