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State unemployment insurance wage bases and tax rates for 2025 (preliminary as of January 25, 2025)

- 28 jurisdictions have a flexible state unemployment insurance (SUI) wage base, meaning that the wage base can increase or decrease each year. In the remaining jurisdictions, the wage base is set, requiring legislation to change it.
- Colorado had the highest dollar rise in its wage base with an increase of \$3,400 from 2024.
- Michigan, Missouri and West Virginia are the only jurisdictions to lower their SUI wage bases for 2025.
- Two states, Nebraska and Rhode Island, assign a higher SUI wage base to employers with a high claims rate.
- For a comparison of the 2024 and 2025 SUI wage bases and percentage of increase/decrease, if applicable, see *EY Tax Alert* [2025-0171](#).
- For updates to this information see our special report, *US employment tax rates and limits for 2025*, available [here](#).

SUI trust funds are largely financed by employer contributions (in Alaska, New Jersey and Pennsylvania employees also make contributions). States are required to maintain a SUI taxable wage base of no less than the limit set under the Federal Unemployment Tax Act (FUTA). The 2025 FUTA wage limit of \$7,000 has remained unchanged since 1983, despite increases in the federal minimum wage and annual cost-of-living adjustments over the last 42 years.

Some states are conservative in their approach to maintaining adequate SUI trust fund reserves. Consequently, the SUI wage base is flexible in those states, meaning it is indexed to the average wage and/or or varies based on the trust fund balance. For 2025, 28 jurisdictions have a flexible wage base. (*EY survey of states for 2025*; *US Department of Labor*, [Comparison of State Unemployment Laws](#))

SUI tax rates

The attached chart contains the 2025 SUI wage bases and the minimum and maximum SUI tax rates, including surcharges that are not certified and not included in state SUI wages on the federal Form 940. Information is also provided concerning the date that the 2025 SUI rate notices were issued. See the footnotes for details about special actions some states took to lessen increases in their SUI tax rates and/or wage bases in 2025.

SUI wage bases and tax rates for 2025 (as of January 25, 2025)

Note that the hyperlinks on the jurisdiction name point to the source of the SUI tax rate information.

(SUI rate information that is highlighted in gray is for 2024 because the 2025 information is not yet available. Wage base information for 2025 is complete unless “TBD” or “EST” is indicated. Information concerning the mailing of 2025 rate notices was not yet available at the time of this printing if highlighted in yellow.)

See the chart on the following page.

| Jurisdiction | 2025 taxable wage base | 2025 range of SUI tax rates for merit-rated employers ¹ | 2025 rate for new employers ⁶ | 2025 employee rate | 2025 surcharge not reported on Form 940 ² |
|--|------------------------|--|---|--------------------|--|
| Alabama (2025 rate notice mailed 12-10-24) | \$8,000 | 0.14-5.34% Schedule A | 2.7% | None | 0.06% ³ (Employment Security Enhancement Assessment or ESA) |
| Alaska ⁵ (2025 rate notice mailed 12-2-24) | \$51,700 ↑ | 1.0-5.4% | Varies | 0.50% | None |
| Arizona (2025 rate notice mailed 12-30-24) | \$8,000 | 0.04-9.72%↓ | 2.0% | None | None |
| Arkansas ^{*5} (2025 rate notice mailed 1-16-25) | \$7,000 | 0.200%-10.100%↓ | 1.9%↓ | None | 0.100%↓ ⁴ (Administrative Assessment) |
| California (2025 rate notice mailed 12-31-24) | \$7,000 | 1.5-6.2% Schedule F+ | 3.4% | None | 0.10% ³ (Employment Training Tax or ETT) |
| Colorado ^{*5} (2025 rate notice mailed 11-25-24) | \$27,200 ↑ | 0.64-8.86%↓ | 3.05% ↑ (building 3.08-7.65%↓) | None | % of employer's SUI rate varies by industry (Support Rate) ⁴ % of employer's SUI rate varies by industry (Solvency Surcharge) ⁴ |
| Connecticut ^{*5} (2025 rate notice mailed 12-27-24) | \$26,100 ↑ | 1.1-8.9%↑ | 2.2%↓ | None | None |
| Delaware ^{5, 7} (2024 rate notice mailed 1-5-24 and reissued 2-1-2024) | \$12,500↑ | 0.10-5.40 | 1.2%↑ | None | 0.2% ³ (special training tax assessment) |
| District of Columbia ⁷ (2025 rate notice mailed 1-10-2025) | \$9,000 | 1.9-7.4% (Tax Table VI) | 2.7% | None | 0.2% ³ (Administrative assessment) |

