

SERVICE BULLETIN



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TO: T&T Clients
FROM: Josh Kendall
RE: Higher Massachusetts UI Tax Rates Expected for 2010
DATE: September 14, 2009

Massachusetts unemployment tax rates are expected to be twenty-five percent (25%) higher, in general, for 2010. We have been advised by the Massachusetts Department of Labor and Workforce Development that the state unemployment compensation trust fund has decreased to the level where it appears likely that the highest tax rate table (Table G) will take effect for 2010. An official determination will not be made until after September 30th.

Table G contains tax rates that are 25.4% higher than the tax rates in Table E, which is in effect for this year. Of course your own experience is taken into account in the tax rate calculation, so your tax rate may increase more or less than 25%. Your tax rate could also decrease, but we expect very few to do so because of the impact of the higher rate table.

The state (Massachusetts) unemployment taxable wage limitation is \$14,000 for 2009, and this is not expected to change for 2010. Nevertheless, it is quite possible that the Massachusetts unemployment compensation trust fund will become completely exhausted by early next year, in which case federal funds will be borrowed. For this reason, we cannot rule out the possibility that legislation may be considered to increase the taxable wage limitation.

As a reminder, it is permissible in Massachusetts for an experience-rated employer to make a voluntary contribution in order to secure a lower tax rate. Please be sure to forward your tax rate notice(s) to our office so that we can analyze whether or not a voluntary contribution will be advantageous for you.



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