NATIONAL ASSOCIATION OF STATE WORKFORCE AGENCIES

Unemployment Insurance Tax Survey 2013

A Report on Changes to State Unemployment Insurance Laws and Financing Systems

July 19, 2013

NATIONAL ASSOCIATION OF STATE WORKFORCE AGENCIES

EXECUTIVE SUMMARY

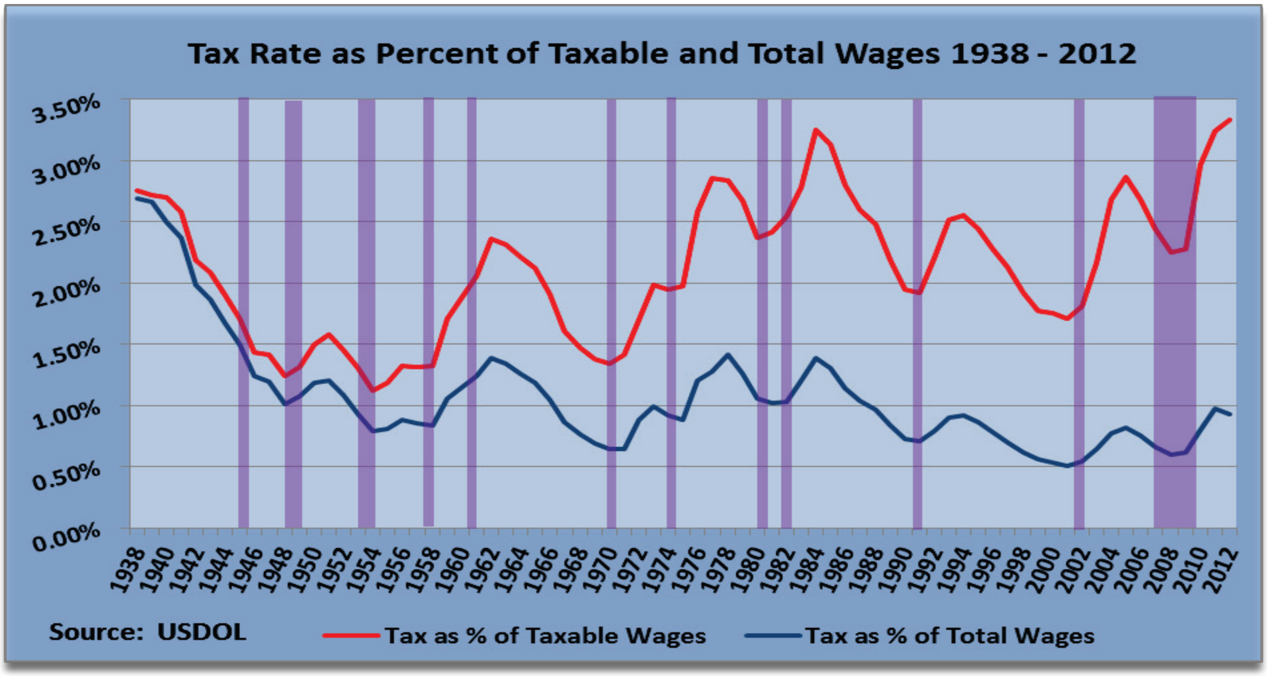
The National Association of State Workforce Agencies (NASWA) recently completed its fourth annual survey of states on the status of their unemployment insurance (UI) financing systems. Originally intended to determine the amount and type of modifications to state UI tax mechanisms, the survey has evolved over the last four years, continuing to track tax changes, but now also tracking changes to weekly benefit payments, duration, eligibility, methods for employers to file UI taxes and alternative sources of funding for repayment of Title XII advances and interest on loan balances.

Some of the key highlights from the survey include:

- Overall, the survey shows evidence of improving labor markets in states from 2012 to 2013.
- The number of states expecting increases in their state unemployment insurance taxes in 2013 was 20, a 13 state decline from the 33 who indicated state unemployment insurance taxes would increase in 2012.
- The number of states projecting unemployment tax revenue to increase in 2013 as compared to state unemployment tax revenue collected in 2012 ranged from 1 to 120 percent; with a weighted average state increase of about 6.62 percent.
- The number of states increasing unemployment tax rates who indicated a discretionary increase in the state's taxable wage base in 2013 was only two, down from 10 states who indicated they would use this method to increase UI taxes in 2012. Increases in experience ratings on employers and indexation of taxable wage bases were listed as one of the top four methods of increasing UI tax revenue.
- The number of states where tax schedules and surtaxes have reached their maximum levels for 2013 was little changed from 2012, with 23 states indicating their tax schedules and surtaxes have reached their maximums, compared to 22 states who answered similarly for 2012.
- The number of states proposing legislation to address their UI financing systems increased slightly in 2013 with 13 states indicating legislation would be proposed, up from 10 states in 2012.
- The number of states enacting legislation in 2012 pertaining to UI benefits dropped considerably from 13 in 2011 to only six states enacting legislation in 2012.
- The number of states expecting proposed legislation addressing UI benefits levels increased from five to nine, from 2012 to 2013.
- As states look to improve solvency status, they continue to look for alternatives from increases in state UI employer taxes or changes to their UI benefit levels. A majority of states indicated they will use "Other" methods to pay interest on Title XII advance including special employer assessments, funds from the state's general revenue and a combination of the two supplements.

Analysis of the key findings includes the following:

1. *Average state tax rate:* **UI tax rates, based on total wages, have continued to follow a generally downward path.** The chart below displays the historical trend of the average state tax rates based on: total wages paid in covered employment and wages paid up to the taxable wage base set in each state's law.



While there has been a steady decrease in the average state tax rate, based on total wages, there has been some slight cyclical variation. The rate on taxable wages shows a more pronounced cyclical component and slightly increasing trend. The increasing gap between the two rates is largely due to total covered wages growing faster than total taxable wages. As relatively fewer wages are subject to the applied tax rate, the rate on taxable wages will tend to increase in order to generate increased revenue to cover UI benefit outlays. (Note: Benefit outlays tend to have a closer relationship with the growth in total wages than taxable wages thereby contributing to the need to raise the tax rate on taxable wages to compensate.) Although the data for 2013 are not yet available, projections from the U.S. Department of Labor (USDOL) estimate the effective tax rate peaked in 2011 about a third lower than in pre-1990 recessions.

2. *State UI tax revenue:* **A little less than half of states surveyed (43 percent) expect their state UI taxes to increase in 2013, 40 percent expect their state UI taxes to decrease and 17 percent expect no changes.**

The majority of the estimated *increase* is due to an indexation of the state's taxable wage base, followed by an increase in experience ratings on employers and moving employers to higher tax schedules. A smaller number of states indicated the revenue increases were due to discretionary increases in state taxable wage bases and increases through solvency taxes.

The majority of the estimated *decrease* is due to a decrease in the experience rating of employers, followed by states employers to a lower tax schedule and a decrease in existing solvency taxes. A smaller number of states indicated the revenue decreases were due to a discretionary decrease in state taxable wage bases and decreases in existing solvency taxes.

Changes in the average tax rate also occur as states implement changes to the structure of their UI Tax Systems. For example, changing the maximum or minimum tax rates, adding or reducing the number of tax schedules, adding or eliminating a surcharge or "automatic" changes may occur as a result of existing structural components built into state law. The normal state tax system is designed to have a counter-cyclical quality and either increases or decreases in revenue over a multiple year period. As this occurs, total wages may be increasing based on employment and productivity growth and inflation, or decreasing during periods of economic contraction.

It is difficult to separate these components as we do not have detailed information on the actual changes occurring in specific states. But, the survey shows in 2011, 2012, and 2013, many states are experiencing higher revenue as a result of tax system reactions to the large outlays and drawdowns of reserves during the Great Recession. Results from the 2013 survey also show that as employment levels and tax revenue begin to increase, in some states, as the impact of the Great Recession begins to fade, State UI Trust funds are beginning to recover as benefit payments drop and tax revenue begins to decrease as a result.

The table below provides estimates of the impact on annual revenue based on the increase (or decrease) in wages compared to the changes that occur through tax system adjustments. Through an examination of UI revenue over time, it is possible to provide a relatively simple estimate as to the significance of each of the components.

For example, applying the average tax rate for a specific year to the wages in the following year, it is possible to estimate the change in revenue that occurs as a result of the change in wages, the difference between that amount and the total revenue change is the result of changes in state tax systems. For 2012, the total change in revenue is $6.05 billion, of which the change in wages accounts for a potential increase of about $14.78 billion, but an overall reduction in taxes reduces the actual gain by about $8.73 billion. Examining the years from 2000 to 2012 in the table, it is possible to see the lagged increases in revenue due to the downturn in 2000 and the Great Recession in 2009-2010.

Year	Total Wages in covered employment	Contributions Collected	Tax Rate On Total Wages	Annual Wage Growth	Annual Wage Growth * Prior Year Tax Rate	Change in Total Contributions	Residual
2000	$3,708,529,343	$19,896,237	0.54%	$294,896,502	$1,654,660	$742,396	-$912,264
2001	3,766,345,760	19,680,158	0.52%	57,816,417	310,185	-216,079	-526,264
2002	3,726,858,424	19,687,717	0.53%	-39,487,336	-206,332	7,559	213,891
2003	3,796,303,743	25,328,292	0.67%	69,445,319	366,856	5,640,575	5,273,719
2004	4,012,553,567	31,220,069	0.78%	216,249,824	1,442,782	5,891,777	4,448,995
2005	4,231,985,565	34,779,344	0.82%	219,431,998	1,707,312	3,559,275	1,851,963
2006	4,513,289,514	34,091,674	0.76%	281,303,949	2,311,815	-687,670	-2,999,485
2007	4,770,245,643	31,669,894	0.66%	256,956,129	1,940,949	-2,421,780	-4,362,729
2008	4,824,287,565	30,003,828	0.62%	54,041,922	358,787	-1,666,066	-2,024,853
2009	4,489,861,926	28,182,054	0.63%	-334,425,639	-2,079,903	-1,821,774	258,129
2010	4,592,308,793	35,903,243	0.78%	102,446,867	643,041	7,721,189	7,078,148
2011	4,731,688,926	47,928,273	1.01%	139,380,133	1,089,691	12,025,030	10,935,339
2012	6,191,241,107	53,980,276	0.95%	1,459,552,181	14,784,111	6,052,003	-8,732,108

3. *UI Financing*: **Many states have continued to see their tax schedules and surtaxes remain at their maximums under state law. Between 2009 and 2012 there was an increase in the number of states where automatic increases in tax schedules or surtaxes affecting UI taxes reached their maximum authority provided under state law. The increasing trend has continued in 2013 with 23 states indicating all tax schedules and surtaxes have reached their maximums under state laws.**

In 2009 approximately 10 states reported that all tax schedules and surtaxes authorized under state law had reached their maximum levels, by 2010 this number had increased to 20 states, in 2011 a total of 22 states and in 2012, and 23 states reported that all tax schedules and surtaxes authorized under state law reached their maximum levels in 2013.

