



Unemployment Insurance Advisory Council

Meeting Agenda

May 21, 2026, 10:00 a.m. – 4:30 p.m.

Department of Workforce Development
201 E. Washington Avenue
Madison, Wisconsin
GEF-1, Room B406

The public may attend by teleconference.

Phone: 415-655-0003 or 855-282-6330 (toll free) or [WebEx](#)
Meeting number (access code): 2662 589 5235 Password: DWD1

Materials: <https://dwd.wisconsin.gov/uibola/uiac/meetings.htm>

1. Call to order and introductions
2. Approval of minutes of the March 19, 2026 UIAC meeting
3. Department update
4. Quarterly report on UI information technology systems ([1/1/2026-3/31/2026](#))
5. Worker Classification update – Mike Myszewski
6. Trust Fund update – Shashank Partha
7. [2026 Financial Outlook](#)
8. Legislation update
 - Funding for identity verification under the unemployment insurance law and making an appropriation ([2025 WI Act 144](#))
 - Various changes to the unemployment insurance law ([AB 652](#) / [SB 677](#))
9. Research requests
10. Future meeting dates: September 17, October 15, November 19
11. Adjourn

Notice

- ❖ The Council may take up action items at a time other than that listed.
- ❖ The Council may not address all agenda items or follow the agenda order.
- ❖ The Council members may attend the meeting by teleconference or videoconference.
- ❖ The employee or employer representative members of the Council may convene in closed session at any time during the meeting to deliberate any matter for potential action or items listed in this agenda, under Wis. Stat. § 19.85(1)(ee). The Council may then reconvene again in open session after the closed session.
- ❖ This location is accessible to people with disabilities. If you need an accommodation, including an interpreter or information in an alternate format, please contact the UI Division Bureau of Legal Affairs at 608-266-0399 or dial 7-1-1 for Wisconsin Relay Service.

UNEMPLOYMENT INSURANCE ADVISORY COUNCIL

Meeting Minutes

Offices of the State of Wisconsin Department of Workforce Development

201 E. Washington Avenue, GEF 1, Madison, WI

March 19, 2026

Held Via Teleconference

The meeting was preceded by public notice as required under Wis. Stat. § 19.84.

Members: Janell Knutson (Chair), Sally Feistel, Corey Gall, Mike Gotzler, Shane Griesbach, Scott Manley, Crystal Martzall, Jeff Peterson, and Susan Quam.

Department Staff: Jim Chiolino (UI Division Administrator), Jason Schunk (UI Deputy Division Administrator), Andy Rubsam, Darren Magee, Mike Myszewski, Jeff Laesch, Pam Neumann, Rob Usarek, Ashley Gruttke, Lee Sensenbrenner (Assistant Deputy Secretary), Rachel Harvey (Legislative Advisor), and Joe Brockman.

Members of the Public: Alexandra Paradowski (Legislative Audit Bureau) and Victor Forberger (Attorney, Wisconsin UI Clinic).

1. Call to Order and Introductions

Ms. Knutson called the Unemployment Insurance Advisory Council to order at 10:09 a.m. under the Wisconsin Open Meetings Law. Attendees were introduced by roll call. Ms. Knutson acknowledged the Department staff in attendance.

2. Approval of Minutes of the February 19, 2026, UIAC Meeting

Motion by Ms. Feistel, second by Mr. Manley, to approve the minutes of the February 19, 2026, meeting without correction. Vote was taken by voice vote and passed unanimously.

3. Department Update

Mr. Chiolino advised there is no update at this time.

4. Trust Fund Update

Ms. Knutson reported the Trust Fund highlights based on the February 2026 Financial Statements. Benefit payments through February 2026 declined by \$7.8 million or 9.5% (when compared to last year). Tax receipts through February 2026 declined by \$3.6 million or 7.0% (when compared to last year). The UI Trust Fund balance was above \$2.0 billion, which is an increase of 13.5% (when compared to last year). Interest earned on the UI Trust Fund is received quarterly.

5. 2026 Fraud Report

Ms. Knutson summarized highlights of the 2026 Fraud Report, including that only 26% of overpayments first occurred in 2025 and that of Wisconsin's \$352.2 million in UI benefit payments in 2025, only 0.51% are fraud overpayments.

Mr. Griesbach asked what industry misclassified workers are coming from. Ms. Knutson explained that most are in the construction industry. Mr. Griesbach explained he thought most were in construction and would like to know the percentage and other industries. Ms. Knutson advised she will include an update on worker classification in the May meeting agenda.

Mr. Griesbach asked for additional information about the nine penalties for intentional misclassification. Ms. Knutson answered the penalties were for construction employers because they are the only employers who can be penalized by statute.

6. Legislation Update

Various changes to the unemployment insurance law (UIAC Agreed-Upon Bill) (AB 652 / SB 677)
Mr. Rubsam advised the "policy bill" passed the Assembly. The bill has not yet passed the Senate and it is unclear if it will pass as time is running out before the end of the session.

Funding for identity verification under the unemployment insurance law and making an appropriation (UIAC Agreed-Upon Bill) (AB 650 / SB 675)

Mr. Rubsam explained the "appropriations bill" passed the Assembly and the Senate. There was an amendment added concerning funding information about worker's compensation so the two bills could go through the joint finance process together.

Mr. Gotzler asked the status of Rep. Gundrum's bill (AB 794 / SB 768). Mr. Manley advised the bill did not pass either chamber. Mr. Rubsam explained AB 794 passed out of the Assembly committee but did not get a floor vote and that SB 768 also passed out of the Senate committee but did not get a floor vote.

7. Research Requests

There were no outstanding research requests. The May UIAC meeting will include a presentation on worker classification to answer questions Mr. Griesbach raised.

8. Future Meeting Dates

Ms. Knutson stated that the scheduled future meeting dates are:

- May 21, 2026
- September 17, 2026
- October 15, 2026

Ms. Knutson reminded the Council that the public hearing will be held in the fall but a date has not yet been scheduled.

9. Adjourn

Motion by Mr. Gotzler, second by Mr. Griesbach, to adjourn. Vote was taken by voice vote and passed unanimously. The Council adjourned at 10:31 a.m.



State of Wisconsin

Date: April 30, 2026

To: Members of the Joint Committee on Finance and Joint Committee on Information Policy and Technology

From: Department of Administration Secretary Kathy Blumenfeld *Kathy Blumenfeld*

From: Department of Workforce Development Secretary Amy Pechacek *Amy Pechacek*

Subject: 2021 Wisconsin Act 4 Quarterly Report – First Quarter 2026

Pursuant to 2021 Wisconsin Act 4, under Wis. Stat. s. 108.14(27)(e), this report serves to update you on the progress the Department of Workforce Development (DWD) has made on its project to improve the information technology (IT) systems used for processing and paying claims for unemployment insurance (UI) benefits from January 1 to March 31, 2026.

Overview of Modernization of UI Systems

DWD began its benefits systems modernization projects in early 2021, using incremental, flexible, and feedback-driven improvements. One of DWD's first modernization projects was a cloud-based Customer Call Center that provided a web-based call delivery system that provides greater flexibility for agents in taking and responding to calls and in monitoring those calls. Since that time, DWD has undertaken various projects to modernize the suite of Wisconsin's Unemployment Insurance (UI) systems. These efforts include modernization projects to modernize the employer portal, update legacy tools, and enhance security features to assist and identify UI fraud.

These projects have been supported by federal American Rescue Plan Act (ARPA) funds, including \$80 million in State and Local Fiscal Recovery Funds (SLFRF) and \$29 million in U.S. Department of Labor (DOL) grants. Unfortunately, without advance notice, on May 22, 2025, U.S. DOL terminated \$29 million of DWD's modernization grants. DWD requested U.S. DOL to reverse its termination of Wisconsin's grants, citing the modernization delay and wasted use of spent resources that would be a consequence of the termination. Gov. Tony Evers has similarly urged U.S. DOL and President Trump to reverse course and release these investments. To date, the Trump Administration has refused to reverse these damaging cuts, despite their impact to UI modernization, fraud prevention, and efficient service to the people of Wisconsin. Rather, at the end of this quarter, U.S. DOL announced the potential for \$400,000 per state to engage in ID verification services—instead of \$29 million to fund the UI system modernization that would have reduced fraud and increased security.

The \$80 million ARPA-SLFRF modernization funds are insufficient to support the full modernization work and integration of UI IT systems in a cloud-based environment. The UI IT systems, including monetaries, correspondence, adjudication, audit and QA, appeals, and employer portal, are complex and interdependent of each other. DWD is planning to migrate the old code and legacy mainframe objects to a modern language that will be cloud ready. While DWD does not have sufficient funding to ensure the converted code is production-ready, it will be poised to migrate to a cloud-based system as modernization efforts continue in the upcoming years.

Further, DWD will continue its work on the employer portal to improve ease of use, expanded access, and increased functionality to employers. As mentioned previously, due to U.S. DOL's cut to DWD's modernization funds, DWD re-scaled the employer portal project to be "on premise" rather than cloud-based (although it will be able to migrate to the cloud when there are sufficient funds to do so). Even without being cloud-based, the system will have a modern feel and features for employers using the system, as the examples of screenshots below demonstrate.

The cost of updating half-century-old, under-maintained IT systems is substantial. These projects reflect the market rate to overcome generations of disinvestment. For this reason, DWD has strongly and consistently advised federal and state policymakers that technology funding must be ongoing to prevent future large-scale failures. The high project costs are the consequences of deferring system upgrades for 50 years.

Current Update: First Quarter 2026

The work on the modernization projects for this quarter includes:

1. Modernization of the benefits systems:

Manual Processing Reduction: This project takes claims the legacy system cannot process automatically through a modern module and returns the answer to the legacy system to accelerate the claim determination process. DWD identified the manual-processed claims that will be managed by an automated process. This prevents the accumulation of claims requiring hours of manual analysis and processing by creating a calculator, validator, and adjustments tools. During this quarter, DWD nearly completed both the calculator and validator, while the adjustments tool remains in progress. Initial work has begun on the integration of the calculator and validator, which will allow for a tool to simulate and confirm the financial and operational impact of decisions on claims.

Modern Coding Language: This effort modernizes and makes the code consistent for three applications to increase features, introduce security functionality, and improve ease of code development. DWD has made significant progress in upgrading the coding language to support the outward-facing Claimant Portal and the internal facing Worker Portal and UIBNET, which are used by staff to process claims. Development work during the first quarter has focused on code conversation from an older version of .NET to the most current version for workflows within the Claimant and Worker Portals.

2. Modernization of employer systems:

Employer Portal: The project makes code upgrades to retain existing functionality and incorporates modern features Wisconsin employers need to maintain efficiency and flexibility, in a user-friendly format. DWD is working with a vendor to upgrade the coding language that supports the existing employer portal and to outline the screen design for the new solution based on human-centered design principles.

During this quarter, DWD completed the coding that provides enhancements to the registration process with redesigned screens that capture information directly from employer. The employer portal will have expanded secure messaging functionality to include attachments, template messaging for staff, and a direct connection to UI staff responsible for tax support for employers and verification requests for claimants. Finally, the employer portal features redesigned screens for logging in, employer registration, and quarterly tax and wage reporting.

Sample Screenshots

Below are sample screenshots of the electronic forms for the newly developed employer portal. These screens were created to best serve employers.

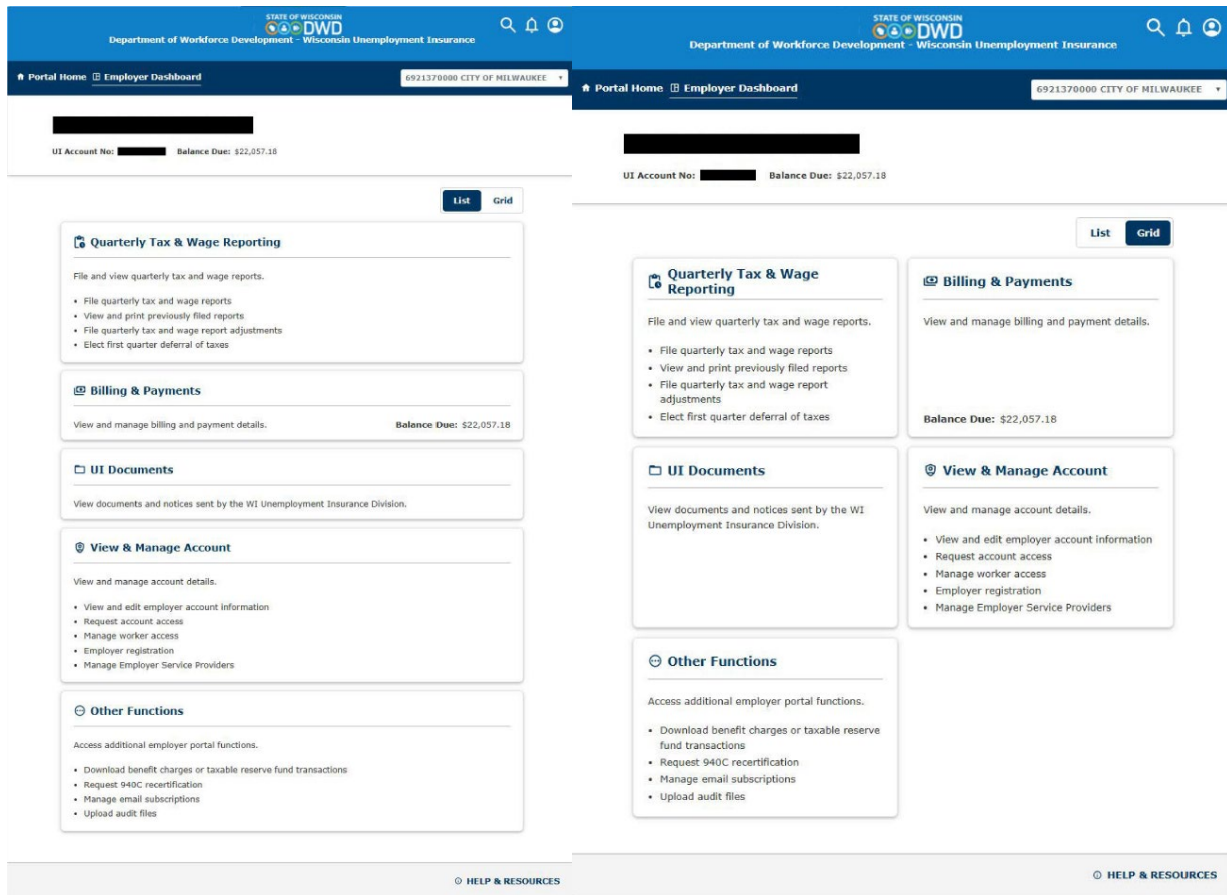


Image 1. Dashboard View – List view (left) and Grid view (right): Showcasing the customization that employers can make to their landing page for the format that works for them.

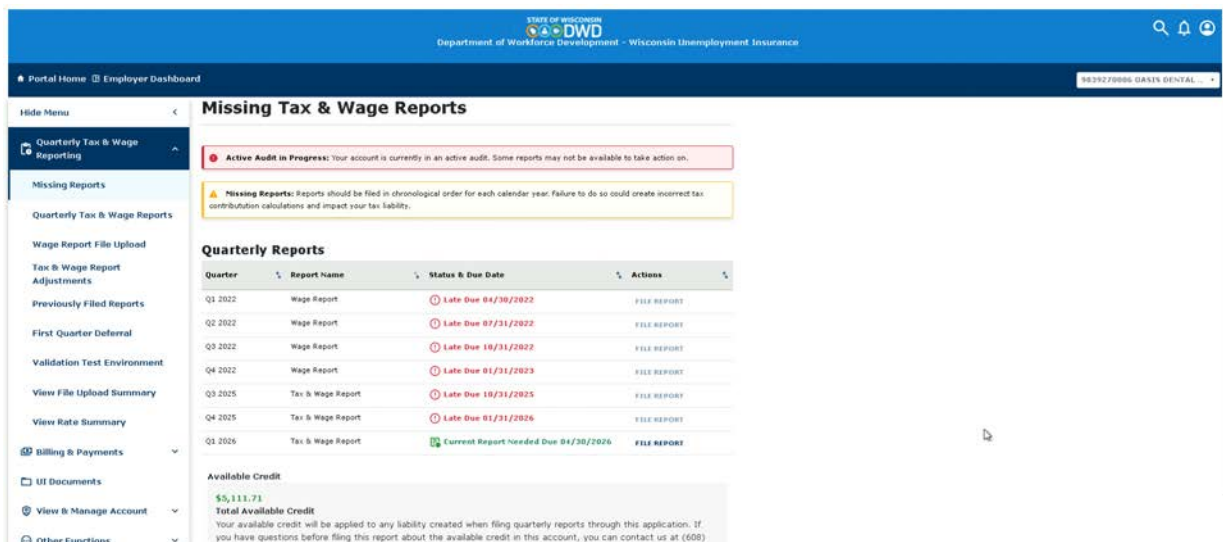


Image 2. Quarterly Tax & Wage Reports Screen: Showcases the enhanced layout of the reporting page.

Wage Entry

Reporting Quarter: Quarter 3, 2022
 Due Date: October 31, 2022

On this screen you will enter quarterly wage amounts for each employee paid in the calendar quarter for the quarter/year you have selected. If you filed a quarterly wage report for any of the two most recently completed calendar quarters, a list of employees from the most recently submitted wage report displays on this screen. A wage amount must be entered for all employees listed. If any employees listed in the wage report were not paid wages during this quarter/year, enter zero for the quarterly wage amount. You may add employees to the wage report or modify existing employee information. To remove an employee, enter a quarterly wage amount of zero and change Save Employee for next quarter to No.

Employee SSN	Employee Last Name	Employee First Name	Employee Quarterly Wages	Save Employee for next quarter?	Correct SSN or Name
[REDACTED]	[REDACTED]	[REDACTED]	\$ 8888.22	Yes <input checked="" type="radio"/> No <input type="radio"/>	Modify
[REDACTED]	[REDACTED]	[REDACTED]	\$ 1000000.00	Yes <input checked="" type="radio"/> No <input type="radio"/>	Modify
[REDACTED]	[REDACTED]	[REDACTED]	\$ 9999.99	Yes <input checked="" type="radio"/> No <input type="radio"/>	Modify
Employees: 3			Total Gross Covered Wages: 0.00		

[Add Employee](#) [Update Total Wages](#) [Save](#) [Previous](#) [Next](#) [Cancel](#)

[Click here if you need to save current progress and finish later.](#)

Image 3a. Current Wage Entry screen: This is the current screen employers use for entering wage information.

Redesigned Employer

STATE OF WISCONSIN **DWD** Department of Workforce Development - Wisconsin Unemployment Insurance

Portal Home Employer Dashboard

Hide Menu <

- Quarterly Tax & Wage Reporting ^
- Missing Reports
- Quarterly Tax & Wage Reports
- Wage Report File Upload
- Tax & Wage Report Adjustments
- Previously Filed Reports
- First Quarter Deferral
- Validation Test Environment
- View File Upload Summary
- View Rate Summary
- Billing & Payments v

1 Enter Wages
 2 Enter Taxes
 3 Verify Information

Wage Entry

Reporting Quarter: Q4 2025 Due Date: 1/31/2026

Enter quarterly wage amounts for each employee paid in the quarter. If you filed a quarterly wage report for any of the two most recently completed calendar quarters, a list of employees from the most recently submitted wage report displays on this screen. For employees who were not paid wages during this quarter, enter zero for the quarterly wage amount.

Total Employees: 17 Total Gross Covered Wages: \$14,793,179,596.12

Last Name	First Name	SSN	Quarterly Wages	Actions
[REDACTED]	[REDACTED]	[REDACTED]	\$31,231,231.00	Edit Delete
[REDACTED]	[REDACTED]	[REDACTED]	\$31,231,231.00	Edit Delete
[REDACTED]	[REDACTED]	[REDACTED]	\$2,123,123.00	Edit Delete
[REDACTED]	[REDACTED]	[REDACTED]	\$1,654,531.00	Edit Delete

Image 3b. Redesigned Wage Entry screen: Showcases the enhanced layout of the wage reporting page with the cleaner design.

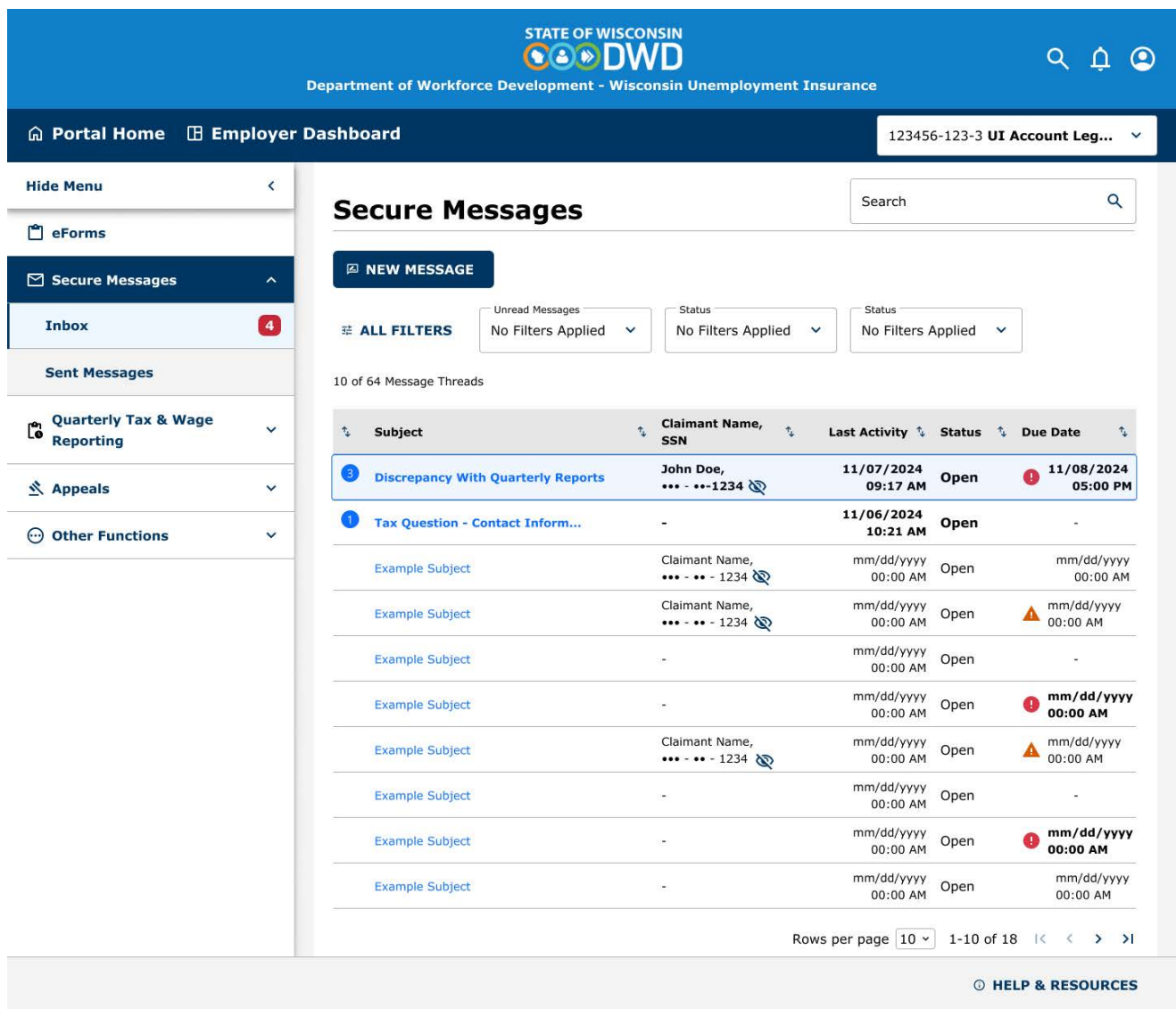


Image 4. Secure Messages screen: Showcases the Employer Portal Inbox.

Status of Project Funding

To keep the Committees apprised of the resources being used and the cost of modernizing UI's information technology systems used for processing and paying claims for benefits, the following provides a funding overview for that project as of March 31, 2026:

State and Local Fiscal Recovery Funds (SLFRF) under American Rescue Plan Act (ARPA)

\$80,828,962.00	Allocated
\$52,357,535.76	Expended
\$6,417,447.63	Committed

Conclusion

DWD will continue to administer the law and look at every available option to improve the efficiency and effectiveness of program with the resources at its disposal.

We hope you find this information helpful. We will provide the next quarterly Act 4 report to you in July 2026. In the meantime, please do not hesitate to contact us with questions.

UI Reserve Fund Highlights

May 21, 2026

1. Benefit payments through April 2026 declined by \$11 million or 7.3% when compared to benefits paid through April 2025.

Benefits Paid	2026 YTD* <i>(in millions)</i>	2025 YTD* <i>(in millions)</i>	Change <i>(in millions)</i>	Change <i>(in percent)</i>
Total Regular UI Paid	\$140.2	\$151.2	(\$11.0)	(7.3%)

2. Tax receipts through April 2026 declined by \$3.7 million or 1.1% when compared to tax receipts through April 2025.

Tax Receipts	2026 YTD* <i>(in millions)</i>	2025 YTD* <i>(in millions)</i>	Change <i>(in millions)</i>	Change <i>(in percent)</i>
Total Tax Receipts	\$319.7	\$323.4	(\$3.7)	(1.1%)

3. The April 2026 Trust Fund ending balance was over \$2.3 billion, an increase of 12.3% when compared to the same time last year.**

UI Trust Fund Balance	April 2026 <i>(in millions)</i>	April 2025 <i>(in millions)</i>	Change <i>(in millions)</i>	Change <i>(in percent)</i>
Trust Fund Balance	\$2,302.9	\$2,050.9	\$252.0	12.3%

4. Interest earned on the Trust Fund is received quarterly.

UI Trust Fund Interest	2026 YTD* <i>(in millions)</i>	2025 YTD* <i>(in millions)</i>	Change <i>(in millions)</i>	Change <i>(in percent)</i>
Total Interest Earned	\$17.1	\$15.2	\$1.9	12.5%

*All calendar year-to-date (YTD) numbers are based on the April 30, 2026 Financial Statements.

