Unemployment Trust Funds

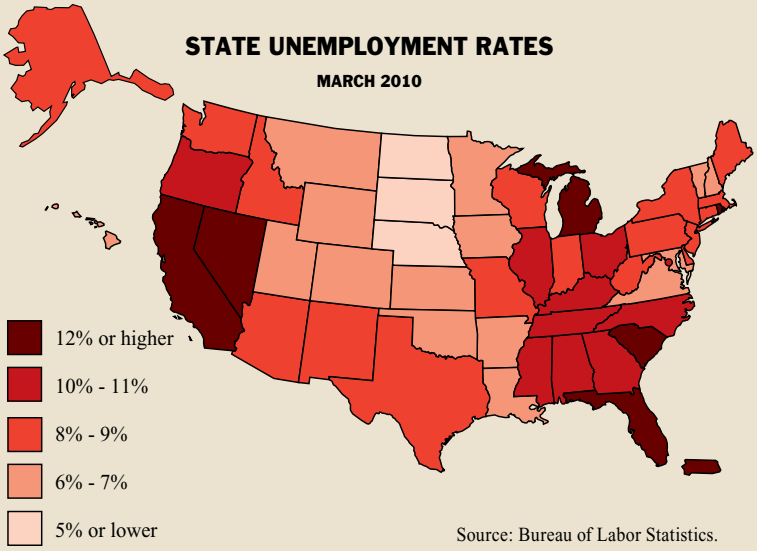
Claims for unemployment benefits have skyrocketed during the recession. According to the U.S. Department of Labor, 34 states and the U.S. Virgin Islands are currently borrowing to pay the costs of unemployment benefits.

Under the Federal Unemployment Tax Act, the federal government levies an unemployment tax on employers to finance administrative costs of the system, fund loans to states during economic downturns, and cover extended benefits.

State governments also tax employers to pay for the unemployment insurance benefits that are deposited into the federal Unemployment Trust Fund. Each state, plus the District of Columbia, Puerto Rico and the U.S. Virgin Islands, has its own account within the trust fund.

Many states have been forced to take out loans from the trust fund because their individual state accounts have been depleted. These loans must eventually be repaid. A provision of the American Recovery and Reinvestment Act temporarily waives interest on the loans, but the waiver is set to expire on Dec. 31, 2010.

CHECK OUT more information on state unemployment at www.ncsl.org/magazine.



Source: Bureau of Labor Statistics.

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STATE TRUST FUND LOANS

	Balance as of April 28, 2010	When Borrowing Began
Alabama	$283,001,164.19	September 2009
Arizona	$40,886,350.87	March 2010
Arkansas	$330,853,383.31	March 2009
California	$8,859,078,902.33	January 2009
Colorado	$253,697,149.74	January 2010
Connecticut	$498,452,705.05	October 2009
Delaware	$12,901,505.48	March 2010
Florida	$1,612,500,000.00	August 2009
Georgia	$416,000,000.00	December 2009
Idaho	$202,401,700.22	June 2009
Illinois	$2,239,582,343.13	July 2009
Indiana	$1,856,438,937.68	December 2008
Kansas	$88,159,421.40	March 2010
Kentucky	$795,100,000.00	January 2009
Maryland	$133,840,764.71	February 2010
Massachusetts	$249,471,523.22	February 2010
Michigan	$3,876,782,333.32	September 2006
Minnesota	$711,246,296.07	July 2009
Missouri	$722,116,933.16	February 2009
Nevada	$395,394,607.16	October 2009
New Hampshire	$24,321,180.45	March 2010
New Jersey	$1,749,563,533.38	March 2009
New York	$3,176,873,427.71	January 2009
North Carolina	$2,292,762,317.02	February 2009
Ohio	$2,314,186,799.00	January 2009
Pennsylvania	$3,008,614,960.83	March 2009
Rhode Island	$222,480,710.00	March 2009
South Carolina	$884,957,169.97	December 2008
South Dakota	$24,027,178.42	August 2009
Tennessee	$20,736,767.13	
Texas	$2,077,252,957.61	July 2009
Vermont	$32,657,064.94	March 2010
Virgin Islands	$13,321,649.88	August 2009
Virginia	$346,876,000.00	October 2009
Wisconsin	$1,424,768,541.29	February 2009
Total	**$41,329,147,760.49**	

Source: U.S. Department of Labor.