State UI revenues increase (or decrease) as a result of several changes:

- An increase (or decrease) in employers experience rating factors, as determined under state law;
- Changes in the number of applicable tax rates and/or tax schedules;
- Changes in special solvency or surcharge rates;
- An increase in a state's taxable wage base in states that have a flexible taxable wage base formula;
- A discretionary increase in the state's taxable wage base; and
- An increase in wages in states as a result of a growth in employment and wage rates.

The financing changes above have been observed consistently over the last four NASWA UI Tax surveys.

The last four years of survey data show: The number of states enacting legislation affecting their UI financing structures declined in 2012, going against the trend of increases found in the previous three UI Tax Survey with seven in 2009, to 10 in 2010, to 22 in 2011 enacting legislation; however in 2012 only 13 states enacted legislation addressing UI financing.

4. UI Benefit Payments: **The number of states reporting legislation changing UI benefits declined from 13 states in 2011 to only six states who enacted legislation in 2012.**

5 Alternative State UI Revenue Options to Deal with Trust Fund Insolvency: **The impact of the Great Recession has led to an increasing number of states borrowing funds from the Federal Unemployment Account (FUA) in the federal unemployment trust fund or from the private sector to finance unemployment benefit outlays**.

As of July 19, 2013, 19 states owed approximately $21 billion to the federal government at an interest rate of 2.94 percent. With many states exhausting their unemployment trust funds during the Great Recession, the issue of adequately financing the UI system has come into focus for many states.

States have engaged in a variety of actions to repay the principal or pay the interest associated with their loans. The results of this survey show:

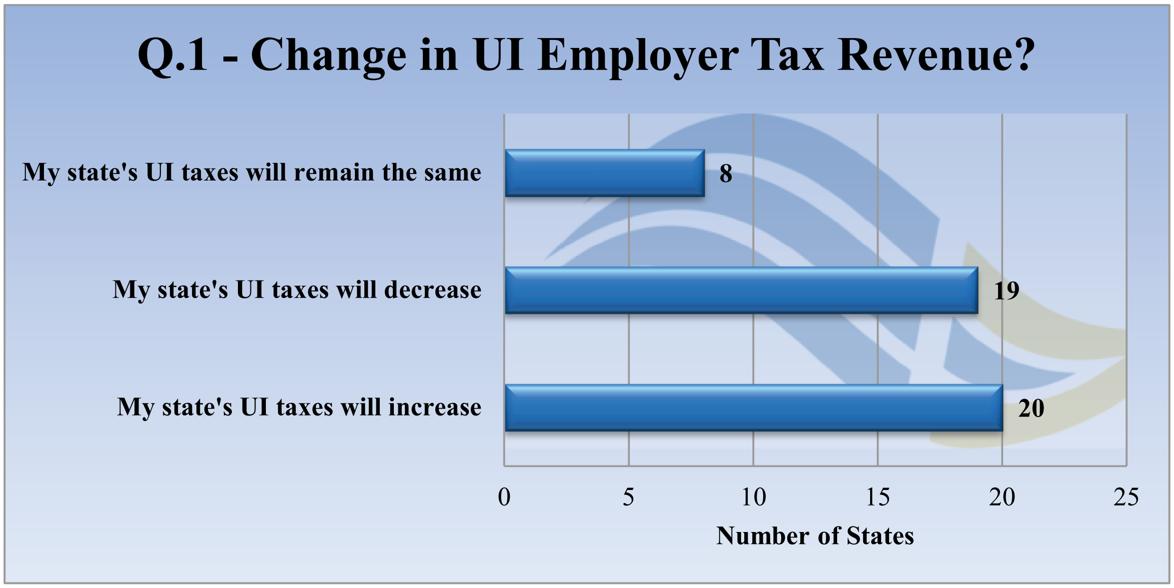
- Three states plan to use state UI employer taxes to pay the interest on their outstanding federal loans;
- Twelve states plan to use funds originating from alternative sources, such as state general funds and employer assessments; and
- Two states reported they are considering securing funds from the private markets to repay their loans.

DETAILED RESULTS OF NASWA'S UI TAX SURVEY

QUESTION 1: Compared to 2012, do you project your state's unemployment insurance tax revenue will increase, decrease, or remain the same in 2013?

As the number of persons unemployed has continued a steady decline from the heights of the Great Recession, the level unemployment insurance claims and workloads has mirrored this decline. Evidence of this can be seen in state responses to the first question in the survey, which sought to determine the trends in state unemployment insurance taxes as far as increases, decreases or no change. Showing evidence of improving labor markets in states from 2012 to 2013, the number of states expecting increases in their state unemployment insurance taxes in 2013 was 20 (43 percent), an 13 state decline from the 33 that indicated state unemployment insurance taxes would increase in 2012.

Chart One



QUESTION 2: By what percent does your state project unemployment tax revenue to increase in 2013 as compared to state unemployment tax revenue collected in 2012?

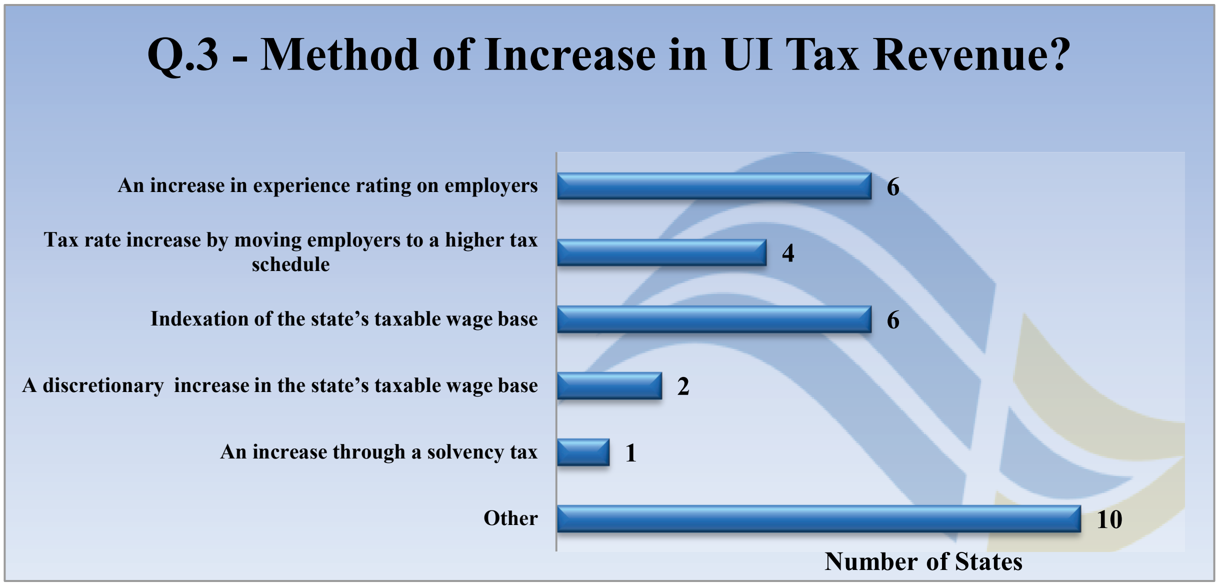
The estimates of UI tax revenue increases ranged from 1 to 120 percent; with a weighted average state increase of about 6.62 percent. See Table 1 in Appendix One for the list of specific percentage increases in each state.

QUESTION 3: If your state's UI tax revenue will increase, please indicate how this will occur by checking the category or categories below. Check as many as are applicable in your state.

State UI financing systems are often complex with a variety of factors that interact with each other to change revenue levels as a result of changes in benefit outlays. This question asked states specific ways they would increase revenue as seen in the chart below, 20 states indicated their revenue would increase. (States who mentioned other methods different than those provided can be seen in Table 2 in Appendix One).

When compared to state responses from the 2012 UI Tax Survey, increases in experience ratings on employers and indexation of taxable wage bases were also listed as one of the top four methods of increasing UI tax revenue, however the number of states increasing unemployment tax rates who indicated a discretionary increase in the state's taxable wage base in 2013 was only two, down from 10 states who indicated they would use this method to increase UI taxes in 2012.

Chart Two



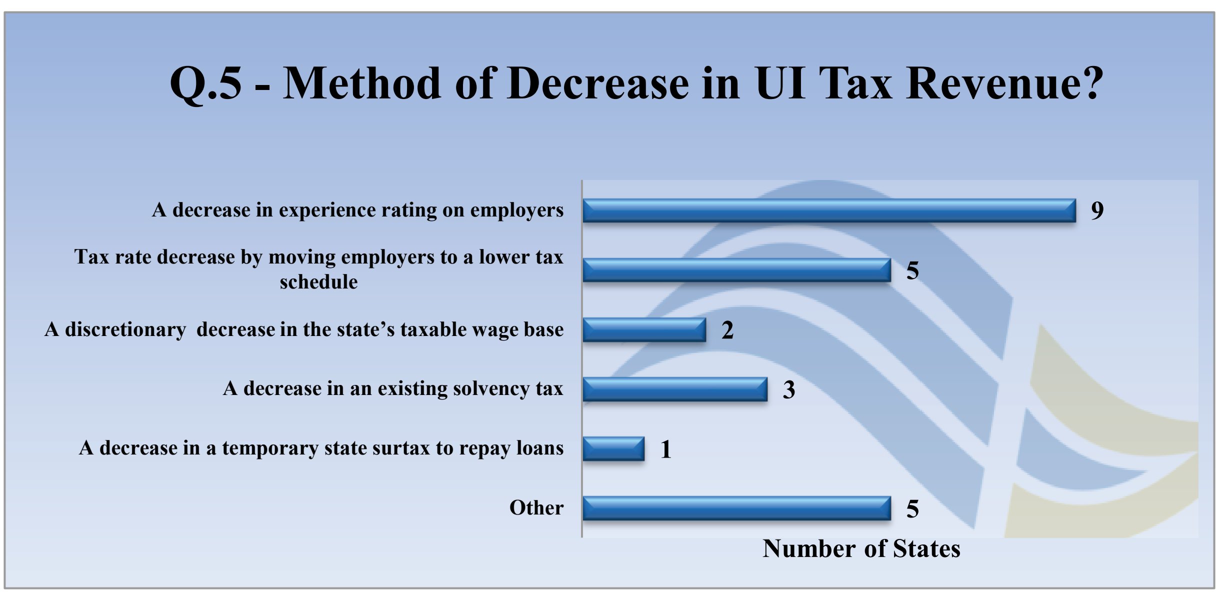
QUESTION 4: By what percent does your state project unemployment tax revenue to decrease in 2013 as compared to state unemployment tax revenue collected in 2012?

