

FUTA RECEIPTS VS. AMOUNTS RETURNED
Column Definitions

Estimated FUTA

Total -- Estimated total FUTA receipts (excluding reduced credits).

EUCA -- Share of receipts transferred to the Extended Unemployment Compensation Account (EUCA)

General Fund Repayment -- The share of receipts transferred from the EUCA to repay loans incurred as a function of Federal benefit payments which preceded 1981. This category applies only to FY 1981-1987.

Implied Net FUTA -- This column represents the amount of the FUTA receipts net of the General Fund Repayment, and applies only to FY 1981-1987.

Implied Net EUCA -- This column displays the amount effectively remaining in the EUCA , after the General Fund Repayment has been deducted, and applies only to FY 1981-1987.

FUA -- Share of receipts transferred to the Federal Unemployment Account (FUA). This applies to FY 1988-91 only.

ESAA -- Share of receipts retained in the Employment Security Administration Account (ESAA).

95% of ESAA -- 95% of the ESAA share. The amount appropriated for State administration is limited by law to 95% of ESAA receipts.

Administrative Costs

UI -- State administrative costs for UI, excluding postage and a portion of National Activities.

Other -- Includes Employment Service (ES), Veterans Employment programs, and Labor Market Information. All data excludes postage. ES fiscal year data is estimated from program year data and is adjusted for the general revenue share of ES funding (approximately 3% of the total).

Total -- Total administrative costs. All administrative cost data are Federal obligations.

Benefits Paid

Fed Share EB -- Federal share of Federal-State Extended Benefits (EB). Also includes shareable regular benefits.

EUC -- The estimated amount of Emergency Unemployment Compensation (EUC) benefits funded from FUTA.

Total to State -- Total FUTA funds returned to the State.

FUTA RECEIPTS VS. AMOUNTS RETURNED
Explanatory Notes

Administrative Grants

- o Some EUC administrative costs funded from general revenues are included in the State data. These total \$43 million in FY 1992 and \$217 million in FY 1993.
- o There are several items that are appropriated as State administration but are not included in the State data. These include postage costs, ES National Activities, and a portion of UI National Activities. Annual totals for postage and ES National Activities are shown below. Comparable data for UI National Activities are not available, but the total amount for FY 1981-96 that is not reflected in the State data is approximately \$40 million.

| | ES National | |
|---------|----------------|-------------------|
| | <u>Postage</u> | <u>Activities</u> |
| FY 1981 | N.A. | N.A. |
| FY 1982 | \$95.2 M | N.A. |
| FY 1983 | 106.5 | 11.9 |
| FY 1984 | 70.8 | 19.3 |
| FY 1985 | 70.6 | 48.9 |
| FY 1986 | 73.6 | 31.2 |
| FY 1987 | 76.3 | 36.9 |
| FY 1988 | 84.6 | 56.4 |
| FY 1989 | 90.1 | 48.7 |
| FY 1990 | 87.7 | 67.5 |
| FY 1991 | 116.5 | 75.9 |
| FY 1992 | 139.0 | 84.8 |

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| | ES National | |
|---------|----------------|-------------------|
| | <u>Postage</u> | <u>Activities</u> |
| FY 1993 | 142.3 | 81.6 |
| FY 1994 | 111.0 | 82.9 |
| FY 1995 | 108.3 | 74.0 |
| FY 1996 | 114.3 | 57.1 |

FUTA Estimates

- o Since actual data on FUTA receipts by State do not exist, it is necessary to estimate these data using wage and employment data from the ES202 report. Receipts are estimated by first estimating calendar year FUTA taxable wages and then multiplying by the effective tax rate (0.7% through CY 1982, then 0.8%). Calendar year estimates are then converted to fiscal year based on quarterly receipt patterns.
- o The sum of the State estimates do not match yearly totals reported by IRS or amounts deposited in the Unemployment Trust Fund because of IRS reporting problems for some years and the fact that deposits were based on estimates from 1986 to 1992, with large adjustments in 1989 and 1992. Also, State estimates do not reflect unpaid taxes or penalties and interest.

