

EMPLOYER CHARGES AND RATE CALCULATIONS

| TAX YEAR 2021 | Assessed on Taxable Wage Base | Same for all Taxable Employers? | Trust Fund Balance included in calculation? | Computation Date | NOTES |
|---|-------------------------------|---------------------------------|---|------------------|---|
| TAXABLE EMPLOYER'S TOTAL TAX RATE IS THE TOTAL OF : | | | | | |
| + Base Tax Rate (Contribution Rate) Varies from 0.1% to 6.0% | Yes | No | No | 30-Jun | Based upon the Employer's Reserve Ratio*. Higher rates** may be assessed to Employers with a negative Reserve Ratio. |
| + Stabilization Rate 0.2% | Yes | Yes | Yes | September 30 | Computation date is September 30. Rate is based on a ratio state's covered payrolls/ Trust Fund assets |
| + Extended Benefit Tax <i>Not currently applicable</i> 0% | Yes | Yes | Yes | June 30 | If Extended Benefits tax is triggered on, a 0.1% tax is assessed to employers. |
| + Advance Interest Tax <i>Not currently applicable</i> 0% | Yes | Yes | Yes | | If Arkansas borrows money because the UI Trust Fund becomes insolvent, a 0.2% tax is assessed to employers to cover the interest. |

* Reserve Ratio is a calculation based on a formula which includes the Employer's contributions, benefits paid, and a 3- or 5- year average of taxable wages

** Employers with a negative Reserve Ratio will be assessed rates between 8.0% and 14.0%

Base Tax Rate (Contribution Rate) for Taxable Employers

ACA 11-10-705

Employer's Contribution Rate is determined by the Reserve Ratio (table shown below)

Formula for Reserve Ratio

$$\frac{\{(Contributions Paid) - (Regular Benefits Charged)\}}{\text{Annual Taxable Payroll}}$$

Stabilization Rate

ACA 11-10-706

Graduating scale based upon the ratio of Unemployment Compensation Fund assets:total payrolls for employment during the preceding calendar year.

Extended Benefit Tax - *Not currently applicable*

ACA 11-10-540

0.1% on taxable wages

Shall be suspended in any rate year when the assets in the Unemployment Compensation Fund Extended Benefits Account, excluding any extended benefit taxes not yet paid, on the computation date are more than 0.2% of total payrolls for employment during the preceding calendar year.

Advance Interest Tax - *Not currently applicable*

ACA 11-10-708

0.2% tax on wages paid

Only in effect if Arkansas has an outstanding interest bearing Title XII Advance

| CONTRIBUTION RATE | RESERVE RATIO |
|-------------------|---|
| 0.1% | 9.95% or more |
| 0.3% | 9.35% but less than 9.95% |
| 0.5% | 8.85% but less than 9.35% |
| 0.8% | 8.65% but less than 8.85% |
| 1.2% | 8.35% but less than 8.65% |
| 1.6% | 7.95% but less than 8.35% |
| 2.0% | 7.35% but less than 7.95% |
| 2.4% | 6.75% but less than 7.35% |
| 2.8% | 5.45% but less than 6.75% |
| 3.2% | 2.45% but less than 5.45% |
| 4.0% | 1.35% but less than 2.45% |
| 5.0% | Less than 1.35% with a positive reserve balance |
| 6.0% | Less than 0.00% |

Q2 2020 UI Claims by Industry

| NAICS 2 Digit Sector Codes | Percentage of Dollars | Percentage of Accounts |
|---|-----------------------|------------------------|
| Manufacturing | 18.83% | 5.96% |
| Accommodation and Food Services | 17.82% | 15.12% |
| Health Care and Social Assistance | 16.96% | 16.22% |
| Retail Trade | 11.14% | 12.32% |
| Administrative and Support and Waste Management and Remediation Services (includes temp agencies) | 7.07% | 6.52% |
| Construction | 4.66% | 8.51% |
| Wholesale Trade | 4.63% | 5.80% |
| Transportation and Warehousing | 3.62% | 3.62% |
| Other Services (except Public Administration) | 3.23% | 6.37% |
| Professional, Scientific, and Technical Services | 3.14% | 6.48% |
| Arts, Entertainment, and Recreation | 2.16% | 1.89% |
| Real Estate and Rental and Leasing | 1.21% | 2.39% |
| Management of Companies and Enterprises | 1.08% | 0.29% |
| Finance and Insurance | 1.06% | 2.49% |
| Information | 0.99% | 1.17% |
| Public Administration | 0.80% | 1.02% |
| Mining, Quarrying, and Oil and Gas Extraction | 0.53% | 0.56% |
| Educational Services | 0.52% | 1.13% |
| Agriculture, Forestry, Fishing and Hunting | 0.48% | 1.87% |
| Utilities | 0.08% | 0.28% |