The estimates of UI tax revenue decreases ranged from 1 to 34 percent; with a weighted average state decrease of about 8.8 percent. Nineteen states said their tax revenue would decrease. See Table 1 in Appendix One for a summary of states with a percentage decrease.

QUESTION 5: If your state's UI tax revenue will decrease, please indicate how this will occur by checking the category or categories below. Check as many as are applicable in your state.

The top three methods in states indicating an expected decrease in their state UI taxes were decreases in experience rating on employers, moving employers to lower tax schedules and a decrease in an existing solvency tax. (States who mentioned other methods different than those provided can be seen in Table 3 in Appendix One).

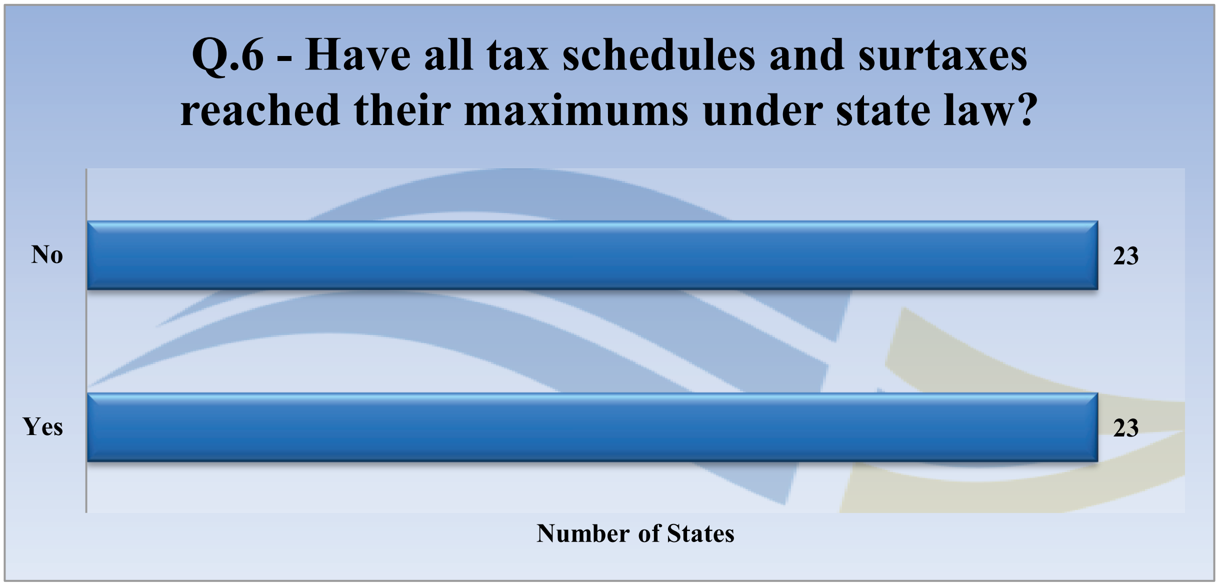
Chart Three



QUESTION 6: Have all tax schedules and surtaxes reached their maximum levels authorized under state law?

Although states have a great deal of flexibility normally built into their financing systems, when UI outlays are at historic levels, states might reach their limit attempting to secure adequate inflows of funds. The number of states where tax schedules and surtaxes have reached their maximum levels for 2013 was little changed from the number states indicated in 2012, with 21 states indicating their tax schedules and surtaxes have reached their maximums, compared to 23 states who answered similarly for 2012.

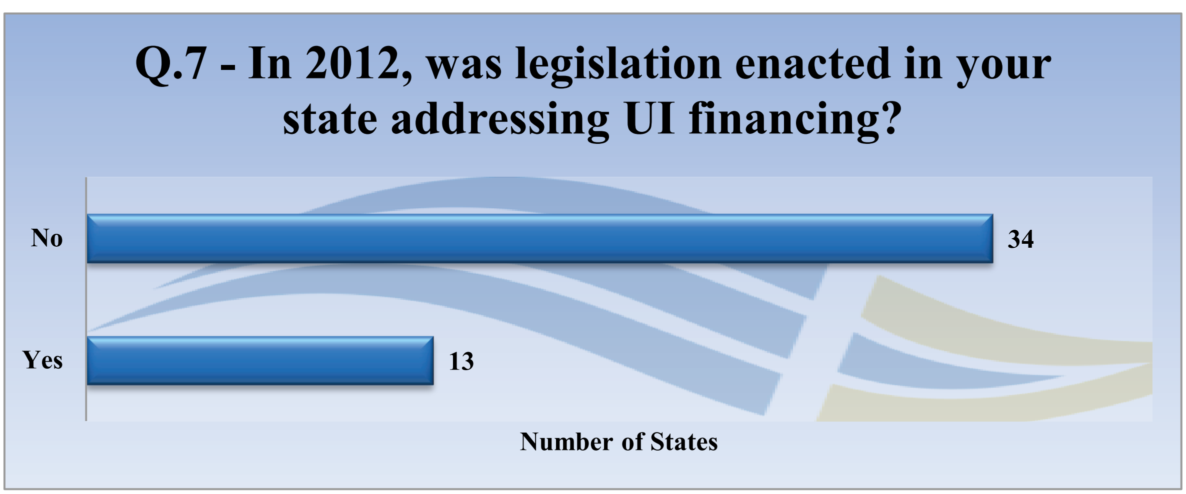
Chart Four



QUESTION 7: In 2012, was legislation enacted in your state addressing UI financing?

With 19 states currently indebted to the Federal Unemployment Account with a total debt of more than $21 billion as of July 19, 2013, several governors and state legislatures sought to address their UI financing structure by making changes to state law in 2012. As the chart below shows, 13 states (approximately 28 percent) enacted legislation in 2012 related to UI financing. While this is down from the 17 states in 2011 that enacted state legislation addressing their UI systems, it shows some states are still working to regain solvency of their unemployment trust fund. (States who provided supplementary information on the specifics of the state legislation can be seen in Table 4 in Appendix One).

Chart Five

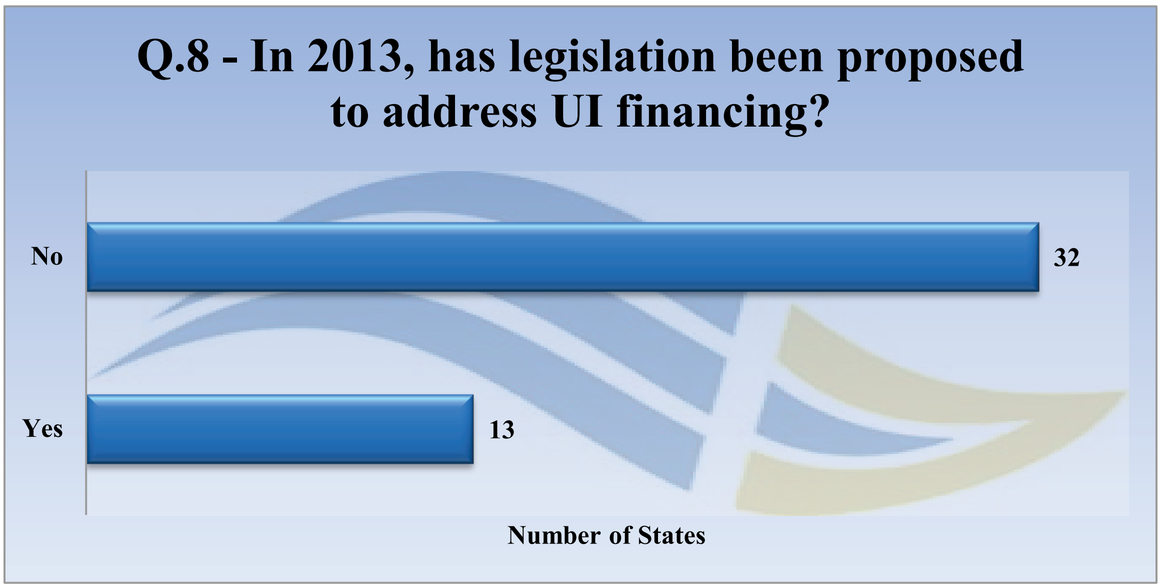


In states' extended responses, two states mentioned legislation was enacted permitting the use of bonds to repay federal loan debt, with one state allowing bond repayments to be incorporated into employer experience rate calculations. Several other states mentioned changes to UI tax rates, specifically increasing tax rates at certain levels, and an appropriation from state general revenues to offset higher business taxes. Other state legislation addressing UI financing mentioned by states included increased trust fund maximums and the enactment of a benefit waiting week.

QUESTION 8: In 2013, has (or will) legislation be proposed to address UI financing?

The number of states proposing legislation to address their UI financing systems increased slightly in 2013 with 13 states indicating legislation would be proposed, up from 10 states who indicated legislation would be proposed in 2012 to address UI financing. (States who provided supplementary information on the specifics of the state legislation can be seen in Table 5 in Appendix One).

