

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 2025 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 5,500 employers received a 0% rate!*

New Employers	If your Industry Classification is	2025 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 (10/1/2021 - 9/30/2024) Industry rates are the average UI rate of employers in each industry classification Administrative Fund Tax (AFT) is 0.18% 	A - Agriculture, Forestry, Hunting & Fishing	1.30 %
	B - Mining	1.20
	C - Construction	2.00
	D - Manufacturing	1.00
	E - Utilities, Transportation, Warehousing	1.00
	F - Wholesale Trade	1.00
	G - Retail Trade	1.00
	H - Finance, Insurance, & Real Estate	1.00
	I - Services	1.10
	K - Unclassified Establishments	2.00

Eligible Employers	If your reserve ratio is between	Your rate class will be	2025 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 (10/1/2021 - 9/30/2024) Paid wages in at least 1 of the 8 preceding calendar quarters If UI rate > 0%, then AFT is 0.18% If UI rate = 0%, then AFT is 0.13% 	0.151385 to 999.999999	Eligible 01	0.00%
	0.135544 to 0.151384	Eligible 02	0.00
	0.128549 to 0.135543	Eligible 03	0.02
	0.125182 to 0.128548	Eligible 04	0.22
	0.123304 to 0.125181	Eligible 05	0.42
	0.112212 to 0.123303	Eligible 06	0.62
	0.096324 to 0.112211	Eligible 07	0.82
	0.071355 to 0.096323	Eligible 08	1.02
	0.044149 to 0.071354	Eligible 09	1.22
	0.000000 to 0.044148	Eligible 10	1.42

Deficit Employers	If your reserve ratio is between	Your rate class will be	2025 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 matter Administrative Fund Tax is 0.18% 	-0.000001 to -0.003034	Deficit 01	2.92 %
	-0.003035 to -0.007423	Deficit 02	3.12
	-0.007424 to -0.010309	Deficit 03	3.32
	-0.010310 to -0.015134	Deficit 04	3.52
	-0.015135 to -0.018809	Deficit 05	3.72
	-0.018810 to -0.047638	Deficit 06	3.92
	-0.047639 to -0.115424	Deficit 07	4.12
	-0.115425 to -0.293305	Deficit 08	4.32
	-0.293306 to -0.606765	Deficit 09	4.52
	-0.606766 to -999.999999	Deficit 10	6.12

What is the Administrative Fund Tax? All employers pay the Administrative Fund Tax (AFT) which funds some of the programs of the Montana Department of Labor & Industry. UI taxes are used solely for UI benefits paid. The AFT rate is 0.18% except for employers in Eligible Rate Classes who are assigned a 0% UI rate. Those employers pay a lower AFT rate of 0.13%.

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 17, 2025**. Resolving delinquent taxes and reports can result in significant UI tax savings throughout the year.