

2009 Information On Rate Computations For Private Employers

IMPORTANT: Questions about rates should be in writing as the information may be confidential.

Please direct phone inquiries to 800-972-2024 or 515-281-5339.

How Rates Are Computed (For Employers Eligible For A Computed Rate)

Rates for private employers are calculated on a “benefit ratio” system. Rates are calculated in four steps:

1. Selection of the Rate Table

There are eight rate tables each having 21 ranks. Rates vary from 0.00 to 9.00% on table 1 and from 0.00 to 7.00% on table 8. The table in effect for 2009 is **Table 6**. The table used is decided by a formula that considers:

- the total money available to pay benefits on the rate computation date (July 1, 2008)
- the total wages paid by contributory employers in the first four of the five calendar quarters immediately before the rate computation date
- the highest 12 consecutive month benefit cost ratio in the 10 years ending on the computation date

2. Determining Each Employer’s Benefit Ratio

Divide the employer's average annual benefits paid for five years before the computation date by their average annual taxable payroll for the same five years.

3. Ranking Employers by Benefit Ratio

Each employers benefit ratio is compared to every other employer.

- List all employers by increasing benefit ratios, from the lowest to the highest.
- Group the employers on the list into 21 ranks, each rank having about 4.76% (1/21) of the total taxable wages reported by the same employers for the four calendar quarters immediately before the computation date.

- NOTE**
- All employers with the same benefit ratio are given the same rank
 - Employers with taxable wages that overlap ranks are given the lower of the two ranks.

4. Applying the Rate Table (1) to the Rankings (3)

- Employers whose benefit ratios put them in rank 1 are assigned the rank 1 on table 6. Employers whose benefit ratios place them in rank 2 are assigned the rank 2 rate and so forth.
- See section 1 of the Notice of Unemployment Insurance Contribution Rate for your rate. The contribution rate in section 1 is the state experience rate as defined on Federal Form 940.
- For 2009, the Reserve Fund Rate is 0.00%.

NOTE You must file a timely report even if you have a zero rate. You do not have to pay amounts under \$1.00 owed on a report.

Benefit Ratio Rankings For 2008 And 2009

2008				2009			
RANK	BENEFIT RATIOS		RATE FROM TABLE 6	RANK	BENEFIT RATIOS		RATE FROM TABLE 6
	FROM	TO			FROM	TO	
1,2,3	Lowest	0.0541	0.00	1,2,3	Lowest	0.0530	0.00
4	0.0542	0.1137	0.10	4	0.0531	0.1018	0.10
5	0.1138	0.1819	0.20	5	0.1019	0.1633	0.20
6	0.1820	0.2442	0.30	6	0.1634	0.2109	0.30
7	0.2443	0.2915	0.40	7	0.2110	0.2652	0.40
8	0.2916	0.3483	0.50	8	0.2653	0.3105	0.50
9	0.3484	0.3919	0.60	9	0.3106	0.3668	0.60
10	0.3920	0.4635	0.60	10	0.3669	0.4031	0.60
11	0.4636	0.5544	0.70	11	0.4032	0.4828	0.70
12	0.5545	0.5951	0.90	12	0.4829	0.5632	0.90
13	0.5952	0.6891	1.10	13	0.5633	0.6364	1.10
14	0.6892	0.7763	1.30	14	0.6365	0.7307	1.30
15	0.7764	0.9234	1.60	15	0.7308	0.8382	1.60
16	0.9235	1.1139	1.90	16	0.8383	1.0469	1.90
17	1.1140	1.3758	2.30	17	1.0470	1.2962	2.30
18	1.3759	1.7291	3.10	18	1.2963	1.6782	3.10
19	1.7292	2.5809	4.20	19	1.6783	2.3377	4.20
20	2.5810	4.4323	5.80	20	2.3378	4.3110	5.80
21	4.4324	HIGHEST	8.00	21	4.3111	HIGHEST	8.00

Miscellaneous Information

1. Rates for "Newly Covered" Employers:

- **Non-Construction Employers** not eligible for a computed rate are given the rate in rank 12 but not less than 1.00%. For 2009 the rate is **1.00%**.
- **Construction Employers** not eligible for a computed rate are given the rate in rank 21. For 2009 the rate is **8.00%**.

2. Taxable Wage Base

- The taxable wage base is two-thirds of the average annual wage paid in Iowa for the calendar year before the rate computation date.
- For 2009, the taxable wage base is **\$23,700.00**.

Appeals Must:

1. Be in **writing**
2. Be filed **within 30 days** of the rate notice date
3. State that it is an **appeal**
4. Give the **grounds** for the appeal. Grounds include:
 - an error in the rate
 - a favorable claims decision issued since the rate computation date or that you expect to receive on an appeal in progress

Grounds do not include "fairness" or "financial hardship". We cannot reduce rates that are correctly calculated.

5. Include your Iowa **Employer Account Number**
6. Be **mailed to:**

Iowa Workforce Development
 Unemployment Insurance Division - Tax Bureau
 1000 East Grand Avenue
 Des Moines, Iowa 50319-0209

