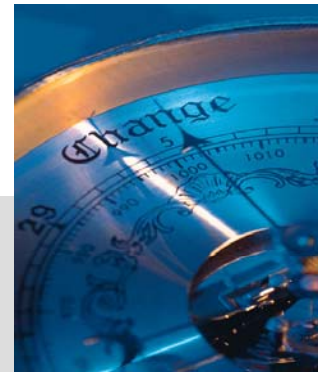


# SERVICE BULLETIN



## Higher Tennessee UI Tax Rates Expected Effective January 1, 2009

*TO:* Tennessee Clients

*FROM:* Josh Kendall  
Page Wiseman

*RE:* Anticipated UI Tax Rate Increase in Tennessee

*DATE:* January 8, 2009

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In November we notified you that Tennessee unemployment tax rates would be increasing on January 1, 2009 because a higher tax rate table would take effect. At that time officials at the Tennessee Department of Labor and Workforce Development anticipated that Premium Table 2 would take effect (the second-highest tax rate table).

We have just been advised by telephone that Premium Table 1 (containing the highest tax rates possible) is in effect as of January 1, 2009. The trust fund balance deteriorated more rapidly than the Department expected because of the significant increase in unemployment claims. Thus, we have the unprecedented shift from Premium Table 4 (for the third and fourth quarters of 2008) to Premium Table 1 (for the first and second quarters of 2009). For some tax rate brackets the rate will more than double.

Following is a chart of the tax rate tables. You can pick out your current tax rate on Premium Table 4 and determine your tax rate on Premium Table 1. You will note that if your current tax rate is 5% or higher, there will be no change in your tax rate on January 1<sup>st</sup>.

We are providing this information to assist you with budgeting. Please forward this message to any appropriate person in your company who may find this useful for budgetary purposes.

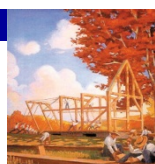
The Tennessee Department of Labor and Workforce Development has not yet announced a rate table change but we understand that they will notify employers within a couple weeks. If there are any questions please feel free to contact us.

-more-

  
Thomas & Thorngren, Inc.

SERVICE BULLETIN

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TN UI Tax Rate Increase...continued

<b>Premium Rate Charts</b>	
<i>Previous Tax Rate Under Premium Table 4</i>	<i>New Tax Rate Under Premium Table 1</i>
0.30%	0.50%
0.35%	0.70%
0.40%	0.90%
0.45%	1.10%
0.50%	1.30%
0.75%	1.60%
1.00%	2.10%
1.20%	2.50%
1.50%	2.90%
1.80%	3.30%
2.10%	3.80%
2.40%	4.10%
3.00%	4.50%
5.00%	5.00%
5.50%	5.50%
6.00%	6.00%
6.50%	6.50%
7.00%	7.00%
7.50%	7.50%
8.00%	8.00%
8.50%	8.50%
9.00%	9.00%
9.50%	9.50%
10.00%	10.00%