**If the UI Trust Fund balance is \$1.2 billion or more on June 30, Schedule D applies for the following year. The UI Trust Fund balance was over \$2.0 billion as of June 30, 2025 and therefore Schedule D will continue to be in effect for 2026 tax year.

FINANCIAL STATEMENTS

For the Month Ended April 30, 2026



Unemployment Insurance Division

Bureau of Tax and Accounting

DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
BALANCE SHEET
FOR THE MONTH ENDED April 30, 2026

<u>ASSETS</u>	<u>CURRENT YEAR</u>	<u>PRIOR YEAR</u>
CASH:		
U.I. CONTRIBUTION ACCOUNT	4,439,889.96	4,599,576.84
U.I. BENEFIT ACCOUNTS	(150,837.86)	(277,278.89)
U.I. TRUST FUND ACCOUNTS (1) (2) (3)	<u>2,338,309,989.09</u>	<u>2,099,510,055.28</u>
TOTAL CASH	<u>2,342,599,041.19</u>	<u>2,103,832,353.23</u>
ACCOUNTS RECEIVABLE:		
BENEFIT OVERPAYMENT RECEIVABLES	151,096,584.90	166,797,897.81
LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS (4)	<u>(52,391,134.61)</u>	<u>(55,750,865.16)</u>
NET BENEFIT OVERPAYMENT RECEIVABLES	98,705,450.29	111,047,032.65
TAXABLE EMPLOYER RFB & SOLVENCY RECEIV (5) (6)	42,865,814.83	32,044,031.48
LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS (4)	<u>(18,642,524.15)</u>	<u>(21,475,022.76)</u>
NET TAXABLE EMPLOYER RFB & SOLVENCY RECEIV	24,223,290.68	10,569,008.72
OTHER EMPLOYER RECEIVABLES	27,775,962.51	21,272,279.88
LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS	<u>(8,562,551.39)</u>	<u>(8,617,741.39)</u>
NET OTHER EMPLOYER RECEIVABLES	19,213,411.12	12,654,538.49
TOTAL ACCOUNTS RECEIVABLE	<u>142,142,152.09</u>	<u>134,270,579.86</u>
TOTAL ASSETS	<u><u>2,484,741,193.28</u></u>	<u><u>2,238,102,933.09</u></u>
<u>LIABILITIES AND EQUITY</u>		
LIABILITIES:		
CONTINGENT LIABILITIES (7)	85,032,844.51	87,343,486.70
OTHER LIABILITIES	26,062,696.87	36,955,793.19
FEDERAL BENEFIT PROGRAMS	1,074,217.80	2,699,104.13
CHILD SUPPORT HOLDING ACCOUNT	9,090.00	13,861.00
FEDERAL WITHHOLDING TAXES DUE	40,335.06	52,449.00
STATE WITHHOLDING TAXES DUE	668,409.00	788,379.00
DUE TO OTHER GOVERNMENTS (8)	<u>2,898,185.19</u>	<u>3,225,951.25</u>
TOTAL LIABILITIES	115,785,778.43	131,079,024.27
EQUITY:		
RESERVE FUND BALANCE	3,094,565,289.21	3,024,600,379.32
BALANCING ACCOUNT	<u>(725,609,874.36)</u>	<u>(917,576,470.50)</u>
TOTAL EQUITY	<u>2,368,955,414.85</u>	<u>2,107,023,908.82</u>
TOTAL LIABILITIES AND EQUITY	<u><u>2,484,741,193.28</u></u>	<u><u>2,238,102,933.09</u></u>

1. \$284,585 of this balance is for administration purposes and is not available to pay benefits.
2. \$1,396,887 of this balance is the remaining amount set aside for charging of benefits financed by Reimbursable Employers in cases of Identity Theft.
3. \$12,111,165 of this balance is Emergency Unemployment Compensation Relief (EUR) reserved exclusively for funding 50% of the benefits paid for Reimbursable Employers for UI Weeks 12/20-14/21 and 75% of the benefits paid for reimbursable employers for UI Weeks 15/21-36/21 per 2103 of the CARES Act, the Continued Assistance Act, and the American Rescue Act.
4. The allowance for uncollectible benefit overpayments is 35.9%. The allowance for uncollectible delinquent employer taxes is 51.0%. This is based on the historical collectibility of our receivables. This method of recognizing receivable balances is in accordance with generally accepted accounting principles.
5. The remaining tax due at the end of the current month for employers utilizing the 1st quarter deferral plan is \$1,658,027. Deferrals for the prior year were \$1,790,923.
6. \$22,050,096, or 51.4%, of this balance is estimated.
7. \$57,987,965 of this balance is net benefit overpayments which, when collected, will be credited to a reimbursable or federal program. \$27,044,879 of this balance is net interest, penalties, SAFI, and other fees assessed to employers; penalties and other fees assessed to claimants; and net LWA overpayments which, when collected, will be credited to the state fund.
8. This balance includes SAFI Payable of \$4,400. The 04/30/2026 balance of the Unemployment Interest Payment Fund (DWD Fund 214) is \$6,744. Total Life-to-date transfers from DWD Fund 214 to the Unemployment Program Integrity Fund (DWD Fund 298) are \$9,610,190.

DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
RESERVE FUND ANALYSIS
FOR THE MONTH ENDED April 30, 2026

	<u>CURRENT ACTIVITY</u>	<u>YTD ACTIVITY</u>	<u>PRIOR YTD</u>
BALANCE AT BEGINNING OF MONTH/YEAR:			
U.I. TAXABLE ACCOUNTS	3,396,526,933.56	3,458,621,349.74	3,385,346,039.05
BALANCING ACCOUNT	<u>(1,271,534,516.15)</u>	<u>(1,287,356,107.16)</u>	<u>(1,466,546,076.17)</u>
TOTAL BALANCE	2,124,992,417.41	2,171,265,242.58	1,918,799,962.88
 INCREASES:			
TAX RECEIPTS/RFB PAID	183,626,907.84	219,630,721.63	222,364,104.93
ACCRUED REVENUES	(1,259,536.89)	299,347.50	(87,893.19)
SOLVENCY PAID	86,636,382.30	100,046,465.37	101,025,626.29
FORFEITURES	0.00	0.00	(6,272.00)
BENEFIT CONCEALMENT INCOME	127,497.04	551,540.02	663,178.40
INTEREST EARNED ON TRUST FUND	0.00	17,117,927.20	15,214,221.86
FUTA TAX CREDITS	0.00	0.00	(2,637.00)
OTHER CHANGES	65,766.19	193,126.03	223,627.26
TOTAL INCREASES	<u>269,197,016.48</u>	<u>337,839,127.75</u>	<u>339,393,956.55</u>
 DECREASES:			
TAXABLE EMPLOYER DISBURSEMENTS	21,843,567.83	121,192,188.93	129,807,643.24
QUIT NONCHARGE BENEFITS	2,364,442.98	12,947,024.76	14,478,966.50
OTHER DECREASES	121,757.19	298,013.41	320,161.63
OTHER NONCHARGE BENEFITS	904,251.04	5,711,728.38	6,563,239.24
TOTAL DECREASES	<u>25,234,019.04</u>	<u>140,148,955.48</u>	<u>151,170,010.61</u>
 BALANCE AT END OF MONTH/YEAR:			
RESERVE FUND BALANCE	3,094,565,289.21	3,094,565,289.21	3,024,600,379.32
BALANCING ACCOUNT	<u>(725,609,874.36)</u>	<u>(725,609,874.36)</u>	<u>(917,576,470.50)</u>
TOTAL BALANCE (9) (10) (11) (12)	<u><u>2,368,955,414.85</u></u>	<u><u>2,368,955,414.85</u></u>	<u><u>2,107,023,908.82</u></u>

9. This balance differs from the cash balance related to taxable employers of \$2,315,260,235 because of non-cash accrual items.

10. \$284,585 of this balance is set up in the Trust Fund in one subaccount to be used for administration purposes and is not available to pay benefits.

11. \$1,396,887 of this balance is the remaining amount set aside for charging of benefits financed by Reimbursable Employers in cases of Identity Theft.

12. \$12,111,165 of this balance is Emergency Unemployment Compensation Relief (EUR) reserved exclusively for funding 50% of the benefits paid for Reimbursable Employers for UI Weeks 12/20-14/21 and 75% of the benefits paid for reimbursable employers for UI Weeks 15/21-36/21 per 2103 of the CARES Act, the Continued Assistance Act, and the American Rescue Act.

**DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
RECEIPTS AND DISBURSEMENTS STATEMENT
FOR THE MONTH ENDED 04/30/2026**

RECEIPTS	CURRENT ACTIVITY	YEAR TO DATE	PRIOR YEAR TO DATE
TAX RECEIPTS/RFB	\$183,626,907.84	\$219,630,721.63	\$222,364,104.93
SOLVENCY	86,636,382.30	100,046,465.37	101,025,626.29
ADMINISTRATIVE FEE	6.31	26.89	441.29
ADMINISTRATIVE FEE - PROGRAM INTEGRITY	2,245,159.06	2,563,575.93	2,533,278.70
UNUSED CREDITS	2,239,291.22	3,234,503.40	6,244,266.95
GOVERNMENTAL UNITS	877,246.21	3,719,017.80	3,600,934.52
NONPROFITS	866,487.88	3,653,896.99	3,338,216.15
INTERSTATE CLAIMS (CWC)	520,615.69	1,075,935.88	999,932.72
ERROR SUSPENSE	94,486.26	94,234.43	75,810.64
FEDERAL PROGRAMS RECEIPTS	(887,904.98)	(142,300.88)	(3,676,697.79)
OVERPAYMENT COLLECTIONS	2,196,505.88	10,040,609.54	11,296,127.23
FORFEITURES	0.00	0.00	(6,272.00)
BENEFIT CONCEALMENT INCOME	127,497.04	551,540.02	663,178.40
EMPLOYER REFUNDS	(199,519.36)	(3,040,450.98)	(6,131,762.01)
COURT COSTS	67,263.11	252,418.09	259,876.32
INTEREST & PENALTY	286,358.02	1,165,151.56	1,626,949.78
CARD PAYMENT SERVICE FEE	4,651.83	15,966.21	18,637.69
LWA O/P - I&P TFR IN FROM FEDERAL PROGRAM RECEIPTS	27,800.14	158,650.30	0.00
BENEFIT CONCEALMENT PENALTY-PROGRAM INTEGRITY	239,222.44	1,003,094.02	1,106,120.00
MISCLASSIFIED EMPLOYEE PENALTY-PROG INTEGRITY	1,500.00	15,706.90	1,995.18
LEVY NONCOMPLIANCE PENALTY-PROGRAM INTEGRITY	0.01	7,482.01	42,222.10
SPECIAL ASSESSMENT FOR INTEREST	0.00	2,282.18	900.46
INTEREST EARNED ON U.I. TRUST FUND BALANCE	0.00	17,117,927.20	15,214,221.86
MISCELLANEOUS	48,550.08	137,694.20	74,931.86
TOTAL RECEIPTS	\$279,018,506.98	\$361,304,148.69	\$360,673,041.35
DISBURSEMENTS			
CHARGES TO TAXABLE EMPLOYERS	\$23,999,395.52	\$129,631,468.40	\$140,569,626.51
NONPROFIT CLAIMANTS	835,972.62	3,283,569.69	2,822,342.81
GOVERNMENTAL CLAIMANTS	617,017.41	3,248,586.34	3,268,117.62
INTERSTATE CLAIMS (CWC)	244,003.02	1,287,798.88	1,197,709.03
QUITS	2,364,442.98	12,947,024.76	14,478,966.50
OTHER NON-CHARGE BENEFITS	985,489.92	5,640,560.29	6,612,606.87
CLOSED EMPLOYERS	(10,601.50)	79,370.06	(9,567.83)
FEDERAL PROGRAMS			
FEDERAL EMPLOYEES (UCFE)	82,060.64	370,159.42	358,193.35
EX-MILITARY (UCX)	10,206.79	62,738.18	132,934.74
TRADE ALLOWANCE (TRA/TRA-NAFTA)	(1,058.90)	(1,879.40)	9,764.00
DISASTER UNEMPLOYMENT (DUA)	0.00	3,433.00	0.00
WORK-SHARE (STC)	(734.78)	(1,863.85)	(403.09)
FEDERAL PANDEMIC UC (FPUC)	(618,011.67)	(435,999.92)	(3,082,987.19)
LOST WAGES ASSISTANCE \$300 ADD-ON (LWA)	(32,600.14)	(157,750.30)	(202,816.71)
MIXED EARNERS UC (MEUC)	0.00	2,600.00	1,375.39
PANDEMIC UNEMPLOYMENT ASSISTANCE (PUA)	(143,101.66)	(467,866.65)	(482,681.42)
PANDEMIC EMERGENCY UC (PEUC)	(149,925.41)	(79,481.75)	(677,714.39)
PANDEMIC FIRST WEEK (PFW)	(1,176.44)	1,243.07	(11,774.62)
EMER UC RELIEF REIMB EMPL (EUR)	(9,161.36)	(17,936.78)	(71,509.06)
2003 TEMPORARY EMERGENCY UI (TEUC)	(1,272.50)	(4,128.75)	(3,376.09)
FEDERAL ADD'L COMPENSATION \$25 ADD-ON (FAC)	(9,890.63)	(36,634.25)	(37,611.97)
FEDERAL EMERGENCY UI (EUC)	(74,521.87)	(253,145.53)	(347,887.28)
FEDERAL EXTENDED BENEFITS (EB)	(7,658.43)	(9,998.21)	(34,012.77)
FEDERAL EMPLOYEES EXTENDED BEN (UCFE EB)	(3.11)	(3.11)	(960.00)
FEDERAL EX-MILITARY EXTENDED BEN (UCX EB)	0.00	0.00	(441.10)
INTERSTATE CLAIMS EXTENDED BENEFITS (CWC EB)	(0.28)	(1.63)	(2,111.76)
INTEREST & PENALTY	301,359.48	1,050,669.90	1,247,072.92
CARD PAYMENT SERVICE FEE TRANSFER	3,750.94	15,174.60	15,025.64
LWA O/P - I&P TRANSFER	47,036.25	153,327.06	0.00
PROGRAM INTEGRITY	433,030.44	1,254,803.99	1,314,313.55
SPECIAL ASSESSMENT FOR INTEREST	0.00	0.00	1,510.30
COURT COSTS	80,067.26	235,074.46	233,312.79
ADMINISTRATIVE FEE TRANSFER	5.77	19.94	437.44
FEDERAL WITHHOLDING	159,677.94	17,349.94	98,618.00
STATE WITHHOLDING	2,393,289.72	1,291,992.61	1,378,108.94
FEDERAL LOAN REPAYMENTS	0.00	0.00	2,637.00
TOTAL DISBURSEMENTS	\$31,497,088.02	\$159,110,274.46	\$168,776,818.12
NET INCREASE(DECREASE)	247,521,418.96	202,193,874.23	191,896,223.23
BALANCE AT BEGINNING OF MONTH/YEAR	\$2,095,077,622.23	\$2,140,405,166.96	\$1,911,936,130.00
BALANCE AT END OF MONTH/YEAR	\$2,342,599,041.19	\$2,342,599,041.19	\$2,103,832,353.23

DEPARTMENT OF WORKFORCE DEVELOPMENT
U.I. TREASURER'S REPORT
CASH ANALYSIS
FOR THE MONTH ENDED April 30, 2026

	<u>CURRENT ACTIVITY</u>	<u>YEAR TO DATE ACTIVITY</u>	<u>PRIOR YTD ACTIVITY</u>
BEGINNING U.I. CASH BALANCE	\$2,069,947,189.56	\$2,116,040,215.80	\$1,874,111,061.69
INCREASES:			
TAX RECEIPTS/RFB PAID	183,626,907.84	219,630,721.63	222,364,104.93
U.I. PAYMENTS CREDITED TO SURPLUS	86,920,156.98	102,620,326.19	102,629,319.76
INTEREST EARNED ON TRUST FUND	0.00	17,117,927.20	15,214,221.86
FUTA TAX CREDITS	0.00	0.00	(2,637.00)
TOTAL INCREASE IN CASH	<u>270,547,064.82</u>	<u>339,368,975.02</u>	<u>340,205,009.55</u>
TOTAL CASH AVAILABLE	<u>2,340,494,254.38</u>	<u>2,455,409,190.82</u>	<u>2,214,316,071.24</u>
DECREASES:			
TAXABLE EMPLOYER DISBURSEMENTS	21,843,567.83	121,192,188.93	129,807,643.24
BENEFITS CHARGED TO SURPLUS	3,399,612.57	18,974,703.33	21,433,876.43
TOTAL BENEFITS PAID DURING PERIOD	<u>25,243,180.40</u>	<u>140,166,892.26</u>	<u>151,241,519.67</u>
EMER UC RELIEF REIMB EMPL EXPENDITURES	<u>(9,161.36)</u>	<u>(17,936.78)</u>	<u>(71,509.06)</u>
ENDING U.I. CASH BALANCE (13) (14) (15)	<u><u>2,315,260,235.34</u></u>	<u><u>2,315,260,235.34</u></u>	<u><u>2,063,146,060.63</u></u>

13. \$284,585 of this balance was set up in 2015 in the Trust Fund as a Short-Time Compensation (STC) subaccount to be used for Implementation and Improvement of the STC program and is not available to pay benefits.

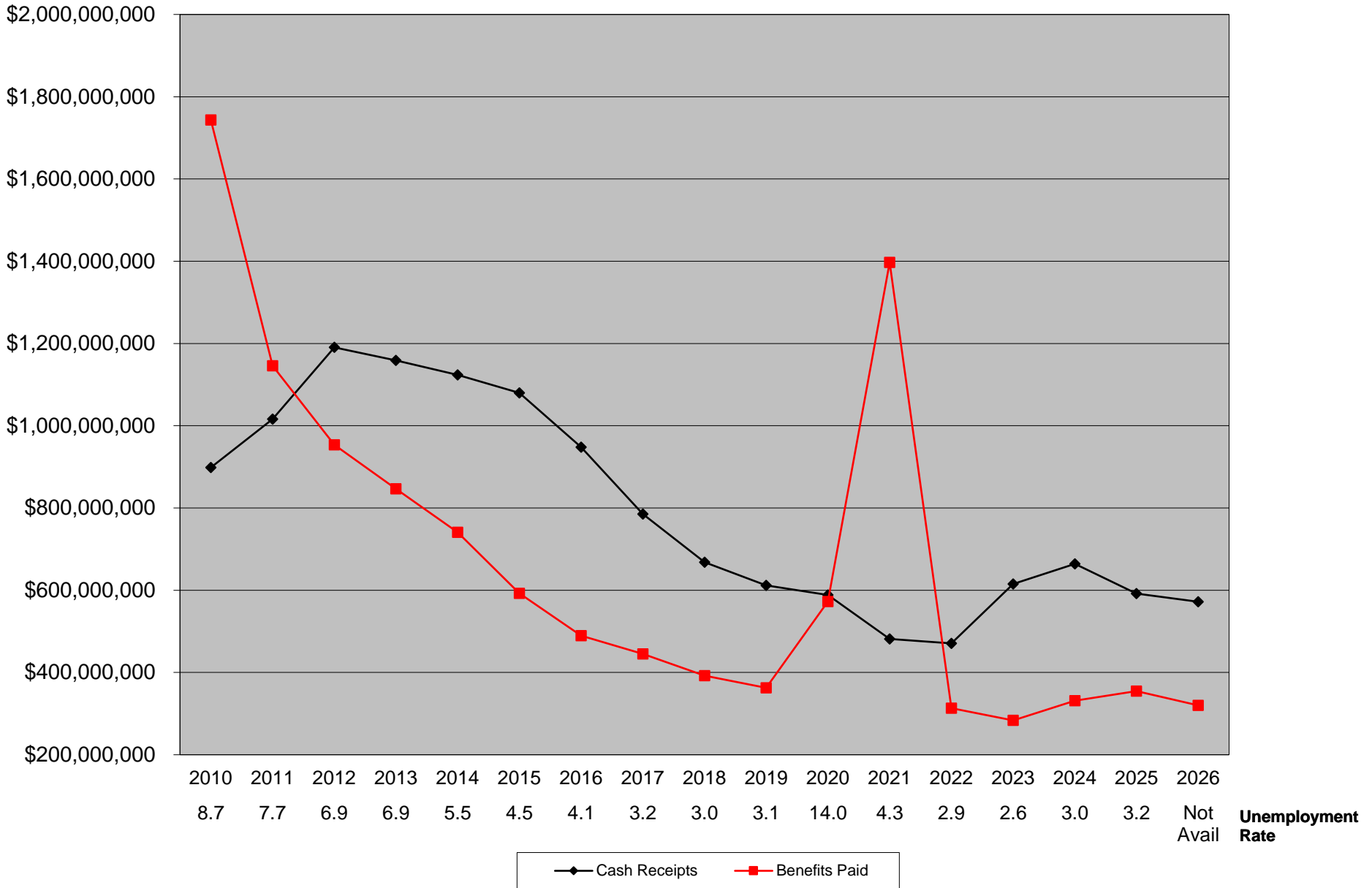
14. \$1,396,887 of this balance is the remaining amount set aside for charging of benefits financed by Reimbursable Employers in cases of Identity Theft.

15. \$12,111,165 of this balance is Emergency Unemployment Compensation Relief (EUR) reserved exclusively for funding 50% of the benefits paid for Reimbursable Employers for UI Weeks 12/20-14/21 and 75% of the benefits paid for reimbursable employers for UI Weeks 15/21-36/21 per 2103 of the CARES Act, the Continued Assistance Act, and the American Rescue Act.

