



December 15, 2025

To Our Valued Montana Employers:

In 2026, Montana employers will collectively save more than \$23 million in Unemployment Insurance (UI) taxes, benefiting over 32,000 businesses statewide! Your enclosed notice provides your business's specific 2026 tax rate.


These savings are the direct result of deliberate, data-driven actions by the Montana Department of Labor & Industry (DLI) to strengthen the long-term health of the UI system while ensuring fairness and reliability for the employers who fund it and the workers it serves. In 2024, DLI commissioned an independent actuarial review of Montana's UI trust fund, evaluating contribution rates, benefit payments, wage growth, and long-term economic scenarios to ensure the fund was not only solvent but actuarially sound under future stress conditions. The analysis confirmed that Montana's UI trust fund is exceptionally healthy, well above federal solvency benchmarks, and able to support lower employer tax rates without risking benefit availability in future economic downturns. This actuarial strength provides the objective foundation to responsibly modernize Montana's UI tax structure.

DLI has also strengthened efforts to protect employer-funded UI dollars from fraud and misuse. In partnership with the Montana Department of Justice's Motor Vehicle Division, the state has enhanced identity verification and cross-matching tools to ensure UI benefits are paid only to eligible individuals. These safeguards reduce improper payments, protect the integrity of the UI system, and prevent unnecessary upward pressure on employer tax rates, because every dollar prevented from fraud is a dollar that does not need to be collected from Montana businesses.

Building on this actuarial analysis and system integrity work, the 2025 Legislature enacted House Bill 210, sponsored by Representative Steve Fitzpatrick and signed into law by Governor Gianforte. HB210 established an automatic, transparent trigger that reduces UI tax rates when the trust fund balance exceeds 2.8% of total wages in the prior fiscal year, providing predictability and stability for employers while maintaining a secure benefit system for workers. That trigger was met in the past fiscal year, resulting in a 0.20% UI tax rate reduction for all experience-rated employers in 2026, and more than 7,100 Montana employers will qualify for a zero-percent UI tax rate in 2026.

Montana's UI program continues to be recognized among the strongest systems in the nation. Through actuarial discipline, fraud prevention, and thoughtful legislative reform, DLI is ensuring that unemployment insurance is available when workers need it, while keeping employer costs reasonable and predictable.

Thank you for your continued partnership and for employing Montana workers!

Sincerely,  
  
Sarah Swanson  
Commissioner