VSBIT Unemployment Program Rate Calculation
(FY18-FY20 Data determines FY22 Rate)

1) Determine entities Benefit Ratio

Total Benefits Divided by Average Taxable Wages = Benefit Ratio

Benefit Ratio   **18.4794%**

Taxable Wages FY18	$80,000	Benefits Paid FY18	$10,088	Member Contribution FY18	$648
Taxable Wages FY19	$82,387	Benefits Paid FY19	$3,588	Member Contribution FY19	$2,702
Taxable Wages FY20	$66,387	Benefits Paid FY20	$416	Member Contribution FY20	$2,463
Average Taxable Wages	$76,258	Total Benefits Paid	$14,092	Total Member Contribution	$5,813

2) Sort all entities in pool by Benefit Ratio

3) Determine "Break Points"

All entities with a zero benefit ratio are assigned Rate Class 1
Remaining entities are divided into Rate Classes 2-6 by dividing cumulative average
taxable wages across the pool by 5

4) High Risk Determination

Total Benefits Paid for the three year period are compared with payments into the pool for the same three years
If benefits paid exceed payments in by $1000 or more then the entity is considered High Risk
and an adjustment factor is applied.

In the case above the ratio of 18.4794 places this Entity into Rate Class 6 which has a base rate of 1.92%
Then the High Risk adjustment factor is calculated because the total benefits paid to the DOL ($14,092) exceeds the
member contributions ($5,813) by more than $1000.

To calculate the factor, take $14,092-$5813= $8279
Then take $5813 divided by $14092 (as a percent), this is 41.25%
Subtract the 41.25% from 100% which is 58.75%
Then take the base rate for the class assigned (1.92%) times the 58.75% calculated above which is 1.13%
The 1.13% is added to the 1.92% for a rate of 3.05% which is the members rate for the FY