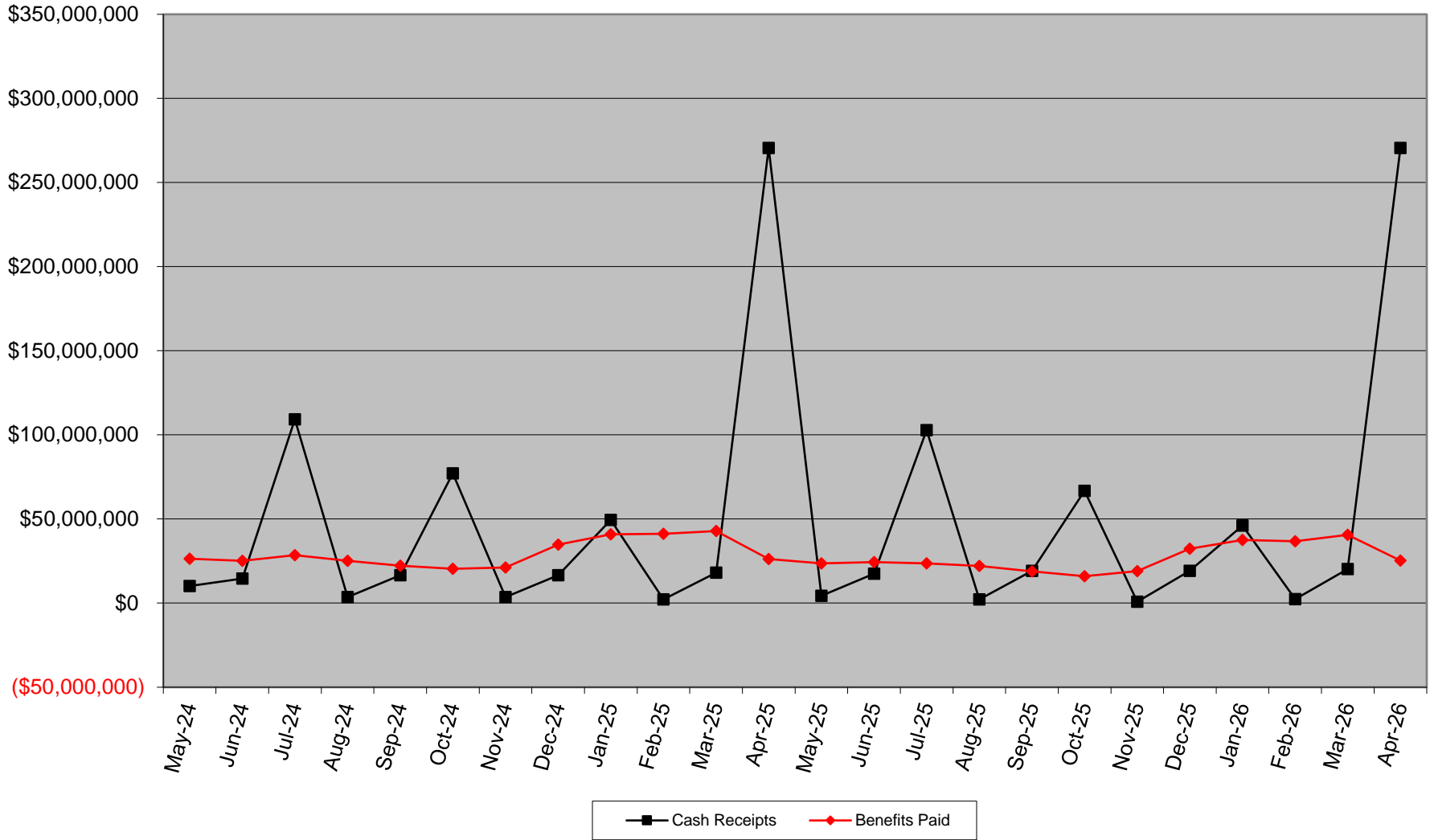
BUREAU OF TAX AND ACCOUNTING
U.I. TREASURER'S REPORT
BALANCING ACCT SUMMARY
FOR THE MONTH ENDED April 30, 2026

	<u>CURRENT ACTIVITY</u>	<u>YEAR TO DATE ACTIVITY</u>	<u>PRIOR YTD ACTIVITY</u>
BALANCE AT THE BEGINNING OF THE MONTH/YEAR	(\$862,820,847.61)	(\$880,103,732.93)	(\$1,058,118,206.52)
INCREASES:			
U.I. PAYMENTS CREDITED TO SURPLUS:			
SOLVENCY PAID	86,636,382.30	100,046,465.37	101,025,626.29
FORFEITURES	0.00	0.00	(6,272.00)
OTHER INCREASES	283,774.68	2,573,860.82	1,609,965.47
U.I. PAYMENTS CREDITED TO SURPLUS SUBTOTAL	<u>86,920,156.98</u>	<u>102,620,326.19</u>	<u>102,629,319.76</u>
TRANSFERS BETWEEN SURPLUS ACCTS	(13,912.03)	17,192.22	185,350.58
INTEREST EARNED ON TRUST FUND	0.00	17,117,927.20	15,214,221.86
FUTA TAX CREDITS	0.00	0.00	(2,637.00)
TOTAL INCREASES	<u>86,906,244.95</u>	<u>119,755,445.61</u>	<u>118,026,255.20</u>
DECREASES:			
BENEFITS CHARGED TO SURPLUS:			
QUITS	2,364,442.98	12,947,024.76	14,478,966.50
OTHER NON-CHARGE BENEFITS	1,035,160.59	6,027,669.57	6,954,908.46
MISCELLANEOUS EXPENSE	9.00	9.00	1.47
BENEFITS CHARGED TO SURPLUS SUBTOTAL	<u>3,399,612.57</u>	<u>18,974,703.33</u>	<u>21,433,876.43</u>
EMER UC RELIEF REIMB EMPL EXPENDITURES	<u>(9,161.36)</u>	<u>(17,936.78)</u>	<u>(71,509.06)</u>
BALANCE AT THE END OF THE MONTH/YEAR	<u><u>(779,305,053.87)</u></u>	<u><u>(779,305,053.87)</u></u>	<u><u>(961,454,318.69)</u></u>

Cash Activity Related to Taxable Employers with WI Unemployment Rate (for all years from May to April)

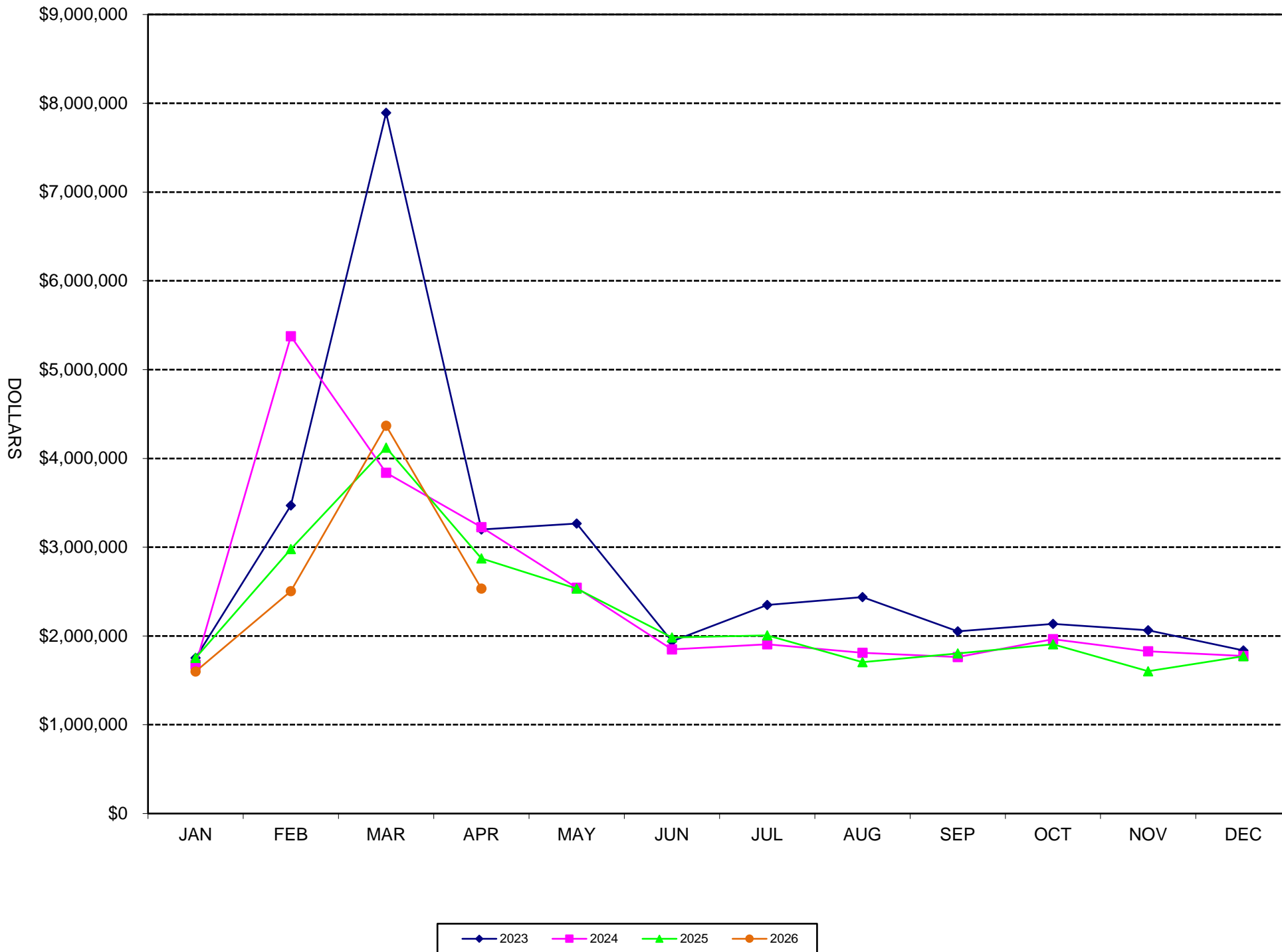


Cash Activity Related to Taxable Employers - Most Recent 24 Months

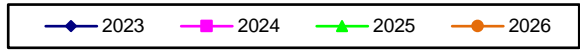
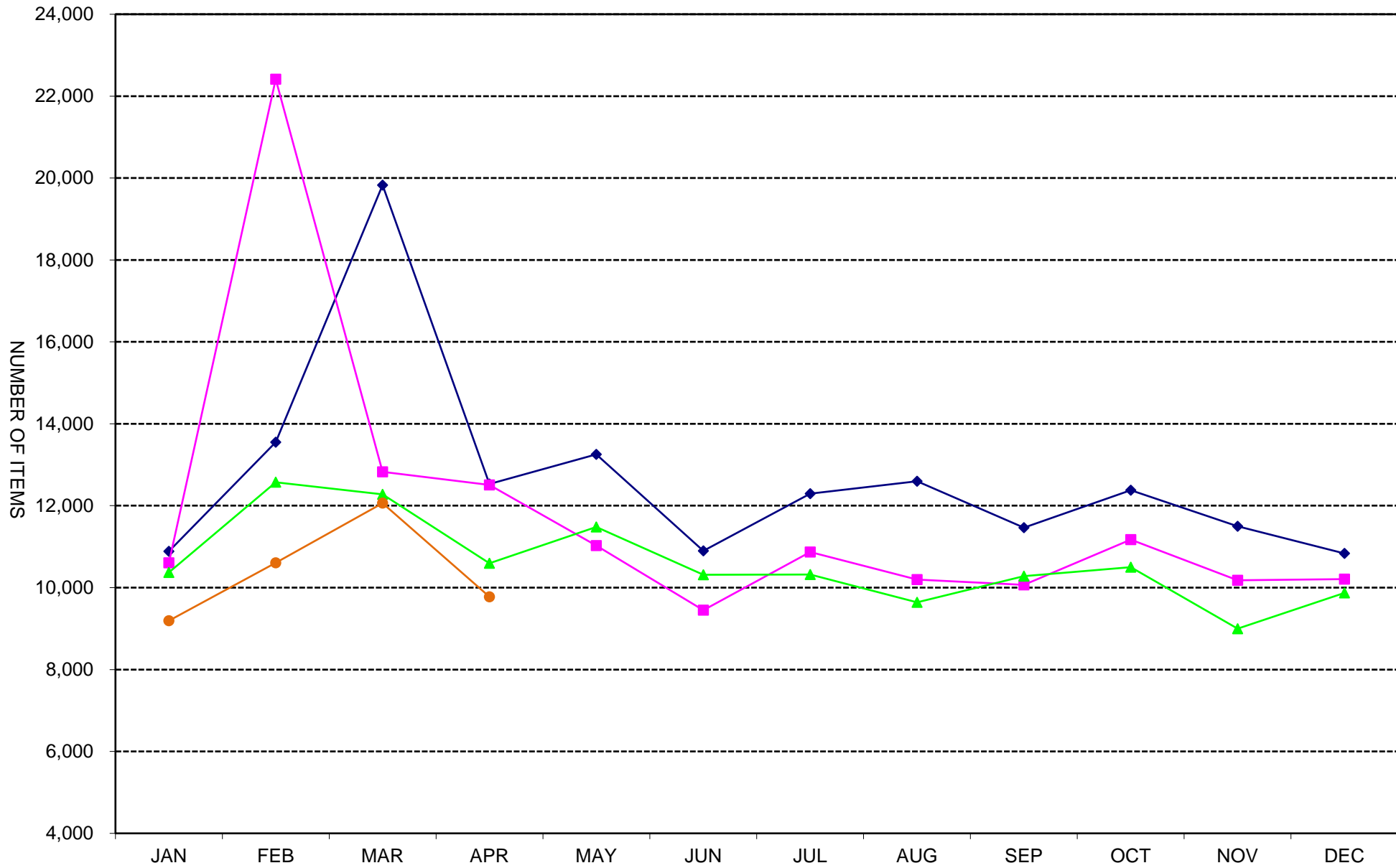


MONTHLY OVERPAYMENT CASH RECEIPTS

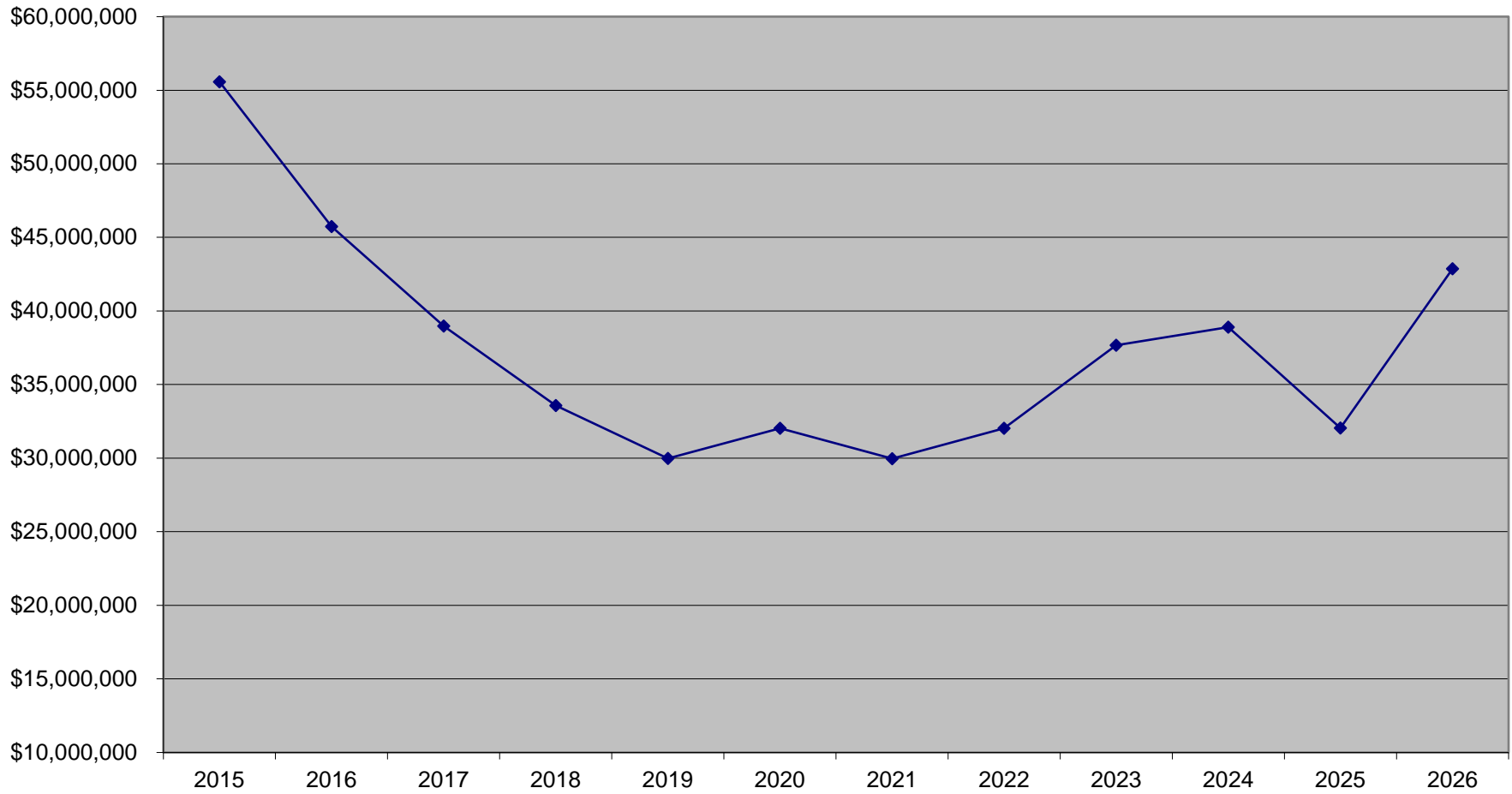
(by dollar amount)



MONTHLY OVERPAYMENT CASH RECEIPTS (by number of items)

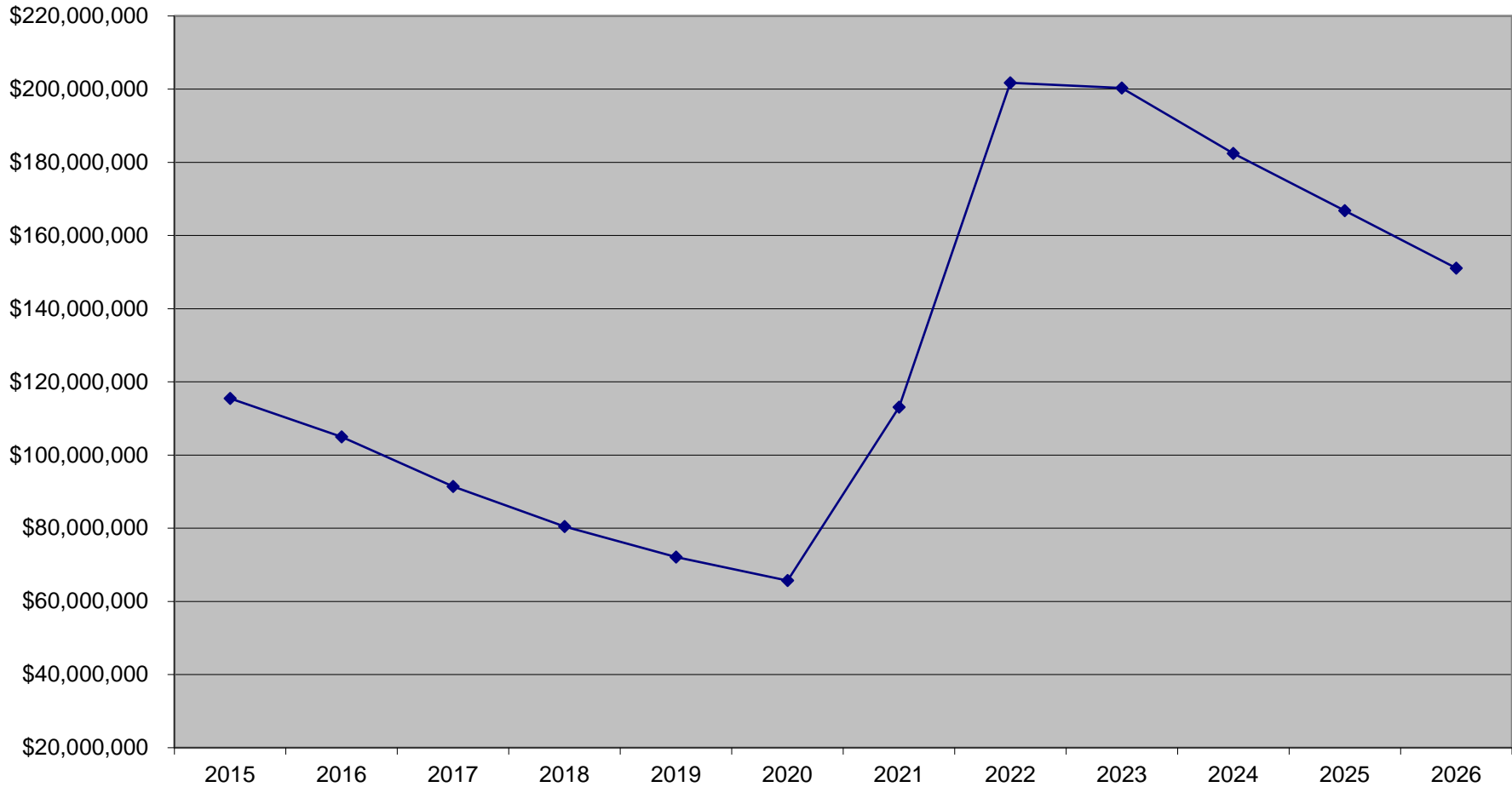


TOTAL TAXABLE EMPLOYER RFB & SOLVENCY RECEIVABLES
(for all years as of April)



Source: Monthly Balance Sheet

TOTAL BENEFIT OVERPAYMENT RECEIVABLES
(for all years as of April)



Source: Monthly Balance Sheet

Financial Outlook

Wisconsin Unemployment Insurance Program

**Report prepared for the Governor, Legislature and
Unemployment Insurance Advisory Council**

(Wis. Stat. § 16.48)

Executive Summary

The Wisconsin Department of Workforce Development (DWD) recognizes the critical role the Unemployment Insurance (UI) Trust Fund plays in providing benefits to workers who lose jobs through no fault of their own and each biennium delivers this Financial Outlook Report to the Governor, legislature, and Unemployment Insurance Advisory Council (UIAC) in accordance with Wis. Stat. § 16.48.

The average unemployment rate in Wisconsin in 2025 was 3.2%.¹ The UI Trust Fund balance, from which regular UI benefits are paid, grew to over \$2.1 billion at the end of 2025, up from \$1.9 billion at the end of 2024. This growth was achieved while the tax schedule in effect was Schedule D, the schedule with the lowest contribution rates for employers. Provided that the UI Trust Fund balance remains above \$1.2 billion on June 30, 2026, Schedule D will remain in effect for calendar year 2027.

While there was an increase in benefits paid from the UI Trust Fund to claimants in 2024, benefit payments decreased in 2025. In 2025, DWD's UI Division paid approximately \$331.2 million in regular UI benefit payments, down from approximately \$366.7 million in 2024.

Wisconsin's maximum weekly unemployment benefit amount is \$370 and has not increased since 2013. Only 11 states had a maximum weekly benefit amount lower than Wisconsin in 2025, and Wisconsin's maximum weekly benefit lags both the national average of \$566 and neighboring states' average of \$647. The average weekly benefit has held at an all-time low of approximately 29% of the average weekly wage since 2020. Historically, the benefit replacement rate varied between 32% to 46% of the average weekly wage, with a 38% average since 1973. The lower the benefit replacement rate, the greater the financial impact of job loss on UI claimants due to a greater loss of income.

Federal administrative grant funding used to operate Wisconsin's UI program has remained stagnant over the last 20 years. The president's proposed budget for federal fiscal year (FFY) 2027 would keep Wisconsin's UI administrative funding consistent with the expected award for FFY 2026, which itself was \$0.9 million less than the award for FFY 2004. The real value of the federal UI award has also decreased over time due to inflation, putting extreme pressure on administering the program.

Despite the record-high balance of the UI Trust Fund, the balance remains below the level that the United States Department of Labor (U.S. DOL) recommends for trust fund solvency. U.S. DOL recommends an Average High Cost Multiple (AHCM) of at least 1.0 to demonstrate a healthy trust fund. This level would mean that one year of high UI benefits could be paid without completely depleting the trust fund. For Wisconsin to meet that standard, the UI Trust Fund would need a balance today of about \$2.76 billion. Wisconsin's UI Trust Fund is not expected to reach an AHCM level of 1.0 by 2028. Increases in Wisconsin's overall wages cause the dollar amount necessary to reach 1.0 to increase over time. As of Jan. 1, 2026, only 18 states meet the recommended solvency standard set by U.S. DOL.

The stable balance of the UI Trust Fund and stagnant federal UI funding make this an opportune time to reevaluate Wisconsin's maximum weekly benefit amount and UI administrative funding provisions. The Secretary recommends that the UIAC review opportunities to bring Wisconsin's UI benefits in line with neighboring states and explore options to increase UI administrative funding to support program operations and efficiency.

¹ Annual estimates for 2025 are 11-month averages that exclude October. Data for October 2025 were not collected due to the federal government shutdown.

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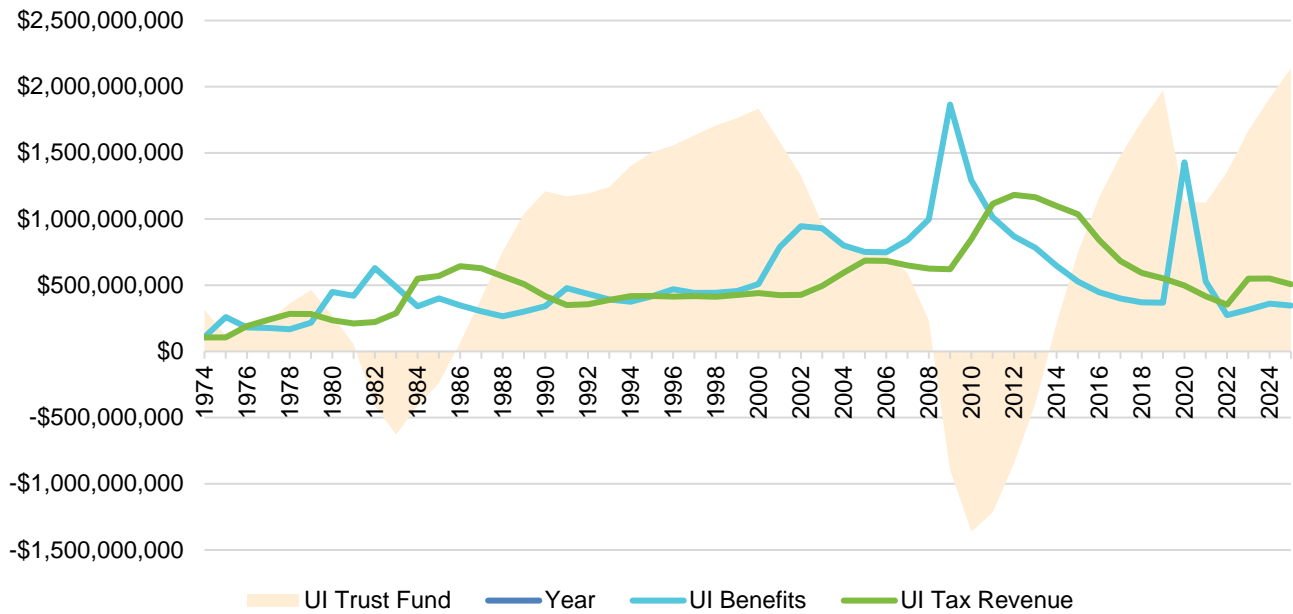
Introduction

DWD is pleased to present this report on the financial outlook of the State of Wisconsin UI program.

This Financial Outlook provides a summary of the UI program to measure the adequacy of the UI Trust Fund and the UI financing system. It provides background on UI financing as well as projections for the near-term future of the UI program.

Unemployment benefits, funded by employer contributions, provide temporary economic assistance to Wisconsin's eligible workers during times of unemployment.

UI Trust Fund Balance 1974 to 2025



ET Financial Handbook 394, <https://oui.doleta.gov/unemploy/hb394.asp>

The COVID-19 pandemic caused a rapid increase in UI benefit payments when UI benefit payments had been historically low. As Wisconsin's economy recovered from the effects of the COVID-19 pandemic, UI benefit payments have decreased. At the end of 2025, the UI Trust Fund had a balance over \$2.1 billion. This is an increase of over \$241 million from the 2024 ending balance of \$1.86 billion.

Section 1 of this Financial Outlook provides background on the Wisconsin UI benefits and financing system. Section 2 provides a recent history of the UI Trust Fund.² Section 3 summarizes recent UI law changes and their impacts on UI financing, which may affect current and future UI benefits and tax revenues. Section 4 provides UI Trust Fund projections through calendar year-end 2028. Section 5 examines recent trends in the benefit replacement rate. Finally, Section 6 provides context on federal UI funding.

² For a full history of the modern UI financing system, see Appendix A.

Section 1: Background on the Wisconsin UI Benefits and Financing System

Unemployment Insurance Benefits

UI benefits are paid to claimants who have lost employment through no fault of their own and have a work history with one or more employers that participate in the UI program. To continue to qualify for UI benefit payments, a claimant must be able and available for full-time work and, unless granted a waiver, must be actively searching for work. A person's UI benefit amount is based on their past wages, up to a maximum weekly benefit of \$370. Wisconsin's maximum weekly benefit is below the national average of \$566 weekly and below the average of \$647 weekly in neighboring states.³ In Wisconsin, a claimant may receive up to 26 weeks of regular UI benefits, which is the same maximum duration in all but 15 states.