| Jurisdiction | 2025 taxable wage base | 2025 range of SUI tax rates for merit-rated employers ¹ | 2025 rate for new employers ⁶ | 2025 employee rate | 2025 surcharge not reported on Form 940 ² |
|--|------------------------|---|---|--------------------|--|
| Florida * (2025 rate notice mailed 12-19-24) | \$7,000 | 0.1-5.4% | 2.7% | None | None |
| Georgia * ⁷ (2025 rate notice mailed 1-2-25) | \$9,500 | 0.04-8.1% ↓ | 2.64%* ↓ (Remains in effect through December 31, 2026) | None | 0.06% ³ (Administrative Assessment) |
| Hawaii * ⁵ (2024 rate notice mailed 3-14-24) | \$62,000 ↑ | 0.0%-5.6% ↓ Schedule C | 2.4% ↓ | None | 0.01% ³ (Employment and Training (E&T) Assessment Rate) |
| Idaho * ⁵ (2025 rate notice mailed 12-12-25) | \$55,300 ↑ | 0.225-5.4% ↑ | 1.00% | None | 0.00% to 0.00675% ³ ↓ (Workforce Rate surcharge) 0.00% to 0.03825% ³ ↓ (Admin Rate surcharge) |
| Illinois * ⁵ (2025 rate notice mailed 12-17-24) | \$13,916 ↑ | 0.2-7.3% ↓ (5.4% applies to employers with a contribution rate higher than 5.4% but total quarterly wages of less than \$50,000) | 3.650% ↓ including FRR (no special industry rates) ↑ | None | 0.55% ³ (Fund Building Rate or FRR) |
| Indiana * (2025 rate notice mailed 1-03-24) | \$9,500 | 0.5-7.4% Schedule C | 2.5% (1.6% government, building rate varies) | None | 0.0% (solvency surcharge) |
| Iowa ⁵ (2025 rate notice mailed 11-20-24) | \$39,500 ↑ | 0-7.0% Table 8 | 1% (building 7.0%) | None | None |
| Kansas * ⁵ starting in 2026 (2025 rate notice mailed 11-06-24) | \$14,000 | 0.00-6.65% ↑ Schedule B | 1.75% (building 5.55%) ↓ | None | 0.0% (Fund building surcharge) |
| Kentucky * ⁵ (2025 rate notice mailed 12-16-24) | \$11,700 ↑ | 0.3%-9.0% Schedule A | 2.7% (building 9% to 10%) | None | 0.075% ³ (Service Capacity Upgrade Fund Tax (SCUF)) |

| Jurisdiction | 2025 taxable wage base | 2025 range of SUI tax rates for merit-rated employers ¹ | 2025 rate for new employers ⁶ | 2025 employee rate | 2025 surcharge not reported on Form 940 ² |
|--|--|---|---|--------------------|---|
| Louisiana ⁵ (2025 rate notice mailed 12-11-2024) | \$7,700 | 0.09-6.2% | Varies (average rate for employers in the same industrial classification (NAICS code)) | None | Varies ⁴ (Incumbent Worker Training Program and Integrity Social Charge Fund rates) |
| Maine [*] (2025 rate notice mailed 12-23-24) | \$12,000 | 0.0-5.75% Schedule A | 2.11% ↑ | None | 0.14% ³ ↑ (Competitive Skills Scholarship Fund or CSSF) 0.16% ³ ↑ (Unemployment Program Administrative Fund or UPAF) |
| Maryland ^{5, 7} (2024 rate notice mailed 1-16-24 and notices reissued on 4-1-24 due to change in rate calculation) | \$8,500 | 0.3-7.5% ↓ Table A | 2.6% ↑ (building 3.3% ↓) | None | None |
| Massachusetts (2025 rate notice mailed 1-21-24) | \$15,000 | 0.83-12.65% ↑ Schedule D | 2.13% ↑ (building 5.45% ↓) | None | 0.056% ³ (Workforce Training Fund or WTF) |
| Michigan ⁵ (2025 rate notice mailed 12-30-24) | \$9,000 ↓ (\$9,500 for delinquent employers) | 0.06-10.3% | 2.7% (building 4.9%) ↓ | None | None |
| Minnesota ^{*5, 7} (2025 rate notice mailed 12-11-24) | \$43,000 ↑ | 0.40-8.9% ↑ (For 2025, an additional assessment of 5% of the SUI tax due applies because the trust fund balance fell below the specified threshold as of March 31, 2024) | Varies by industry with rates ranging from 1.0% to 8.90% | None | 0.1% (Workforce Development Assessment) 0.0% ³ (Federal interest assessment) |