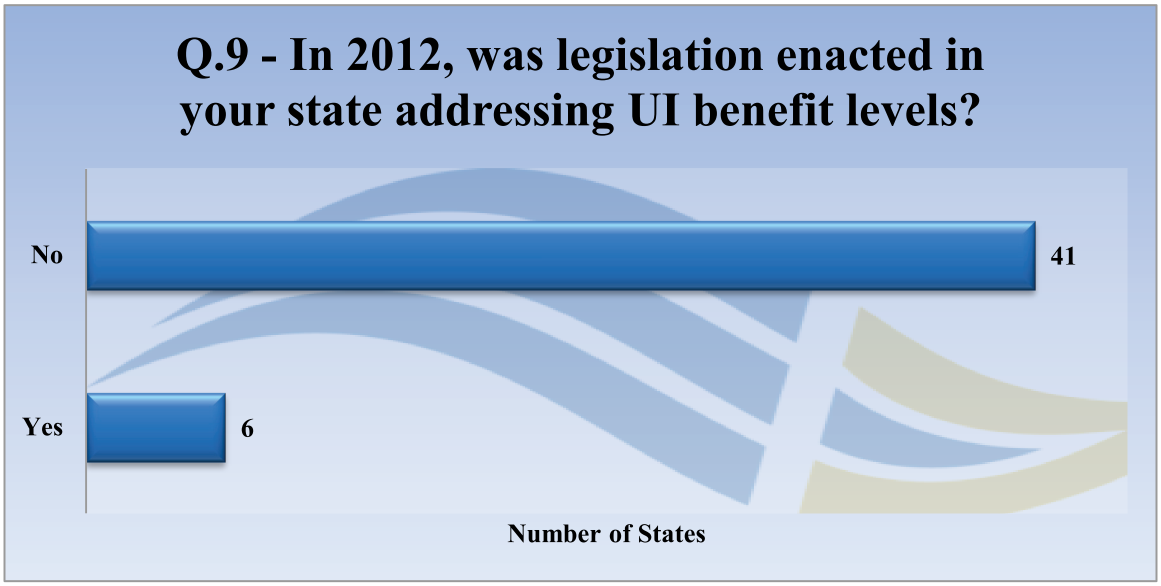
Chart Six



QUESTION 9: In 2012, was legislation enacted in your state addressing UI benefit levels?

The number of states to enact legislation in 2012 pertaining to UI benefits dropped considerably from 13 states enacting legislation in 2011 to only six states enacting legislation in 2012. States that provided supplementary information on the nature of the legislation addressing UI benefit levels mentioned, delayed increases in the weekly benefit amounts, creating a sliding scale of maximum weeks available based on the state's unemployment rate, and also eliminating fixed benefit duration and introducing variable duration. (States who provided supplementary information on the specifics of the state legislation can be seen in Table 6 in Appendix One).

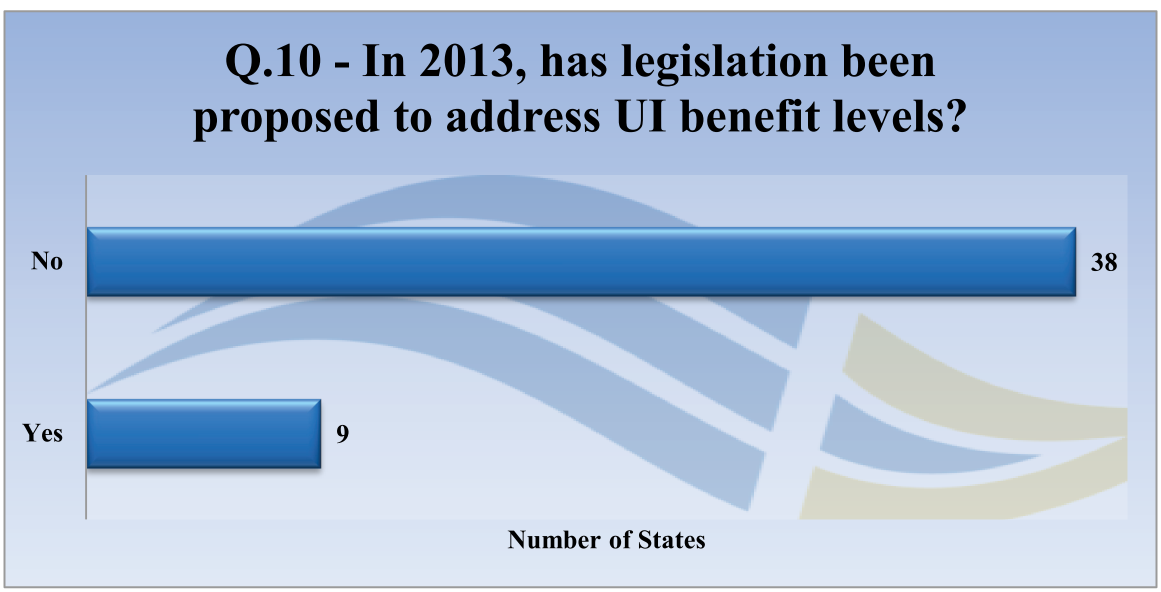
Chart Seven



QUESTION 10: In 2013, has (or will) legislation be proposed to address UI benefit levels?

The number of states expecting proposed legislation addressing UI benefits levels increased from five to nine, from 2012 to 2013. Many efforts to make changes to UI benefit levels are geared towards restoring solvency in UI trust funds. States further indicated that proposed legislation in 2013 would: adjust the maximum number of dependents allowed and the benefit levels, adjust weekly benefit amounts and reduce the number of potentially available weeks to claimants based on a sliding scale of the overall state unemployment rate. (States who provided supplementary information on the specifics of the state legislation can be seen in Table 7 in Appendix One).

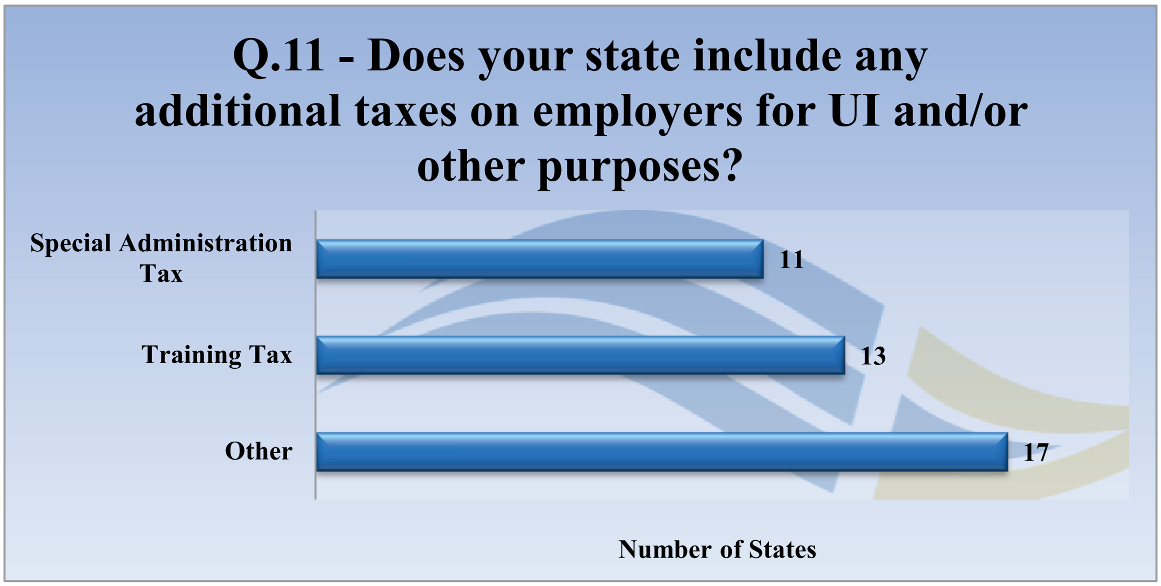
Chart Eight



QUESTION 11: Does your state include any additional taxes (other than solvency) on employers for UI and/or other purposes?

States were asked for the first time in the four years of NASWA's UI Employer Tax Survey if they include any additional taxes on employers for UI and/or other purposes. Many states indicated they use special administration and training taxes on employers along with a wide variety of "other" taxes for the operation of their UI system. Seventeen states mentioned additional taxes on employers for UI and other purposes, with five states specifically mentioning levying assessments for repayment of Title XII advances when interest was owed. Other states to provide extended responses mentioned additional taxes that go towards health care, pool taxes used to recover benefits that cannot be charged to an employer and a social-cost tax paid by nearly all employers to cover the shared costs of the UI system. (States who provided supplementary information can be seen in Table 8 in Appendix One).

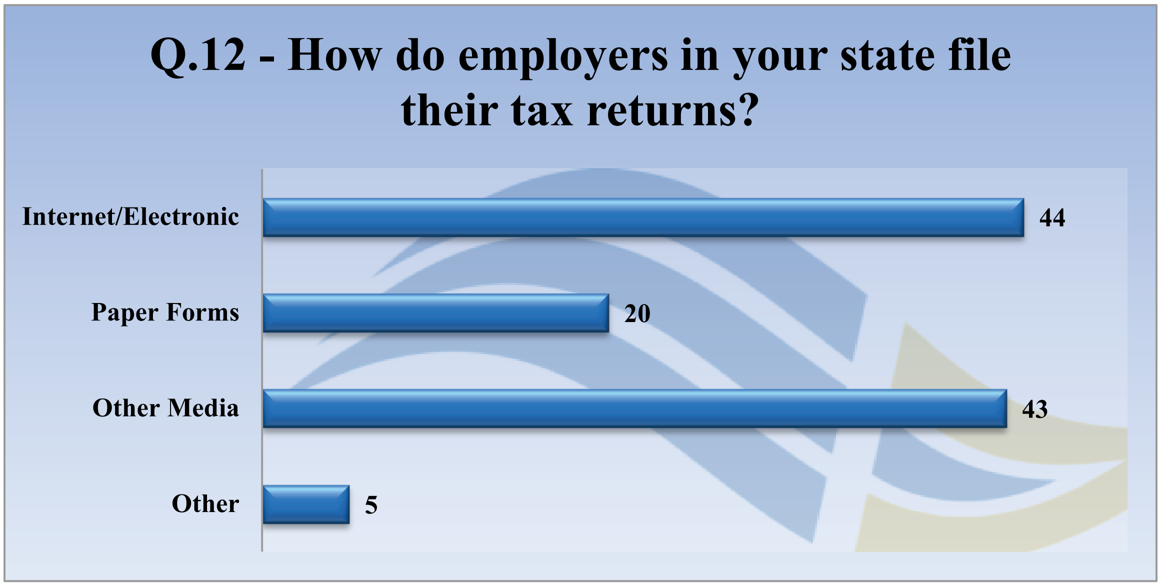
Chart Nine



QUESTION 12: How do employers in your state file their tax returns? (Check all that apply)

As states look to continue effective operation of their state unemployment insurance systems despite chronic underfunding by the federal government as outlined in NASWA's UI Administrative Funding proposal, many have expanded the digital options employers have to file their tax returns. Forty-four states indicated they accept employer filing via the internet or other electronic methods, while 20 states indicated employers can still file their tax returns on paper through the U.S. postal system. (States that provided supplementary information can be seen in Table 9 in Appendix One).