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|---|--|--|--|
| U. S. Department of Labor Employment and Training Administration Washington, DC 201210 | | | CLASSIFICATION |
| | | | UI |
| Postage Activities FY 1993 142.3 81.6 FY 1994 111.0 82.9 | | | CORRESPONDENCE SYMBOL |
| | | | TEURA |
| FY 1995 108.3 74.0 FY 1996 114.3 57.1 | | | DATE |
| | | | Attachment to UIPL No. 24-98 April 27, 1998 |

DOL/ETA/UIS

April 13, 1998

DIRECTIVE : UNEMPLOYMENT INSURANCE PROGRAM LETTER NO.24-98
Benefits Paid FUTA RECEIPTS VS. AMOUNTS RETURNED

Column Definitions

4. Action Required. Please distribute to appropriate staff to Fed Share E.I. Security and Unemployment Benefits (EB). Also

Estimate FUTA shareable regular benefits. Direct inquiries to the appropriate Regional Office. Data may be obtained on

FROM: GRACE A. KILBANE, Director, National Office at 202-219-9297. Total -- Estimate of amount of general revenue employment compensation (EUC)

6. Anticipating calendar year FUTA taxable wages and then multiplying by the effective tax rate (0.7% through CY 1982, then 0.8%). Calendar year estimates are then converted to

Total Account -- Total FUTA receipts less Receipts and Amounts Returned to States fiscal year based on quarterly receipt patterns.

*** Column Definitions**

1. General Fund Repayment -- The share of receipts transferred from the EUCA to repay the sum of the State estimates do not match yearly totals reported by IRS or amounts

1. Purpose: To correct as a portion of Federal benefit payments which exceeded total. This Unemployment Insurance Trust Fund because of IRS reporting problems for some years and the fact that deposits were based on estimates from 1986 to 1992, with large adjustments in 1989 and 1992. Also, State estimates do not reflect unpaid taxes or penalties are also included. Net FUTA -- This column represents the amount of the FUTA receipts net of

Administrative Costs Fund Repayment, and applies only to FY 1981-1987.

2. References. UIPL 30-95, and Changes 1 through 4.

3. Background. The total amount of FUTA receipts transferred to States for FY 1981-1987 in seeing FUTA payments made by employers of each State compared to

There are several items that are appropriated to State administration but are not included in 1981-1987. These items are: postage costs for the Federal Administration and account of FUTA

Comparison data for the National Activities are not available but the total amount for FY 1981-1987 is \$1.0 billion. The amount of FUTA receipts transferred to States for FY 1981-1987 is \$1.0 billion.

These repayments were made to repay general revenue loans for Federal benefits paid prior to FY 1981. The "Implied Net FUTA" column was added to reflect Total Estimated FUTA, net of

95% of ESAA -- 95% of ESAA is the amount appropriated for State administration is limited by law to 95% of ESAA receipts.

When comparing FUTA receipts and amounts returned, it is important to note that postage costs and National Activities expenditures (approximately \$ 2.3 billion for the FY 1981-96 period)

are not reflected in the State data, which effectively reduces the apparent proportion of FUTA receipts returned to States.

FY 1982 \$95.2 M N.A.
FY 1983 106.5 11.9

FY 1984 70.8 19.3
FY 1985 70.6 48.0

FY 1986 73.6 31.2
FY 1987 76.3 36.9

FY 1988 -- Includes Employment Service (ES), Veterans Employment programs, and FY 1989 Market Information. All data excludes postage. ES fiscal year data is

FY 1990 estimated from program year data and is adjusted for the general revenue share of ES FY 1991 (approximately 53% of the total).

FY 1992 139.0 84.8

(Continued) Total -- Total administrative costs. All administrative cost data are Federal obligations.

| | |
|-------------|-----------------|
| RESCISSIONS | EXPIRATION DATE |
| None | April 30, 1999 |