| Jurisdiction | 2025 taxable wage base | 2025 range of SUI tax rates for merit-rated employers ¹ | 2025 rate for new employers ⁶ | 2025 employee rate | 2025 surcharge not reported on Form 940 ² |
|---|------------------------|--|--|--------------------|---|
| Mississippi ⁷ (2024 rate notice mailed 2-2-24) | \$14,000 | 0.2-5.4% | 1%, 1.1%, 1.2% | None | 0.2% ³ (Workforce investment, Mississippi Works, and Workforce Enhancement Training surcharges) |
| Missouri ^{*5} (2025 rate notice mailed 11-22-24) | \$9,500↓ | 0-6.0% | 2.376% (nonprofit 1%) | None | 0.02% ³ (Automation Adjustment) |
| Montana ⁵ (2025 rate notice mailed 12-26-24) | \$45,100 ↑ | 0-6.12% Schedule 1 | Varies (1.0%-2.0%) ↓ | None | 0.13%-0.18% ⁴ (Administrative Fund Tax or AFT) |
| Nebraska [*] (2025 rate notice mailed 12-6-24) | \$9,000/\$24,000 | 0-5.4% (For 2025, a SUI Allocation surcharge applies of 20% of the employer's SUI tax rate) | 1.25% (building 5.4%) | None | |
| Nevada ⁵ (2025 rate notice mailed 12-26-24) | \$41,800 ↑ | 0.25-5.4% | 2.95% | None | 0.05% ³ (Career Enhancement Program (CEP) surcharge) |
| New Hampshire ⁸ (Rate notices for fiscal year 2025 mailed on 8-24-24) | \$14,000 | 0.1-7.0% ↓ Table I (effective 7-1-24 to 6-30-25, rates may change each quarter) | 2.7% (effective 7-1-24 to 9-30-24) | None | 0.4% ³ (Administrative Surcharge or AC) |

| Jurisdiction | 2025 taxable wage base | 2025 range of SUI tax rates for merit-rated employers ¹ | 2025 rate for new employers ⁶ | 2025 employee rate | 2025 surcharge not reported on Form 940 ² |
|--|------------------------|---|--|------------------------|--|
| New Jersey ^{5,8} (Rate notices for fiscal year 2025 mailed on 8-15-24) | \$43,300 ↑ | 0.6% to 6.4%↓ Table D (effective 7-1-24 to 6-30-25) | 3.1%↓ (effective 7-1-24 to 6-30-25) | 0.425% | 0.1% ⁴ (Workforce Development Fund) 0.0175% ⁴ (Supplemental Workforce Fund) |
| New Mexico ^{*5,7} (2025 rate notice mailed on 11-26-24) | \$33,200 ↑ | 0.33–5.4% | 1% (or industry average if higher) | None | None |
| New York ^{*5,7} (2024 rate notice mailed on 2-9-24) | \$12,800 ↑ | 2.025-9.825 | 4.025% | None | 0.075% ³ (Reemployment Services Fund Surcharge) 0.12% ³ ↓ (Interest Assessment Surcharge) |
| North Carolina ⁵ (2025 rate notice mailed on 12-16-24) | \$32,600 ↑ | 0.06–5.76% | 1.0% | None | None |
| North Dakota ^{*5} (2025 rate notice mailed on 12-6-24) | \$45,100 ↑ | 0.14–9.69% ↓ | 1.03% ↓, 6.09% ↑ (building 9.69% ↑) | None | None |
| Ohio (2025 rate notice mailed on 11-19-24) | \$9,000 | 0.4–10.1% | 2.7% (building 5.6%) | None | None |

