Approved April 26, 1991
Date

MINUTES OF THE House COMMITTEE ON Labor and Industry.

The meeting was called to order by Representative Anthony Hensley
Chairperson
at

8:12 a.m./~~p.m.~~ on April 12, 1991 in room 526-S of the Capitol.

All members were present except:
Rep. Douville - excused

Committee staff present:
Jim Wilson, Revisor
Jerry Donaldson, Research Assistant
Barbara Dudney, Committee Secretary

Conferees appearing before the committee:
William Layes, Kansas Dept. of Human Resources

The meeting was called to order at 8:12 a.m. by the chairman, Rep. Anthony Hensley.

Chairman Hensley announced discussion and final action on Senate Bill No. 275, and explained that this bill is identical to House Bill No. 2576, previously passed by the committee, which would increase the taxable wage base from $8,000 to $12,000 for computing employer unemployment compensation contributions.

The chairman introduced William Layes, Kansas Department of Human Resources, who presented informational material relative to Senate Bill No. 275 (attachment #1). Mr. Layes answered questions from several committee members.

Rep. Dick Edlund moved to report Senate Bill No. 275 favorably for passage. Rep. Susan Wagle seconded the motion.

On a substitute motion, Rep. Tim Carmody moved to amend Senate Bill No. 275, on page 13, line 35, to increase the taxable wage base in 1992 to $10,000 and in 1994 to $12,000. Rep. Gene Amos seconded the motion. Motion carried.

Rep. Sam Roper moved to report Senate Bill No. 275 favorable for passage, as amended. Rep. Theo Cribbs seconded the motion. Motion carried.

The chairman announced discussion and final action on House Bill No. 2620, and handed out a proposed amendment to the bill. He asked Jim Wilson, committee revisor, to explain the proposed amendment.

Mr. Wilson explained that the amendment would incorporate into House Bill No. 2620, the provisions of House Bill No 2457, House Bill No. 2207, and Senate Bill No. 425, as amended by the Senate Labor and Industry Committee.

Rep. Diane Gjerstad moved to amend House Bill No. 2620 by incorporating into the bill the provisions of House Bill No. 2457, House Bill No. 2207, and Senate Bill No. 425. The motion was seconded by Rep. Dick Edlund. Motion carried.

Rep. Gjerstad moved to report House Bill No. 2620 favorable for passage, as amended. Rep. George Gomez seconded the motion. Motion carried.

The meeting was adjourned at 8:45 a.m. The next meeting will be on call of the chairman.

GUEST LIST

COMMITTEE: House Labor and Industry DATE: April 12, 1991

NAME	ADDRESS	COMPANY/ORGANIZATION
Bill Morrissey	Topeka	KDHR/Work Comp
Terry Leatherman	Topeka	KCCI
Wayne Mauhel	Top	[redacted] Ks AFL-CIO
Jacki Summerson	"	Manpower

FOR ILLUSTRATION PURPOSES ONLY.
Not Intended to Imply effect on Individual firms.

TABLE 1
POSITIVE ELIGIBLE ACCOUNT
EFFECT OF CHANGE TO $12,000 WAGE BASE 1/

Low Wage Employer

Payroll: 20 employees at $8,000/year
Total Wages: $160,000
Taxable Wage Base and Annual Taxable Wage: $8,000 (current)--$160,000; $12,000 (proposed)--$160,000
Contributions (all past periods): $32,000
Benefits (all past periods): $3,200
Average Annual Wages: Average of 3 years taxable wages

$$\text{Reserve Ratio} = \frac{\text{Contributions - Benefits}}{\text{Average Annual Wages}}$$

Actual 1991 Rate
1991 Contribution: $8,000 Current Wage Base: previous years, all $8,000
Reserve Ratio = $\frac{\$32,000 - \$3,200}{\$160,000} = 0.18000$
Rate Group = 8 Rate = 0.59%
Contributions = $160,000 x 0.59% = $944

1991 Contributions--if $12,000 wage base had gone into effect CY 1990
1991 Contributions: $12,000 Current Wage Base: previous years, all $8,000
Reserve Ratio = $\frac{\$32,000 - \$3,200}{\$160,000} = 0.18000$
Rate Group = 8 Rate = 0.39%
Contributions = $160,000 x 0.39% = $624

1991 Contributions--if $12,000 wage base had gone into effect CY 1989
1991 Contributions: $12,000 Current Wage Base: last year of average payroll, $12,000; first two years of average payroll, $8,000
Reserve Ratio = $\frac{\$32,000 - \$3,200}{\$160,000} = 0.18000$
Rate Group = 3 Rate = 0.11%
Contributions = $160,000 x 0.11% = $176

