



# NEWS RELEASE

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FOR IMMEDIATE RELEASE

## Savings on the way for Oklahoma employers in 2015

**OKLAHOMA CITY, OK** (August 6, 2014) – Most state employers can expect to pay lower unemployment taxes in 2015. Tax rates for all Oklahoma employers will be dropping to the minimum rate available for that individual employer due to a stronger unemployment insurance (UI) trust fund and lower UI benefit payments over the past few years. These lower tax rates are estimated to save Oklahoma businesses between \$120 million and \$130 million next year. The Oklahoma Employment Security Commission (OESC) uses the UI trust fund to pay regular state unemployment benefits to qualified workers. The UI trust fund is funded through taxes paid by Oklahoma employers.

Employers pay into the UI trust fund based on their individual experience with the unemployment system, meaning businesses that have former employees collecting unemployment benefits will pay more than those that do not. Each year, OESC calculates individual employer contribution rates for the following year based on a number of variables, including past total benefits payments and the UI trust fund balance. This calculation sets the rate schedule used to determine individual contribution rates. For 2015, OESC will be using the minimum rate schedule available to employers under state law. Individual businesses will be notified of their 2015 rates in September.

“OESC continues to work closely with businesses, community leaders and state lawmakers to ensure that our state workforce system serves employers in the most effective and efficient way possible,” said OESC Executive Director Richard McPherson. “It’s this collaboration that allows Oklahoma to stay on the forefront of workforce issues.”

“Reforms that have brought increased efficiency to the state’s workforce system are already generating savings for Oklahoma employers, and I’m pleased to hear unemployment tax rates will be even lower next year,” said Senator Dan Newberry, R-Tulsa. “These measures have allowed Oklahoma employers to cut their unemployment costs while protecting unemployed workers. We want employers to be able to reinvest in Oklahoma, generating even more economic opportunity and job growth.”

“The reductions in unemployment taxes reflect a strong private sector, a stable unemployment insurance trust fund and advantageous government policies,” said Representative Randy McDaniel, R-Oklahoma City, Chair of

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## OKLAHOMA EMPLOYMENT SECURITY COMMISSION

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the House Economic Development and Financial Services Committee. “The decisions made during the recent recession are proving to be valuable as the economy continues to improve.”

“Oklahoma has experienced strong economic growth in recent years. Since 2011 alone, we’ve created over 100,000 new jobs,” said Governor Mary Fallin. “Because of that, employers will now pay less in unemployment taxes for a second year in a row. Small business owners can now invest their money in new jobs and investments, rather than tax payments. That’s great news for Oklahoma families and another sign that our economy is back on the right track after suffering from a difficult national recession.”

Many states with different UI funding mechanisms struggled to keep their UI trust funds solvent during the recent recession. In fact, Oklahoma was one of only 19 states that did not borrow money from the federal government to continue paying UI benefits. If a state borrows money to make UI benefit payments, state employers are forced to pay the state’s loan and interest costs as well as normal tax contributions, making their effective tax rates higher.

**About OESC** – The Oklahoma Employment Security Commission is Oklahoma’s state workforce agency. OESC matches jobs and workers to benefit local labor markets; prepares a skilled workforce to meet employers’ needs; gathers, analyzes and disseminates information about the labor force to improve local economic decisions; and provides unemployment compensation to support unemployed workers and their communities.

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