| Jurisdiction | 2025 taxable wage base | 2025 range of SUI tax rates for merit-rated employers ¹ | 2025 rate for new employers ⁶ | 2025 employee rate | 2025 surcharge not reported on Form 940 ² |
|---|------------------------|--|--|--------------------|--|
| Oklahoma ^{*5} (2024 rate notice mailed on 9-30-23) | \$28,200 ↑ | 0.3-9.2% Conditional Factor D | 1.5% | None | 5% of the SUI tax rate (OESC Technology Reinvestment Assessment was reinstated effective 1-1-2023 and through 12-30-27 under HB 2456) |
| Oregon ^{*5} (2025 rate notice mailed on 11-15-24) | \$54,300 ↑ | 0.9-5.4% ↑ Schedule III | 2.4% ↑ | None | 0.139% 1 st quarter ↑, 0.109% 2nd-4th quarters (Special Payroll Tax Offset) |
| Pennsylvania (2025 rate notice mailed on 12-31-24) | \$10,000 | 1.4190-10.3734% ↑ | 3.8220% ↑ (building 10.5924% ↑) | 0.07% | 0.00% (Interest tax factor for bonds sold to repay the federal UI loan) |
| Puerto Rico ^{*7} (2024 rate notice mailed on 12-18-23) | \$7,000 | 2.5-5.4% ↑ Table H | 3.4% ↑ | None | |
| Rhode Island ^{*5} (2025 rate notice mailed on 12-24-24) | \$29,800/\$31,300 ↑ | 0.89-9.49% ↓ Schedule G | 0.89% ↑ | None | 0.21% ³ (Job Development Fund or JDF) |
| South Carolina (2025 rate notice mailed on 11-22-24) | \$14,000 | 0-5.4% | 0.29% ↓ | None | 0.06% ³ (Contingency Surcharge) 0.00% ³ (Solvency Surcharge) |
| South Dakota (2025 rate notice mailed on 10-31-24) | \$15,000 | 0-8.8% ↓ Schedule C | 1.2%, 1.0% (building 6%, 3%) | None | 0.02% ³ (Administrative Fee Surcharge) 0.00-0.55% ³ (Investment Fee) |

| Jurisdiction | 2025 taxable wage base | 2025 range of SUI tax rates for merit-rated employers ¹ | 2025 rate for new employers ⁶ | 2025 employee rate | 2025 surcharge not reported on Form 940 ² |
|--|------------------------|---|--|--------------------|--|
| Tennessee ^{*8} (Rate notices for fiscal year 2025 mailed in August 2024) | \$7,000 | 0.01-10% (Table 6) (effective 7-1-24 to 6-30-25) | Rate is based on the reserve ratio of the industry (NAICS) sector | None | None |
| Texas (2025 rate notice mailed 1-10-25) | \$9,000 | 0.25-6.25% | 2.7% (or industry average if higher) | None | 0.10% ³ (Employment & Training Investment Assessment) 0.00% ³ ↓ (Bond Obligation Assessment Rate) |
| Utah ⁵ (2025 rate notice mailed on 11-19-24) | \$48,900 ↑ | 0.2-7.2% | Building 7.2% (Other employers are assigned a rate based on the two-year average in their respective industry) | None | None |
| Vermont ^{*5,8} (Rate notices for fiscal year 2025 mailed on 6-27-24) | \$14,800 ↑ | 0.4%-5.4% Schedule 1 (effective 7-1-24 to 6-30-25) | 1% (varies for certain industries) (effective 7-1-24 to 6-30-25) | None | None |
| Virginia ^{*7} (2025 rate notice mailed 11-26-24) | \$8,000 | 0.13-6.23% | 2.5% (Foreign contractor 6.2%) | None | 0.00% (Fund Building Surcharge) 0.05% (New for 2025, Administrative Fee Charge) |
| Virgin Islands ⁵ 24 V.I.C. §308 (2024 rate notice mailed 1-29-2024) | \$31,100 ↑ | 2.46%-5.4% ↑ | 2% | None | \$25 per employee |