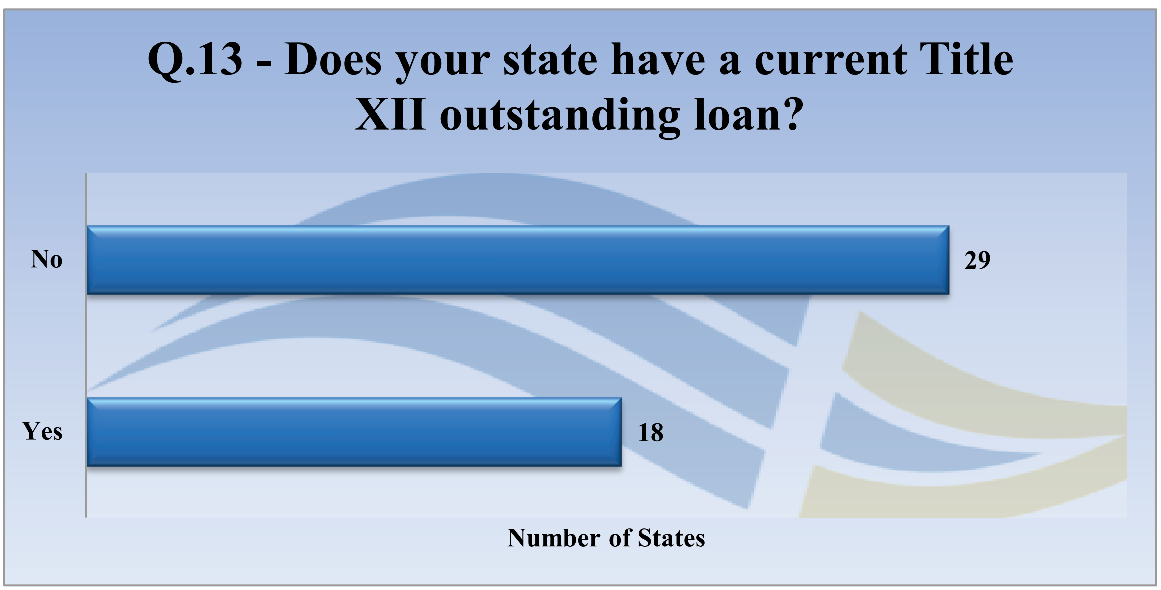
Chart Ten



QUESTION 13: Does your state have a current Title XII outstanding loan?

Of the 47 states to respond to the survey, 18 indicated they currently have an outstanding Title XII loan from the federal government. (Three States with Title XII advance NV, NY, and VI did not report.) As mentioned earlier, according to the U.S. Department of Labor 19 states have outstanding federal loans for a total of approximately $21 billion. (States who provided supplementary information can be seen in Table 8 in Appendix One).

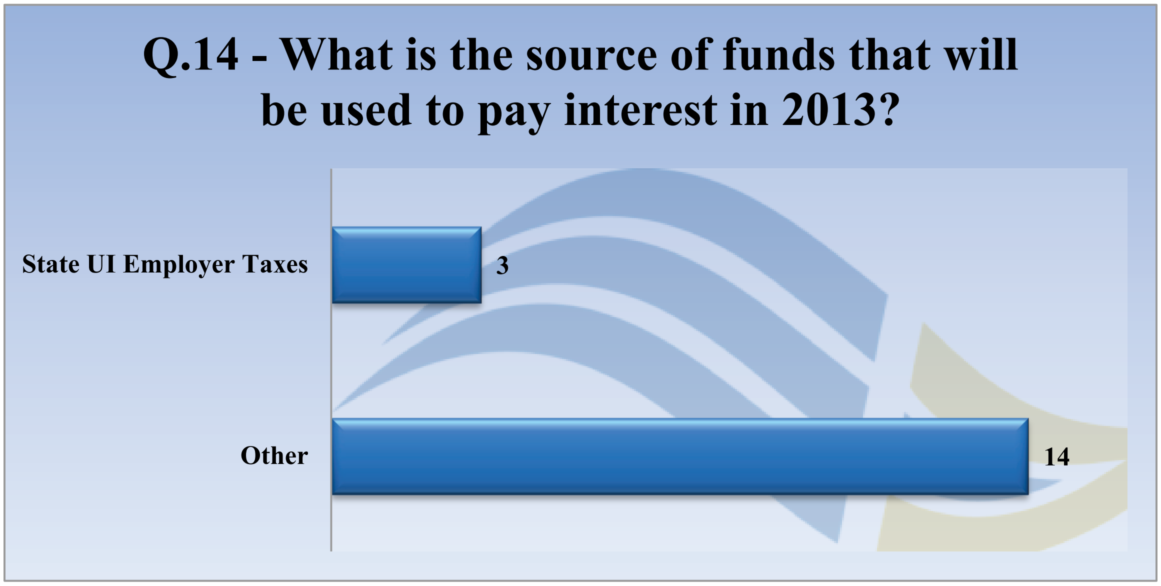
Chart 11



QUESTION 14: What is the source of funds that will be used to pay interest in 2013?

As states look to improve their solvency status, they continue to look for alternatives from increases in state UI employer taxes or changes to their UI benefit levels. A majority of states indicated they will use "Other" methods to pay interest on Title XII advance including special employer assessments, funds from the state's general revenue and a combination of the two supplements.

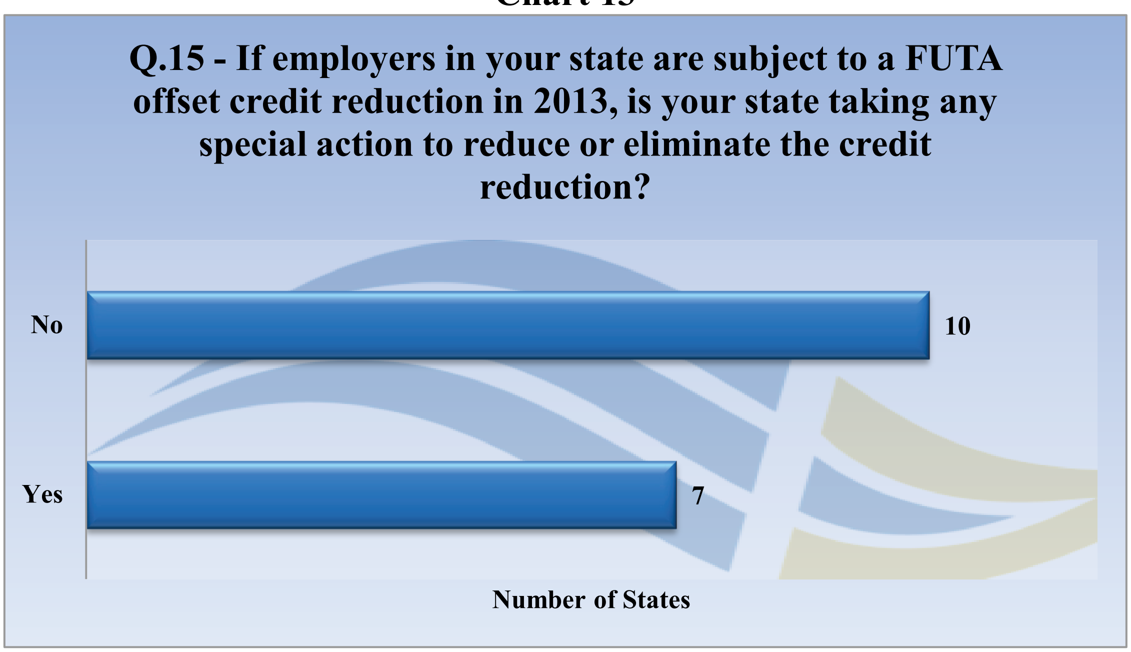
Chart 12



QUESTION 15: If employers in your state are subject to a FUTA offset credit reduction in 2013, is your state taking any special action to reduce or eliminate the credit reduction?

(States that provided supplementary information can be seen in Table 11 in Appendix One).

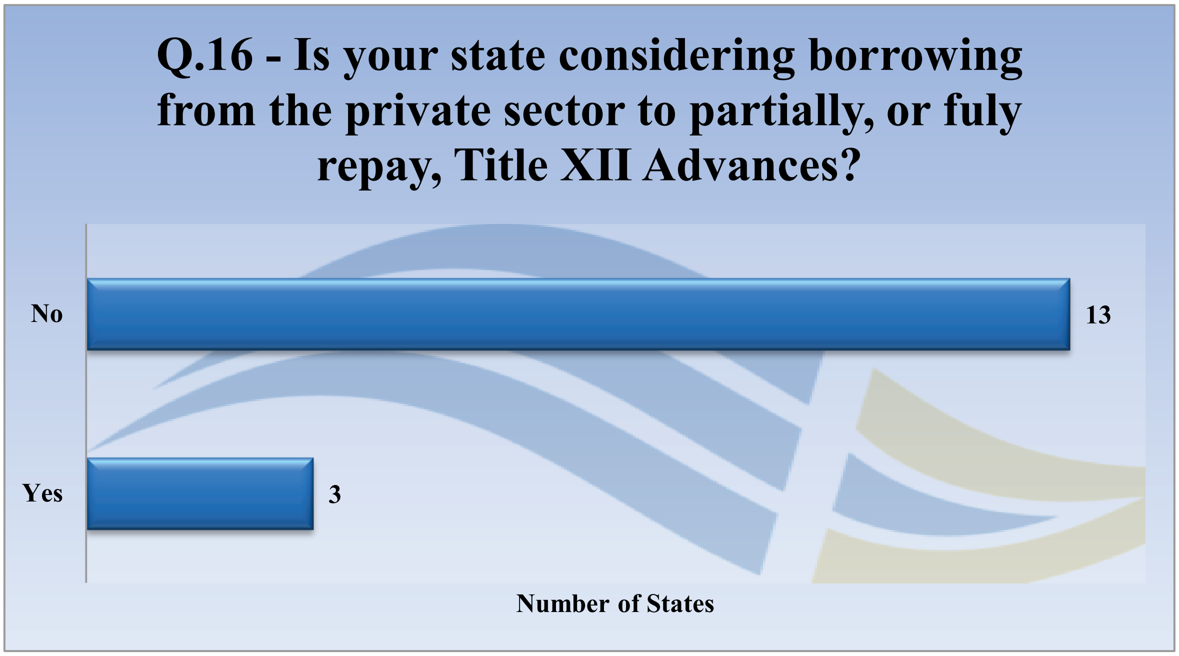
Chart 13



QUESTION 16: Several states have secured funds from private bond markets. Is your state considering borrowing from the private sector to partially, or fully repay, Title XII advances?

(States that provided supplementary information can be seen in Table 21 in Appendix One).

