



Unemployment Insurance Tax Rates for 2019

The rate schedule for each calendar year is based on the Unemployment Insurance Trust Fund balance as of October 31, divided by the total wages paid to all employees covered under Unemployment Insurance for the previous state fiscal year. The resulting ratio determines which of the eleven schedules will be in effect for the year. Schedule I will be in effect for 2019.

Each employer is assigned a contribution rate based on their reserve ratio, which is contributions paid minus benefits charged since October 1, 1981, divided by average annual taxable payroll for the prior three fiscal years ending September 30. All employers are arranged from the highest positive reserve ratio to the highest negative reserve ratio. The highest positive reserve ratio is assigned the lowest contribution rate. The rate class that the reserve ratio falls into determines individual rates.

The 2019 reserve ratios assigned to each rate class are listed below. Employers in eligible rate class 1 and 2 have a 0.00% contribution rate and an Administrative Fund Tax (AFT) rate of 0.13% for a total Tax Rate of 0.13%. An Administrative Fund Tax (AFT) of 0.18% is assigned to all other employers in addition to their contribution rate. The total rate is the contribution rate plus the AFT rate.

Eligible Employers

Positive Reserve Ratio of:	Rate Class	Contribution Rate	AFT Rate	Total Rate
0.170013 to 999.999999	Eligible 1	0.00%	+0.13%	= 0.13%
0.147198 to 0.170012	Eligible 2	0.00	+0.13	= 0.13
0.138597 to 0.147197	Eligible 3	0.02	+0.18	= 0.20
0.134569 to 0.138596	Eligible 4	0.22	+0.18	= 0.40
0.130608 to 0.134568	Eligible 5	0.42	+0.18	= 0.60
0.124868 to 0.130607	Eligible 6	0.62	+0.18	= 0.80
0.115620 to 0.124867	Eligible 7	0.82	+0.18	= 1.00
0.094266 to 0.115619	Eligible 8	1.02	+0.18	= 1.20
0.056892 to 0.094265	Eligible 9	1.22	+0.18	= 1.40
0.000000 to 0.056891	Eligible 10	1.42	+0.18	= 1.60

Deficit Employers

Negative Reserve Ratio of:	Rate Class	Contribution Rate	AFT Rate	Total Rate
-0.000001 to -0.004811	Deficit 1	2.92%	+0.18%	= 3.10%
-0.004812 to -0.013287	Deficit 2	3.12	+0.18	= 3.30
-0.013288 to -0.024276	Deficit 3	3.32	+0.18	= 3.50
-0.024277 to -0.049005	Deficit 4	3.52	+0.18	= 3.70
-0.049006 to -0.066677	Deficit 5	3.72	+0.18	= 3.90
-0.066678 to -0.122696	Deficit 6	3.92	+0.18	= 4.10
-0.122697 to -0.215561	Deficit 7	4.12	+0.18	= 4.30
-0.215562 to -0.340766	Deficit 8	4.32	+0.18	= 4.50
-0.340767 to -0.668535	Deficit 9	4.52	+0.18	= 4.70
-0.668536 to -999.999999	Deficit 10	6.12	+0.18	= 6.30

2019 Taxable Wage Base is \$33,000

The taxable wage base for 2019 is \$33,000, which is 80% of the 2017 average annual wage in Montana. All experience rated employers have the same taxable wage base.

Frequently Asked Questions

The most commonly asked questions by employers after receiving an Unemployment Insurance Contribution Rate Notice are:

Q: Why did my tax rate go up?

There are several reasons why the rate may go up. The most common reasons are:

- An increase in benefit charges to your account will decrease your reserve ratio and cause your rate to increase;
- An increase in your taxable wages from one year to the next may cause your reserve ratio to go down, and a decrease in your reserve ratio will usually cause your rate to increase;
- Converting/changing from a new employer rate based on the industry average to an experience-rated employer based on your own experience may result in an increase to your rate.
- The Rate Schedule changed from Schedule II in 2018 to Schedule I in 2019, resulting in an average contribution rate decrease of .20% for experience rated employers.

The rate may go up as a result of one or a combination of the above.

Q: My rate notice shows a 0.00% contribution rate. Is this correct?

Yes, employers who have paid in more contributions than benefit charges and fall into eligible rate class 1 and 2 will be assigned a 0.00% rate. These employers must continue to file reports and pay the Administrative Fund Tax of 0.13% on the taxable wages.

Q: What is a Penalty Rate?

Employers who have a balance due or have not filed all reports when rates are calculated in December will receive a “**penalty rate**”. A penalty rate is 50% higher than the computed rate. To avoid a penalty rate, an employer must pay all tax, penalty and interest due and file delinquent reports with payment of tax, late file penalties and interest by **January 11, 2019**.

Q: Can I File UI reports electronically?

Find out how easy it is to file on-line at uieservices.mt.gov. Beginning in 2019, employers with more than 20 employees and all tax preparers will be required to e-file Montana UI reports. UI eServices provides current and past year's UI tax rates, copies of notices and correspondence sent to you, the ability to respond electronically to benefit claims notices, and more. Tax preparers who are authorized can obtain the rates for all of their clients online. Have questions? Call us at (406) 444-3834 option 2.

For more information on 2019 UI rates, go to <http://uid.dli.mt.gov/>