

**FISCAL RESEARCH DIVISION**

A Staff Agency of the North Carolina General Assembly

# Division of Employment Security

**Joint Appropriations Subcommittee on Agriculture,  
Natural, and Economic Resources**

**March 16, 2017**

**Eric Moore**

# DES Purpose

- Supervises NC's Unemployment Insurance (UI) program
- Provides temporary income protection to eligible workers during periods of involuntary unemployment
- NC Unemployment Trust Fund
  - ~\$2.5B Feb 2017

886.75 FTE

2017-18 Base Budget

|               |            |
|---------------|------------|
| Expenditures: | \$ 161.5 M |
| Receipts:     | \$ 161.5 M |
| Net Approp.:  | \$ 0.0 M   |



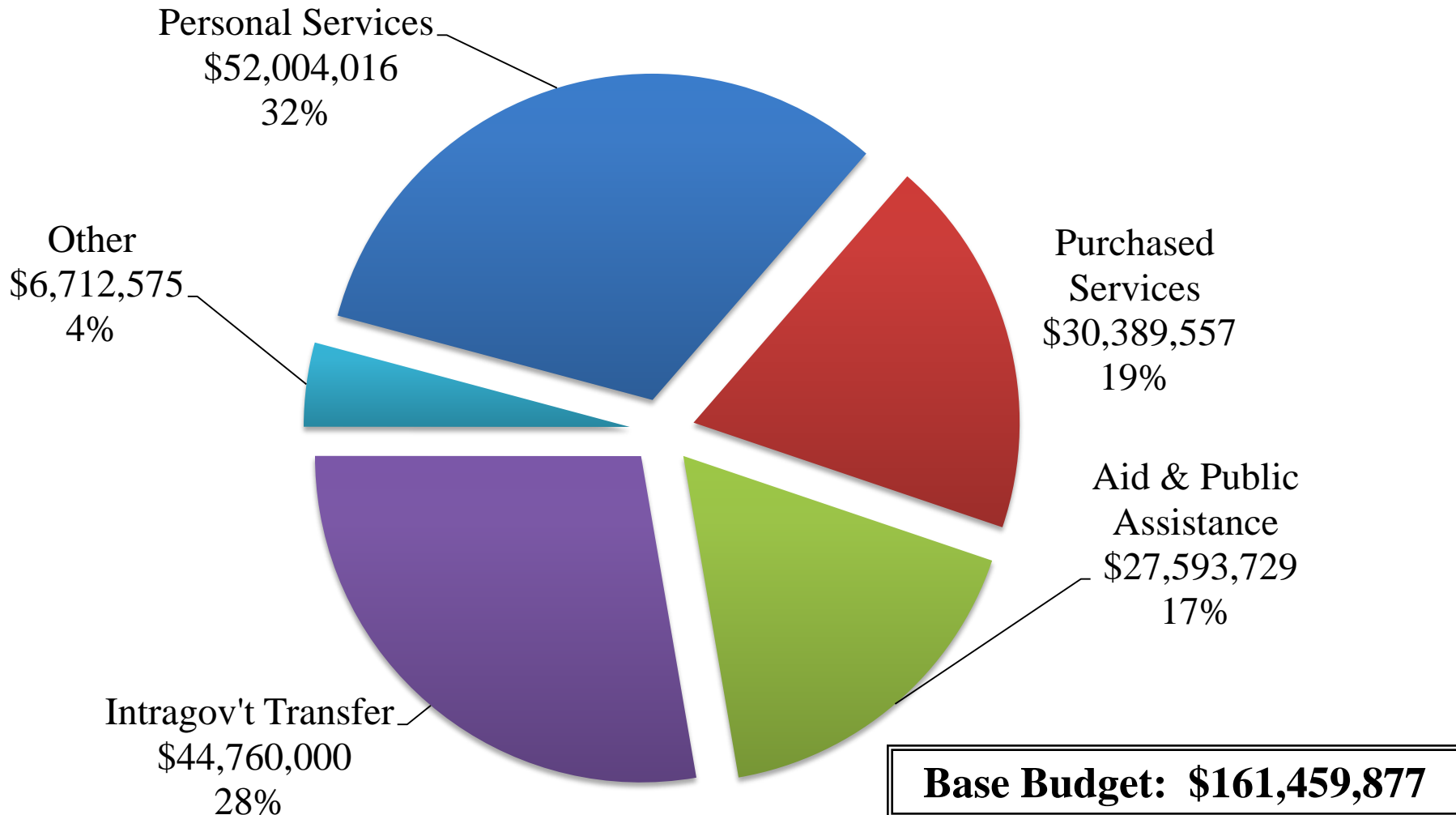
# DES 2017-18 Base Budget Revenues



**Base Budget: \$161,459,877**



# DES 2017-18 Base Budget Expenditures



# Revenues

- Federal Unemployment Tax Act - **FUTA**
  - Employers pay IRS directly
  - 0.6%-6% of taxable wages for first \$7K
  - Funds – federal benefits, State administration
- State Unemployment Tax Act – **SUTA**
  - Employers pay through DES into State account at US Treasury
  - 0.06%-5.76% of taxable wages for first \$23,100
- Penalties/Interest
  - Penalties are transferred to OSBM for distribution
  - Interest is used by DES for allowable purposes
- Surcharge
  - 20% on top of SUTA when State's balance is < \$1B



# Benefits

- Sliding scale of dollars and duration
- Dollar benefits based on employee's wages
- Duration pegged to State's unemployment rate
- Current max is \$350/week for 12 weeks
  - Current average is \$244/week



# Contact Information

## Fiscal Research Division

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