Chart 14



APPENDIX ONE

TABLE 1[1]

State	Change in UI tax revenue (%)
Alabama	0.4
Alaska	15.0
Arkansas	-9.0
California	3.0
Colorado	-15.0
Connecticut	-2.6
District of Columbia	4.0
Florida	-1.0
Georgia	10.0
Hawaii	120.0
Idaho	-13.0
Illinois	-6.0
Indiana	2.0
Iowa	-15.0
Kansas	5.0
Kentucky	2.0
Maryland	-21.0
Mississippi	-34.0
Missouri	-7.0
Montana	2.0
Nebraska	-32.0
New Jersey	5.0
New Mexico	19.0
North Carolina	6.0
North Dakota	-2.0
Ohio	-18.0
Oklahoma	25.0
Oregon	3.0
Pennsylvania	6.0
Rhode Island	4.0
South Carolina	-15.0
South Dakota	4.0
Tennessee	-14.0
Texas	-3.0
Utah	-7.0
Virginia	1.0
Washington	7.0
Wisconsin	1.0
Wyoming	-5.59

[1] States listed are those states that provided estimates of their change in UI tax revenue. States not providing estimates include: Guam, Louisiana, Michigan, Nevada, New York, Puerto Rico and the Virgin Islands.

TABLE 2

State	Q.3 - State's Method of Increased UI Tax Revenue
California	An improving economy will cause a slight increase in California's UI tax revenue.
District of Columbia	Increase in tax compliance and tax collection activities.
Georgia	Georgia's taxable wage base increased from $8,500 to $9,500 effective January 1, 2013.
Indiana	No changes in the structure of the tax, just a forecasted increase based on employment growth.
Kansas	Growth in employment and wages.
Montana	MT's overall contribution rates decreased an average of 0.2%, however, we are projecting an increase in overall employment and taxable wages (also due to our wage base increasing by $900) resulting in a projected small increase in our tax revenue in 2013.
North Carolina	An increase in the number of liable employers.
Oregon	Forecasted economic improvement, increasing covered employment, wages subject to tax.
Pennsylvania	Under Act 60 of 2012, Pennsylvania's Interest Tax Factor was re-purposed to service UC bond debt, in addition to Title XII loan interest. As a result, the Interest Tax Factor increased from 0.2% in 2012 to 1.1% starting in 2013. This increase was offset by a statutory decrease in the State Adjustment Factor (another UC tax component) from 1.5% to 1.0% starting in 2013. Overall, the average UC tax rate for employers is forecast to increase only slightly from 6.7% in 2012 to 6.8 percent in 2013. The increase in taxes to employers from the Interest Tax Factor was also offset by the avoidance of a FUTA tax credit reduction of 0.6% in 2012 through the payoff of Title XII federal loan debt via the issuance of bonds.
South Dakota	Statutory increase in the state's taxable wage base.
Wisconsin	Although the taxable wage base increases in 2013 from $13,000 to $14,000, this increase is expected to be offset by a decrease in experience rates.

TABLE 3

State	Q.5 - State's Method of Decreased UI Tax Revenue
Alabama	An improving economy will cause a slight increase in Alabama's UI tax revenue.
Nebraska	Nebraska uses the Array system which creates a new tax schedule each year based on benefit payments and trust fund balances.
North Dakota	North Dakota was able to reduce the average tax rate from 1.3 to 1.18%. Projected wage increase for 2013 is estimated at 8% but Q4 2012 actual was 18%. Depending if the actual growth rate exceeds the projected 8% for CY 2013, actual revenue may be higher than forecast.
Ohio	Employers' individual experience is improving as the economy recovers and Ohio's "mutualized tax" rate (social cost rate) decreased from 0.4% for 2012 to 0.0% for 2013.
South Carolina	Tax rates are adjusted annually to match anticipated revenue needs. Benefits are projected to be lower in 2013 compared to 2012, so the tax rates will be lowered accordingly.
Wyoming	Due to the improvement of state economy, the employers' experience rates for 2013 will most likely decrease. Meanwhile, the solvency tax rate also decreased slightly for zero experience rate employers (0.65% in 2012 down to 0.63% in 2013).

TABLE 4

State	Q.7 - Legislation Enacted to Address UI Financing in 2012
Colorado	Permitted private market bond issuance by UI Division to repay federal loans and allow bond principal repayments to be incorporated into employer experience rate calculation.
Connecticut	Legislation was passed increasing the maximum amount that could be retained in the trust fund. However, provisions that govern the amount of taxes that can be collected (such as taxable wage base and tax rate structure) were not changed. As a result, we have not increased our capacity to generate additional revenues for the foreseeable future.
Hawaii	Act 6 maintained tax schedule F in CY 2012 (instead of moving to a higher tax schedule). Act 253 increased the highest tax rate from 5.4% to 6.6% effective 1/1/13.
Indiana	Indiana's UI financing laws were changed in 2011
Mississippi	GEX reduced by .07% - this is new legislation in effect during 2013 only.
New Jersey	Yes, in FY 2012 and FY 2013 we would have been at the maximum tax rate (Table E+10%) for employers. However, we limited the increase in FY 2012 to an increase of one level (Table D) and one level in FY 2013 (Table E).
Pennsylvania	The following provisions were enacted under Act 60 of 2012: -Provided for the issuance of bonds to retire the state's outstanding federal loan debt and save employers an estimated $150 million in interest costs over the life of the bonds. -Re-purposed the Interest Tax Factor, originally created for the payment of interest on federal loans, for the payment of debt service on the bonds as well as for interest on federal loans. -Increased the taxable wage base by steps from $8,000 in 2012 to $10,000 in 2018 and thereafter. -Decreased the maximum State Adjustment Factor (SAF) from 1.5 percent in 2012 to 1.0 percent in 2013 through 2016, 0.85 percent in 2017, and 0.75 percent in 2018 and thereafter. -Restructured the solvency trigger mechanism such that the solvency measures and target dollar amounts previously applicable when the trigger percentage was less than 50 percent now apply from 0 percent through 249 percent. -Raised the total targeted dollar amount for the solvency trigger mechanism from $544 million to $750 million, effective after all bonds and federal loans are fully repaid.
South Carolina	The General Assembly appropriated $77 million in state funds to be used to offset higher business taxes. Tax rates for 2012 were recalculated assuming that $77 million less was needed from the business community. This was retroactive to the beginning of the calendar year.
Utah	The maximum tax rate lowered from .09 + Social Cost rate to .07 + Social Cost Rate. The minimum tax rate (social cost rate) was capped at .4% (.004); it would have increased to .005 without the legislation.
Vermont	No legislation was passed in 2012, however, legislation passed in 2010 became effective in 2012 (i.e.: waiting week, earning disregard).
Wisconsin	A benefit waiting week was enacted and went into effect Jan. 1, 2012. This is projected to save approximately $45 million for 2012. The following changes took effect Oct. 21, 2012. Fraudulent concealment of wages now results in ineligibility of future benefits (projected to reduce benefit payments by 1% annually). Workers who work 32 hours per week are now considered full time and ineligible for partial benefits (projected to reduce benefit payments by 0.5% annually). Assess a 15% penalty on fraudulent overpayments

	(projected collections range between $1.5 and $2.5 million annually). Recover overpayments from federal income tax refunds in non-fraud cases (projected collections of $750,000 annually). This change went into effect Dec. 31, 2011.

TABLE 5

State	Q.8 - Legislation Proposed to Address UI Financing in 2013
Alaska	Legislation (House Bill 76) passed the Alaska Legislature in April 2013 and is awaiting transmittal to Alaska Governor Parnell. The legislation authorizes the commissioner of labor to suspend tax increases when the Average High Cost Multiple is 0.8 or greater and after consultation with the department's actuarial staff. The legislation also removes a 0.3 limitation on deceases to the solvency adjustment component of the tax rate.
Arkansas	Tax assessment on deficit rated employers was increased--to be effective in CY 2014.
California	It is anticipated that legislation will be proposed to reform the state's UI financing structure.
Delaware	Legislation, HB 168, was passed by the Delaware General Assembly during its CY2013 session that establishes a "trigger" system based on the balance in the state's UI Trust Fund. Depending on the balance, the taxable wage base in a given year will be $18,500, $16,500, $14,500, $12,500, or $10,500. The current TWB is $10,500. Once HB 168 is signed into law by the Governor, the TWB will increase to $18,500 for CY 2014 as DE still has an outstanding UI Trust Fund loan balance. This same legislation provides for a one-week waiting period for claimants starting in January 2014.
Hawaii	Proposal to maintain tax schedule F in CY 2013. Legislative session ended 5/2/13. Bill was not passed.
Kansas	Gradually increasing taxable wage base Reducing fraud Reducing benefits
Minnesota	Minnesota's trust fund is solvent and growing and the tax rates are at the maximum. Minnesota has trigger mechanisms in statute that raise UI taxes when the trust fund goes down due to recession and then lower taxes when the trust fund recovers. Without doing anything, the rates in Minnesota would trigger down incrementally over the next three years. Legislation was passed in 2013 that will lower UI tax rates in 2014 if the trust fund level reaches $800 million by September 30, 2013. We project that the trust fund will exceed that level. The legislation also provides a tax cut for 2015 if the trust fund reaches $900 on September 30, 2014. We project the trust fund will exceed that level at that point in time as well (barring an economic downturn--thus the trigger levels). This legislation simply accelerates the reduction in UI taxes to employers in Minnesota that would occur normally with the statutory trigger mechanisms in place in our UI tax structure. This legislation was crafted by the department (UI) and is a Governor's initiative that has broad support by both parties in both houses of the Minnesota Legislature. At this writing (April 30, 2013) it has not been passed and signed into law, we do expect that it will.
New Jersey	Legislation has been proposed to maintain the employer tax at the current level (i.e. Table E). Without this legislation the employer tax will be at Table E+10% in FY 2014.
New Mexico	It has been proposed and approved by legislature, that effective 2015, NM will change from a reserve ratio calculation to a benefit charge ratio calculation when computing tax rates. To include assigning rates to certain NAICS codes and establishing the new employer rate.
North Carolina	On February 19, 2013, House Bill 4 was signed into law. This bill took effect on June 30, 2013 and made significant changes to the North Carolina Employment Security Law. Employers with a negative experience rating account are required to

	bring their account balance up to zero before they can file attached claims. All employers must prepay the full amount of unemployment insurance benefits paid for all attached claims. All governmental reimbursable accounts will be required to maintain an account balance reserve of 1% of annual reported taxable wages. Governmental accounts will no longer have non-charging rights and reimburse benefit charges at 120%. Non-profit accounts will no longer be able to secure their election to reimburse by posting a surety bond or letter of credit. Zero is no longer a valid tax rate. The minimum tax rate is now 0.07% and the maximum tax rate is now 6.91%.
Utah	The minimum Social Tax was capped at .004 same as CY 2012. The rate would have increased to .005 without the legislation.
Vermont	No legislation was proposed in 2013 specific to UI financing; much of this occurred in 2010 in Vermont.
Wisconsin	Create new increased contribution and solvency tax rate categories for employers with negative reserve percentages. This legislation takes effect 1/1/2015. Change quit exceptions and requalification framework if a claimant quits a job that is not covered by one of the quit exceptions. This legislation takes effect 1/5/2014. Create a 2 tier standard to disqualify a claimant from benefits based on his/her conduct that caused him/her to lose his/her job. This legislation takes effect 1/5/2014

