

What to know about unemployment tax rates

Tax rate increases required by law due to high unemployment

For over one million Washingtonians, unemployment benefits have been a financial lifeline during the public health and economic crises brought on by COVID-19.

Federal unemployment benefits and taxes

About two-thirds of the more than \$12 billion in paid benefits have come from federal funds, which doesn't affect your state unemployment taxes.

State unemployment benefits and taxes

Still, we've paid around \$4 billion in benefits from our state's Unemployment Insurance (UI) Trust Fund, and this does affect your state unemployment tax rates.

Experience rate

Your UI experience rate is a ratio based on your taxable wages and multiple years of benefits charged to your account.

Social cost rate

This is a shared-cost tax applied to all employers. It's based on the previous year's cost for benefit payments not attributed to specific employers.

Your 2021 tax rate could change

Possible changes due to state legislation

Washington's Legislature could change state unemployment tax rates and calculations during the upcoming session, which begins on Jan. 11.

We may need to recalculate some employers' tax rates because of new federal programs

The federal CARES Act introduced and funded new unemployment benefit programs with new requirements. These programs add complexity to tax rate calculations when claimants move from federal to state programs and will require adjustments for some employers. As a result, you may receive a recalculated tax rate during 2021.

Create or log in to your eServices account for the most current and accurate info

In eServices, you can manage your employees' unemployment claims, access Employer Account Management Services (EAMS), and more. Starting Dec. 18, you'll be able to view your 2021 rate in EAMS. Learn more at esd.wa.gov/about-employees/eservices-for-employers.

You aren't responsible for benefit charges from claims found to be fraudulent

We remove benefit charges from fraudulent claims before calculating your tax rates. When reviewing your benefit charging statements, check for employees who shouldn't be listed and who you haven't already reported to us. To report fraud, visit our website and follow the instructions in the Employers section at esd.wa.gov/fraud.

Returning to quarterly statements of benefit charges

In 2021, you'll receive your benefit charging statements quarterly instead of monthly.

Relief for employers who used SharedWork

We remove the benefit charges for employees enrolled in an approved SharedWork plan, per the federal CARES act. Learn more at SharedWorkWA.com.

Learn more about 2021 tax rates at esd.wa.gov/employer-taxes.