Covered Employers in the Unemployment Insurance System

Most employers in Wisconsin are "covered employers" who must participate in the UI program. Covered employers fall into two groups:

Taxable Employers

The vast majority of employers in Wisconsin are taxable employers, also known as contributory employers. These employers fund UI benefit payments and partially fund UI program operations through quarterly state and federal taxes. Unemployment benefit risk is spread across all employers through taxes based on the employer's unemployment experience, instead of employers self-financing unemployment benefits.

Reimbursable Employers

Reimbursable employers self-finance unemployment benefits for their workers. By statute, state and local government units are classified as reimbursable employers.⁴ Nonprofit organizations and Native American tribes are initially classified as taxable employers but can elect to be reimbursable employers. UI administers benefit payments to individuals who worked for reimbursable employers and then bills those employers directly to reimburse the UI Trust Fund for the UI benefits paid.

Unemployment Insurance Taxes (Contributions)

UI benefits are financed by employer taxes paid to the Wisconsin UI Trust Fund. The federal government also collects unemployment taxes to fund state administration of the UI program.

State Taxes


State UI taxes finance Wisconsin UI benefits. Employers are assessed UI taxes on each employee's wages up to the taxable wage base. Since 2013, an employer is assessed UI taxes on the first \$14,000 in annual wages paid to each employee, the "taxable wage base." The tax rate an employer pays on wages up to the taxable wage base is determined by two separate factors. The first factor is the UI tax schedule in effect for a given rate year. The UI tax schedule in effect for a calendar year is

³ Averages provided exclude benefit allowances for dependents. Complete data is provided in [Appendix B](#).

⁴ Under Wis. Stat. §108.15 (3), government units other than the state may elect contribution financing.

determined by the UI Trust Fund balance on June 30 of the previous year. The higher the UI Trust Fund balance, the lower the tax rate schedule in effect. State legislation (2021 Wis. Act 59) set the tax rate schedule for 2022 and 2023 to Schedule D, the lowest tax rate schedule. The UI Trust Fund balance on June 30, 2025, determined the tax rate schedule for 2026 to be Schedule D. If the UI Trust Fund balance remains above \$1.2 billion on June 30, 2026, Schedule D will be in effect for 2027.

The following table outlines the four tax rate schedules:

Tax Rate Schedule	UI Trust Fund Balance (as of June 30 of the previous year)	Employer Contribution Rates
Schedule A	Less than \$300,000,000	Highest  Lowest
Schedule B	Greater than or equal to \$300,000,000 but less than \$900,000,000	
Schedule C	Greater than or equal to \$900,000,000 but less than \$1,200,000,000	
Schedule D	Greater than or equal to \$1,200,000,000	

The second factor impacting an employer's tax rate is the employer's experience with the UI system known as their "experience rating." The more UI benefits paid to current or former employees of an employer, the higher the tax rate that employer will pay, assuming the employer's payroll remains constant. Wisconsin employers not previously covered by the Wisconsin UI system are assigned a new employer tax rate for their first three years of contributions. This rate varies depending on the industry and size of the employer. After three years, an employer's taxes are then based on their unemployment experience.

Once the tax schedule and employer rates are determined, the total tax rate is composed of the basic tax and the solvency tax.

Basic Taxes

The basic tax is generally the larger portion of the state tax. The basic tax is the portion of the employer-paid tax credited to the employer's UI account. The amount an employer pays in basic taxes is tied to the employer's experience with the UI system.

Solvency Taxes

The solvency tax is generally smaller than the basic tax amount. Solvency taxes are deposited in the UI Trust Fund and credited to the UI Balancing Account. UI benefit payments not charged to specific employers are charged to the UI Balancing Account. The solvency tax is paid by taxable employers and covers risk sharing among employers participating in the UI system.

Allocation of State Taxes

Administrative and Program Integrity Assessment

Since 2017, a separate administrative assessment, used for program integrity purposes, has been collected as part of the state UI tax. The administrative assessment amount is a flat 0.01% rate with a corresponding reduction in the solvency tax rate for all employers subject to a solvency tax. The administrative assessment does not change the total amount of tax an employer is required to pay.

UI Employer Account

Each employer has its own employer account that measures the employer's experience with the UI system. It is not a savings account for the employer to pay future benefits. The basic tax an employer pays is entered as a credit on the account. UI benefit payments paid to former (or in some cases, current) workers are charged against the account. The balance of the employer's account is the net difference between all basic taxes collected and the benefit payments charged over the employer's history, also known as the Reserve Fund Balance. If an employer's account balance falls below zero, benefits will still be paid to the employer's eligible former workers.

An employer's account balance on June 30 determines its tax rate.⁵

UI Balancing Account

The UI Balancing Account is a shared risk account within the UI Trust Fund. This account insulates employers from certain charges against their employer account to prevent those charges from impacting their experience rating. These charges are for benefits that by statute, are not charged to employers' accounts, such as employees quitting to take another job then becoming unemployed afterwards. The UI Balancing Account is primarily funded by two sources.⁶ The first source is the employer-paid solvency tax, which totaled \$146.1 million in 2025. The second source is interest earned on the UI Trust Fund, which was \$66 million in 2025. If the UI Balancing Account balance falls below zero, benefits will still be paid to eligible claimants.

Certain UI benefit payments are, by statute, not charged to a specific employer's account but are instead charged to the UI Balancing Account.⁷ There are seven basic categories of UI benefit payments charged to the UI Balancing Account: write-offs, quits, misconduct, substantial fault, continued employment, approved training, and second benefit year. Full descriptions of these charges can be found in Appendix C. There were \$47.1 million in direct charges to the UI Balancing Account in 2025.

The UI Balancing Account balance represents the history of revenues credited and benefits charged to the account. The balance was negative \$880.1 million as of December 31, 2025. Since the end of the COVID-19 pandemic,⁸ the balance of the UI Balancing Account has been increasing as solvency tax revenue has outpaced direct benefit charges.

⁵ While the payroll used is for the fiscal year ending June 30, employers' 2nd quarter contribution and wage reports and payments due July 31 are reflected in this calculation if made on a timely basis. Additional details on employer tax rates, including the current rate table, can be found on our website: <https://dwd.wisconsin.gov/ui/employers/taxrates.htm>

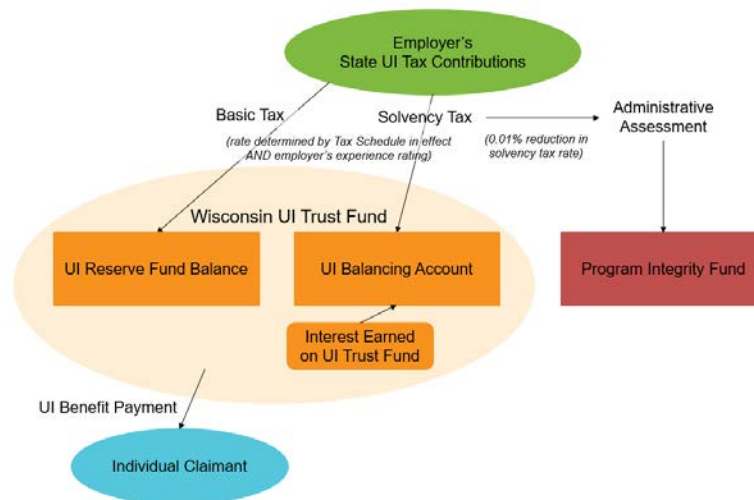
⁶ Other federally distributed funds are also credited to the UI Balancing Account. One example is the FUTA credit reduction revenue, which occurs when the UI system is borrowing.

⁷ Wis. Stat. § 108.07

⁸ Under 2019 Wisconsin Act 185 and 2021 Wisconsin Act 4, DWD was required to charge UI benefits for initial claims related to the public health emergency declared by Executive Order 72 to the UI Balancing Account of the UI Trust Fund for taxable employers.

Composition of UI Trust Fund

In summary, the UI Trust Fund balance is the sum of employers' reserve funds and the UI Balancing Account. The below diagram is an example of the UI process for a taxable employer:



Federal Unemployment Taxes (FUTA) ⁹

The FUTA tax is distinguishable from state UI taxes in two important ways. First, it is a flat wage tax, meaning the tax rate is not experience-rated. Employers are taxed at the same rate no matter how much or how little they have used the UI system in the past. Second, the FUTA tax does not affect future tax rates. FUTA taxes pay for the following:

Unemployment Insurance Administration

The administration of state UI programs is funded by FUTA tax revenue. U.S. DOL determines the amount of administrative grant funding available to each state. Receipt of federal grant funds requires states' administration of unemployment programs to substantially comply with federal requirements and states' unemployment laws to conform to federal UI laws. More information on federal UI funding is available in [Section 6](#).

Emergency Unemployment Compensation (EUC) and Extended Benefits (EB)

EUC programs are temporary federal programs that provide additional benefits to claimants who have exhausted state UI benefits. Funding for EUC programs comes solely from FUTA tax revenue. Congress typically authorizes EUC payments during severe recessions. During the COVID-19 pandemic, Congress authorized Pandemic Emergency Unemployment Compensation (PEUC) and other emergency programs.

The EB program extends benefits up to 20 additional weeks for claimants who have exhausted state UI benefits and EUC benefits. Funding for the EB program is shared equally by the state and federal government. The state portion is funded by the state's UI trust fund and the federal portion is funded by FUTA tax revenue. During periods of high unemployment, the federal government may provide additional funding for the EB program to cover the state's share.

⁹ Federal Unemployment Tax Act, 26 U.S.C. § 3301.

UI Trust Fund Borrowing

When states have exhausted their state trust fund and need to borrow to pay benefits, the FUTA tax creates a revenue source for borrowing. In Wisconsin, this means the overall UI Trust Fund balance would need to be negative—individual employer reserve fund balances may be negative or the UI Balancing Account may be negative, but as long as the sum of the UI Trust Fund is positive, Wisconsin would not need to borrow to pay benefits. After the UI Trust Fund was depleted in 2009, Wisconsin borrowed from the federal government to pay benefits and finished repaying all federal loans with interest in 2014. Unlike many other states, Wisconsin did not need to borrow funds during the COVID-19 pandemic.

Costs of Borrowing Federal Funds to Pay UI Benefits

FUTA Credit Reductions

The tax rate for FUTA is 6.0% on the first \$7,000 of an employee's wages; however, up to 5.4% can be credited back to employers if certain requirements are met. These requirements include the state maintaining a positive trust fund balance; the employer timely paying their state UI tax; and the employer paying the state tax on all the same wages that are subject to FUTA. If a state's trust fund remains negative on January 1 for two consecutive years, the FUTA tax credit is reduced by 0.3 percentage points each year the state's loan against the trust fund is outstanding.

Special Assessment for Interest (SAFI)

Federal law prohibits using regular state UI taxes to pay interest on a federal loan to a state trust fund, so a separate funding source is needed. Wisconsin initially paid the interest charges on its federal loans through a special assessment on employers in 2011 and 2012. Although liability for the interest payments remained, the SAFI was not assessed after 2012. Starting in 2013, the Wisconsin Legislature allocated state General Purpose Revenue (GPR) to cover interest due on the UI loan. In total, \$103 million in interest costs were assessed on UI Trust Fund loans due to the Great Recession; employers paid \$78 million through SAFI and the remaining \$25 million was paid with Wisconsin GPR.

Section 2: Recent History of the Wisconsin Unemployment Insurance Trust Fund

The modern history of the current UI financing system begins in 1981.¹⁰ This section focuses on the recent experience of the Wisconsin UI Trust Fund, beginning in 2024.

UI benefits paid from the UI Trust Fund increased in 2024 compared to 2023. In 2024, \$366.7 million in UI benefits were paid from the UI Trust Fund, returning to levels seen prior to the pandemic in dollar terms. UI benefits paid from the UI Trust Fund declined in 2025 to \$331.2 million.

Regular UI Benefits Paid
1985-2025



ET Financial Data Handbook 394, <https://oui.doleta.gov/unemploy/hb394.asp>

UI taxes collected in 2024 remained similar to 2023 at \$560 million. There was a decline in tax revenue in 2025 to \$507 million. Interest earned on the UI Trust Fund increased as the balance increased year over year. In 2024, \$53 million in interest was earned on the UI Trust Fund, and \$66 million in interest was earned in 2025. The UI Trust Fund balance increased from \$1.6 billion at the end of 2023 to \$2.1 billion at the end of 2025. This was still below the recommended AHCM 1.0 balance for Wisconsin of approximately \$2.76 billion. An AHCM of 1.0 would be necessary to pay UI benefits at historically high benefit rates for a year without completely exhausting the UI Trust Fund. As of Jan. 1, 2026, 18 states met the AHCM 1.0 recommended solvency standard set by U.S. DOL.

¹⁰ See [Appendix A](#) for details on the modern history of the UI Trust Fund.

Section 3: Recent UI Law Changes and Impacts on UI Financing

At the Sept. 24, 2025 meeting, the UIAC agreed to the statutory changes described in the 2026 UIAC Activities Report. The agreed bill was bifurcated into two bills: one bill encompassed the appropriations items to be referred to the Joint Committee on Finance; the other bill included the policy items. The appropriations bill was amended then passed with a partial veto. The policy bill passed the Assembly but did not receive a floor vote in the Senate.

Federal Law Changes

No federal law changes were enacted during the reporting period that are expected to have an impact on UI financing or the UI Trust Fund.

State Law Changes

No state law changes were enacted during the reporting period that are expected to have an impact on UI financing or the UI Trust Fund.

Section 4: UI Trust Fund Projection

UI Trust Fund Projection Methodology

The UI Trust Fund projection is the result of numerous other estimates that include future projections of the economy, unemployment insurance reciprocity, and estimated UI tax revenue.

Economic projections are from S&P Connect (S&P). The projections include the Wisconsin unemployment rate, labor force growth, and wage growth. The unemployment rate is used in projecting future UI benefits. The labor force growth and wage growth estimates are used in both projections of UI benefit payments and UI tax revenue.

The S&P economic projection assumes the unemployment rate will be slightly higher in 2026 than in 2025, remain similar in 2027, and fall slightly in 2028. Economic growth is expected to be similar to the past few years in Wisconsin throughout the projection period. The slight increases in the unemployment rate combined with increases in the labor force and wages leads to slightly higher UI benefit projections over the projection period.

UI tax revenue is based upon the projections of covered payroll as well as UI benefits charged to employer accounts. Compared to the past few years, the labor force is expected to grow much more slowly. This leads to slower increases in UI tax revenue.

UI Trust Fund Projections

Unemployment Reserve Fund Activity
(Millions \$)

	CY 2025	CY 2026	CY 2027	CY 2028
Opening Unemployment Reserve Fund Balance	\$1,874	\$2,116	\$2,351	\$2,586
<i>Revenues:</i>				
State Unemployment Revenues (employer taxes)	\$507	\$515	\$515	\$516
Interest Income	\$66	\$78	\$86	\$95
Federal Reimbursement for UI Benefits				
Total Revenue	\$573	\$593	\$601	\$611
<i>Expenses:</i>				
Unemployment Benefits	\$331	\$358	\$366	\$356
Ending Reserve Fund Balance	\$2,116	\$2,351	\$2,586	\$2,841

Projections from Wisconsin Unemployment Insurance Division based upon Wisconsin Unemployment Insurance data and S&P Wisconsin projections April 2026.

The UI Trust Fund is expected to grow over the projection period. This is due to UI benefits continuing to be low and growing UI tax revenue. It is not expected that the UI Trust Fund will reach an AHCM of 1.0 during the projection period. It is expected that the UI Trust Fund balance needed to obtain this AHCM would be approximately \$3.2 billion as of 2028.

Section 5: UI Benefit Replacement Rate

This section examines recent trends in the benefit replacement rate. The benefit replacement rate is the percentage in which the average weekly UI benefits paid to claimants compare to their average weekly wages. For example, a benefit replacement rate of 33% would mean average UI payments account for approximately one-third of average weekly wages.

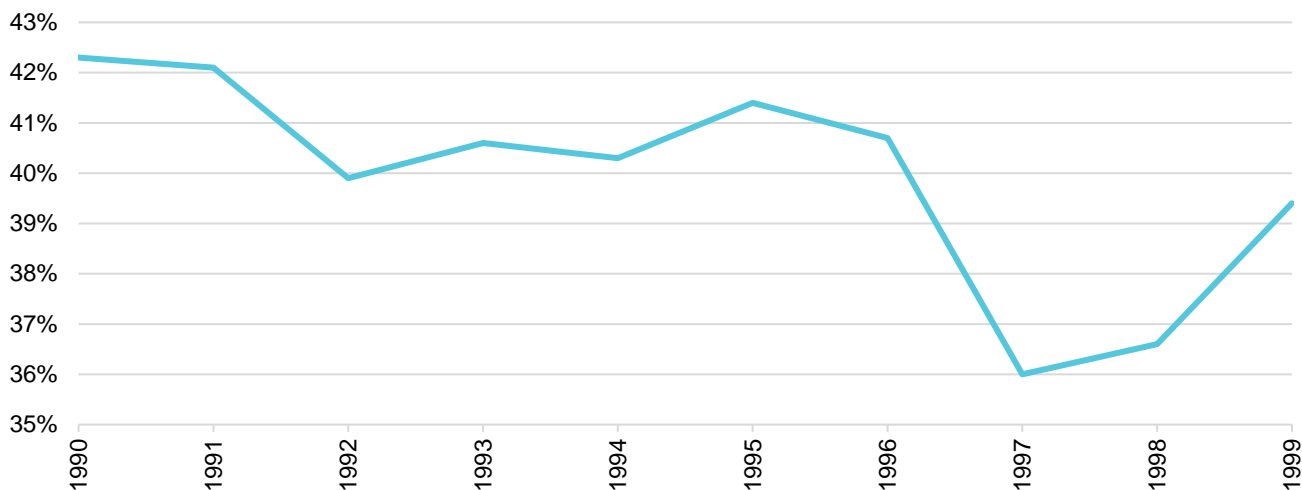
The current maximum weekly benefit of \$370 was set by 2013 Wisconsin Act 20 and became effective over 12 years ago on Jan. 5, 2014. Prior to 2013, the legislature historically increased the maximum weekly benefit amount regularly, either annually or every few years.

The current benefit replacement rate hit a new all-time low of 28% in 2025. Since 1973, the benefit replacement rate averaged 40% of average weekly wages, and varied between 32% and 46%. The lower the benefit replacement rate, the greater the negative financial impact on UI claimants due to a greater loss of income and the higher the risk that more people will fall below the poverty line during an economic downturn.

1990s

There was a yearly deficit between UI benefit payments and tax revenue in the 1990s; however, this deficit was not due to increases in the maximum benefit rate. In fact, the real value of UI benefits to the unemployed fell during this time. The UI benefit replacement rate declined over the 1990s. The average weekly benefit amount was 42.3% of the average weekly wage in 1990 and fell to 39.4% in 1999. Although the benefit replacement rate was declining, the value of individual UI benefits paid increased in the late 1990s as the average wage increased over the period. The higher an individual's wages, the higher the amount of their benefit entitlement. UI benefit payments are expected to increase over time due to increases in wages earned and increases in the number of people employed and eligible for benefits.

UI Benefit Replacement Rate
1990-1999



ET Financial Data Handbook 394, <https://oui.doleta.gov/unemploy/hb394.asp>

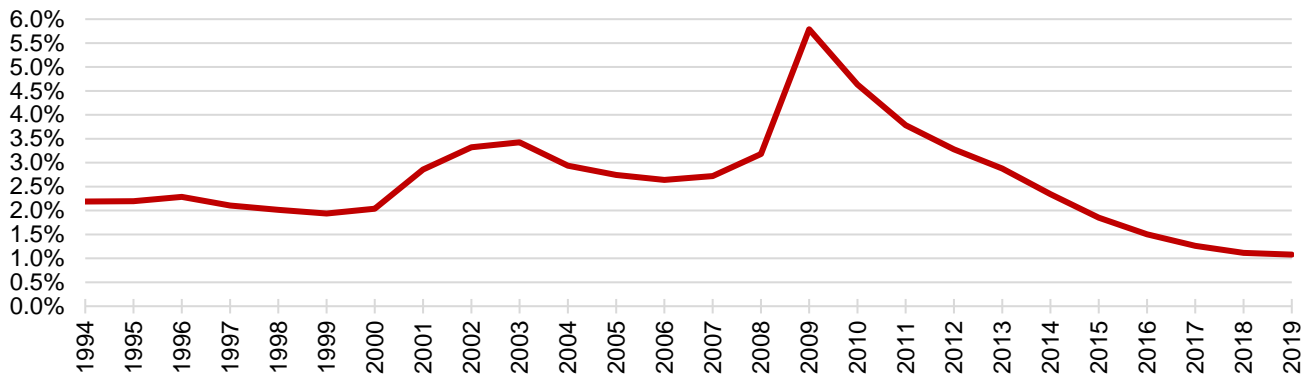
2000s and the Great Recession

There was a decline in UI benefit payments after the Great Recession due to a decline in unemployment claims and the value of UI benefits not keeping pace with the growth in wages over the last few decades, as shown by the declining replacement rate.

UI benefit payments continued at historically low levels from the end of the Great Recession through March 2020. There are two complementary reasons for this decline in UI benefit payments: a decline in unemployment claims, and the value of unemployment benefits relative to wages.

The decline in unemployment claims is illustrated by the insured unemployment rate declining to levels not experienced in the modern UI system. The insured unemployment rate is the ratio of UI claims to covered employment, so it represents the percentage of covered employment collecting UI benefits.

WI Insured Unemployment Rate
1994-2019



U.S. Employment and Training Administration, Insured Unemployment Rate in Wisconsin [WIINSUREDUR], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/WIINSUREDUR>

This decline in claim activity is even more pronounced when compared to the overall unemployment rate during the same period. Unemployment rates for the years immediately before the COVID-19 pandemic were very similar to rates reported in the late 1990s, but the rate of unemployment claims was approximately half of what occurred during that period.

WI Insured Unemployment Rate and
WI Unemployment Rate 1994-2019

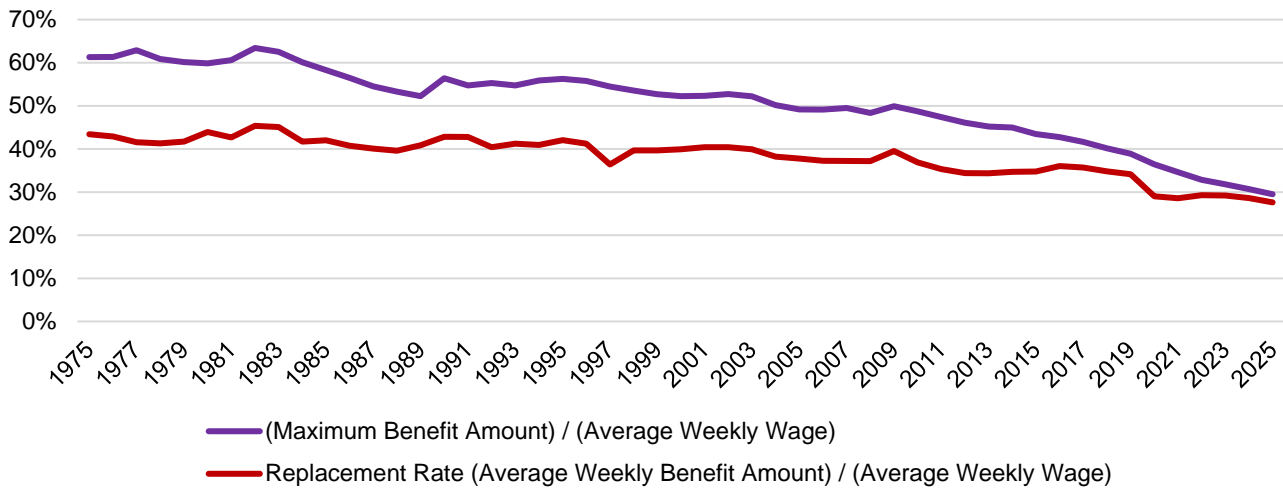


U.S. Employment and Training Administration, Insured Unemployment Rate in Wisconsin [WIINSUREDUR], U.S. Bureau of Labor Statistics, Unemployment Rate in Wisconsin [WIUR], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/>

Before the COVID-19 pandemic, there was a break in the historic relationship between the unemployment rate and unemployment claims. If UI benefit claims following the Great Recession had returned to normal claim levels, even with the lower unemployment rate, UI benefit payments would be expected to be \$175 million to \$250 million more per year. This equates to an increase of about \$550 million to \$790 million in the UI Trust Fund balance between 2015 and 2019.

The second reason for a decline in UI benefit payments is due to the value of UI benefits not keeping pace with the growth in wages over the last few decades.

