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## **GOVERNOR PHIL SCOTT ANNOUNCES UNEMPLOYMENT INSURANCE TAX RELIEF FOR VERMONT EMPLOYERS**

**23 JUNE 2020**

Montpelier, Vt. – Governor Phil Scott and the Vermont Department of Labor today announced changes to the Unemployment Insurance (UI) program that will reduce employers' UI tax rates and increase the maximum weekly benefit amount for UI claimants.

"This tax relief will help reduce the burden on employers who've had to make difficult decisions to protect the health and safety of their workers and help limit the spread of COVID-19 in Vermont," said Governor Scott. "We know Vermonters made a tremendous economic sacrifice in order to respond to this virus, and we will continue to pull every lever we can to help workers and employers recover from this pandemic."

The Department of Labor will move to UI Tax Rate Schedule I, reducing individual employers' UI tax rates on July 1, 2020. Employers' tax rates vary according to their experience rating, which is based on UI claims charged to their account, total payroll and their ranking among all employers who contribute to UI. Schedule I decreases the upper and lower thresholds for these tax rates, as well as reducing the taxable wage base amount beginning January 1, 2021.

More than 22,000 employers remit state unemployment taxes to the Department of Labor on a quarterly basis. These taxes are deposited into Vermont's UI Trust Fund to pay UI benefits to eligible claimants. Annual tax rate schedule calculations are set each July based on the recent history of the UI program and the local economy.

"Because our trust fund was in such good standing at the end of 2019, we will be able to provide significant tax relief to Vermont

employers in the coming year,” said Labor Commissioner Michael Harrington. “It is important to note, that these rates are calculated based on 2019 information and do not include the effects that COVID-19 has had on the economy. Unfortunately, we will feel the impacts of COVID in the subsequent year and for years to come.”

In addition to this tax rate change, the maximum weekly benefit amount paid to unemployed Vermonters will increase from \$513 to \$531. This increase is effective beginning the first full week of July.

Employers with questions regarding the tax schedule changes should contact the Unemployment Insurance Employer Services line at 802-828-4344 or visit [labor.vermont.gov](http://labor.vermont.gov) for more information.