| Jurisdiction | 2025 taxable wage base | 2025 range of SUI tax rates for merit-rated employers ¹ | 2025 rate for new employers ⁶ | 2025 employee rate | 2025 surcharge not reported on Form 940 ² |
|---|------------------------|---|--|--------------------|--|
| Washington ^{*5} (2025 rate notice mailed on 12-6-24) | \$72,800 ↑ | 0.27-6.02% ↑ | 90% of the industry average and a minimum of 1.0% | None | 0.03% ³ (Employer Administrative Fund or EAF) 0.00% ³ (Solvency Surcharge Of 0.2%, permanently eliminated effective 6/6/2024) |
| West Virginia [*] (2025 rate notice mailed on 12-13-24) | \$9,500 ↓ | 1.5-8.5% Column C | 2.7% (building 8.5%) | None | None |
| Wisconsin (2025 rate notice mailed on 10-7-24) | \$14,000 | 0.0-12% (small employer); 0.05-12% (large employer) Schedule D | 3.05% (small employer); 3.25% (large employer) (building 2.90%, 3.10%) | None | None |
| Wyoming ^{*5, 7} (2025 rate notice mailed 12-31-24) | \$32,400 ↑ | 0%-8.5% | Varies | None | 0.06% ³ (Employment Support Fund Factor) |

Footnotes:

*See state-specific note below.

***Much of the information in this survey was obtained through review of state revenue/workforce department administrative guides or informational telephone or email surveys with state governmental agencies. Although state administrative guides and telephone and email surveys are useful in determining how government departments currently treat an issue, answers and positions derived from such sources are not binding upon the state, cannot be cited as precedent, may change over time and hence cannot be relied upon.

↑ Increase from prior year

↓ Decrease from prior year

EST - 2025 SUI wage base is estimated

TBD - 2025 SUI wage base has not yet been published

1. This is the base SUI tax rate that is eligible for the 5.4% federal unemployment insurance (FUTA) tax credit and is reported on Form 940 as a state contribution. This rate does not include surcharges that are not eligible for the 5.4% FUTA credit.
2. Additional surcharges are those rates that are not certified to the federal government as employer unemployment taxes for Form 940 purposes. Unless otherwise noted, the surcharge is in addition to the range of UI rates for merit-rated employers shown in the third column. Certain

- employers (i.e., maximum-rated) may be exempt from the surcharge. For states that have borrowed from the federal government, an additional surcharge for payment of interest may apply.
3. The surcharge is shown separately on the quarterly contribution report (or billed on a separate notice).
 4. The surcharge is combined with the unemployment tax rate on the quarterly contribution report. Deduct the surcharge when completing the Form 940 worksheet.
 5. The taxable wage base is adjusted annually.
 6. "Building" refers to the construction industry.
 7. 2025 SUI tax rate information is not yet available. See gray shaded cells.
 8. The state's SUI tax rates are in effect July 1 through June 30.

Arkansas

For calendar years after 2019, the wage base is determined each year based on the average seasonal unadjusted insured unemployment rate and disbursements from and the balance of the state's UI trust fund. The wage base can range from \$7,000 to \$12,000. ([Ark. Code Ann. § 11-10-215.](#))

Colorado

Legislation in 2020 ([SB 20-207](#)) held the SUI taxable wage base at \$13,600 for calendar year 2021 with incremental increases each year thereafter until it reaches \$30,600 in 2026. Specifically, SB 20-207 provides that the SUI taxable wage base will increase incrementally to \$30,600 by calendar year 2026.

Under the legislation, the variable SUI taxable wage base will be set at:

- \$13,600 for 2021
- \$17,000 for 2022
- \$20,400 for 2023
- \$23,800 for 2024
- \$27,200 for 2025
- \$30,600 for 2026, as adjusted by changes in the annual average weekly wage.

