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# SERVICE BULLETIN

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## **No Federal Interest Assessments for Delaware Employers in 2011**

August 2, 2011

The Delaware Department of Labor has announced a plan to repay the interest due on the outstanding \$62.5 million in federal loans to the state's unemployment trust fund. The state's fiscal year 2012 budget includes a provision to repay the \$3.7 million in accrued interest due in November of this year. As a result, Delaware employers will not be charged an additional assessment to cover the state's interest payment in 2011.

Originally, the Department announced that employers would have a special interest assessment issued to them in June to cover the interest due on the outstanding federal loan. At that time, Delaware estimated that the surcharge would be approximately 0.12% of each employer's taxable payroll for calendar year 2010. This would have resulted in a maximum additional tax due of \$12.60 per employee. However, because of Governor Markell's initiative to repay interest out of the state's budget, Delaware employers will not be charged an interest assessment during 2011.

Attached please find a copy of the Department's letter to employers mailed on July 20, 2011.

As always, if there are any questions please do not hesitate to contact us.

Additional Service Bulletins may be viewed on our website at [www.thomasandthorngren.com](http://www.thomasandthorngren.com).



JULY 20, 2011

C/O THOMAS AND THORNGREN INC  
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**IMPORTANT UPDATE: BUDGET SOLUTION MEANS NO "TEMPORARY  
EMERGENCY EMPLOYER ASSESSMENT" IN CY 2011**

Dear Employer:

In March of this year, you were mailed a letter by the Division of Unemployment Insurance informing you that a temporary emergency employer assessment would be imposed this summer. Delaware's Unemployment Insurance Trust Fund is currently operating at a deficit and is supported by a loan from the federal government. To pay the accrued interest on that loan, Delaware law required that a temporary assessment be imposed on Delaware employers. Employers would have been required to pay that special assessment on or before September 30, 2011.

We are pleased to inform you that the Delaware General Assembly, at the suggestion of Governor Markell and with the support of the Department of Labor, has committed to pay the accrued interest on the Unemployment Insurance Trust Fund. Specifically, the State's fiscal year 2012 budget includes \$3.7 million to pay the accrued interest due to the federal government that would otherwise have been paid by an assessment on Delaware employers.

As a result of these actions by the General Assembly and Governor Markell, Delaware employers will not face a temporary emergency assessment in 2011.

On behalf of the Governor and the Department of Labor, thank you for your continued commitment to the Delaware Unemployment Insurance Trust Fund and for your efforts to support the unemployed and put Delawareans back to work.

Sincerely,

John J. McMahon, Jr.  
Secretary, Department of Labor

W. Thomas MacPherson  
Director, Division of Unemployment Insurance