1991 Contributions--if $12,000 wage base had gone into effect CY 1988
1991 Contributions: $12,000 Current Wage Base: last two years of average payroll, $12,000; first year of average payroll, $8,000
Reserve Ratio = $\frac{\$32,000 - \$3,200}{\$160,000} = 0.18000$
Rate Group = 2 Rate = 0.06%
Contributions = $160,000 x 0.06% = $96

1991 Contributions, if $12,000 wage base had gone into effect CY 1987
1991 Contributions: $12,000 Current Wage Base: all years of average payroll at $12,000
Reserve Ratio = $\frac{\$32,000 - \$3,200}{\$160,000} = 0.18000$
Rate Group = 2 Rate = 0.06%
Contributions = $160,000 x 0.06% = $96

1/ This example is for CY 1991 rates, actual and estimated only. It does not represent the universe of low wage employers, nor does it reflect an application of wage base changes on contributions prior to CY 1991.

Labor & Industry
4-12-91
attachment #1

FOR ILLUSTRATION PURPOSES ONLY.
Not intended to imply effect on individual firms.

TABLE 1A
POSITIVE ELIGIBLE ACCOUNT
EFFECT OF CHANGE TO $10,000 WAGE BASE 1/

Low Wage Employer

Payroll: 20 employees at $8,000/year
Total Wages: $160,000
Taxable Wage Base and Annual Taxable Wage: $8,000 (current)--$160,000; $10,000 (proposed)--$160,000
Contributions (all past periods): $32,000
Benefits (all past periods): $3,200
Average Annual Wages: Average of 3 years taxable wages

$$\text{Reserve Ratio} = \frac{\text{Contributions - Benefits}}{\text{Average Annual Wages}}$$

Actual 1991 Rate
1991 Contribution: $8,000 Current Wage Base: previous years, all $8,000
Reserve Ratio = $\frac{\$32,000 - \$3,200}{\$160,000} = 0.18000$
Rate Group = 8 Rate = 0.59%
Contributions = $160,000 x 0.59% = $944

1991 Contributions--if $10,000 wage base had gone into effect CY 1990
1991 Contributions: $10,000 Current Wage Base: previous years, all $8,000
Reserve Ratio = $\frac{\$32,000 - \$3,200}{\$160,000} = 0.18000$
Rate Group = 8 Rate = 0.46%
Contributions = $160,000 x 0.46% = $736

1991 Contributions--if $10,000 wage base had gone into effect CY 1989
1991 Contributions: $10,000 Current Wage Base: last year of average payroll, $10,000; first two years of average payroll, $8,000
Reserve Ratio = $\frac{\$32,000 - \$3,200}{\$160,000} = 0.18000$
Rate Group = 4 Rate = 0.20%
Contributions = $160,000 x 0.20% = $320

1991 Contributions--if $10,000 wage base had gone into effect CY 1988
1991 Contributions: $10,000 Current Wage Base: last two years of average payroll, $10,000; first year of average payroll, $8,000
Reserve Ratio = $\frac{\$32,000 - \$3,200}{\$160,000} = 0.18000$
Rate Group = 3 Rate = 0.13%
Contributions = $160,000 x 0.13% = $208

1991 Contributions, if $10,000 wage base had gone into effect CY 1987
1991 Contributions: $10,000 Current Wage Base: all years of average payroll at $10,000
Reserve Ratio = $\frac{\$32,000 - \$3,200}{\$160,000} = 0.18000$
Rate Group = 3 Rate = 0.13%
Contributions = $160,000 x 0.13% = $208

1/ This example is for CY 1991 rates, actual and estimated only. It does not represent the universe of low wage employers, nor does it reflect an application of wage base changes on contributions prior to CY 1991.

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Not intended to imply effect on individual firms.

TABLE 2
POSITIVE ELIGIBLE ACCOUNT
EFFECT OF CHANGE TO $12,000 WAGE BASE 1/

High Wage Employer

Payroll: 20 employees at $20,000/year
Total Wages: $400,000
Taxable Wage Base and Annual Taxable Wage: $8,000 (current)--$160,000; $12,000 (proposed)--$240,000
Contributions (all past periods): $32,000
Benefits (all past periods): $3,200
Average Annual Wages: Average of 3 years taxable wages

$$\text{Reserve Ratio} = \frac{\text{Contributions - Benefits}}{\text{Average Annual Wages}}$$

Actual 1991 Rate
1991 Contribution: $8,000 Current Wage Base: previous years, all $8,000
Reserve Ratio = $\frac{\$32,000 - \$3,200}{\$160,000} = 0.18000$
Rate Group = 8 Rate = 0.59%
Contributions = $160,000 x 0.59% = $944