TABLE 6

State	Q.9 - Legislation Enacted to Address UI Benefit Levels in 2012
Georgia	House Bill 347 created a sliding scale of maximum weeks (14 to 20) of potential regular benefit eligibility based upon a designated average employment rate.
Hawaii	Act 6 increased the maximum WBA to 75% of average weekly wages effective 4/1/12 to 12/31/12.
Pennsylvania	The following provisions were enacted under Act 60 of 2012: -Starting in 2013, eliminated fixed benefit duration of 16 or 26 weeks and introduced variable duration: one week of benefits for each "credit week" in the base year, up to 26 weeks of benefits. Claimants must have at least 18 credit weeks to qualify for benefits. -Adjusted the formula to determine the maximum weekly benefit rate in order to slow the growth of the maximum rate; capped the maximum rate at the 2011 level through 2019; return to normal growth phased in from 2020 through 2023. -Increased the required percentage of base year wages outside the high quarter from approximately 37 percent to 49.5 percent. -Lowered partial benefit credit (PBC) from 40 percent to 30 percent. Claimants that work part-time while collecting benefits may earn up to their PBC without a reduction in the amount of UC payable for the week. For every dollar earned above the PBC, the UC benefit payment for the week is reduced by a dollar.
Vermont	No legislation was passed in 2012, however, legislation passed in 2010 became effective in 2012 (i.e.: waiting week, earning disregard).
Virginia	Delayed increase in minimum WBA [to $60] and minimum earnings requirement [to $3,000] until 2014.

TABLE 7

State	Q.10 - Likely Legislation to Address UI Benefit Levels in 2013
Alabama	$10.00 increase in the weekly benefit amount
Arkansas	Legislation was proposed to reduce weekly benefit amounts but failed.
Hawaii	Proposal to retain 75% maximum WBA. Legislative session ended 5/2/13. Bill was not passed.
Kansas	House Bill 2105 Reducing number of weeks from 26 to 20 if unemployment rate is less than 6.0% but above 4.5%. Reducing the weeks from 20 to 16 if unemployment rate is less than 4.5%.
Mississippi	None expected
Missouri	In 2013 SB 458 was proposed to reduce the maximum number of weeks payable for regular UI from 20 weeks to 10 weeks through December 31, 2013. This bill did not pass.
New Mexico	The maximum number of dependents allowed was decreased from $25 up to a max of 4 children to $25 up to a max of 2 children, and cannot exceed 50% of the claimant's WBA.
North Carolina	On February 19, 2013, House Bill 4 was signed into law. This bill took effect on June 30, 2013 and made significant changes to the North Carolina Employment Security Law. Employers may only file one attached claim per employee per benefit year for a maximum of six consecutive weeks. A waiting week is now required for each claim filed during a benefit year. The maximum weekly benefit amount for new claims beginning June 30, 2013 is $350.00. The maximum earnings allowance will be $70.00. The maximum duration is reduced from 26 weeks to 20 weeks. The duration will now be tied to the seasonally adjusted unemployment rate. An individual may qualify for benefits if he leaves work solely due to the individual's work hours having been reduced more than 50% as part of a unilateral and permanent reduction in work hours. After the 10th week of a benefit period, any employment offer paying 120% of the individual's weekly benefit amount is considered suitable work.

TABLE 8

State	Q.11 - Does your state include any additional taxes (other than solvency) on employers for UI and/or other purposes
Colorado	Bonding was completed June 2012 and new bond principal repayment assessment effective 2013.
Florida	Assessment for repayment of federal advances when interest will be owed during a year.
Indiana	Interest surcharge is added as a percentage of taxes due. 2013 rate is 7%
Massachusetts	We charge an additional tax that goes toward health care.
Missouri	Special employer assessment to pay interest on outstanding federal advances.
Nebraska	State Unemployment Trust Fund - money held in trust for payment of UI benefits.
New Jersey	We have an assessment against employers for our training programs the Workforce Development Partnership program and the Supplemental Workforce Fund for Basic Skills. Also, there is an annual interest assessment for the interest due on our Title XII advance.

North Carolina	North Carolina has a reserve tax that has been in effect since 2005.
Oregon	Periodic assessments at regular intervals for supplemental Employment Department funding and for a fund that pays unpaid wages to employees whose employers go out of business.
Pennsylvania	Under Act 60 of 2012, the Interest Tax Factor, originally created for the payment of interest on federal loans, was re-purposed for the payment of debt service on the bonds as well as for interest on federal advances.
Rhode Island	We have a Job Development Fund assessment of 0.51%. Of that 0.19% is for the Governor's Workforce Board for Job Development, 0.02% is for UI and ES administrative costs, and 0.3% is to pay the annual interest on our federal Title XII advances and to pay down the loan principal.
South Dakota	Investment fund tax
Virginia	Pool tax is used recover benefits that cannot be charged to an employer as well as the difference between benefit charges and taxes collected from maximum-rated employers.

TABLE 9

State	Q. 12 - How do employers in your state file their tax returns
Connecticut	Employers may file no wage reports via IVR
Delaware	Magnetic media
Ohio	Employers who had no employees and paid no wages for a quarter can file via IVR.
Oregon	Employer payroll reports may be submitted electronically (internet) or by paper; Department of Revenue collects tax payments.
Utah	Employer UI tax reports may be submitted electronically (internet) or by paper.
Wisconsin	Employers with 25 or more employees are required to file electronically. Smaller employers may file electronically or by paper reports. Automated files are sent by employer service providers who file reports for multiple employers.

TABLE 10

State	Q.14 - Source of Funds to Pay Interest on Title XII Advances in 2013
Arizona	Revenue from special assessment tax on employers in 2011 and 2012.
Arkansas	0.2% Advance Interest Tax.
California	State General Fund
Connecticut	As UI taxes cannot be used to pay Title XII interest, we bill employers an annual Special Assessment that is used to pay Title XII interest.
Delaware	Funds have been appropriated in the state's FY 2014 budget to pay interest in CY 2013.
Georgia	Non-UI State reserves.
Indiana	7% interest surcharge added as a percentage of taxes due
Kentucky	HB 495 was passed in the 2012 Kentucky Regular Session that amended several laws that permitted the secretary to obtain funding through commercially reasonable means to pay interest on federal unemployment loans
Missouri	Special employer assessment

New Jersey	A special interest assessment is made against each employer. The interest assessment was levied in FY 2011, FY 2012 and will be made in FY 2013.
North Carolina	We will use the reserve fund to pay the interest.
Ohio	A combination of the UI penalty and interest fund and the State's general revenue fund.
Pennsylvania	Pennsylvania will repay its current Title XII loan prior to September 30th, 2013 and will not incur any federal loan interest costs this year.
Rhode Island	An interest assessment on all contributory employers of 0.3% which is included in our Job Development Fund assessment. The taxable wage base is the same as UI.
Vermont	General Fund
Wisconsin	Current state law provides for a special assessment against employers with a taxable payroll in excess of $25,000 for the previous calendar year to pay the interest. Legislation was recently enacted that would appropriate state general purpose revenue to pay up to a total of $30 million for the interest due Sept. 30, 2013 and 2014.

TABLE 11

State	Q.15 - Special Action to Reduce or Eliminate the Credit Reduction
Arizona	Legislation was enacted for bonding to pay off the outstanding loan balance.
Georgia	1) Multiple pre-payments to reduce loan principal and interest. 2) May apply for a CAP on credit reduction for 2013.
Indiana	Indiana is applying for a waiver of the BCR-Add on for 2013
New Jersey	We are exploring the use of a loan from the State's general fund in November to pay off the loan balance and extinguish the FUTA offset credit.
South Carolina	SC is applying for a waiver of the BCR-add on and the 1.2% FUTA credit reduction. The legislative changes to increase solvency should be sufficient to meet the avoidance criteria.
Vermont	Yes, efforts underway to pay the loan off in its entirety prior to Nov. 10, 2013
Wisconsin	Wisconsin’s 2013-2014 budget authorized a short term loan of up to $50 million from General Purpose Revenues if the state’s loan would avoid a credit reduction.

TABLE 12

State	Q.16 - Considering borrowing from private sector to repay Title XII Advances
Arizona	Legislation passed to allow this.
Connecticut	The Labor Department has had ongoing discussions with our state Treasurer's Office to determine the feasibility of issuing revenue bonds as an alternative financing option. To date we have not elected that option.
Pennsylvania	Pennsylvania's outstanding Title XII advances were fully repaid via the issuance of bonds in 2012.
Wisconsin	Legislation is being considered which would authorize the use of private bonds to repay loans.

APPENDIX TWO

BACKGROUND INFORMATION

Created by the Social Security Act of 1935, the UI system has been a successful social insurance program for over 75 years. UI provides temporary, targeted, timely and partial wage replacement to laid-off workers. The UI system is a unique federal-state partnership. State unemployment benefits are financed through state payroll taxes generally on employers, which are held in individual state trust fund accounts in the federal unemployment trust fund in the US Treasury. States establish the parameters for determining the benefit amount for unemployed individuals including the initial and continuing eligibility requirements, and the level and duration of individual benefit amounts. States administer state unemployment insurance programs, but administrative funding comes from the federal government. The system is decentralized to the state level to address the varying economic conditions among the states.

UI Financing:
Employers receive a 5.4 percent credit on their Federal Unemployment Tax Act (FUTA) tax rate if the state's UI program is in compliance with federal law. All states are in compliance. The FUTA tax rate for employers is 6.0 percent for a net rate of 0.6 percent on the first $7,000 of each worker's gross earnings, thus equating to a $42 annual tax per worker. Funding for administration of the federal-state UI system is appropriated by Congress from the FUTA revenue. State UI payroll taxes fund benefit payments to unemployed individuals who meet the requirements of the specific state's law. Employers in states with overdue outstanding federal loans might pay a higher tax rate. FUTA tax revenue generally pays for administration of federal and state UI benefits, labor market information, and employment service administration, the federal half [2]of the permanent federal-state extended benefits program, and federal loans to insolvent state UI programs.

