

Research Notes



Unemployment Insurance Trust Fund
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Nevada's Unemployment Insurance Trust Fund Balance Over \$1.1 Billion at the End of the first quarter of 2018



Trust Fund Overview	Millions of \$
2017:IVQ Ending Balance	\$1,059.52
Contributions	\$116.61
Interest Earned	\$6.12
Benefit Payments	\$79.53
2018:IQ Ending Balance	\$1,105.06

- Nevada's Unemployment Insurance (UI) Trust Fund ended the first quarter of 2018 with a balance of \$1.1 billion, another record level.
- Since last quarter, \$116.6 million in UI taxes were collected, an increase of 46 percent compared to the first quarter of 2017. Interest earned by the Trust Fund totaled \$6.1 million in the first quarter; \$2 million higher than last year's first quarter reading.
- Outflows from the fund, also known as benefit payments, were \$79.5 million for the observed period, over \$1 million lower compared to the previous year. This, combined with the increase in UI contributions, allowed the Trust Fund to grow by \$45.5 million over the quarter.
- Even with the \$1.1 billion balance, the Trust Fund still has room for growth in order to meet adequacy measures. The most common measure, the Average High Cost Multiple (AHCM), provides an estimate of the amount of time the current Trust Fund balance could pay benefits at the average of a state's three highest cost years in the last two decades. The federally recommended AHCM is 1.0, which represents one year of benefits. Nevada's current AHCM of 0.99 at the end of the first quarter of 2018 indicates that the Silver State's Trust Fund would cover nearly one year of benefits if a similar recession were to occur.
- However, according to daily balance reports, by the time of this publication, Nevada's UI Trust Fund has surpassed \$1.3 billion, leading to an AHCM of 1.18. This is the first time that Nevada has had an AHCM greater than 1 since the fourth quarter of 2007.