1991 Contributions--if $12,000 wage base had gone into effect CY 1990
1991 Contributions: $12,000 Current Wage Base: previous years, all $8,000
Reserve Ratio = $\frac{\$32,000 - \$3,200}{\$160,000} = 0.18000$
Rate Group = 8 Rate = 0.39%
Contributions = $240,000 x 0.39% = $936

1991 Contributions--if $12,000 wage base had gone into effect CY 1989
1991 Contributions: $12,000 Current Wage Base: last year of average payroll, $12,000; first two years of average payroll, $8,000
Reserve Ratio = $\frac{\$32,000 - \$3,200}{\$186,667} = 0.15429$
Rate Group = 14 Rate = 0.72%
Contributions = $240,000 x 0.72% = $1,728

1991 Contributions--if $12,000 wage base had gone into effect CY 1988
1991 Contributions: $12,000 Current Wage Base: last two years of average payroll, $12,000; first year of average payroll, $8,000
Reserve Ratio = $\frac{\$32,000 - \$3,200}{\$213,333} = 0.13500$
Rate Group = 18 Rate = 0.94%
Contributions = $240,000 x 0.94% = $2,256

1991 Contributions, if $12,000 wage base had gone into effect CY 1987
1991 Contributions: $12,000 Current Wage Base: all years of average payroll at $12,000
Reserve Ratio = $\frac{\$32,000 - \$3,200}{\$240,000} = 0.12000$
Rate Group = 23 Rate = 1.21%
Contributions = $240,000 x 1.21% = $2,904

1/ This example is for CY 1991 rates, actual and estimated only. It does not represent the universe of high wage employers, nor does it reflect an application of wage base changes on contributions prior to CY 1991.

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TABLE 2A
POSITIVE ELIGIBLE ACCOUNT
EFFECT OF CHANGE TO $10,000 WAGE BASE 1/

High Wage Employer

Payroll: 20 employees at $20,000/year
Total Wages: $400,000
Taxable Wage Base and Annual Taxable Wage: $8,000 (current)--$160,000; $10,000 (proposed)--$200,000
Contributions (all past periods): $32,000
Benefits (all past periods): $3,200
Average Annual Wages: Average of 3 years taxable wages

$$\text{Reserve Ratio} = \frac{\text{Contributions - Benefits}}{\text{Average Annual Wages}}$$

Actual 1991 Rate
1991 Contribution: $8,000 Current Wage Base: previous years, all $8,000
Reserve Ratio = $\frac{\$32,000 - \$3,200}{\$160,000} = 0.18000$
Rate Group = 8 Rate = 0.59%
Contributions = $160,000 x 0.59% = $944

1991 Contributions--if $10,000 wage base had gone into effect CY 1990
1991 Contributions: $10,000 Current Wage Base: previous years, all $8,000
Reserve Ratio = $\frac{\$32,000 - \$3,200}{\$160,000} = 0.18000$
Rate Group = 8 Rate = 0.46%
Contributions = $200,000 x 0.46% = $920

1991 Contributions--if $10,000 wage base had gone into effect CY 1989
1991 Contributions: $10,000 Current Wage Base: last year of average payroll, $10,000; first two years of average payroll, $8,000
Reserve Ratio = $\frac{\$32,000 - \$3,200}{\$173,333} = 0.16615$
Rate Group = 10 Rate = 0.59%
Contributions = $200,000 x 0.59% = $1,180

1991 Contributions--if $10,000 wage base had gone into effect CY 1988
1991 Contributions: $10,000 Current Wage Base: last two years of average payroll, $10,000; first year of average payroll, $8,000
Reserve Ratio = $\frac{\$32,000 - \$3,200}{\$186,667} = 0.15429$
Rate Group = 13 Rate = 0.78%
Contributions = $200,000 x 0.78% = $1,560

1991 Contributions--if $10,000 wage base had gone into effect CY 1987
1991 Contributions: $10,000 Current Wage Base: all years of average payroll at $10,000
Reserve Ratio = $\frac{\$32,000 - \$3,200}{\$200,000} = 0.14400$
Rate Group = 16 Rate = 0.98%
Contributions = $200,000 x 0.98% = $1,960

1/ This example is for CY 1991 rates, actual and estimated only. It does not represent the universe of high wage employers, nor does it reflect an application of wage base changes on contributions prior to CY 1991.