Connecticut

2021 [HB 6633/Public Act 21-200](#) increases the taxable wage base for calendar year 2024 to \$25,000, up from \$15,000. Beginning with calendar year 2025, the taxable wage base will be indexed each year for inflation.

Delaware

Effective January 1, 2024, [HB 236](#) (2023) redirects the Special Assessment from the SUI trust fund to a special administrative fund to pay for future technology needs. Therefore, starting in 2024, the Special Assessment of 0.2% (previously 0.15%) is not included in certified SUI contributions reported on the federal Form 940. (See [EY Tax Alert 2023-1813](#).)

[HB 433](#) (2024) phases in a permanent taxable wage base over three years- \$12,500 for calendar year 2025, \$14,500 for calendar year 2026, and \$16,500 for calendar year 2027 and thereafter.

Effective in 2027, the current benefit wage ratio methodology will be replaced with the benefit ratio methodology. Until the effective date of that new tax rate structure, HB 433 provides temporary relief to experience-rated employers in calendar years 2025 and 2026 by reducing new employer tax rates, simplifying tax rate schedules, reducing or holding constant overall employer tax rates, and lowering maximum SUI tax rate.

Florida

2021 [SB 50](#) directs that the 2022–2025 tax rates be calculated without applying the fund balance adjustment factor. SUI tax rate calculations for 2021–2025 will also exclude UI benefit charges from the second, third and fourth quarters of 2020 and all benefit charges paid as a direct result of a government order to close or reduce capacity of a business due to COVID-19. Changes to the 2023–2025 SUI tax rate calculation are repealed if the trust fund reaches \$4,071,519,600 on June 1.

Georgia

Effective January 1, 2024, [SB 160](#) (2024) restores the administrative assessment of 0.6% through December 31, 2026. The administrative assessment, which is shown on the quarterly SUI return, applies only to experience-rated

employers and not to reimbursing employers or those assigned the new employer rate. The assessment is not included in SUI contributions reported on the federal Form 940.

SB 160 also reverts the new employer rate to the lower 2.64% through December 31, 2026, and returns it to 2.7% effective January 1, 2027.

A bill to be entitled an Act to amend Title 34 of the O.C.G.A., relating to labor and industrial relations, so as to change certain provisions relating to employment security; to extend certain provisions relating to the rate of employer contributions and variations from the standard rate; to provide for administrative assessments on wages; to provide for additional assessments for new or newly covered employers; to authorize the collection of administrative assessments; to provide for an effective date; to repeal conflicting laws; and for other purposes.

Hawaii

In 2022, [HB 2471](#)/Act 281 amended the definition of "adequate reserve fund," the factor used to determine the state unemployment insurance (SUI) rate schedule for the calendar year, to exclude the Benefit Cost Rate (BCR) from June 2020 to August 2021, effective from calendar years 2023 through 2030.

Idaho

Effective January 1, 2024, [H.B. 428](#) staves off a large increase in SUI tax rates by lowering the multiplier from 1.3 to 1.2 in determining the size of the unemployment insurance (UI) trust fund.

The reduction in the multiplier to 1.2 lowered the 2024 SUI tax increase by 20%, resulting in net savings to employers of \$44 million. It is anticipated that employer tax savings will be \$117 million by the end of five years.

Illinois

Note that an experience rate of 5.4% applies to employers with a contribution rate higher than 5.4% but total quarterly wages of less than \$50,000.

Indiana

Legislation enacted in 2020 ([HB 1111](#)) sets a new SUI series of rate schedules in the state's UI law, beginning calendar year 2021. However, for calendar years 2021–2025, the bill freezes employer basic SUI contribution rates (under new basic Rate Schedule C) to within the same range of basic rates as were in effect for calendar years 2011–2020 (under previous basic Rate Schedule E).

Kansas

Under [H.B. 2570](#) enacted in 2024, the wage base is set at \$14,000 through 2025. Effective in 2026, the wage base will be based on a percentage of the statewide average annual wage.