Changes to UI financing mechanisms are automatic, discretionary, or statutory, for example:

- Automatic adjustments are based on tax schedules and triggers already in state laws and are often dependent on the level of reserves in state trust UI funds or based on an index (including shifts to higher UI tax schedules, the introduction of solvency taxes, freezes to benefit levels, increases to employer's experience ratings, and increases to state taxable wage bases based on indexation).
- Discretionary adjustments are a result of actions authorized under state law and implemented by state authorities or agencies (including issuance of bonds, the introduction of special assessments such as surtaxes on a state's employers, and decisions to borrow funds from the state), and
- Statutory adjustments are modifications to state UI financing laws enacted by state legislatures (including adjustments to UI tax schedules and tax rates within state tax schedules, increases to state taxable wage bases, adjustments to state automatic triggers to taxes or benefits, and measures to reduce UI benefit outlays such as reductions in minimum and maximum weekly benefit levels or decreasing the maximum duration of benefits allowed).

UI Benefits:
State UI Programs provide unemployment benefits to eligible workers who are unemployed through no fault of their own (as determined under state law), and meet other eligibility requirements of state law. Eligibility for unemployment insurance, benefit amounts and the length of time benefits are available are determined by state law.

Eligible UI Claimants must meet the state requirements for wages earned or time worked during an established period of time referred to as a "base period." (In most states, this is usually the first four of the last five completed calendar quarters prior to the time a claim is filed).

[2]The Emergency Unemployment Compensation Act of 2008 provided federal general revenue funding for EB and EUC

States set specific requirements to determine benefits levels and duration. In general, benefits are based on a percentage of an individual's earnings over a recent 52-week period - up to a state maximum amount, and benefits can be paid for a maximum of 26 weeks in most States. Additional weeks of benefits may be available during times of high unemployment. Some states provide additional benefits for specific purposes, such as to support training.

To reduce UI benefit outlays, state benefit structures can be modified by restricting eligibility, capping or reducing the maximum weekly benefit amount, reducing the wage replacement fractions, cutting the potential duration of eligibility, reducing and collecting improper payments, or reducing the average duration on UI through cost-effective reemployment services, and reemployment and eligibility assessments.

UI Administration:

Administering unemployment benefits involves: (1) processing initial and continued claims for both state and federal benefit payments; (2) collecting unemployment taxes; (3) preventing improper payments and fraud; (4) answering questions from UI claimants and employers; and (5) adjudicating eligibility issues, such as disputes about job separations between UI claimants and employers.

Federal Borrowing Requirements:

Federal law contains an automatic loan repayment provision -- known as the FUTA credit reduction --for states with loans that have been outstanding for roughly two to three years. Specifically, if a state has an outstanding loan on January 1st of two consecutive years and does not fully repay the advances by the November 10th following the second January 1st, the credit employers in the state receive on the federal unemployment tax is reduced in the next year and the revenue generated from the credit reduction is applied to the outstanding loan until it is repaid. Each year the loans are overdue, the FUTA credit is reduced 0.3 percentage points, which increases the net tax rate by 0.3 percentage points in the first year it is overdue for a tax rate of 0.9 percent, 0.6 percent in the second year it is overdue for a tax rate of 1.2 percent, and so on until the 5.4 percent credit is reduced to zero or the loan is repaid. Additional credit reductions after the first credit reduction might apply also.

To avoid these FUTA credit reductions, states have a number of options, such as increasing tax revenue, reducing benefit outlays, seeking additional funding from other state sources, or borrowing from the private sector to repay the federal loans and/or increasing UI contributions or reducing benefit outlays to regain or maintain solvent state UI trust funds.

States might choose to borrow from the private capital markets to repay their federal loans or finance UI benefit outlays when the costs associated with borrowing or maintaining outstanding loans from the federal government get too high relative to the costs of the private market. To do so, states are typically required to enact legislation authorizing the issuance of bonds. Standard bond authorizing legislation spells out the characteristics of the bonds the state or agency can issue and establishes a special UI assessment (or surtax) to be levied on a state's employers after the bond is issued in order to pay the costs associated with the payment of principal and interest on the bond. Since the recession, and as of July 18, a total of five states – Colorado, Idaho, Illinois, Michigan and Texas – have issued more than $7.3 billion in municipal debt to repay their outstanding Title XII advances.

Table 1: 2012 UI Financial Data

Source: ETA Financial Data Handbook 394 Report, USDOL (2012)

	Average Employer Tax Rate as a Percent of Total Wages	Average Employer Tax Rate as a Percent of Taxable Wages
United States	0.90	3.40
Alabama	0.90	3.80
Alaska	1.50	2.50
Arizona	0.40	2.20
Arkansas	1.20	3.40
California	0.90	5.30
Colorado	0.90	3.50
Connecticut	1.00	4.00
Delaware	0.60	2.70
Dist. of Col.	0.40	2.80
Florida	0.70	3.49
Georgia	0.60	2.50
Hawaii	1.70	2.60
Idaho	1.90	2.90
Illinois	1.20	4.40
Indiana	0.80	3.20
Iowa	1.50	2.70
Kansas	0.90	2.70
Kentucky	0.90	3.50
Louisiana	0.40	1.90
Maine	1.00	3.00
Maryland	1.00	5.30
Massachusetts	1.20	4.30
Michigan	1.20	5.50
Minnesota	1.10	2.30
Mississippi	0.90	2.20
Missouri	0.80	2.40
Montana	1.20	1.90
Nebraska	0.80	3.20
Nevada	1.10	1.80
New Hampshire	1.00	3.60
New Jersey	1.30	3.00
New Mexico	0.90	1.70
New York	0.70	4.60
North Carolina	1.00	2.20
North Dakota	0.70	1.30
Ohio	0.90	3.80
Oklahoma	1.00	2.10
Oregon	1.80	3.10
Pennsylvania	1.30	6.50
Puerto Rico	1.10	3.60
Rhode Island	1.60	3.80
South Carolina	1.00	3.40
South Dakota	0.50	1.40
Tennessee	0.80	3.40
Texas	0.70	3.10

Utah	0.90	1.50
Vermont	1.40	4.00
Virginia	0.50	2.60
Virgin Islands	0.20	0.40
Washington	1.30	2.20
West Virginia	1.10	3.20
Wisconsin	1.40	4.30
Wyoming	1.50	3.00

Table 2: Significant Provisions of State Unemployment Insurance Laws in 2012 (Link)

Source: USDOL, Employment and Training Administration's Office of Workforce Security

State	2012 Wages Subject to Tax	2012 Min, Max and New Employer Rates		State	2012 Wages Subject to Tax	2012 Min, Max and New Employer Rates		State	2012 Wages Subject to Tax	2012 Min, Max and New Employe r Rates
Ala.	$8,000	0.59% 6.74% 2.70%		**La.**	$7,700*	0.10% 6.20% In Avg%		**Okla.**	$19,100 *	0.30% 9.20% 1.00%
Alaska	$35,800 *	1.31% 5.40% 2.38%		**Maine**	$12,000	0.88% 8.10% 3.08%		**Ore.**	$33,000 *	2.20% 5.40% 3.30%
Ariz.	$7,000	0.02% 6.38% 2.00%		**Md.**	$8,500	2.20% 13.50% 2.60%		**Pa.**	$8,000	2.43% 10.58% 3.70%
Ark.	$12,000	1.20% 7.10% 4.00%		**Mass.**	$14,000	1.26% 12.27% 2.83%		**P.R.**	$7,000	2.40% 5.40% 3.30%
Calif.	$7,000	1.50% 6.20% 3.40%		**Mich.**	$9,500	0.06% 11.05% 2.70%		**R.I.**	$19,600 or $21,100 for high tax group employer s*	2.20% 10.30% 2.46%
Colo.	$11,000	1.00% 5.40% 1.70%		**Minn.**	$28,000 *	0.678% 10.870% 3.572%		**S.C.**	$12,000	0.098% 8.686% 2.212%
Conn.	$15,000	1.90% 6.80% 4.20%		**Miss.**	$14,000	0.95% 5.40% 1.15%		**S.D.**	$12,000	0.00% 9.50% 1.20%
Del.	$10,500	0.30% 8.20% 3.10%		**Mo.**	$13,000 *	0.00% 9.75% 3.51%		**Tenn.**	$9,000*	0.50% 10.00% 2.70%
D.C.	$9,000	1.60% 7.00% 2.70%		**Mont.**	$27,000 *	0.82% 6.12% In Avg%		**Texas**	$9,000	0.61% 7.58% 2.70%
Fla.	$8,000	1.51% 5.40% 2.70%		**Neb.**	$9,000	0.00% 6.12% In Avg%		**Utah**	$29,500 *	0.40% 7.40% In Avg%
Ga.	$8,500	0.04% 8.10%		**Nev.**	$26,400 *	0.25% 5.40%		**Vt.**	$16,000 *	1.30% 8.40%

		2.62%				2.95%				1.00%
Hawaii	$38,800 *	1.20% 5.40% 4.00%		**N.H.**	$14,000	2.60% 7.00% 3.70%		**Va.**	$8,000	0.83% 6.93% 3.23%
Idaho	$34,100	0.96% 6.80% 3.36%		**N.J.**	$30,300 *	0.60% 6.40% 3.10%		**V.I.**	$23,700 *	0.50% 6.00% 1.00%
Ill.	$13,560 *	0.55% 9.45% 4.35%		**N.M.**	$22,400 *	0.05% 5.40% 2.00%		**Wash .**	$38,200 *	0.14% 5.82% In Avg%
Ind.	$9,500*	0.50% 7.40% 2.50%		**N.Y.**	$8,500	0.90% 8.90% 3.40%		**W. VA**	$12,000 *	1.50% 8.50% 2.70%
Iowa	$25.300 *	0.00% 9.00% 1.50%		**N.C.**	$20,400 *	0.00% 6.84% 1.20%		**Wis.**	$13,000	0.27% 9.80% 3.60%
Kan.	$8,000	0.11% 9.40% 4.00%		**N.D.**	$27,900 *	0.20% 9.91% 1.36%		**Wyo.**	$23,000 *	0.65% 10.00% In Avg%
Ky.	$9,000	1.00% 10.00% 2.70%		**Ohio**	$9,000	0.70% 9.10% 2.70%				

* These states have indexed taxable wage bases for 2012, according to the USDOL Comparison of State Unemployment Laws (available here).