TABLE 3
ACTUAL AND PROJECTED CY 1991 RATE SCHEDULES
AT VARIOUS COMBINATIONS OF $8,000 AND $12,000 WAGE BASES

TAXABLE WAGE	$8,000		$12,000		$12,000		$12,000		$12,000	
	ACTUAL	RESERVE	RATE AT	RESERVE	RATE AT	RESERVE	RATE AT	RESERVE	RATE AT	RESERVE
AVG.WAGES	8/8/8	RATIO	8/8/8	RATIO	8/8/12	RATIO	8/12/12	RATIO	12/12/12	RATIO
RATE GROUP										
1	0.05	0.22612	0.03	0.23035	0.03	0.21010	0.03	0.19703	0.03	0.19074
2	0.08	0.20432	0.06	0.20538	0.06	0.18703	0.06	0.17640	0.06	0.17123
3	0.17	0.19393	0.11	0.19462	0.11	0.17855	0.11	0.16801	0.11	0.15998
4	0.25	0.19075	0.17	0.19007	0.17	0.17281	0.17	0.16198	0.17	0.15430
5	0.34	0.18681	0.22	0.18717	0.22	0.16846	0.22	0.15788	0.22	0.14967
6	0.42	0.18408	0.28	0.18473	0.28	0.16595	0.28	0.15427	0.28	0.14551
7	0.51	0.18136	0.33	0.18145	0.33	0.16436	0.33	0.15124	0.33	0.14271
8	0.59	0.17920	0.39	0.17939	0.39	0.16244	0.39	0.14880	0.39	0.14008
9	0.68	0.17746	0.44	0.17774	0.44	0.16059	0.44	0.14705	0.44	0.13753
10	0.76	0.17639	0.50	0.17663	0.50	0.15895	0.50	0.14520	0.50	0.13560
11	0.85	0.17491	0.55	0.17503	0.55	0.15744	0.55	0.14381	0.55	0.13386
12	0.93	0.17346	0.61	0.17368	0.61	0.15591	0.61	0.14227	0.61	0.13187
13	1.02	0.17253	0.66	0.17272	0.66	0.15486	0.66	0.14175	0.66	0.13090
14	1.10	0.17129	0.72	0.17149	0.72	0.15362	0.72	0.14012	0.72	0.12916
15	1.19	0.17060	0.77	0.17075	0.77	0.15249	0.77	0.13854	0.77	0.12735
16	1.27	0.16946	0.83	0.16960	0.83	0.15122	0.83	0.13694	0.83	0.12703
17	1.36	0.16864	0.88	0.16874	0.88	0.15069	0.88	0.13610	0.88	0.12580
18	1.44	0.16799	0.94	0.16800	0.94	0.14926	0.94	0.13477	0.94	0.12432
19	1.52	0.16746	0.99	0.16760	0.99	0.14889	0.99	0.13418	0.99	0.12313
20	1.61	0.16615	1.05	0.16640	1.05	0.14794	1.05	0.13319	1.05	0.12251
21	1.69	0.16515	1.10	0.16534	1.10	0.14723	1.10	0.13250	1.10	0.12162
22	1.78	0.16460	1.16	0.16483	1.16	0.14606	1.16	0.13149	1.16	0.12060
23	1.86	0.16456	1.21	0.16456	1.21	0.14485	1.21	0.13035	1.21	0.11964
24	1.95	0.16447	1.27	0.16456	1.27	0.14364	1.27	0.12948	1.27	0.11873
25	2.03	0.16287	1.32	0.16345	1.32	0.14309	1.32	0.12865	1.32	0.11784
26	2.12	0.16182	1.38	0.16217	1.38	0.14194	1.38	0.12732	1.38	0.11719
27	2.20	0.16066	1.43	0.16121	1.43	0.14124	1.43	0.12612	1.43	0.11615
28	2.29	0.15971	1.49	0.16011	1.49	0.14101	1.49	0.12568	1.49	0.11534
29	2.37	0.15869	1.54	0.15909	1.54	0.14101	1.54	0.12509	1.55	0.11404
30	2.46	0.15691	1.60	0.15737	1.60	0.13977	1.60	0.12394	1.60	0.11282
31	2.54	0.15579	1.65	0.15612	1.65	0.13856	1.65	0.12392	1.66	0.11220
32	2.63	0.15364	1.71	0.15406	1.71	0.13702	1.71	0.12383	1.71	0.11145
33	2.71	0.15149	1.76	0.15199	1.76	0.13500	1.76	0.12275	1.77	0.11093
34	2.80	0.14909	1.82	0.14960	1.82	0.13435	1.82	0.12123	1.82	0.11093
35	2.88	0.14733	1.87	0.14800	1.87	0.13239	1.87	0.12009	1.88	0.11004
36	2.97	0.14598	1.93	0.14690	1.93	0.12990	1.93	0.11819	1.93	0.10900
37	3.05	0.14340	1.98	0.14402	1.98	0.12799	1.98	0.11646	1.99	0.10737
38	3.13	0.14003	2.04	0.14073	2.04	0.12572	2.04	0.11415	2.04	0.10536
39	3.22	0.13744	2.10	0.13789	2.09	0.12339	2.10	0.11143	2.10	0.10306
40	3.30	0.13431	2.15	0.13489	2.15	0.12224	2.15	0.10834	2.15	0.10038
41	3.39	0.12947	2.21	0.13002	2.20	0.11891	2.21	0.10635	2.21	0.09785
42	3.47	0.12502	2.26	0.12533	2.26	0.11544	2.26	0.10337	2.26	0.09513
43	3.56	0.12056	2.32	0.12124	2.31	0.11095	2.32	0.09959	2.32	0.09283
44	3.64	0.11436	2.37	0.11501	2.37	0.10600	2.37	0.09520	2.37	0.08998
45	3.73	0.10850	2.43	0.10993	2.42	0.10020	2.43	0.09005	2.43	0.08481
46	3.81	0.10166	2.48	0.10295	2.48	0.09287	2.48	0.08443	2.48	0.07784
47	3.90	0.09369	2.54	0.09429	2.53	0.08548	2.54	0.07624	2.54	0.07030
48	3.98	0.08070	2.59	0.08220	2.59	0.07319	2.59	0.06623	2.59	0.06172
49	4.07	0.06455	2.65	0.06479	2.64	0.05611	2.65	0.05056	2.65	0.04675
50	4.15	0.03979	2.70	0.04067	2.70	0.03537	2.70	0.02966	2.70	0.02934
51	4.24	0.00000	2.76	0.00000	2.75	0.00000	2.76	0.00000	2.76	0.00000

