




GEORGIA DEPARTMENT OF LABOR

148 ANDREW YOUNG INTERNATIONAL BLVD., N.E. ♦ ATLANTA, GEORGIA 30303-1751

MICHAEL L. THURMOND
COMMISSIONER

MEMORANDUM

TO: Georgia Employers

FROM: Michael Thurmond 

RE: 2009 Unemployment Insurance Tax Update

DATE: December 10, 2008

I am pleased to announce that experience-rated Georgia employers with positive reserve accounts will benefit from \$25 million in unemployment insurance (UI) tax savings in 2009. The \$25 million reduction will follow the \$100 million tax cut provided in 2008, bringing total employer tax savings since 1999 to over \$1.7 billion. This much needed tax relief will help protect existing jobs and stimulate new hiring.

Fueled by increasing job losses, home mortgage foreclosures and the credit crisis, the ongoing recession has driven up the number and cost of unemployment claims in 2008. In order to protect UI Trust Fund solvency, experience-rated employers who sustained significant layoffs and those employers with negative reserve accounts may see a modest increase in their premiums. Actual premium costs are determined by historical experience factors that include an employer's account balance, benefit charges incurred, number of insured employees, average annual payroll and applicable tax rates.

Georgia has the 10th lowest average UI tax rate in the nation. A key factor in maintaining low tax rates and Trust Fund solvency is our focus on helping unemployment claimants get back to work quickly. Georgia is a national leader in returning UI claimants to work. For the twelve months ending 10/31/08, the national average duration of unemployment claims was 15.2 weeks, while Georgia's duration was only 11.6 weeks. Surpassing the national average by 3.6 weeks allowed us to save \$194 million in benefit payments during 2008.*

Prevailing economic conditions will make it increasingly difficult to fund claim costs and keep tax rates low. You can help reduce Trust Fund costs by hiring qualified UI claimants. For more information, go to: <http://www.dol.state.ga.us/em> and select "Recruit New Employees." To post your job orders, call toll-free 1-877-JOBS-4-GA (1-877-562-7442).

Thank you for all you do to "Keep Georgia Working."

*See chart on reverse side.

**Top 10
States Ranked by Average Weeks UI Duration
October 2008**

Rank	State	Average Duration of Benefits *	12 month Initial UI Claims **	12 month Number of Weeks Compensated **	12 month Benefits Paid **
1	South Dakota	10.8	17,994	84,708	\$19,607,263
2	North Dakota	11.2	25,408	149,648	\$41,901,922
3	Georgia	11.6	634,418	3,123,307	\$819,712,468
4	Nebraska	11.8	74,095	411,070	\$95,499,568
4	Alabama	11.8	289,533	1,464,426	\$280,268,598
5	Iowa	12.4	231,475	1,319,757	\$378,870
5	Idaho	12.4	126,364	735,570	\$188,477,951
6	Virginia	12.6	306,919	1,650,767	\$450,520,867
7	Wyoming	12.9	20,891	142,075	\$42,592,094
8	New Hampshire	13.0	63,908	400,485	\$105,788,023
9	Indiana	13.1	529,887	2,967,446	\$855,249,303
10	Colorado	13.3	143,264	1,103,503	\$368,618,021

* -Average Duration of Benefits presented in weeks

** -12 month period beginning November 2007 through October 2008