

**Department of Labor & Industry
Unemployment Insurance Division
Contributions Bureau
New Employer Rates for 2010**

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What is a New Employer?

A "new employer" is an employer who:

- has not been a covered employer throughout the entire three fiscal years ending September 30, 2009 (for 2010 the three federal fiscal years are October 1, 2006 through September 30, 2009) and
- has paid more in contributions than the amount of benefits charged to the employer's account.

How are New Employer Rates Assigned?

"New employers" are assigned the average contribution rate of employers classified in their industry. There are ten "new employer" rate classifications. In addition to the new employer rate, an Administrative Fund Tax (AFT) of 0.18% is assigned. The total rate is the contribution rate plus the AFT rate.

Classification	2010 Contribution Rate	2010 AFT Rate	2010 Total Rate
Agriculture, Forestry, Hunting and Fishing	2.50%	+ 0.18	= 2.68%
Construction	3.00	+ 0.18	= 3.18
Finance, Insurance and Real Estate	1.50	+ 0.18	= 1.68
Manufacturing	1.90	+ 0.18	= 2.08
Mining	2.10	+ 0.18	= 2.28
Retail Trade	1.60	+ 0.18	= 1.78
Services	1.80	+ 0.18	= 1.98
Utilities, Transportation, and Warehousing	1.80	+ 0.18	= 1.98
Wholesale Trade	1.60	+ 0.18	= 1.78
Unclassified Establishments (employers that have not provided the Department with enough information for a classification to be assigned)	3.00	+ 0.18	= 3.18

If a new employer operates more than one type of business under the same entity, for example a casino (Services) and restaurant (Retail Trade), revenue or employment may be used to determine the industrial classification. If you have questions concerning the industrial classification to which your business is assigned, please call the Department of Labor and Industry, Research and Analysis Bureau at (406) 444-2430. If you have questions about the rate assigned to your business, contact the UI Contributions Bureau at 406-444-3834.

Why did rates increase from last year?

The primary reason UI rates increased is the economic downturn caused a significant increase in UI benefit payments resulting in a much lower UI trust fund. The trust fund balance is a principal factor in setting employer contribution rates. The fund balance on October 31, 2009 was \$191 million whereas on the same date last year, it was \$290 million.

What is a Penalty Rate?

Employers who have a balance due or have not filed all reports when rates are calculated will receive a "penalty rate". A penalty rate is 50% higher than the New Employer rate assigned. All money and report delinquencies must be resolved by January 8, 2010 to avoid a penalty rate.

2010 Taxable Wage Base is \$26,000

The taxable wage base for 2010 is \$26,000, which is 80% of the 2008 average annual wage in Montana. All experience rated employers have the same taxable wage base.