TABLE 3A
ACTUAL AND PROJECTED CY 1991 RATE SCHEDULES
AT VARIOUS COMBINATIONS OF $8,000 AND $10,000 WAGE BASES

TAXABLE WAGE	$8,000		$10,000		$10,000		$10,000		$10,000	
	ACTUAL	RESERVE	RATE AT	RESERVE	RATE AT	RESERVE	RATE AT	RESERVE	RATE AT	RESERVE
AVG.WAGES	8/8/8	RATIO	8/8/8	RATIO	8/8/10	RATIO	8/10/10	RATIO	10/10/10	RATIO
RATE GROUP										
1	0.05	0.22612	0.04	0.23118	0.04	0.21791	0.04	0.21038	0.04	0.20579
2	0.08	0.20432	0.07	0.20566	0.07	0.19544	0.07	0.18700	0.07	0.18305
3	0.17	0.19393	0.13	0.19488	0.13	0.18561	0.13	0.17823	0.13	0.17334
4	0.25	0.19075	0.20	0.19087	0.20	0.17940	0.20	0.17234	0.20	0.16709
5	0.34	0.18681	0.26	0.18717	0.26	0.17643	0.26	0.16805	0.26	0.16271
6	0.42	0.18408	0.33	0.18473	0.33	0.17398	0.33	0.16513	0.33	0.15920
7	0.51	0.18136	0.39	0.18145	0.39	0.17234	0.39	0.16366	0.39	0.15622
8	0.59	0.17920	0.46	0.17939	0.46	0.17005	0.46	0.16146	0.46	0.15392
9	0.68	0.17746	0.52	0.17771	0.52	0.16788	0.52	0.15968	0.52	0.15219
10	0.76	0.17639	0.59	0.17657	0.59	0.16606	0.59	0.15783	0.59	0.15074
11	0.85	0.17491	0.65	0.17500	0.65	0.16442	0.65	0.15596	0.65	0.14932
12	0.93	0.17346	0.72	0.17357	0.72	0.16318	0.72	0.15470	0.72	0.14855
13	1.02	0.17253	0.78	0.17262	0.78	0.16205	0.78	0.15371	0.78	0.14691
14	1.10	0.17129	0.85	0.17141	0.85	0.16147	0.85	0.15267	0.85	0.14576
15	1.19	0.17060	0.91	0.17068	0.91	0.16042	0.91	0.15120	0.91	0.14422
16	1.27	0.16946	0.98	0.16959	0.98	0.15977	0.98	0.15001	0.98	0.14279
17	1.36	0.16864	1.04	0.16869	1.04	0.15853	1.04	0.14881	1.04	0.14180
18	1.44	0.16799	1.11	0.16799	1.11	0.15754	1.11	0.14814	1.11	0.14057
19	1.52	0.16746	1.17	0.16752	1.17	0.15692	1.17	0.14751	1.17	0.14009
20	1.61	0.16615	1.24	0.16631	1.24	0.15569	1.24	0.14677	1.24	0.13929
21	1.69	0.16515	1.30	0.16528	1.30	0.15472	1.30	0.14576	1.30	0.13832
22	1.78	0.16460	1.37	0.16473	1.37	0.15400	1.37	0.14482	1.37	0.13774
23	1.86	0.16456	1.43	0.16456	1.43	0.15323	1.43	0.14372	1.43	0.13709
24	1.95	0.16447	1.50	0.16456	1.50	0.15235	1.50	0.14271	1.50	0.13591
25	2.03	0.16287	1.56	0.16309	1.56	0.15172	1.56	0.14226	1.56	0.13473
26	2.12	0.16182	1.63	0.16211	1.63	0.15172	1.63	0.14123	1.63	0.13361
27	2.20	0.16066	1.69	0.16098	1.69	0.15111	1.69	0.14108	1.69	0.13320
28	2.29	0.15971	1.76	0.15991	1.76	0.14996	1.76	0.14108	1.76	0.13213
29	2.37	0.15869	1.82	0.15877	1.82	0.14887	1.82	0.14001	1.82	0.13213
30	2.46	0.15691	1.89	0.15700	1.89	0.14743	1.89	0.13886	1.89	0.13170
31	2.54	0.15579	1.95	0.15579	1.95	0.14608	1.95	0.13775	1.95	0.13070
32	2.63	0.15364	2.02	0.15374	2.02	0.14480	2.02	0.13616	2.02	0.12969
33	2.71	0.15149	2.08	0.15162	2.08	0.14298	2.08	0.13450	2.08	0.12831
34	2.80	0.14909	2.15	0.14916	2.15	0.14122	2.15	0.13247	2.15	0.12650
35	2.88	0.14733	2.21	0.14769	2.21	0.13885	2.21	0.13086	2.21	0.12547
36	2.97	0.14598	2.28	0.14657	2.28	0.13748	2.28	0.12947	2.28	0.12398
37	3.05	0.14340	2.34	0.14372	2.34	0.13499	2.34	0.12723	2.34	0.12196
38	3.13	0.14003	2.41	0.14045	2.41	0.13203	2.41	0.12482	2.41	0.11957
39	3.22	0.13744	2.47	0.13753	2.47	0.13072	2.47	0.12225	2.47	0.11683
40	3.30	0.13431	2.54	0.13443	2.54	0.12792	2.54	0.12034	2.54	0.11356
41	3.39	0.12947	2.60	0.12971	2.60	0.12548	2.60	0.11746	2.60	0.11081
42	3.47	0.12502	2.67	0.12507	2.67	0.12132	2.67	0.11396	2.67	0.10851
43	3.56	0.12056	2.73	0.12100	2.73	0.11630	2.73	0.10873	2.73	0.10490
44	3.64	0.11436	2.80	0.11479	2.80	0.11188	2.80	0.10490	2.80	0.10113
45	3.73	0.10850	2.86	0.10975	2.86	0.10493	2.86	0.09906	2.86	0.09541
46	3.81	0.10166	2.93	0.10253	2.93	0.09775	2.93	0.09224	2.93	0.08842
47	3.90	0.09369	2.99	0.09403	2.99	0.08988	2.99	0.08480	2.99	0.08008
48	3.98	0.08070	3.06	0.08187	3.06	0.07716	3.06	0.07240	3.06	0.06940
49	4.07	0.06455	3.12	0.06467	3.12	0.06110	3.12	0.05545	3.12	0.05218
50	4.15	0.03979	3.19	0.04023	3.19	0.03828	3.19	0.03450	3.19	0.03390
51	4.24	0.00000	3.25	0.00000	3.25	0.00000	3.25	0.00000	3.25	0.00000