Also under H.B. 2570, and starting in 2025, the SUI rate schedules were revised to include a 0% rate group for employers with the highest positive rating and SUI tax rates will be lowered for all positive-rated employers. Also starting in 2025, the SUI rate for new employers were lowered from 6% to 5.55% for construction industry employers, and from 2.7% to 1.75% for all other employers.

Starting in 2026, changes will also be made to the solvency and credit rate adjustments in conformity with the adjustments to the SUI wage base.

Kentucky

The taxable wage base is expected to continue to increase by \$300 each calendar year until it reaches \$12,000.

New Kentucky construction employers are assigned the highest rate in the rate chart in effect for the calendar year. (*Kentucky Unemployment Insurance Employer Guide*, p. [25](#).)

Maine

The Unemployment Program Administrative Fund (UPAF) was created in 2021 to ensure adequate funding for the state's UI program ([2019 Chapter 616](#)). This surcharge is not credited to employer accounts as SUI taxes and should not be used when calculating federal unemployment (FUTA) liability.

Michigan

The law provides for a reduced taxable wage base of \$9,000 if the Trust Fund balance reaches or exceeds \$2.5 billion for two consecutive quarters; otherwise, the wage base is \$9,500. ([Michigan taxable wage base](#).)

To qualify for the lower wage base of \$9,000, individual employers are required to be in “good standing,” which means they have filed all SUI quarterly tax reports and there are no missing reports or estimated reports. Also, an employer’s unpaid SUI tax contribution (including tax, penalty or interest) cannot exceed \$25.

In February 2025, delinquent employers were sent Form 6354, *Notice of \$9500 Taxable Wage Base*, to remind them to file any missing report and/or pay any outstanding balance. Delinquent employers had 14 days to fix outstanding issues with their account to qualify for the wage base reduction. ([Michigan Employer Advisor, December 2024](#).)

Minnesota

Per Minnesota law, the base tax rate and whether an additional assessment will be in effect, for any year is determined by the balance in the UI Trust Fund on March 31 of the previous year.

Missouri

Effective January 1, 2023, [H.B. 2168](#) requires employers with an unemployment contribution rate greater than zero to pay an annual unemployment automation adjustment surcharge of 0.02% of its total taxable wages for the 12-month period ending the preceding June 30. The automation adjustment is used to modernize the state's unemployment automated systems and improve the program. The Division of Employment Security is authorized to reduce the percentage to ensure that the total amount collected annually does not exceed \$5 million.

Each employer liable to pay an automation adjustment will be notified of the amount due by March 31 of each year. For the first quarter of each calendar year, the total contribution amount due will be reduced by the dollar amount of the unemployment automation adjustment, however, the first contribution amount may not be reduced to zero. (See *new section 288.133*.)

This surcharge is not credited to employer accounts as SUI taxes and should not be used when calculating federal unemployment (FUTA) liability.

Nebraska

2019 legislation ([LB 428](#)) increased the SUI taxable wage base to \$24,000 for employers assigned the maximum rate. This change was effective for calendar year 2020. The taxable wage base remains \$9,000 for all other employers.

Nebraska Governor Jim Pillen signed into law [LB 1393 \(2024\)](#), which lowers the state unemployment insurance (SUI) tax rates for years 2025 through 2029 by lowering the average tax rate by 5%. The average tax rate is used in determining the individual SUI tax rates assigned to employers.

New Mexico

Per [NMSA §51-1-11](#), the minimum tax rate is set at 0.33% and is not to exceed 5.4%. If the contribution rate calculates at lower than 0.33%, it will be adjusted to 0.33%. If the rate calculates at higher than 5.4%, the contribution rate will be adjusted to 5.4%. Per HB 283, as of July 1, 2016, the contribution rate is the benefit ratio multiplied by the reserve factor, multiplied by 100, multiplied by the employer's experience history factor. (2025 employer SUI rate notice.)

New York

The taxable wage base will continue to increase as follows: 2022—\$12,000; 2023—\$12,300; 2024—\$12,500; 2025—\$12,800; 2026—\$13,000; for each year thereafter, computed as 16% of the state's average annual wage.

Oklahoma

Oklahoma law requires that if the state UI trust fund balance falls to less than \$25 million, employers will be assessed a quarterly fund-building surcharge as great as 33.3%.