Wisconsin UI Weekly Benefits Relative to Average Weekly Wage in Covered Employment 1975-2025



ET Financial Data Handbook 394, <https://oui.doleta.gov/unemploy/hb394.asp>

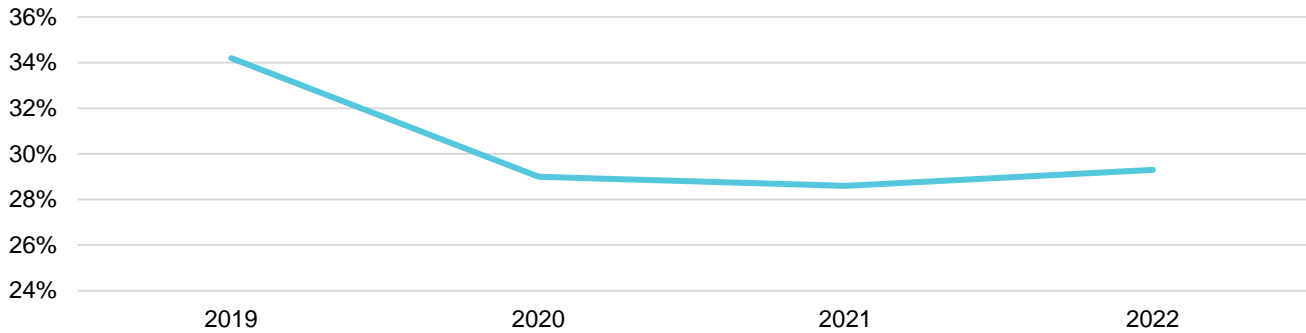
As the chart above illustrates, there has been a constant decrease in the maximum benefit rate relative to the average weekly wage. From the end of the Great Recession forward, there has been a sharp decline in the replacement rate of the UI weekly benefit rate. As this ratio falls, the value of the UI benefit, both in supporting worker households and supporting the economy during downturns declines.

From 1992 to 2003, the maximum weekly benefit amount increased each year. Starting in 2003, the rate of increase slowed but there were still regular increases until 2009. Starting in 2009, the maximum weekly benefit amount stalled at \$363 for five years. In 2014 the maximum weekly benefit amount increased to \$370, where it has remained. Maximum weekly benefit amounts since 1993 are in [Appendix D](#).

COVID-19 Pandemic and Post-Pandemic Recovery

The benefit replacement rate dropped from 34% in 2019 to 29% in 2020. The 29% benefit replacement rate stayed the same in 2021 and 2022, as well.

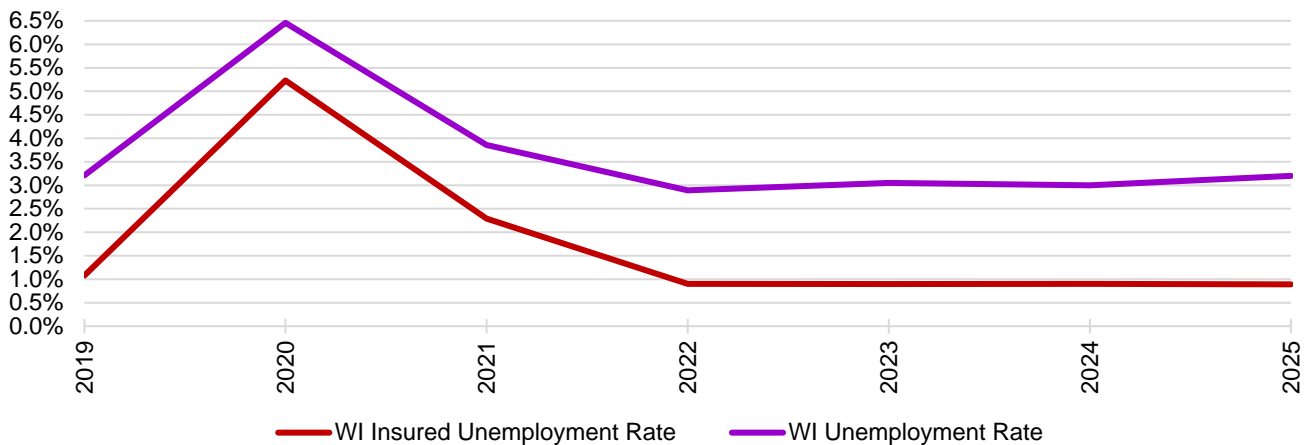
UI Benefit Replacement Rate 2019-2022



ET Financial Data Handbook 394, <https://oui.doleta.gov/unemploy/hb394.asp>

Despite the flat-line of the benefit replacement rate, the difference between Wisconsin's insured unemployment rate and unemployment rate widens.

WI Insured Unemployment Rate and WI Unemployment Rate 2019-2025



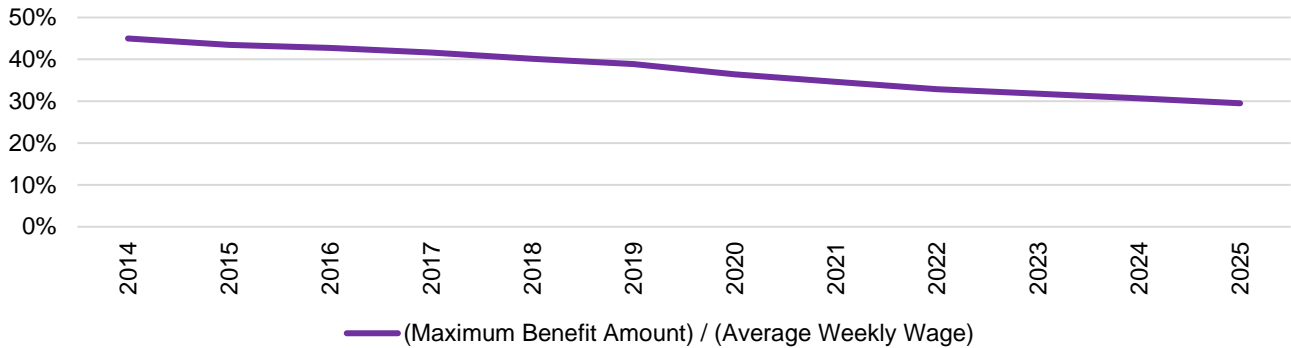
U.S. Employment and Training Administration, Insured Unemployment Rate in Wisconsin [WIINSUREDUR], U.S. Bureau of Labor Statistics, Unemployment Rate in Wisconsin [WIUR], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/>

The benefit replacement rate in 2023 was 29%. This is the same benefit replacement rate as during the COVID-19 pandemic.

Current

The maximum benefit amount is only 30% of the average weekly wage. Historically, the maximum benefit amount equated to approximately 50% of the average weekly wage. Since the last change to the maximum weekly benefit amount went into effect in 2014, the percentage of the maximum benefit amount compared to the average weekly wage has consistently declined.

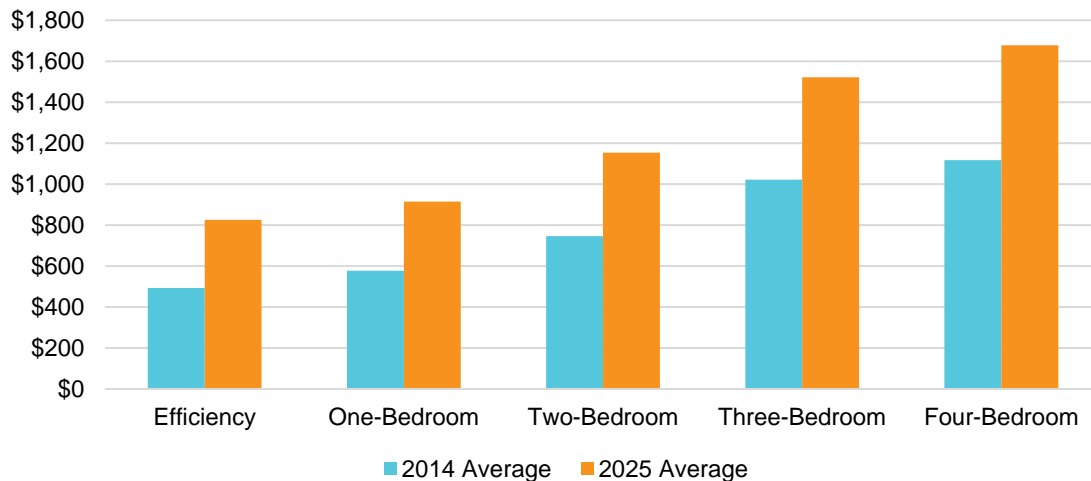
Wisconsin Maximum Benefit Amount Relative to Average Weekly Wage in Covered Employment 2014-2025



ET Financial Data Handbook 394, <https://oui.doleta.gov/unemploy/hb394.asp>

The cost of living has increased substantially since the last increase in the maximum weekly benefit amount became effective in 2014. For example, in 2014, the average fair market rent in Wisconsin ranged from \$493 for an efficiency unit to \$1,117 for a four-bedroom. In 2025, the average fair market rent in Wisconsin for an efficiency unit was \$826 and four-bedroom was \$1,678. As the graph below shows, the fair market rent for a two-bedroom in 2014 does not cover fair market rent for an efficiency unit in 2025. As illustrated, fair market rent for a four-bedroom in 2014 would allow individuals to rent a one-bedroom in 2025.

Wisconsin Fair Market Rent (2014 vs. 2025)



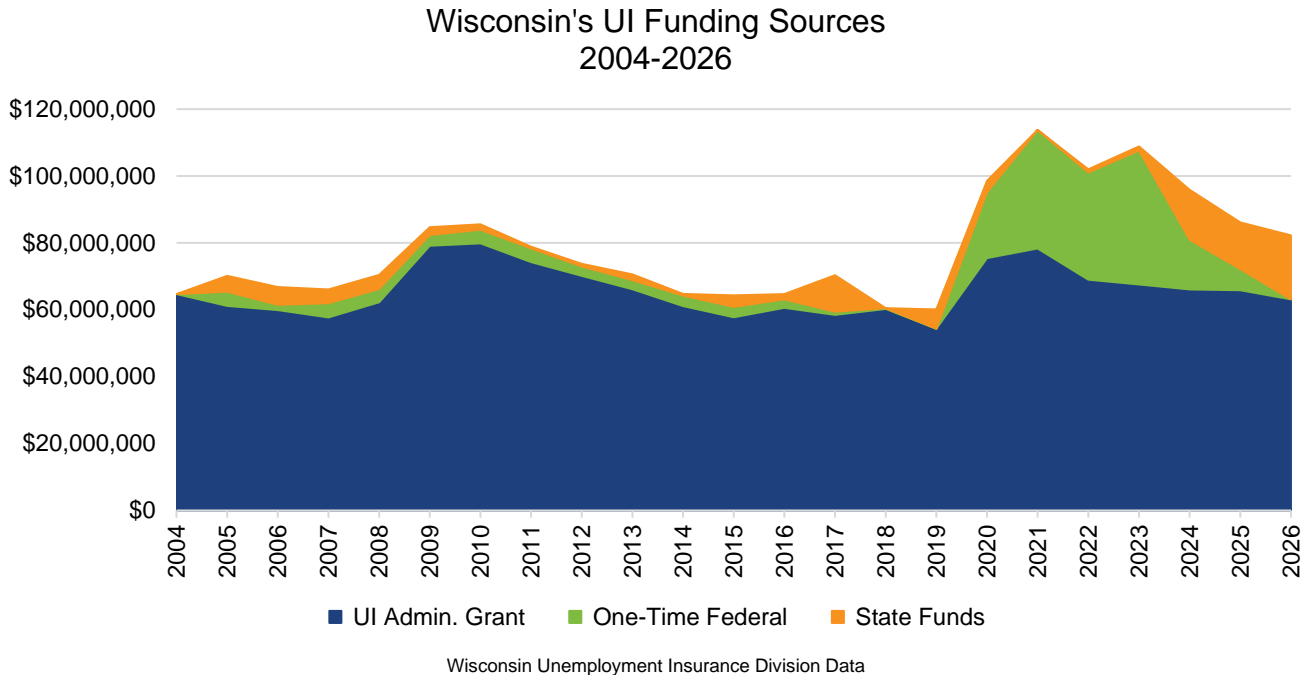
Housing and Urban Development Fair Market Rents (40th Percentile Rents) <https://www.huduser.gov/portal/datasets/fmr.html#year>

Summary

Record low UI benefit payments are not only due to the record low unemployment rate. In fact, the current reciprocity rate for UI benefits is much lower than Wisconsin's average. In 2025, approximately 28% of individuals who were unemployed received UI benefits compared to approximately 50% historically. In 2013, before the last increase to the maximum weekly benefit amount, the reciprocity rate was approximately 43%. The current low reciprocity rate shows the unemployed population is not receiving benefits.

Section 6: Federal UI Funding

Federal funding makes up the vast majority of Wisconsin's UI funding. As illustrated below, the federal UI administrative grant and one-time federal funds represent a much larger amount of UI's funding than state funds.



Funding amounts are derived from the Federal Unemployment Tax Act (FUTA), appropriated by Congress, and allocated by the U.S. DOL to all state workforce agencies through a competitive process called the Resource Justification Model (RJM).

Amounts appropriated by Congress have **not increased over the last 20 years**.

The RJM considers a state's unemployment rate, workload, and efficiency to determine its administrative grant funding levels. Wisconsin consistently ranks among the most efficient states in the RJM process; however, Wisconsin's below average unemployment rate and reduced reciprocity rate, as described in [Section 5](#), jeopardize additional funding amounts.

Historic Funding Levels

Wisconsin's federal funding amounts have not increased over the last 20 years, despite Wisconsin's total UI administrative expenses increasing by 30.36%. Additionally, the purchasing power of each dollar has decreased due to inflation, putting added pressure on an already stagnant budget.

In federal fiscal year (FFY) 2004, DWD received a federal administrative grant award of \$64.7 million. In FFY 2025, the award was \$65.8 million. The FFY 2026 award is expected to be \$2 million less than 2025 – \$63.8 million. The president's proposed budget for FFY 2027 would keep UI administrative funding consistent with FFY 2026.

Grant Terminations

The federal government may also provide supplemental funding for specific purposes. During the COVID-19 pandemic, Wisconsin applied for and was awarded supplemental funding for projects related to fraud prevention, efficiency improvements, equitable access, and IT modernization.

Without advance notice, on May 22, 2025, U.S. DOL terminated \$29 million of DWD's federal grants as part of the Trump Administration's termination of \$675 million in ARPA grants awarded by the U.S. DOL to UI programs in over 30 states and territories.

For DWD, the U.S. DOL decision to terminate funding halted work on some of the most critical unemployment insurance modernization and fraud prevention projects. The \$29 million in terminated funds included:

- \$11.25 million to create a state-of-the-art web-based and mobile employer portal, including a secure communications infrastructure to reduce improper payments and fraud;
- \$6.3 million to prevent and detect fraud, ensure program integrity, and improve cybersecurity and overpayment collections;
- \$6.8 million to modernize written communication with all UI customers through an agile and efficient systems interface, reducing costs and staff resources; and
- Nearly \$4.5 million to implement identity authentication and identity proofing tools, modernize the application process, enhance automation for case scheduling, and centrally document all interactions on a given claim.

Though DWD and, later, Governor Evers requested U.S. DOL and President Trump reverse its termination of Wisconsin's grants, the Trump Administration has refused to reverse these damaging cuts.

Conclusion and Recommendations

Given the stable and increasing balance of the UI Trust Fund and stagnant federal UI administration funding, this is an opportune time to reevaluate state UI funding provisions and the maximum weekly benefit amount.

The Secretary recommends that the UIAC review opportunities to bring Wisconsin's UI benefits in line with neighboring states. Wisconsin's maximum weekly benefit amount continues to lag behind both the national average and that of the state's neighbors. The national average weekly benefit maximum is \$566; in Iowa, for individuals it is \$622 and \$763 for individuals with dependents; in Illinois, it is \$605 for individuals and \$827 for individuals with dependents; and in Minnesota, it is \$914 for individuals. The maximum weekly benefit in Wisconsin is currently \$370 and was last adjusted in 2013. The low benefit rate harms Wisconsin's economy by encouraging those who work in seasonal employment or other fields with regular layoffs to seek work in neighboring states. Additionally, the current maximum weekly benefit amount is insufficient to keep pace with rising costs.

Due to the continued stagnant federal funding for UI administration, as outlined in [Section 6](#), the Secretary recommends exploring options to increase UI administrative funding to ensure the program can continue to effectively serve those who lose their job through no fault of their own.

The Secretary recommends considering an assessment under [Wis. Stat. § 108.19\(1\)](#) to supplement funding UI administrative expenses. Current UI budget projections estimate an operating budget deficit of approximately \$15.1 million per year starting in state fiscal year 2029. To overcome this deficit, a 0.042% assessment on taxable wages (approximately \$5.88 per employee) would be needed. Other statutory changes could also be considered.

Reduced federal funding has also impacted UI modernization projects intended to fully modernize Wisconsin's UI system to help prevent fraud and overpayments and support effective and efficient payment of benefits. In particular, due to the abrupt termination of federal grants intended for information technology modernization, DWD will need supplemental funding to continue modernization efforts and maintenance of systems.

The Secretary recommends considering changes to [Wis. Stat. § 108.19\(1e\)](#) to reintroduce assessments for IT modernization that are sufficient to complete current modernization projects and to continue to fund ongoing modernization efforts, as well as maintenance and operation costs, to stay current as technology advances. The current statute limits modernization funding to development and implementation of a new system, without recognizing that modernization is an evolving, ongoing process. UI must be able to quickly and efficiently adapt to changes in federal or state program requirements, sophisticated and organized fraud threats, and fluctuations in customer demand while maintaining service delivery to its customers. To meet these evolving obligations, the IT systems require ongoing investments.

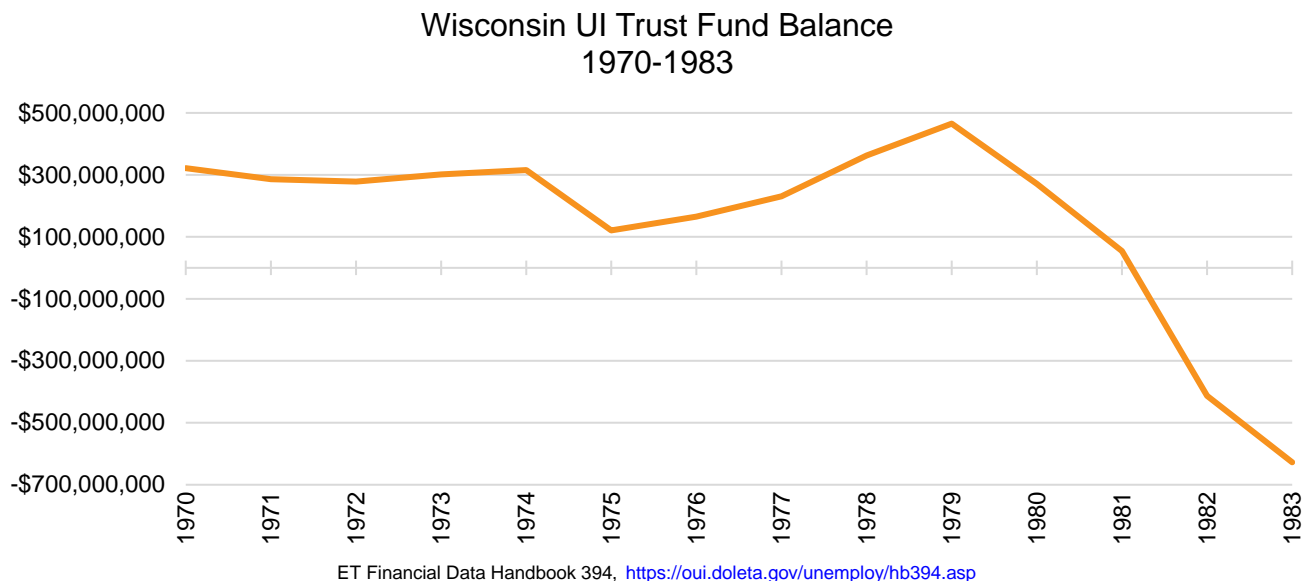
The Secretary recommends the UIAC consider these changes to Wisconsin's UI laws to strengthen the UI program, support displaced workers, and bolster the state's economy. In making these changes, the UIAC will help to ensure the UI program is adaptable and strong to meet Wisconsin's current and future workforce needs.

Appendix A

Modern History of UI Financing System Since 1981

Creation of Our Current UI Financing System: 1981-1982 Recession and Aftermath

Much of the current Wisconsin UI financing system was developed as a response to the difficulties experienced by the UI Trust Fund during the recession of the early 1980s. The recession rapidly depleted the UI Trust Fund and Wisconsin had to borrow from the federal government to pay UI benefits.



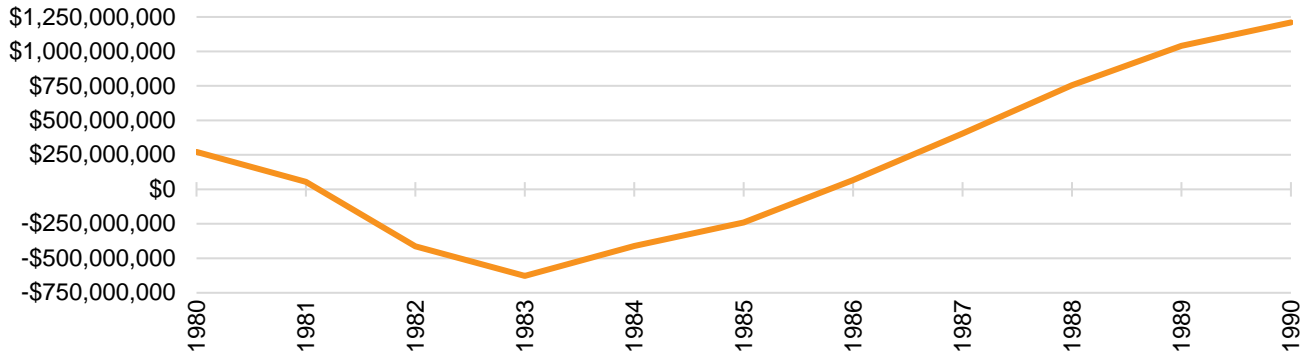
Wisconsin borrowed \$988 million between 1982 and 1986. To provide context, this was about 4.1% of total covered payroll in the mid-1980s. The same 4.1% of total covered payroll of taxable employers in 2020 would be about \$4.6 billion. Wisconsin's employers paid \$124 million in interest due to this federal borrowing.

To eliminate the large UI Trust Fund debt, Wisconsin enacted legislation that made changes to the UI financing system. These changes included:

- Increasing the taxable wage base from \$6,000 to \$10,500;
- Creating new tax rate schedules that are dependent on the UI Trust Fund balance;
- Increasing the rate an employer's tax rate may increase, known as the rate limiter, to 2%;
- Temporarily discontinuing the 10% write-off provision, reducing tax liability for employers whose reserve fund account was very negative;
- Limiting the effect of voluntary contributions;
- Charging the state's portion of EB to employers instead of the UI Balancing Account;
- Reducing the maximum benefit duration from 34 weeks to 26 weeks;
- Increasing the requirements to qualify for benefits;
- Increasing the requalification requirements; and
- Eliminating the indexing of the weekly maximum benefit amount.

These changes allowed Wisconsin to rapidly repay the UI Trust Fund loan and build up a sizable UI Trust Fund balance by the end of the 1980s.

Wisconsin UI Trust Fund Balance
1980-1990



ET Financial Data Handbook 394, <https://oui.doleta.gov/unemploy/hb394.asp>

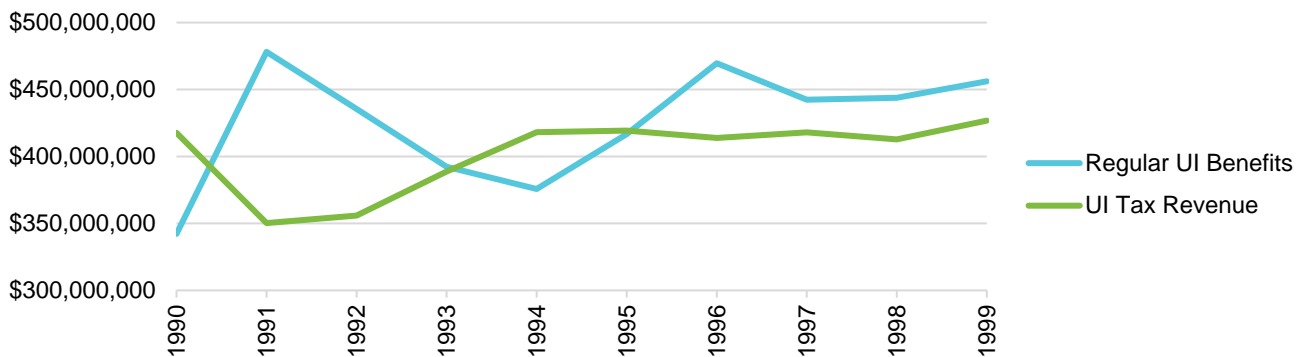
The Static UI Financing System in the 1990s

The UI Trust Fund accumulated a large balance before the onset of the 1991 recession. When the recession hit, total UI benefits paid exceeded UI tax revenue collected; however, the UI Trust Fund remained solvent. As the recession lifted, tax revenue rebounded, and UI benefit payments fell as expected.

During periods of economic growth, the UI financing system is designed to build up the UI Trust Fund balance to pay UI benefits during an economic downturn and avoid federal borrowing. This happened following the 1991 recession. After the UI Trust Fund reaches a balance large enough to finance a recession, year-to-year UI benefits paid and UI tax revenue collected should be roughly equal to maintain the UI Trust Fund balance, ensuring it will be large enough for the next recession.