FOR ILLUSTRATION PURPOSES ONLY.
Not intended to imply effect on individual firms.

TABLE 4
POSITIVE ELIGIBLE ACCOUNT
EFFECT OF CHANGE TO $12,000 WAGE BASE 1/
CY 1992 - 1995

Low Wage Employer

Payroll: 20 employees at $8,000/year
Total Wages: $160,000
Taxable Wage Base and Annual Taxable Wage: $8,000 (current)--$160,000; $12,000 (proposed)--$160,000
Contributions (all past periods): $32,000
Benefits (all past periods): $3,200
Average Annual Wages: Average of 3 years taxable wages

$$\text{Reserve Ratio} = \frac{\text{Contributions - Benefits}}{\text{Average Annual Wages}}$$

Actual 1991 Rate
1991 Contribution: $8,000 Current Wage Base: previous years, all $8,000
Reserve Ratio = $\frac{\$32,000 - \$3,200}{\$160,000} = 0.18000$
Rate Group = 8 Rate = 0.59%
Contributions = $160,000 x 0.59% = $944

1992 Contributions--if $12,000 wage base had gone into effect CY 1991
1992 Contributions: $12,000 Current Wage Base: previous years, all $8,000
Reserve Ratio = $\frac{\$32,944 - \$3,200}{\$160,000} = 0.18590$
Rate Group = 6 Rate = 0.28%
Contributions = $160,000 x 0.28% = $448

