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What is Montana's 2026 Taxable Wage Base?

How is Montana's Rate Schedule determined each year?

The Rate Schedule for 2026 is Schedule 1. The following data was used to determine this schedule:

The Schedule of Contribution Rates below determines the rate schedule based on the minimum ratio. This ratio falls in Schedule 1 (circled). Therefore, rates will range from 0.00% to 6.12%. The average rate will be 0.95%.

[illegible]

How is an employer's individual rate assigned?

There are three types of experience-rated accounts: **New Employer**, **Eligible Employer**, and **Deficit Employer**. The criteria and the 2026 rates for each type are below. Montana UI rating system is very responsive and initially assigns each employer's rate according to their industry, and then to their record. *Over 7,200 employers received a 0% rate!*

New Employers	If your Industry Classification is	2026 UI Rate
<ul style="list-style-type: none">Positive reserve (more taxes paid in than benefits charged to the account)Less than 3 full federal fiscal years of experience (10/1/2022 - 9/30/2025)Industry rates are the average UI rate of employers in each industry classificationAdministrative Fund Tax (AFT) is 0.18%	A - Agriculture, Forestry, Hunting & Fishing B - Mining C - Construction D - Manufacturing E - Utilities, Transportation, Warehousing F - Wholesale Trade G - Retail Trade H - Finance, Insurance, & Real Estate I - Services K - Unclassified Establishments	1.30% 1.30 2.00 1.00 1.00 1.00 1.00 1.00 1.10 2.00

Eligible Employers	If your reserve ratio is between	Your rate class will be	2026 UI Rate
<ul style="list-style-type: none">Reserve is positive (more taxes paid in than benefits charged to the account)At least 3 full federal fiscal years of experience (10/1/2022 - 9/30/2025)Paid wages in at least 1 of the 8 preceding calendar quartersEligible Classes 3-10, then AFT is 0.18% Eligible Classes 1-2, then AFT is 0.13%	0.144911 to 999.999999 0.131029 to 0.144910 0.126387 to 0.131028 0.122856 to 0.126386 0.120294 to 0.122855 0.110176 to 0.120293 0.093004 to 0.110175 0.069556 to 0.093003 0.044490 to 0.069555 0.000000 to 0.044489	Eligible 01 Eligible 02 Eligible 03 Eligible 04 Eligible 05 Eligible 06 Eligible 07 Eligible 08 Eligible 09 Eligible 10	0.00% 0.00 0.00 0.02 0.22 0.42 0.62 0.82 1.02 1.22

Deficit Employers	If your reserve ratio is between	Your rate class will be	2026 UI Rate
<ul style="list-style-type: none">Reserve is negative (more benefits have been charged than taxes paid in)The number of years of experience does not matterAdministrative Fund Tax is 0.18%	-0.000001 to -0.004449 -0.004450 to -0.008670 -0.008671 to -0.013140 -0.013141 to -0.021014 -0.021015 to -0.029349 -0.029350 to -0.059270 -0.059271 to -0.123080 -0.123081 to -0.294938 -0.294939 to -0.689888 -0.689889 to -999.999999	Deficit 01 Deficit 02 Deficit 03 Deficit 04 Deficit 05 Deficit 06 Deficit 07 Deficit 08 Deficit 09 Deficit 10	2.72% 2.92 3.12 3.32 3.52 3.72 3.92 4.12 4.32 6.12

What is the Administrative Fund Tax?

All employers pay Administrative Fund Tax (AFT) which funds programs administered by the Montana Department of Labor & Industry. UI tax is used solely for UI benefits paid. The AFT rate is 0.18% except for employers in Eligible Rate Classes 01 and 02 who have an AFT rate of .13%

What is a "Penalty Rate"? Can I do anything to reduce my rate to the calculated rate?

Employers who owe tax, penalty or interest or have not filed all reports when rates are calculated in December will receive a "penalty rate". A penalty rate is 50% higher than your assigned rate. To lower their rate, an employer must file all reports and pay all tax, penalty, and interest on their account by **January 16, 2026**. Resolving delinquent taxes and reports can result in significant UI tax savings throughout the year.