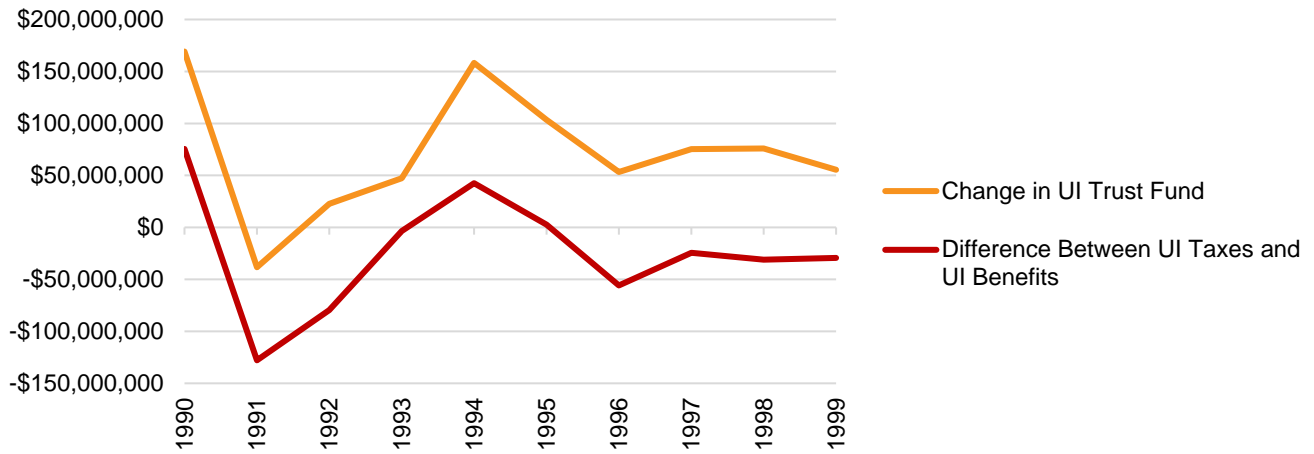
Beginning in 1996, annual UI benefits paid began to exceed annual UI tax revenue collected. Interest rates in the mid-1990s were high, so the large interest returns allowed the UI Trust Fund to continue to grow despite the UI program running a yearly deficit.

UI Taxes Collected and Regular UI Benefits Paid
1990-1999



ET Financial Data Handbook 394, <https://oui.doleta.gov/unemploy/hb394.asp>

UI Trust Fund Growth 1990-1999



ET Financial Data Handbook 394, <https://oui.doleta.gov/unemploy/hb394.asp>

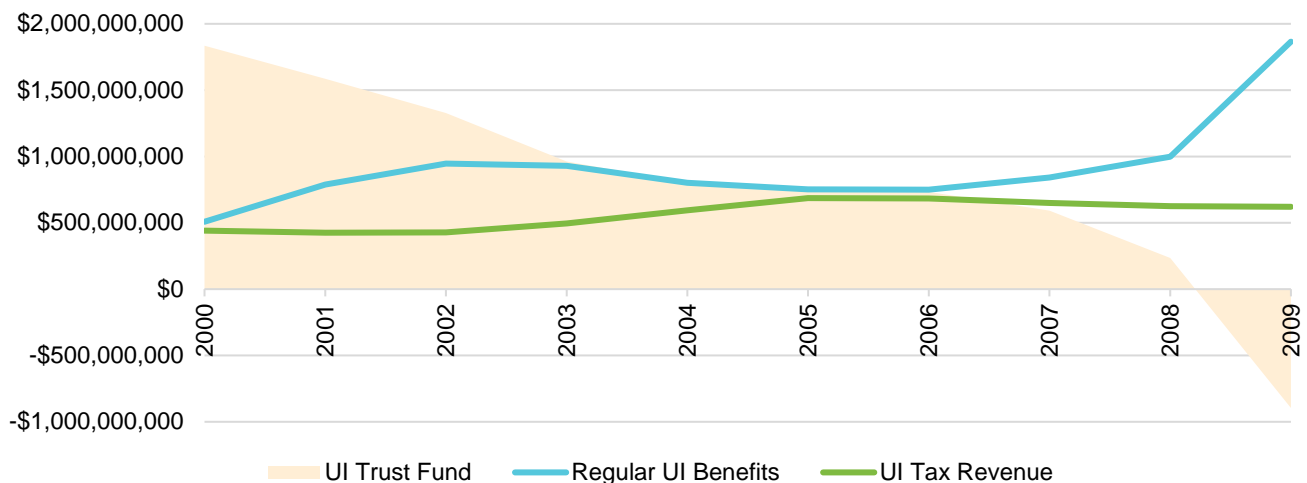
The UI Trust Fund balance at the end of 1999 was \$1.7 billion.

The Shrinking of the UI Trust Fund in the 2000s

The 2001-2002 recession began to expose the structural deficiencies of the 1990s' UI financing system. After the recession ended, the UI Trust Fund balance continued to dwindle, and taxes collected never exceeded benefits paid. Nationally, growth was tepid during the early part of the decade, and growth was slightly slower in Wisconsin than in the rest of the nation.

The level of unemployment claims in the 2000s had increased over levels typical in the late 1990s. Interest earnings were no longer covering the gap between UI benefit payments and taxes. The financing system did not respond to the recession or the shrinking UI Trust Fund. Taxes collected never exceeded benefits paid, and tax revenue started to fall despite tax schedules with higher contribution rates being triggered. As a result, the UI Trust Fund balance continued to decline.

UI Trust Fund Balance 2000-2009



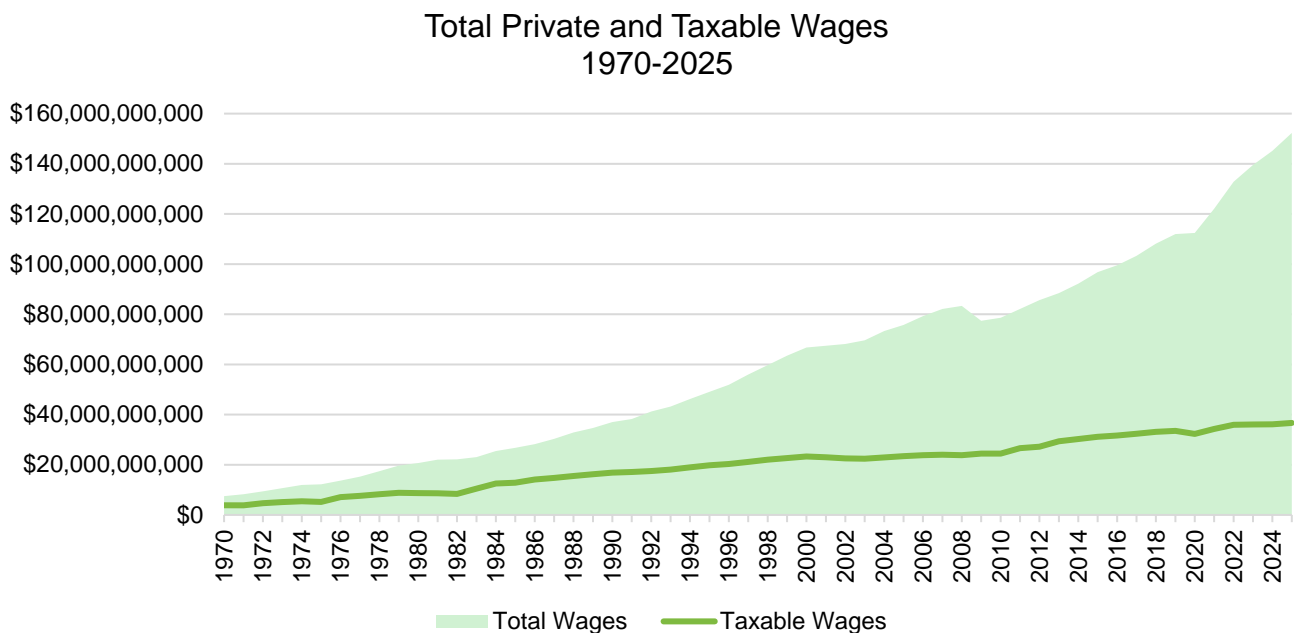
ET Financial Data Handbook 394, <https://oui.doleta.gov/unemploy/hb394.asp>

There are two main reasons why the financing system was non-responsive.

1. UI Taxable Wage Base Not Reflective of Wage Growth

The taxable wage base remained at \$10,500, the level set in 1986. As a result, the ratio of taxable wages to total wages fell throughout the 1990s and 2000s.

Increasing wages caused UI benefit payments to increase faster than tax revenue, even without a change in benefit policy. When the economy started to recover in 2003, employment did not rise as quickly as wages. Because the wage base was set in 1986, the increase in wages was not subject to taxes even though it was still increasing the risk to the financing system through higher UI benefit payments.



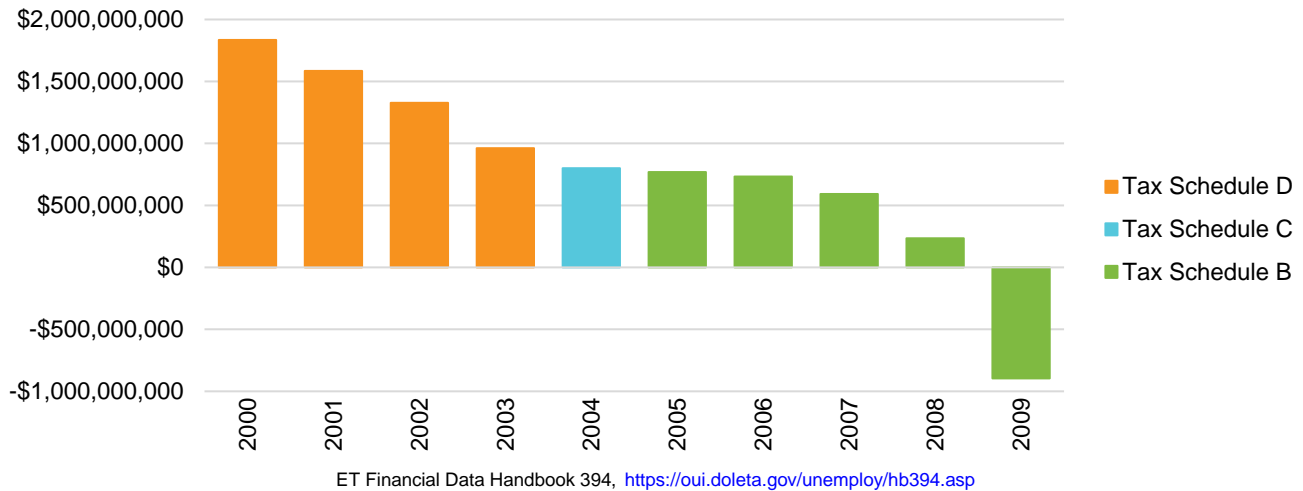
ET Financial Data Handbook 394,¹¹ <https://oui.doleta.gov/unemploy/hb394.asp>

2. The UI Tax Rate Schedule Change Triggers Reflected the 1980s Economy

The UI tax system consists of four tax rate schedules. The balance of the UI Trust Fund as of June 30 determines which schedule is in effect for the next tax year, and that dollar amount triggers a corresponding tax schedule. When the schedule triggers were first established, they reflected the Wisconsin economy of the late 1980s. However, as the Wisconsin economy grew, the triggers did not. When the triggers were adjusted in 1997, the threshold values were not updated to reflect any economic growth between 1989 and 1997. Therefore, the fixed trigger amounts did not reflect the economy of the early 2000s. Even with the UI Trust Fund shrinking rapidly, the balance never fell below the \$300 million threshold required to trigger the highest tax rate schedule (Schedule A). Without the implementation of the higher tax rates in Schedule A, the UI Trust Fund continued to shrink.

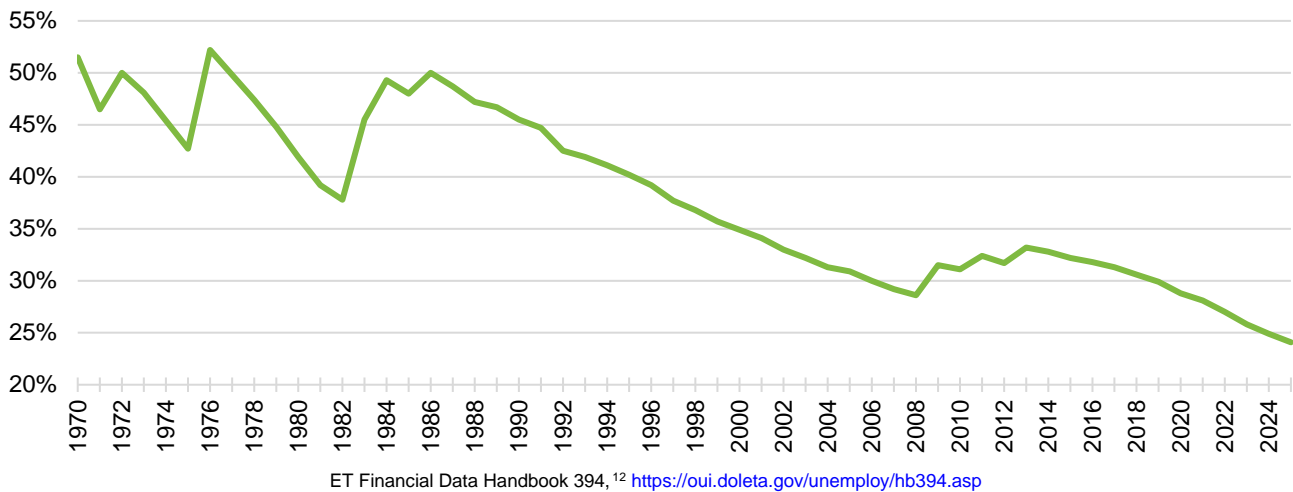
¹¹ 2025 figures are estimates which are subject to change.

UI Trust Fund Balance and Effective UI Tax Schedule 2000-2009



Between 2003 and the onset of the Great Recession, UI benefits paid remained above UI taxes collected. Unlike in the 1990s, interest earnings were not large enough to cover the gap and the UI Trust Fund continued to shrink. Any type of economic downturn would have inevitably caused the depletion of the UI Trust Fund.

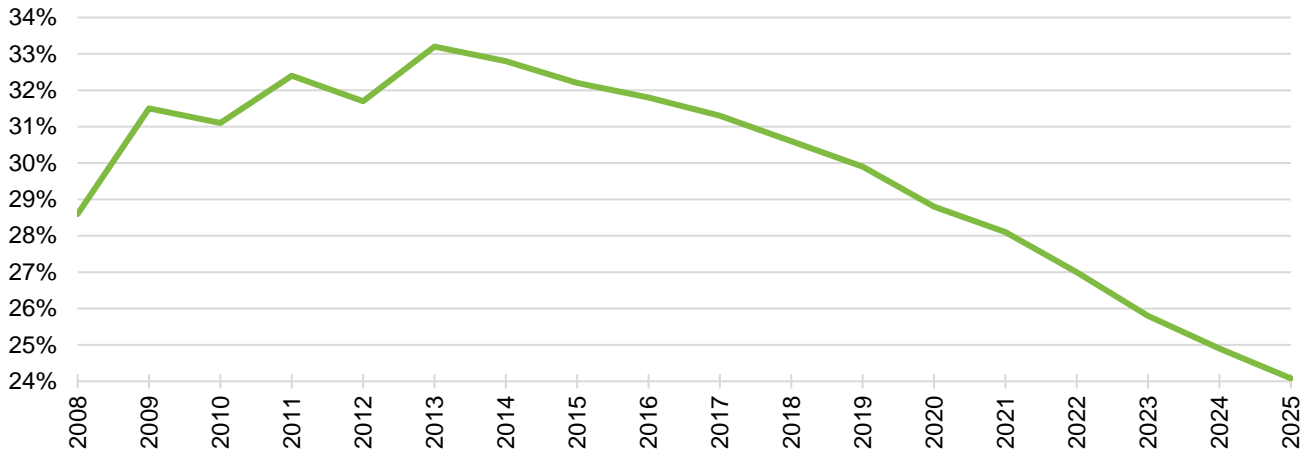
Taxable Wages as a Percent of Total Private Wages 1970-2025



Legislation enacted in 2008 increased the taxable wage base to \$12,000 in 2009, \$13,000 in 2011, and \$14,000 in 2013 where it was set to remain. This assisted in reducing a portion of the decline of the ratio of UI taxable wages to overall wages; however, by the time the wage base increased to \$14,000 in 2013, the wage base had begun to lose value relative to total wages, and its value has continued to decline.

¹² 2025 figures are estimates which are subject to change.

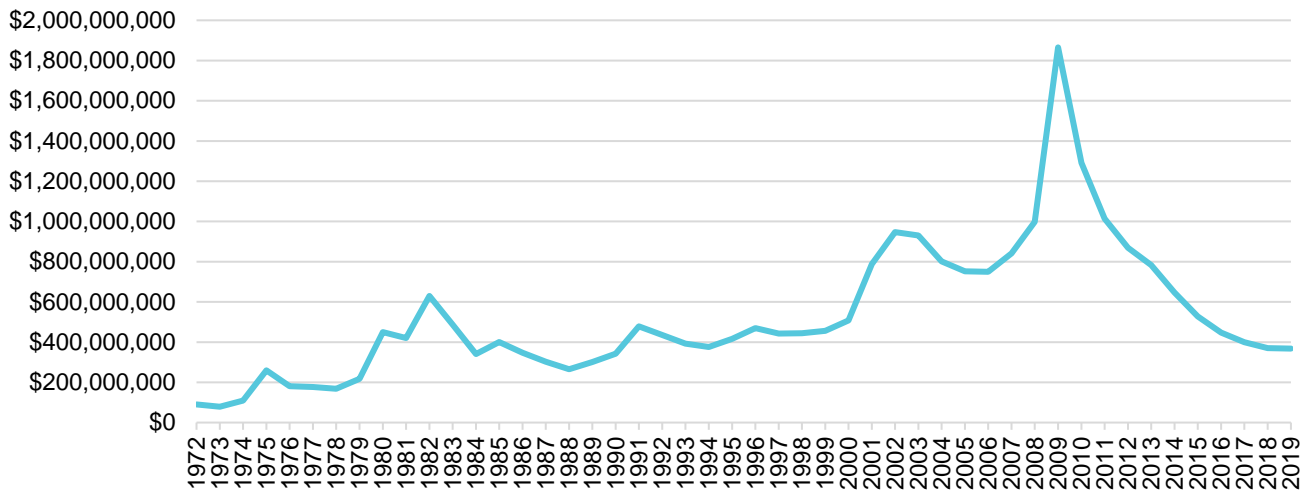
Taxable Wages as a Percent of Total Private Wages
2008-2025



ET Financial Data Handbook 394, <https://oui.doleta.gov/unemploy/hb394.asp>

The Great Recession

Regular UI Benefits Paid
1972-2019



ET Financial Data Handbook 394, <https://oui.doleta.gov/unemploy/hb394.asp>

The Great Recession strained the entire nation’s Unemployment Insurance system. The Great Recession’s initial impact on the Wisconsin UI system started in 2007, but it was not until 2008 and 2009 that UI benefit payments increased dramatically while overall employment fell. Prior to 2020, Wisconsin paid the four largest benefit outlays in its history from 2008 to 2011, with the largest amount so far, \$1.8 billion, paid in 2009.

A better way to measure benefit expenditures is by comparing it to wages in the economy. Payroll can be viewed in terms of how many dollars are at risk. An analogy can be made to homeowner’s insurance. The more expensive the home is, the more money that needs to be paid if there is a fire. For UI, higher wages in the economy result in higher benefits paid during a recession.

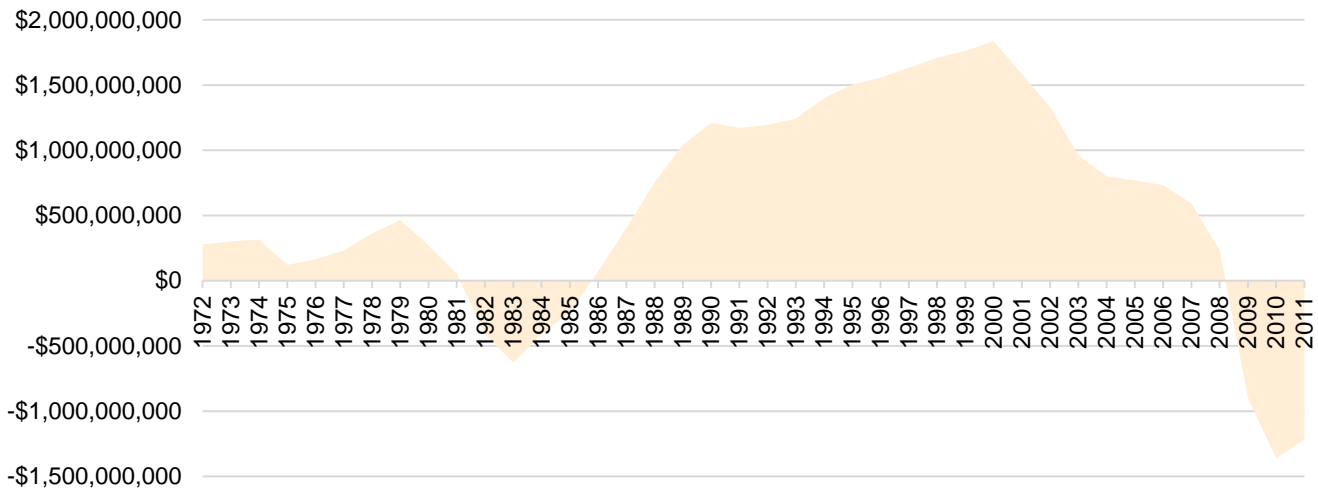
5 Highest Benefit Years based on Benefits Paid as a Percent of Total Payroll 1972-2019

Year	Benefits as a Percent of Total Payroll
1982	2.84%
2009	2.41%
1980	2.17%
1975	2.13%
1983	2.11%

ET Financial Data Handbook 394, <https://oui.doleta.gov/unemploy/hb394.asp>

When looking at UI benefit payments as a percentage of total payroll, 2009 is the only year of the Great Recession among the highest benefit years since 1972. The level of benefits paid during the Great Recession was in line with other recessions and reflected the growth of the economy and the increase in total payroll over four decades.

UI Trust Fund Balance 1972-2011



ET Financial Data Handbook 394, <https://oui.doleta.gov/unemploy/hb394.asp>

As illustrated above, the Wisconsin UI Trust Fund balance decreased throughout the 2000s. The Great Recession was the catalyst that caused the UI Trust Fund to become insolvent and necessitated Wisconsin borrowing from the federal government to pay UI benefits. These events led to policy responses, including:

- A reduction in the FUTA tax credit for employers. Revenue from the tax credit reduction was used to pay off federal UI Trust Fund loans.
- Trigger to the highest Wisconsin UI tax schedule, Schedule A. When the UI Trust Fund balance fell below \$300 million in June 2009, Schedule A went into effect for 2010. This schedule raised approximately \$90-\$100 million more per year in tax revenue than Schedule B.

Schedule A was not in effect until the UI Trust Fund was already insolvent; a strong indicator that the dollar value assigned to the trigger amounts was too low to maintain solvency and avoid borrowing from the federal government. To put it in perspective, quarterly benefit payments exceeded \$300 million in eight of the 16 quarters between 2009 and 2012.

Wisconsin enacted three main legislative changes aimed to address the structural deficit in the UI Trust Fund during and following the Great Recession by reducing UI benefit payments for claimants:

- Defining full-time work to be 32 hours or more;
- Eliminating partial benefits for individuals earning over \$500 per week; and
- Establishing a waiting week for UI benefit payments.

Of those legislative changes, the waiting week caused the largest reduction in UI benefit payments, approximately 5% per year. The waiting week causes the first week of benefits to be withheld from eligible claimants. While the waiting week does not reduce the total amount of UI benefit payments a claimant is eligible to receive, it does reduce benefits paid for those claimants who do not exhaust their claim. The fewer weeks an individual claims, the larger the percentage reduction in UI benefit payments the waiting week represents. For example, a claimant claiming benefits for 6 weeks will see a 16.67% reduction in benefits under a waiting week versus no waiting week in place.

During the Great Recession, UI benefit payments were reduced by approximately \$50 million per year. Because of the multiplier effect¹³ of UI benefit payments during a recession, this reduced the economic activity in Wisconsin by \$80 million to \$100 million per year. After the recession, the waiting week continued to reduce UI benefit payments.

Recovery and Paying Off the UI Trust Fund Loan

The nation experienced a slow recovery following the end of the Great Recession where many people received UI benefits for long periods of time.¹⁴ During this time, a low level of total UI benefits was paid as a result of both an improving economy and diminished base period wages for many people who no longer qualified for UI benefits due to long-term unemployment.

Despite the extended period of higher UI benefit payments, at the end of 2014, the UI Trust Fund balance was \$215 million and the federal UI Trust Fund loan was satisfied.¹⁵ There are three significant factors that contributed to obtaining a positive UI Trust Fund balance and repaying the federal loan:

1. The low level of UI benefits paid due to a reduction in filing activity;
2. The increase in UI tax revenue due to the highest tax rate schedule (Schedule A) in effect and a decline in employers' experience rating due to high UI benefit payments; and
3. The FUTA tax credit reduction.

Wisconsin UI Benefit Payments

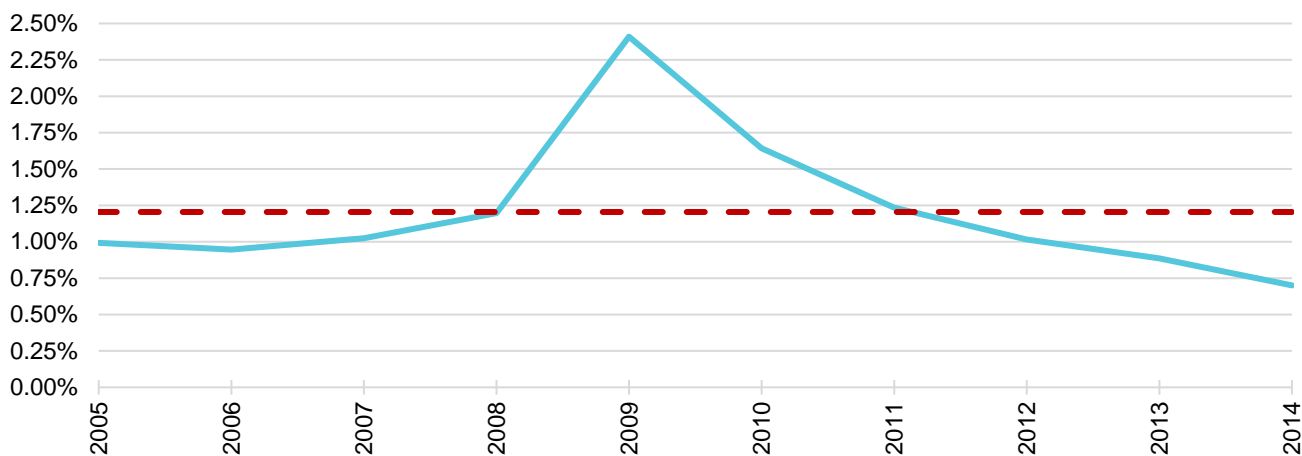
UI benefit payments were elevated through 2011 and fell to a more normal level in 2012. In 2013, UI benefit payments fell to an amount below average and were substantially below average by 2014. The low level of UI benefit payments reduced expenditures from the UI Trust Fund.