1993 Contributions--if $12,000 wage base had gone into effect CY 1991
1993 Contributions: $12,000 Current Wage Base: last year of average payroll, $12,000; first two years of average payroll, $8,000
Reserve Ratio = $\frac{\$33,392 - \$3,200}{\$160,000} = 0.18870$
Rate Group = 2 Rate = 0.06%
Contributions = $160,000 x 0.06% = $96

1994 Contributions--if $12,000 wage base had gone into effect CY 1991
1994 Contributions: $12,000 Current Wage Base: last two years of average payroll, $12,000; first year of average payroll, $8,000
Reserve Ratio = $\frac{\$33,488 - \$3,200}{\$160,000} = 0.18930$
Rate Group = 2 Rate = 0.06%
Contributions = $160,000 x 0.06% = $96

1995 Contributions, if $12,000 wage base had gone into effect CY 1991
1995 Contributions: $12,000 Current Wage Base: all years of average payroll at $12,000
Reserve Ratio = $\frac{\$33,584 - \$3,200}{\$160,000} = 0.18990$
Rate Group = 2 Rate = 0.06%
Contributions = $160,000 x 0.06% = $96

1/ This example does not represent the universe of low wage employers. It projects future contributions based on 1991 rate schedules actual and estimated to account for variations in wage bases. It does not reflect changes in employment, wages, and benefit charges for individual employers.

FOR ILLUSTRATION PURPOSES ONLY.
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TABLE 5
POSITIVE ELIGIBLE ACCOUNT
EFFECT OF CHANGE TO $12,000 WAGE BASE 1/
CY 1992 - 1995

High Wage Employer

Payroll: 20 employees at $20,000/year
Total Wages: $400,000
Taxable Wage Base and Annual Taxable Wage: $8,000 (current)--$160,000; $12,000 (proposed)--$240,000
Contributions (all past periods): $32,000
Benefits (all past periods): $3,200
Average Annual Wages: Average of 3 years taxable wages

$$\text{Reserve Ratio} = \frac{\text{Contributions - Benefits}}{\text{Average Annual Wages}}$$

Actual 1991 Rate
1991 Contribution: $8,000 Current Wage Base: previous years, all $8,000
Reserve Ratio = $\frac{\$32,000 - \$3,200}{\$160,000} = 0.18000$
Rate Group = 8 Rate = 0.59%
Contributions = $160,000 x 0.59% = $944

1992 Contributions--if $12,000 wage base had gone into effect CY 1991
1992 Contributions: $12,000 Current Wage Base: previous years, all $8,000
Reserve Ratio = $\frac{\$32,944 - \$3,200}{\$160,000} = 0.18590$
Rate Group = 6 Rate = 0.28%
Contributions = $240,000 x 0.28% = $672

1993 Contributions--if $12,000 wage base had gone into effect CY 1991
1993 Contributions: $12,000 Current Wage Base: last year of average payroll, $12,000; first two years of average payroll, $8,000
Reserve Ratio = $\frac{\$33,616 - \$3,200}{\$186,667} = 0.16294$
Rate Group = 8 Rate = 0.39%
Contributions = $240,000 x 0.39% = $936

1994 Contributions--if $12,000 wage base had gone into effect CY 1991
1994 Contributions: $12,000 Current Wage Base: last two years of average payroll, $12,000; first year of average payroll, $8,000
Reserve Ratio = $\frac{\$34,552 - \$3,200}{\$213,333} = 0.14696$
Rate Group = 10 Rate = 0.50%
Contributions = $240,000 x 0.50% = $1,200

1995 Contributions, if $12,000 wage base had gone into effect CY 1991
1995 Contributions: $12,000 Current Wage Base: all years of average payroll at $12,000
Reserve Ratio = $\frac{\$35,752 - \$3,200}{\$240,000} = 0.13563$
Rate Group = 10 Rate = 0.50%
Contributions = $240,000 x 0.50% = $1,200

1/ This example does not represent the universe of high wage employers. It projects future contributions based on 1991 rate schedules actual and estimated to account for variations in wage bases. It does not reflect changes in employment, wages, and benefit charges for individual employers.

FOR ILLUSTRATION PURPOSES ONLY.
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TABLE 6
POSITIVE ELIGIBLE ACCOUNT
EFFECT OF CHANGE TO $10,000 WAGE BASE 1/
CY 1992 - 1995

Low Wage Employer

Payroll: 20 employees at $8,000/year
Total Wages: $160,000
Taxable Wage Base and Annual Taxable Wage: $8,000 (current)--$160,000; $10,000 (proposed)--$160,000
Contributions (all past periods): $32,000
Benefits (all past periods): $3,200
Average Annual Wages: Average of 3 years taxable wages

$$\text{Reserve Ratio} = \frac{\text{Contributions - Benefits}}{\text{Average Annual Wages}}$$