The diversion of 5% of employers' tax rates for the OESC Technology Reinvestment Assessment was reinstated effective 1-1-2023 and through 12-30-27 under [HB 2456](#).

Oregon

HB [3389](#), enacted in 2021, requires that SUI tax rates for calendar years 2022 through 2024 be computed using the same employer experience that was used to determine the SUI tax for calendar year 2020, the period before the COVID-19 emergency began.

HB 3389 also extends the lookback period used to determine the UI trust fund solvency level from 10 years to 20 years, provides that calendar years 2020 and 2021 will be omitted from the lookback period, and makes other changes designed to permanently lower the UI trust fund balance, statewide tax schedule, and employer SUI tax rates.

Because of HB 3389, the 2020 experience factor was used in the 2024 SUI tax rate calculation.

Puerto Rico

2017 legislation grants the territory's Secretary of Labor the discretion to increase the taxable wage base to as much as \$10,500 if deemed necessary.

Rhode Island

Negative-balanced employers assigned the maximum tax rate will have a taxable wage base that is \$1,500 higher than other employers (e.g., for 2025, \$29,200 versus \$31,300 for negative-balanced employers).

Tennessee

Under Tennessee UI law, if the UI trust fund balance on December 31 of any year is less than \$900 million, the taxable wage base is \$9,000. If the trust fund balance is above \$900 million, but less than \$1 billion on December 31, the taxable wage base is \$8,000. If the trust fund balance is over \$1 billion on December 31, the taxable wage base is \$7,000.

Vermont

2021 legislation ([SB 62](#)/Act 51) lessened the impact that COVID-19 UI benefits had on the fiscal year 2022 SUI tax rates by disregarding all UI benefits from calendar year 2020 when the individual SUI tax rates were calculated. The law further requires that calendar year 2021 UI benefits under certain COVID-19-related circumstances will not be used in calculating tax rates for fiscal year 2023 and later.

Virginia

Effective January 1, 2025, base tax rates are reduced by .05% percent and a special administrative fee of 0.05% is assessed. The administrative fee is necessary for the proper and efficient administration of the Virginia Unemployment Compensation Act and is not included as certified SUI contributions on the federal Form 940. ([§60.2-117](#) Code of Virginia; Appropriation Act, [Item 356 K.1](#), Special Session 1, 2024.)

Washington

[SB 5061](#) (2021) suspends the assessment of a solvency surcharge of 0.2% for tax years 2021-2025. The surcharge is assessed when the balance of the state UI trust fund as of the September 30 preceding the tax year is not sufficient to pay seven months of UI benefits.

The changes in computing employer SUI tax rates were projected to prevent a cost increase to employers of over \$921 million for 2021 and \$1.7 billion overall from 2021 through 2025.

[HB 1901](#) (2024) makes the elimination of the solvency surcharge permanent.

West Virginia

Under [SB 841](#) (2024) and effective July 1, 2024, the SUI taxable wage base is set at \$9,500. Under prior law, the SUI wage base was lowered to \$9,000 if the unemployment trust fund was at least \$220 million on February 15 of any year; provided however, the taxable wage base was increased or decreased by the same percentage that the state's average weekly wage increased or decreased. If the federal taxable wage base was increased above the West Virginia limit, the West Virginia taxable wage base would be increased by an equal amount. ([W. Va. Code § 21A-1A-28](#); [Code of State Rules § 83-1-7.1](#); [SB 246 passed in 2009](#).)

SB 841 also removes the requirement that the maximum weekly unemployment benefit be adjusted for inflation. Instead, the maximum weekly benefit is frozen at the amounts specified in SB 841.

Wyoming

Under [SF 0059](#) (2024) and [SF 0058](#) (2024) and effective January 1, 2025, the adjustment factor assessed for noncharged and ineffectively charged UI benefits is revised. Of this adjustment, the Unemployment Compensation Fund receives 20% of the total revenue (down from 60%), the Employment Support Fund receives 60% (up from 40%) and the Workforce Development Training Fund, which did not receive any allocation from, receives 20% of the total revenue distribution. ([Workforce Services news release](#), 3-13-2024.)

Contact us for more information

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