¹³ Estimates of the multiplier for UI benefits during the Great Recession range from 1.6 (Zandi, Mark. *Testimony of Mark Zandi Chief Economist, Moody's Analytics before the House Budget Committee "Perspectives on the Economy"* 1 July 2010.) to 2.0 (Vroman, Wayne. "The Role of Unemployment Insurance as an Automatic Stabilizer during a Recession" *IMPAQ International*, 2010).

¹⁴ Additional weeks of these benefits were paid under Emergency Unemployment Compensation (EUC) pursuant to federal legislation and were funded with federal taxes.

¹⁵ The legislature allocated GPR funds to pay a portion of the interest on the UI Trust Fund loan which, in turn, avoided a further SAFI assessment on employers.

Ratio of UI Benefits to Total Covered Payroll
2005 - 2014



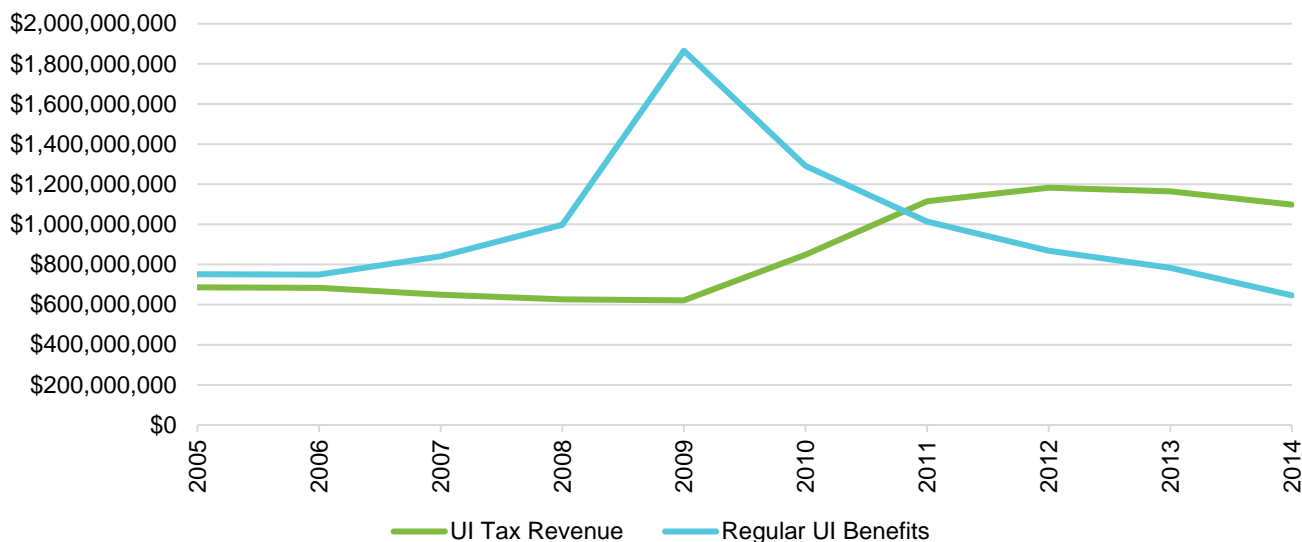
ET Financial Data Handbook 394, <https://oui.doleta.gov/unemploy/hb394.asp>

Additionally, the legislature implemented various benefit changes in 2013 Wisconsin Act 20. Some of the changes included eliminating eight of 17 previous quit exceptions, changing substantial fault guidelines so claimants may be ineligible for benefits if discharged due to substantial fault, increasing the required work search actions from two to four, and increasing the maximum weekly benefit amount from \$363 to \$370.

UI Tax Revenue

While UI benefit payments declined rapidly, UI tax revenue also declined but at a slower rate.

UI Taxes Collected and Regular UI Benefits Paid
2005-2014



ET Financial Data Handbook 394, <https://oui.doleta.gov/unemploy/hb394.asp>

Difference Between UI Taxes and UI Benefits 2005-2014



ET Financial Data Handbook 394, <https://oui.doleta.gov/unemploy/hb394.asp>

FUTA Tax Credit Reduction

As described in [Section 1](#), the FUTA credit is reduced for employers in states that borrow from the U.S. Treasury, at a rate based on the number of years a state has borrowed. After the Great Recession, employers in Wisconsin received a reduced FUTA credit, leading to higher federal unemployment taxes.¹⁶

Cost of Wisconsin UI Borrowing during and after the Great Recession

Costs associated with borrowing federal funds to pay UI benefits are borne by covered employers and other Wisconsin taxpayers. The reduction in employers' FUTA credit increased employers' federal UI taxes by \$291 million from 2012 to 2014.

Interest payments on federal loans increase the cost of borrowing. In total, the 2009 UI Trust Fund borrowing accumulated \$103 million in interest costs. Of that total, \$78 million was paid by employers through SAFI. The remaining \$25 million was paid with GPR funds. Interest rates during the Great Recession were low, but historically that has not been the case for every recession. For example, interest rates during the 1982 recession were very high. In the future, the interest costs could be much higher, if interest rates are higher.

Direct Costs of Wisconsin UI Borrowing during and after the Great Recession (Millions of \$)

	2011	2012	2013	2014	Total
FUTA Credit Reduction		\$47	\$96	\$148	\$291
UI Trust Fund Loan Interest Paid Via SAFI	\$42	\$36			\$78
UI Trust Fund Loan Interest Paid Via GPR			\$19	\$6	\$25
Total Borrowing Costs					\$394
Total Costs Paid by Employers					\$369

Wisconsin UI Tax Data

¹⁶ The funds the federal government collected were used to reduce the state's debt. The additional federal taxes paid by Wisconsin employers added approximately \$291 million to the UI Trust Fund. Without the revenue from reducing the FUTA credit reduction, the UI Trust Fund would have remained negative until first quarter receipts at the end of April 2015.

The COVID-19 Pandemic

The UI Trust Fund ended 2018 with a balance of over \$1.7 billion. In 2019, the UI Trust Fund continued to grow, with taxes continuing to exceed historically low UI benefit payments, even with the lowest UI tax rate schedule in effect (Schedule D). The UI Trust Fund reached a high balance of over \$1.9 billion in October 2019. At the time, the UI Trust Fund was approaching an AHCM of 1.0, the U.S. DOL-recommended minimum level for trust fund solvency. At that level, the UI Trust Fund should be able to pay benefits at historically high benefit rates for a year without exhausting. Early in 2020, with the onset of the COVID-19 pandemic, Wisconsin was able to pay UI benefits without borrowing.

Beginning March 15, 2020, Wisconsin faced a historic public health crisis with the emergence of COVID-19 alongside a resulting workforce and economic crisis. By December 26, 2020, the UI Division had paid approximately \$4.67 billion to approximately 590,000 claimants due to the pandemic. Of those UI benefit payments, \$3.18 billion were for Pandemic Unemployment Assistance (PUA), Pandemic Emergency Unemployment Compensation (PEUC), Lost Wages Assistance (LWA), and Federal Pandemic Unemployment Compensation (FPUC), which were federally funded. In 2021, \$2.51 billion was paid in total (state and federal) UI benefits. From the beginning of the COVID-19 pandemic through the end of 2021, \$7.18 billion in UI benefits had been paid to approximately 677,000 claimants. Of those payments, 30% were from the Wisconsin UI program and 70% were from federal programs.

During this time, many businesses were closed due to the public health emergency, reducing payrolls and, in turn, UI tax revenue. Overall, the UI Trust Fund ended 2020 with a balance of \$1.049 billion¹⁷ and 2021 with a balance of \$1.016 billion.¹⁸

Even though a large percentage of benefits paid were federally funded, the UI Trust Fund declined during the COVID-19 pandemic due to a large increase in regular state UI benefit payments and a reduction in UI tax revenue received because of employers' reduced payrolls. With an ending balance of \$1.016 billion, the UI Trust Fund had an AHCM value of approximately 0.5 at the end of 2021.

In 2020 and 2021, 23 states borrowed federal funds to pay unemployment benefits, and 10 states were still repaying their federal loans as of the end of February 2022.

Under 2019 Wisconsin Act 185, DWD was required to charge unemployment benefits for initial claims related to the public health emergency declared by Executive Order 72 to the UI Balancing Account of the UI Trust Fund for taxable employers. This charging contributed to the large negative balance in the UI Balancing Account. For reimbursable employers, DWD charged non-federally funded benefits to the interest and penalty (I&P) appropriation. This treatment of claims charging applied to weeks of benefits beginning the week of March 15, 2020. Under 2021 Wisconsin Act 4, the relief of benefit charges for employers ended March 13, 2021.

¹⁷ This amount will differ from the DWD financial statement, which reflected a balance of \$1.137 billion. This difference is due to the fact that \$18,914,772 of this balance was set up in 2020 in the UI Trust Fund as an Emergency Admin Grant (EUISAA) subaccount to be used for administration of the Unemployment Compensation Program and is not available to pay benefits, and \$68,776,989 of this balance is Emergency Unemployment Compensation Relief (EUR) reserved exclusively for funding 50% of the benefits paid for Reimbursable Employers for UI Weeks 12/20-14/21 and 75% of the benefits paid for reimbursable employers for UI Weeks 15/21-36/21 per § 2103 of the CARES Act, the Continued Assistance Act, and the American Rescue Act.

¹⁸ This amount will differ from the DWD financial statement, which reflected a balance of \$1.048 billion. This difference is due to the fact that \$18,914,772 of this balance was set up in 2020 in the UI Trust Fund as an Emergency Admin Grant (EUISAA) subaccount to be used for administration of the Unemployment Compensation Program and is not available to pay benefits, and \$13,629,290 of this balance is Emergency Unemployment Compensation Relief (EUR) reserved exclusively for funding 50% of the benefits paid for Reimbursable Employers for UI Weeks 12/20-14/21 and 75% of the benefits paid for reimbursable employers for UI Weeks 15/21-36/21 per § 2103 of the CARES Act, the Continued Assistance Act, and the American Rescue Act.

Under Acts 185 and 4, claimants were eligible for unemployment benefits for the first week of unemployment, if the first week of unemployment falls between March 15, 2020 and March 13, 2021. Claimants were previously ineligible for benefits during the first otherwise compensable week of unemployment benefits. This is known as the waiting week.

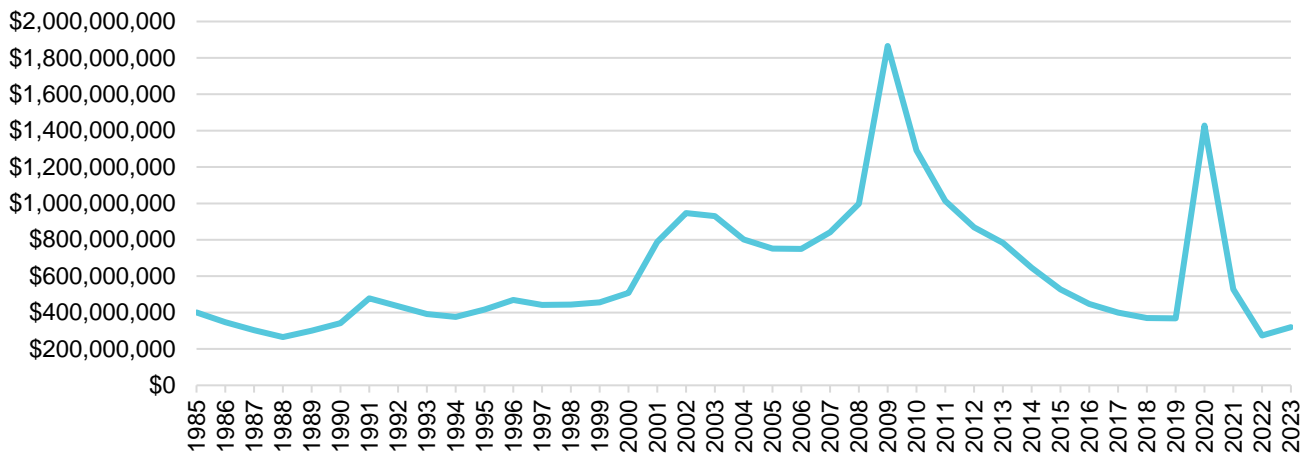
The I&P appropriation was charged \$69.9 million to relieve reimbursable employers of their benefit charges. This resulted in the I&P appropriation having a negative cash balance, as of March 2024, of about negative \$45.6 million. DWD collects about \$3 million annually in interest and penalties for this appropriation, so DWD expects the I&P appropriation to have a positive balance in 15 years.

Post-Pandemic Recovery Through 2023

By the end of 2021, the UI Trust Fund balance was \$1.0 billion and it grew steadily in 2022 and 2023. The UI Trust Fund balance at the end of 2022 was \$1.3 billion and at the end of 2023, \$1.6 billion. The tax rate schedule in effect during this time was Schedule D, the schedule with the lowest contribution rate for employers.

During 2022 and 2023, UI benefit payments fell below pre-pandemic levels to levels not seen since the late 1980s. In 2023, UI benefit payments totaled \$320 million, up from \$271 million in 2022. By comparison, in 2018 and 2019, UI benefit payments were \$376 million and \$372 million, respectively.

Regular UI Benefits Paid
1985-2023



ET Financial Data Handbook 394, <https://oui.doleta.gov/unemploy/hb394.asp>

As of May 11, 2023, the federal government ended the federal COVID-19 Public Health Emergency declaration. By then, federal pandemic UI programs had long ended. PUA, PEUC, and FPUC ended on Sept. 4, 2021. In 2021 there were \$1.8 billion, and in 2022 \$43.7 million in benefits paid through these federal benefit programs.

Since the COVID-19 pandemic, the total number of employers with active unemployment accounts has increased by 20,000 (roughly 15%). Accordingly, solvency taxes increased, and the UI Balancing Account grew. Approximately \$135 million in solvency taxes were collected in 2022 and \$158 million in solvency taxes were collected in 2023. The UI Balancing Account balance at the end of 2021 was negative \$1.47 billion.¹⁹ By the end of 2022, the balance of the UI Balancing Account was negative

¹⁹ Laws passed related to the COVID-19 pandemic, 2019 Wisconsin Act 185 and 2021 Wisconsin Act 4, allowed for regular UI benefits related to the COVID-19 pandemic to be charged to the UI Balancing Account rather than individual employers.

\$1.34 billion and at the end of 2023, negative \$1.16 billion. This is an increase of approximately 8.8% and 13.4% from year to year, respectively. The negative balance in the UI Balancing Account reflects an overall imbalance in the structure of the UI financing system. This imbalance strains the fundamental public policy on which UI is based; as stated in statute "[e]ach employing unit in Wisconsin should pay at least a part of this social cost, connected with its own irregular operations, by financing benefits for its own unemployed workers." Wis. Stat. § 108.01(1).

Despite the net growth of the UI Trust Fund, its solvency rating has not yet reached levels recommended by the U.S. DOL. The U.S. DOL's recommended **minimum level** for trust fund solvency is 1.0.²⁰ At that level, the UI Trust Fund should be able to pay UI benefits at historically high benefit rates for one year without being completely exhausted. By the end of 2023, the AHCM had climbed to 0.64, up from 0.55 in 2022. Though improving, Wisconsin has not seen a 1.0 AHCM value since 2000. To meet the minimum level AHCM for the end of 2023, Wisconsin's UI Trust Fund would have needed to reach a balance of about \$2.61 billion. As of Jan. 1, 2024, 19 states met the 1.0 AHCM minimum solvency standard set by the U.S. DOL.

²⁰ Additional details on the AHCM can be found in the 2025 Solvency Report, published by U.S. DOL.

Appendix B

Maximum Weekly Benefit Amount by State

U.S. DOL Comparison of State Unemployment Laws (2025)

State	Maximum Weekly Benefit Amount	Maximum Weekly Benefit Amount with Dependent Allowance	State	Maximum Weekly Benefit Amount	Maximum Weekly Benefit Amount with Dependent Allowance
AL	\$275	\$275	NV	\$631	\$631
AK	\$370	\$442	NH	\$427	\$427
AZ	\$320	\$320	NJ	\$875	\$875
AR	\$451	\$451	NM	\$598	\$648
CA	\$450	\$450	NY	\$504	\$504
CO	\$844	\$844	NC	\$350	\$350
CT	\$721	\$796	ND	\$815	\$815
DE	\$450	\$450	OH	\$600	\$810
DC	\$444	\$444	OK	\$541	\$541
FL	\$275	\$275	OR	\$872	\$872
GA	\$365	\$365	PA	\$605	\$613
HI	\$835	\$835	PR	\$240	\$240
ID	\$590	\$590	RI	\$745	\$931
IL	\$605	\$827	SC	\$350	\$350
IN	\$390	\$390	SD	\$553	\$553
IA	\$622	\$763	TN	\$325	\$325
KS	\$637	\$637	TX	\$591	\$591
KY	\$720	\$720	UT	\$777	\$777
LA	\$275	\$275	VT	\$757	\$757
ME	\$623	\$1,090	VA	\$378	\$378
MD	\$430	\$430	VI	\$648	\$648
MA	\$1,051	\$1,051	WA	\$1,152	\$1,152
MI	\$446	\$446	WV	\$662	\$662
MN	\$914	\$914	WI	\$370	\$370
MS	\$235	\$235	WY	\$624	\$624
MO	\$320	\$320	National Average	\$566	\$593
MT	\$767	\$767			
NE	\$564	\$564			

Wisconsin does not have a dependents' allowance, but 11 states do. A dependents' allowance increases the UI benefits payable to a claimant with a dependent; the amount of additional UI benefits and definitions of who is covered as a "dependent" vary based on state law.

Appendix C

Explanation of UI Benefit Charges to the UI Balancing Account

Standard Charges to the UI Balancing Account

Write-Offs

When the UI Division calculates the Reserve Fund Percentage for basic tax purposes, the Reserve Fund Percentage is limited to negative 10% and charged benefits, that would decrease the Reserve Fund Percentage below that level, are written-off. When write-offs occur, the employer is relieved of these benefit charges and charges are made against the UI Balancing Account.

Quits

When an employee quits work but is still eligible for benefits, the benefits are charged to the UI Balancing Account instead of the employer's account. This relieves employer accounts of benefit charges when a claimant collects UI benefits due to no fault of the employer. A quit can occur if the claimant falls under one of the quit exceptions enumerated in statute²¹ or, more likely, if the claimant quits a job to take a new one and then is subsequently laid off.

Misconduct

Prorated benefit charges paid to claimants who were terminated for misconduct are charged to the UI Balancing Account. If an employee who is terminated for misconduct finds work with another employer and is then laid off, they may requalify for benefits. If the employee qualifies for benefits, their work history from both employers is considered and their wages from both employers are used to calculate the weekly benefit rate. However, wages from the employer who terminated them for misconduct are not used in calculating the maximum benefit amount. Any portion of the prorated benefit amount assigned to the employer who terminated them for misconduct is instead charged to the UI Balancing Account.

Substantial Fault

Substantial fault provides a disqualification based on certain terminations for cause. If an employee who is terminated with justifiable cause under substantial fault finds work with another employer and is then laid off, they may requalify for benefits. If the employee qualifies for benefits, wages from the terminated with-cause employer are used both in calculating the maximum benefit amount and the weekly benefit rate. The prorated portion of benefits assigned to the terminated with-cause employer is instead charged to the UI Balancing Account.

Continued Employment

Continued employment cases typically occur when a claimant is working for two employers, either both part-time, or one full-time and one part-time. The claimant is laid off from one employer but continues working at the second employer. The claimant files a claim based upon the reduction in wages earned. These benefits will be based upon the claimant's entire earnings but the current

²¹ See Wis. Stat. §108.04(7).

employer, who did not reduce the claimant's wages, will not be charged for their benefit share; instead, such amount is charged to the UI Balancing Account.

Second Benefit Year

Second benefit year cases occur when an employer was charged for a claimant's benefits in the first benefit year, and wages paid by the employer are part of a second benefit year for a claimant, but the employer has not employed the claimant for over a year. This can occur because benefits are based upon the first 4 of the previous 5 quarters. The fifth quarter could be part of a future benefit claim. That employer would not be charged for the fifth quarter, but those benefits would instead be charged to the UI Balancing Account.

Training Benefits

UI benefits paid to claimants participating in certain DWD-approved training programs are charged to the UI Balancing Account. The Training Benefits category includes Approved Training programs and also included benefits paid to claimants who were enrolled in the Extended Training program. The Extended Training program was ended by the Wisconsin Legislature in 2013, so there are not expected to be future charges for that program, though other Approved Training programs continue to be charged to the UI Balancing Account.

Non-standard Charges to the UI Balancing Account

Temporary Supplemental Benefits

In 2002, special state Temporary Benefits were charged to the UI Balancing Account and similar programs could also be charged to the UI Balancing Account in the future.

COVID-19: Wisconsin Act 185 Pandemic Benefit Non-Charging

Under 2019 Wisconsin Act 185 and 2021 Wisconsin Act 4, DWD was required to charge UI benefits for initial claims related to the public health emergency declared by Executive Order 72 to the UI Balancing Account of the UI Trust Fund for taxable employers.

Appendix D

Total Covered Employment, Average Weekly Wage, Average Weekly Benefit Amounts, and Maximum Weekly Benefit Amount

Wisconsin Unemployment Statistics 1995-2025
ET Financial Data Handbook 394

Year	Covered Employment	Average Weekly Wage	Average Weekly Benefit Amount	Maximum Weekly Benefit Amount
1995	2,449,029	\$481	\$199	\$266
1996	2,493,484	\$498	\$202	\$274
1997	2,550,955	\$523	\$188	\$282
1998	2,602,559	\$547	\$215	\$290
1999	2,661,710	\$567	\$223	\$297
2000	2,703,542	\$588	\$233	\$305
2001	2,686,548	\$604	\$242	\$313
2002	2,660,922	\$622	\$248	\$324
2003	2,657,571	\$640	\$252	\$329
2004	2,684,896	\$665	\$251	\$329
2005	2,714,477	\$679	\$253	\$329
2006	2,737,431	\$705	\$259	\$341
2007	2,751,715	\$728	\$267	\$355
2008	2,743,267	\$749	\$273	\$355
2009	2,614,062	\$749	\$288	\$363
2010	2,600,206	\$765	\$275	\$363
2011	2,634,447	\$785	\$270	\$363
2012	2,664,283	\$804	\$271	\$363
2013	2,692,053	\$819	\$276	\$363
2014	2,729,876	\$839	\$285	\$370
2015	2,765,376	\$869	\$296	\$370
2016	2,799,146	\$881	\$312	\$370
2017	2,821,131	\$905	\$317	\$370
2018	2,847,429	\$936	\$321	\$370
2019	2,857,063	\$966	\$325	\$370
2020	2,698,767	\$1,032	\$295	\$370
2021	2,666,922	\$1,065	\$305	\$370
2022	2,845,446	\$1,136	\$330	\$370
2023	2,869,500	\$1,164	\$340	\$370
2024	2,909,568	\$1,206	\$345	\$370
2025 ²²	2,936,828	\$1,254	\$346	\$370

²² 2025 covered employment, average weekly wage, and average weekly benefit amounts are estimates, which are subject to change.

Appendix E

Wisconsin Unemployment Reserve Fund²³

Wisconsin Unemployment Statistics 1995-2025
 Wisconsin Unemployment Insurance Division Data
 (Amounts in Millions of \$)

Year	Revenue					Expense			Balance	
	UI Revenues	Interest and Other	Reed Act	Federal Distributions	FUTA Credit Reduction	Total Receipts	Benefit Expenses	Reed Act Expenses	Total Expenses	Ending Balance ²⁴
1995	421	98				519	418		418	1,496
1996	415	102				517	471		471	1,542
1997	419	105				524	445		445	1,621
1998	414	110				524	452		452	1,693
1999	431	113				544	466		466	1,771
2000	442	117				559	515		515	1,815
2001	432	110				542	791		791	1,566
2002	430	88	166			684	949		949	1,301
2003	497	65				562	932		932	931
2004	596	48				644	795	3	798	777
2005	687	42				729	752	4	756	750
2006	684	39				723	753	3	756	717
2007	649	37				686	845	4	849	554
2008	628	21				649	997	23	1,020	183
2009	634	1		144		779	1,874	3	1,877	(915)
2010	850					850	1,288	(5)	1,283	(1,348)
2011	1,115					1,115	1,012	(6)	1,006	(1,239)
2012	1,187				47	1,234	876	(5)	871	(876)
2013	1,172				96	1,268	793		793	(401)
2014	1,107	2			148	1,257	642		642	214
2015	1,048	13			1	1,062	535		535	741
2016	852	22				874	458		458	1,157
2017	691	30				721	408		408	1,470
2018	598	37				635	376		376	1,729
2019	557	45				602	372		372	1,959
2020	501	37		69		607	1,450		1,450	1,116
2021	448	20		33		501	589		589	1,028
2022	450	80				530	273		273	1,285
2023	567	95				662	320		320	1,627
2024	560	53				613	366		366	1,874
2025	507	66				573	331		331	2,116

²³ Ending reserve fund balances exclude monies set aside under the American Recovery and Reinvestment Act (ARRA) and Short-Time Compensation (STC) and Emergency Administration Grant (EUISAA).

