

RESEARCH NOTES



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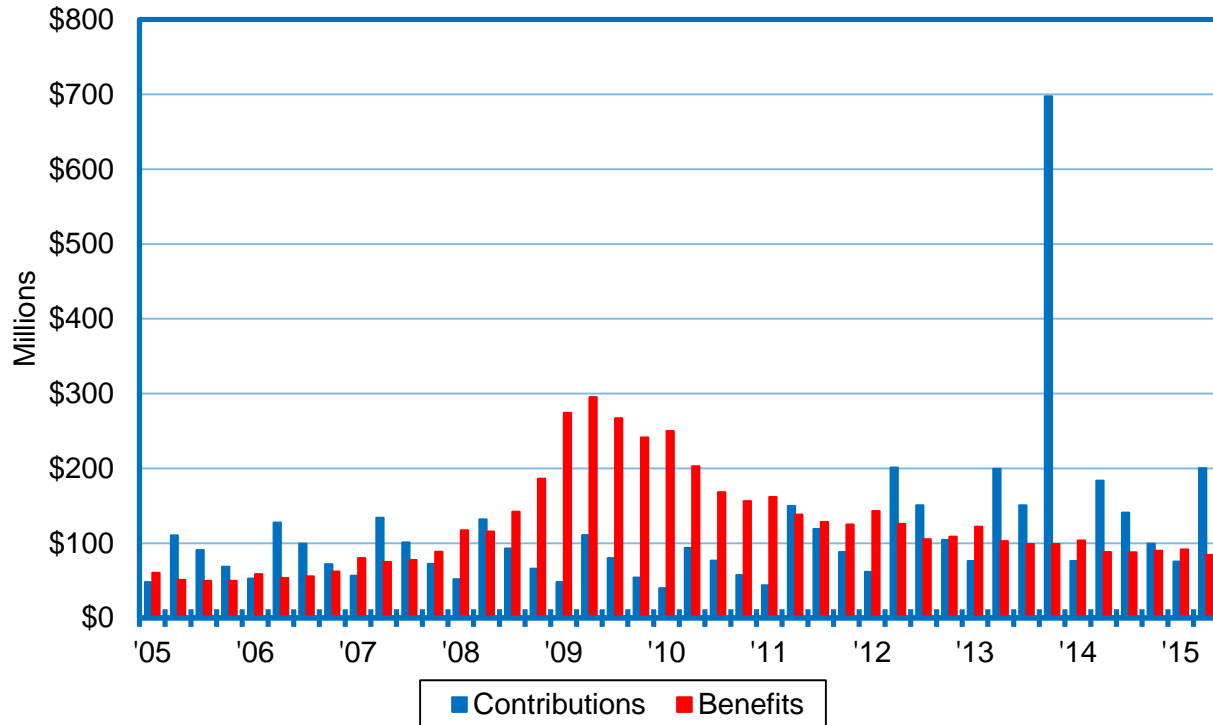
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Unemployment Insurance Trust Fund Cash Flows
Alessandro Capello, Economist

Note: 2015:63
October 7, 2015

Contributions Exceed Benefit Payments During Recovery



- Nevada's Unemployment Insurance Trust Fund is a pool of funds administered by the State that uses taxes collected from employers to finance UI benefits.
- Employer contributions to the Fund are highest in the second quarter and lowest in the first quarter based on how Nevada's taxable wage base is structured.
- The level of benefits reflects the number of persons receiving unemployment insurance benefits. As Nevada's economy has improved, the number of UI claimants has fallen, which has decreased the total level of UI benefit payments.
- Any quarter where benefit payments exceed contributions, the UI Trust Fund decreases. From 2007:IVQ to 2012:IQ, the Fund declined in all but two quarters. This led to a fund balance below -\$800 million, forcing Nevada to borrow from the federal government.
- The large increase in contributions in 2013:IVQ is a result of funds received from the issuance of a bond used to pay off the federal loans and gain a positive Fund balance.
- In 2015:IIQ, the UI Trust Fund grew over the quarter by \$120.9 million, the most for any quarter if the proceeds from the UI Trust Fund bond are disregarded.