Actual 1991 Rate
1991 Contribution: $8,000 Current Wage Base: previous years, all $8,000
Reserve Ratio = $\frac{\$32,000 - \$3,200}{\$160,000} = 0.18000$
Rate Group = 8 Rate = 0.59%
Contributions = $160,000 x 0.59% = $944

1992 Contributions--if $10,000 wage base had gone into effect CY 1991
1992 Contributions: $10,000 Current Wage Base: previous years, all $8,000
Reserve Ratio = $\frac{\$32,944 - \$3,200}{\$160,000} = 0.18590$
Rate Group = 6 Rate = 0.33%
Contributions = $160,000 x 0.33% = $528

1993 Contributions--if $10,000 wage base had gone into effect CY 1991
1993 Contributions: $10,000 Current Wage Base: last year of average payroll, $10,000; first two years of average payroll, $8,000
Reserve Ratio = $\frac{\$33,472 - \$3,200}{\$160,000} = 0.18920$
Rate Group = 3 Rate = 0.13%
Contributions = $160,000 x 0.13% = $208

1994 Contributions--if $10,000 wage base had gone into effect CY 1991
1994 Contributions: $10,000 Current Wage Base: last two years of average payroll, $10,000; first year of average payroll, $8,000
Reserve Ratio = $\frac{\$33,680 - \$3,200}{\$160,000} = 0.19050$
Rate Group = 2 Rate = 0.07%
Contributions = $160,000 x 0.07% = $112

1995 Contributions, if $10,000 wage base had gone into effect CY 1991
1995 Contributions: $10,000 Current Wage Base: all years of average payroll at $10,000
Reserve Ratio = $\frac{\$33,792 - \$3,200}{\$160,000} = 0.19120$
Rate Group = 2 Rate = 0.07%
Contributions = $160,000 x 0.07% = $112

1/ This example does not represent the universe of low wage employers. It projects future contributions based on 1991 rate schedules actual and estimated to account for variations in wage bases. It does not reflect changes in employment, wages, and benefit charges for individual employers.

FOR ILLUSTRATION PURPOSES ONLY.
Not intended to imply effect on individual firms.

TABLE 7
POSITIVE ELIGIBLE ACCOUNT
EFFECT OF CHANGE TO $10,000 WAGE BASE 1/
CY 1992 - 1995

High Wage Employer

Payroll: 20 employees at $20,000/year
Total Wages: $400,000
Taxable Wage Base and Annual Taxable Wage: $8,000 (current)--$160,000; $10,000 (proposed)--$200,000
Contributions (all past periods): $32,000
Benefits (all past periods): $3,200
Average Annual Wages: Average of 3 years taxable wages

$$\text{Reserve Ratio} = \frac{\text{Contributions - Benefits}}{\text{Average Annual Wages}}$$

Actual 1991 Rate
1991 Contribution: $8,000 Current Wage Base: previous years, all $8,000
Reserve Ratio = $\frac{\$32,000 - \$3,200}{\$160,000} = 0.18000$
Rate Group = 8 Rate = 0.59%
Contributions = $160,000 x 0.59% = $944

1992 Contributions--if $10,000 wage base had gone into effect CY 1991
1992 Contributions: $10,000 Current Wage Base: previous years, all $8,000
Reserve Ratio = $\frac{\$32,944 - \$3,200}{\$160,000} = 0.18590$
Rate Group = 6 Rate = 0.33%
Contributions = $200,000 x 0.33% = $660

1993 Contributions--if $10,000 wage base had gone into effect CY 1991
1993 Contributions: $10,000 Current Wage Base: last year of average payroll, $10,000; first two years of average payroll, $8,000
Reserve Ratio = $\frac{\$33,604 - \$3,200}{\$173,333} = 0.17541$
Rate Group = 6 Rate = 0.33%
Contributions = $200,000 x 0.33% = $660

1994 Contributions--if $10,000 wage base had gone into effect CY 1991
1994 Contributions: $10,000 Current Wage Base: last two years of average payroll, $10,000; first year of average payroll, $8,000
Reserve Ratio = $\frac{\$34,264 - \$3,200}{\$186,667} = 0.16641$
Rate Group = 6 Rate = 0.33%
Contributions = $200,000 x 0.33% = $660

1995 Contributions--if $10,000 wage base had gone into effect CY 1991
1995 Contributions: $10,000 Current Wage Base: all years of average payroll at $10,000
Reserve Ratio = $\frac{\$34,924 - \$3,200}{\$200,000} = 0.15862$
Rate Group = 7 Rate = 0.39%
Contributions = $200,000 x 0.39% = $780

1/ This example does not represent the universe of high wage employers. It projects future contributions based on 1991 rate schedules actual and estimated to account for variations in wage bases. It does not reflect changes in employment, wages, and benefit charges for individual employers.