²⁴ This UI Trust Fund balance only includes funds available to pay state UI benefits. There are currently other funds in the WI UI Trust Fund that are not available to pay state UI benefits. Such funds include holding funds for reimbursable employer benefits as part of the CARES Act and the Continued Assistance Act and an emergency administration grant. These accounts are included with other UI Trust Fund balances so they may not match the balances presented here.

Appendix F

Usage of Wisconsin Unemployment Insurance

Wisconsin Unemployment Statistics 1995-2025
ET Financial Data Handbook 394

Year	Number of First Payments	Weeks Compensated	Duration (weeks)	Insured Unemployment Rate (percentage)	Maximum Weekly Benefit Amount
1995	213,327	2,518,458	11.8	2.1	\$266
1996	234,291	2,791,774	11.9	2.3	\$274
1997	210,504	2,857,991	13.6	2.1	\$282
1998	219,771	2,726,008	11.5	2.0	\$290
1999	209,497	2,473,569	11.8	1.9	\$297
2000	230,458	2,582,328	11.2	2.0	\$305
2001	327,155	3,762,208	11.5	2.9	\$313
2002	328,083	4,363,674	13.3	3.4	\$324
2003	315,409	4,346,562	13.8	3.4	\$329
2004	269,306	3,759,400	14.0	2.9	\$329
2005	262,724	3,500,388	13.3	2.7	\$329
2006	258,845	3,421,577	13.2	2.6	\$341
2007	279,814	3,678,462	13.1	2.8	\$355
2008	321,164	4,225,212	13.2	3.2	\$355
2009	447,970	7,605,705	17.0	6.1	\$363
2010	324,879	5,770,210	17.8	4.7	\$363
2011	283,624	4,588,323	16.2	3.7	\$363
2012	232,949	3,926,156	16.9	3.3	\$363
2013	214,125	3,407,788	15.9	2.9	\$363
2014	175,853	2,698,223	15.3	2.3	\$370
2015	152,641	2,152,899	14.1	1.8	\$370
2016	133,083	1,716,415	12.9	1.5	\$370
2017	115,199	1,494,556	13.0	1.3	\$370
2018	106,770	1,352,076	12.7	1.1	\$370
2019	108,010	1,305,850	12.1	1.1	\$370
2020	396,187	6,007,541	15.2	5.5	\$370
2021	83,920	2,421,448	28.9	2.2	\$370
2022	83,206	973,079	11.7	0.9	\$370
2023	87,548	1,033,993	11.8	0.9	\$370
2024	95,567	1,161,454	12.2	1.0	\$370
2025 ²⁵	84,131	1,040,886	12.4	0.9	\$370

²⁵ 2025 number of first payments, weeks compensated, duration, and insured unemployment rate are estimates, which are subject to change.

Appendix G

Taxable UI Benefits and UI Taxes as a Percentage of Total Wages in Taxable Covered Employment

Wisconsin Unemployment Statistics 1995-2025
 ET Financial Data Handbook 394
 (Amounts in Millions of \$)

Year	Total Wages in Taxable Covered Employment	Taxable Benefits as a Percent of Total Wages	Taxes as a Percent of Total Wages
1995	\$49,104	0.85%	0.85%
1996	\$51,877	0.91%	0.80%
1997	\$55,968	0.79%	0.75%
1998	\$59,724	0.74%	0.69%
1999	\$63,497	0.72%	0.67%
2000	\$66,771	0.76%	0.66%
2001	\$67,452	1.17%	0.63%
2002	\$68,151	1.39%	0.63%
2003	\$69,588	1.34%	0.71%
2004	\$73,323	1.09%	0.81%
2005	\$75,730	0.99%	0.91%
2006	\$79,249	0.95%	0.86%
2007	\$82,118	1.02%	0.79%
2008	\$83,328	1.20%	0.75%
2009	\$77,419	2.41%	0.80%
2010	\$78,617	1.64%	1.08%
2011	\$82,114	1.23%	1.36%
2012	\$85,601	1.02%	1.38%
2013	\$88,456	0.89%	1.32%
2014	\$92,220	0.70%	1.19%
2015	\$96,775	0.55%	1.07%
2016	\$99,564	0.45%	0.85%
2017	\$103,291	0.39%	0.66%
2018	\$108,159	0.34%	0.55%
2019	\$111,985	0.33%	0.49%
2020	\$112,392	1.27%	0.44%
2021	\$122,079	0.43%	0.34%
2022	\$132,792	0.21%	0.27%
2023	\$139,923	0.23%	0.40%
2024	\$145,144	0.25%	0.38%
2025 ²⁶	\$152,289	0.23%	0.33%

²⁶ Estimates, which are subject to change.

Appendix H

UI Benefits Directly Charged to the UI Balancing Account

Wisconsin Unemployment Statistics 1995-2025
 Wisconsin Unemployment Insurance Division Data
(Amounts in Millions of \$)

Year	Quit	Misconduct	Substantial Fault	PTNC Continued Employment	Waiver Agency Error	2nd Benefit Year	Temporary Supplemental Benefits	Training Benefits	COVID-19	Other	Subtotal Bal. Acct. Direct Charges	Total UI Benefit Charges
1995	61.0	1.4		1.1	0.2					0.2	63.9	418.2
1996	69.1	1.6		2.3	0.3	3.0				0.2	76.5	471.2
1997	67.6	1.8		3.7	0.3	12.1				0.3	85.8	444.9
1998	68.7	1.9		3.7	0.2	10.4				0.3	85.2	452.0
1999	73.4	2.0		3.6	0.2	10.4				0.3	89.9	466.2
2000	81.2	2.3		3.6	0.2	11.6				0.3	99.2	515.6
2001	116.7	3.4		4.8	0.2	16.6				0.5	142.2	790.7
2002	111.8	3.8		5.9	0.6	27.7	10.8			0.5	161.1	949.3
2003	98.8	3.6		6.8	0.3	30.8	(0.2)			0.5	140.6	931.8
2004	84.7	2.8		6.3	0.4	24.7				0.5	119.4	795.2
2005	89.4	2.9		5.2	0.4	19.8				0.5	118.2	752.4
2006	94.0	3.2		5.2	0.3	18.5				0.4	121.6	752.6
2007	104.4	3.9		5.3	0.3	19.3				0.5	133.7	845.2
2008	112.4	4.2		6.1	0.4	24.9				0.4	148.4	996.8
2009	167.7	7.2		10.5	0.5	49.7				0.5	236.1	1,873.6
2010	85.7	4.6		11.9	0.6	54.5				0.3	157.6	1,288.5
2011	82.7	4.1		9.1	0.5	33.4		16.3		0.3	146.4	1,011.7
2012	85.9	3.0		7.2	0.5	24.2		18.5		0.4	139.7	875.8
2013	82.0	3.4		5.4	0.4	21.7		15.0		0.3	128.2	792.8
2014	69.4	3.1	0.4	4.7	0.1	17.1		8.1		0.3	103.2	642.5
2015	64.3	2.8	1.0	3.8	0.4	12.1		6.2		0.3	90.9	535.3
2016	51.8	2.4	0.8	3.3	0.1	9.7		5.1		0.2	73.4	457.4
2017	46.7	2.3	0.5	3.1	0.1	8.1		3.9		0.1	64.8	408.0

Year	Quit	Misconduct	Substantial Fault	PTNC Continued Employment	Waiver Agency Error	2nd Benefit Year	Temporary Supplemental Benefits	Training Benefits	COVID-19	Other	Subtotal Bal. Acct. Direct Charges	Total UI Benefit Charges
2018	44.9	2.2	0.2	2.8	0.1	6.8		3.0		0.1	60.1	375.9
2019	45.5	2.4	0.4	2.4	0.1	6.8		4.4		0.1	62.1 ²⁷	372.3
2020	202.4	5.5	4.8	9.5	0.3	15.8		5.3		0.1	243.7	1,450.1
2021	(102.3)	(1.4)	2.7	(3.4)	4.0	2.5		(2.0)	1,247.3	0.0	1,147.4	502.2
2022	27.3	1.1	1.3	1.3	1.4	2.8		2.8	24.6	0.0	62.6	271.3
2023	40.2	2.3	0.3	1.7	0.3	3.4		4.1	1.1	0.0	53.4	320.0
2024	40.0	3.0	0.4	1.5	0.2	5.5		5.2	(0.2)	0.0	55.6	366.7
2025	32.6	2.8	0.4	1.4	0.1	5.8		4.2	(0.3)	0.1	47.1	331.2

²⁷ DWD identified a mis-keyed figure in the Subtotal Balancing Account Direct Charges for 2019. What had previously been reported in the Financial Outlook Report as \$62.0 million in direct charges for 2019 has been corrected to \$62.1 million.

Appendix I

Additional Charges to the UI Balancing Account

Wisconsin Unemployment Statistics 2004²⁸-2025
 Wisconsin Unemployment Insurance Division Data
 (Amounts in Millions of \$)

Year	Balancing Account Direct Charges	-10% Write-Off "Indirect" Charges ²⁹	Total Balancing Account Charges	% of Write-Off over Total Charges
2004	119.4	197.9	317.3	62.4%
2005	118.2	151.4	269.6	56.2%
2006	121.6	150.7	272.3	55.3%
2007	133.7	167.9	301.6	55.7%
2008	148.4	194.7	343.1	56.7%
2009	236.1	407.0	643.1	63.3%
2010	157.6	497.8	655.4	76.0%
2011	146.4	293.7	440.1	66.7%
2012	139.7	199.1	338.8	58.8%
2013	128.2	171.9	300.1	57.3%
2014	103.2	113.9	217.1	52.5%
2015	90.9	83.1	174.0	47.8%
2016	73.4	63.2	136.6	46.3%
2017	64.8	54.2	119.0	45.5%
2018	60.1	46.9	107.0	43.8%
2019	62.1 ³⁰	37.5	99.6	37.7%
2020	243.7	21.4	265.1	8.1%
2021	1,147.4	4.7	1,152.1	0.4%
2022	62.6	45.6	108.2	42.1%
2023	53.4	33.6	87.0	38.6%
2024	55.6	37.5	93.1	40.3%
2025	47.1	31.7	78.8	40.2%

²⁸ The Negative 10% write-off dates to 1963, however data from 1963-2003 is not available. See Wis. Stat. §108.16(7)(c) for details on Negative 10% Write-off RFB.

²⁹ The Negative 10% Write-off RFB transactions reduce the Surplus Funds balance and increase the Taxable Employer's Fund balance.

³⁰ DWD identified a mis-keyed figure in the Subtotal Balancing Account Direct Charges for 2019. What had previously been reported in the Financial Outlook Report as \$62.0 million in direct charges for 2019 has been corrected to \$62.1 million.



2026 Financial Outlook

Wisconsin Unemployment Insurance Program

Robert Usarek | Research Analyst
DWD Unemployment Insurance Division
Unemployment Insurance Advisory Council Meeting
May 21, 2026

Overview

- Introduction
- Review of recent UI Trust Fund activity
- UI Trust Fund projections

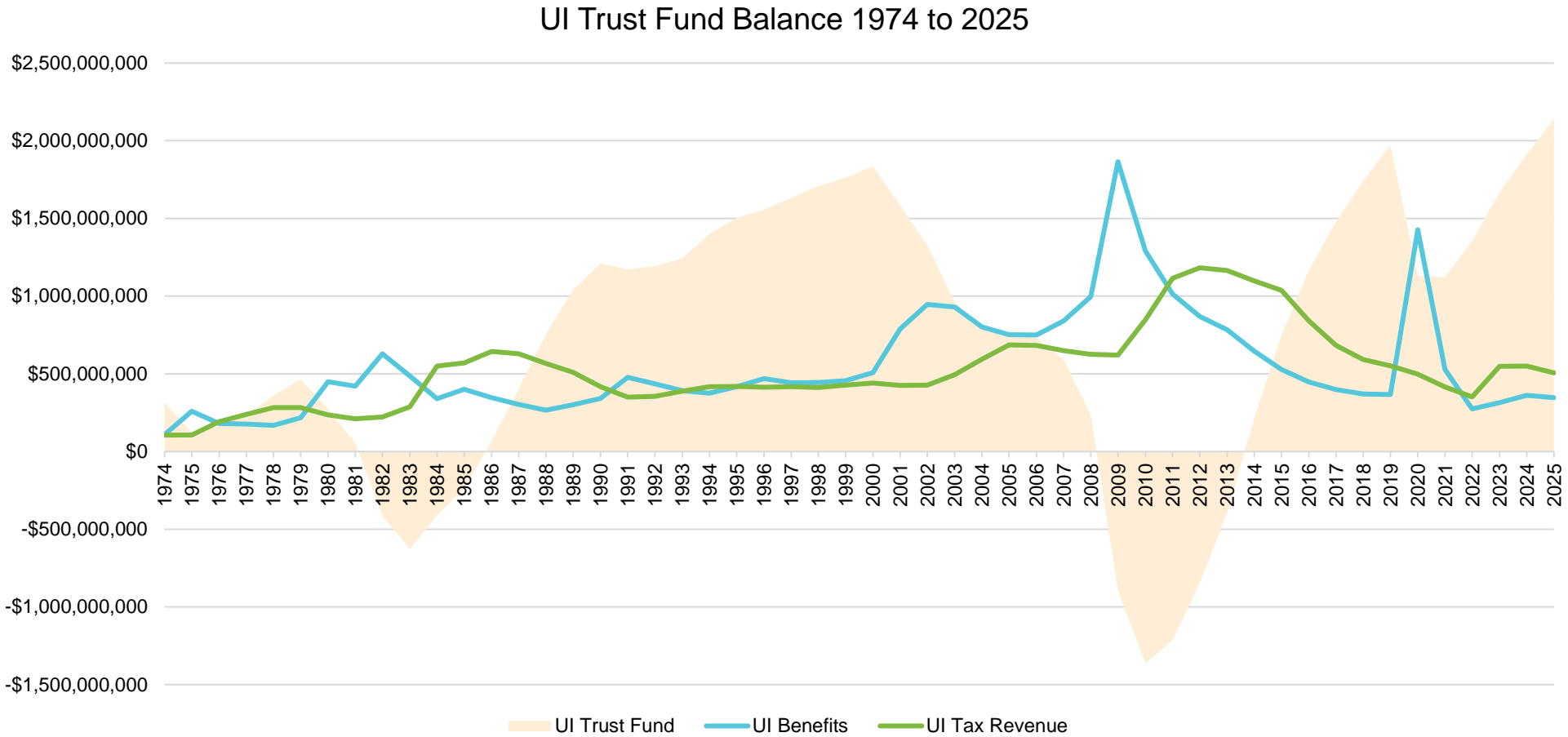


Introduction

- The 2026 *Financial Outlook* of the Wisconsin Unemployment Insurance (UI) program was submitted to the Governor and Legislature pursuant to [Wis. Stat. § 16.48](#).
- The *Financial Outlook* provides background on the Wisconsin UI financing system and projections of the UI Trust Fund.



Recent UI Trust Fund Activity



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Recent UI Trust Fund Activity

- The UI Trust Fund has increased slightly over the past year:
 - At the end of 2024, the UI Trust Fund balance was \$1.86 billion
 - At the end of 2025, the UI Trust Fund balance was over \$2.1 billion
- The increase in the UI Trust Fund balance led to an increase in measured solvency of the UI Trust Fund.
 - At the end of 2025, the Average High Cost Multiple (AHCMM) was 0.8, an increase from 0.73 at the end of 2024.
 - At the end of 2025, the balance to reach an AHCMM of 1.0 was approximately \$2.63 billion.



Recent UI Trust Fund Activity

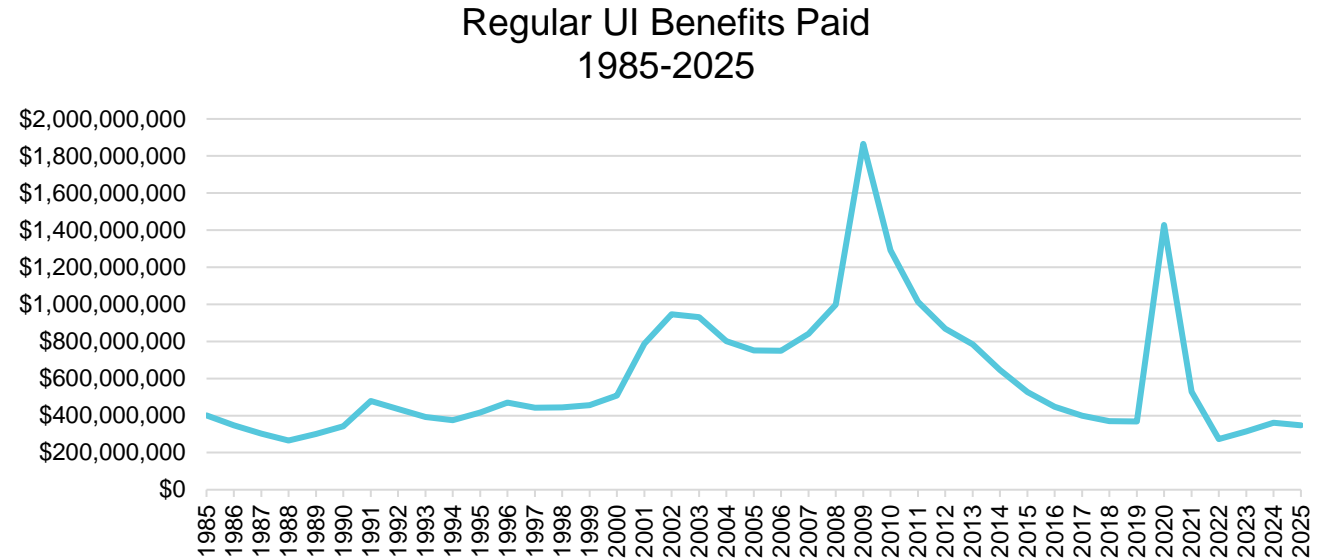
- UI benefit payments increased slightly:

- \$331 million in 2025
- \$367 million in 2024
- \$320 million in 2023
- \$271 million in 2022

- These amounts are similar to flat dollar amounts paid in the 1980s but do not account for inflation or the growth of Wisconsin's economy.

- Wages in covered employment are 7 times higher than in 1980.

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UI Trust Fund Projections

	CY 2025	CY 2026	CY 2027	CY 2028
Opening Unemployment Reserve Fund Balance	\$1,874	\$2,116	\$2,351	\$2,586
<i>Revenues:</i>				
State Unemployment Revenues (employer taxes)	\$507	\$515	\$515	\$516
Interest Income	\$66	\$78	\$86	\$95
Federal Reimbursement for UI Benefits				
<u>Total Revenue</u>	<u>\$573</u>	<u>\$593</u>	<u>\$601</u>	<u>\$611</u>
<i>Expenses:</i>				
Unemployment Benefits	\$331	\$358	\$366	\$356
Ending Reserve Fund Balance	\$2,116	\$2,351	\$2,586	\$2,841

(Millions \$)

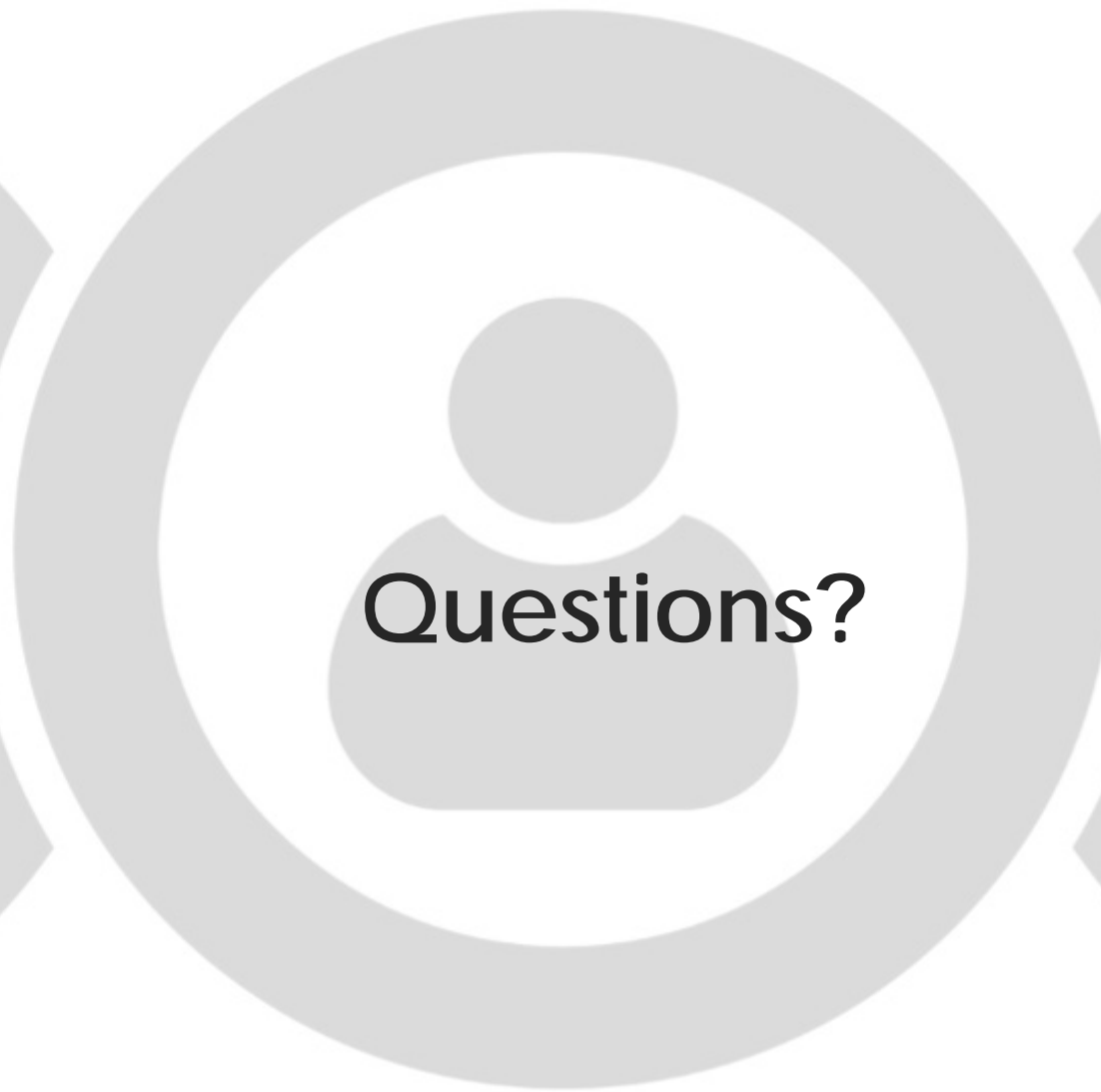


UI Trust Fund Projections

- **Revenue:** increase
 - due to a slight increase in UI tax revenue and continuing increase in interest revenue on the UI Trust Fund.
- **UI benefit payments:** increase slightly
 - due to slight increases in the unemployment rate combined with increases in the labor force and wages.
- **UI Trust Fund balance:** increase, but not expected to reach an AHCM of 1.0 over the projection period.

Projections from WI UI Division based upon WI UI data and S&P WI projections April 2026

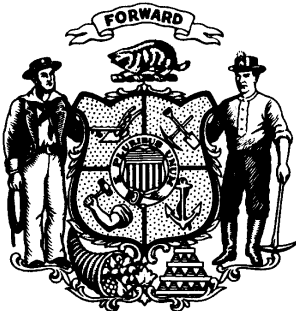




Questions?



State of Wisconsin



2025 Assembly Bill 650

Date of enactment: March 30, 2026
Date of publication*: March 31, 2026

2025 WISCONSIN ACT 144

(Vetoed In Part)

AN ACT to amend 20.445 (1) (aL) and 20.445 (1) (sm) of the statutes; relating to: funding for the department of workforce development and making an appropriation.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 20.445 (1) (aL) of the statutes is amended to read:

20.445 (1) (aL) *Unemployment insurance administration; controlled substances testing and substance abuse treatment; identity proofing.* Biennially, the amounts in the schedule for conducting screenings of applicants, testing applicants for controlled substances, the provision of substance abuse treatment to applicants and claimants, and related expenses under s. 108.133 and for costs related to identity proofing under s. 108.14 (10m) for which federal funding is unavailable. Notwithstanding s. 20.001 (3) (b), the unencumbered balance on June 30 of each odd-numbered year shall be transferred to the unemployment program integrity fund.

SECTION 2m. 20.445 (1) (sm) of the statutes is amended to read:

20.445 (1) (sm) *Uninsured employers fund; payments.* From the uninsured employers fund, a sum sufficient to make the payments under s. 102.81 (1) and to ~~obtain reinsurance~~ pay the costs specified under s. 102.81 (2). No moneys may be expended or encumbered under this paragraph until the first day of the first July beginning after the day that the secretary of workforce development files the certificate under s. 102.80 (3) (a).

SECTION 3m. Fiscal changes.

(1) In the schedule under s. 20.005 (3) for the appropriation to the department of workforce development under s. 20.445 (1) (ra), the dollar amount for fiscal year 2025-26 is increased by \$190,800 for the purpose for which the appropriation is made. In the schedule under s. 20.005 (3) for the appropriation to the department of workforce development under s. 20.445 (1) (ra), the dollar amount for fiscal year 2026-27 is increased by \$726,100 for the purpose for which the appropriation is made.

Vetoed
In Part

Vetoed
In Part

* Section 991.11, WISCONSIN STATUTES: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication."