



Delaware SUI taxable wage base to remain at highest possible, tax rate schedule also to remain the same

Per a Delaware Department of Labor representative, the state unemployment insurance (SUI) taxable wage base will remain at \$18,500 for calendar year 2016 and the 2016 SUI tax rates are expected to continue to range from 0.3% to 8.2%. (*Email response to inquiry/telephone conversation, representatives, Delaware Department of Labor, October 2, 2015.*)

Mailing of 2016 tax rate notices

The 2016 SUI tax rate notices will be mailed to employers in mid-December 2015.

For more information on SUI taxes in Delaware, contact the Department at +1 302 761 8482 or see the Department's website at <http://ui.delawareworks.com/employer-services.php>.

2013 legislation increased SUI taxable wage base

As we previously reported, legislation enacted in mid-August 2013 changed the determination of the SUI taxable wage base from a set amount of \$10,500 to a range of \$10,500 to \$18,500 beginning calendar year 2014, by tying the wage limit to the balance of the state's unemployment trust fund—the higher the trust fund balance, the lower the taxable wage base.

Because the trust fund balance as of September 30, 2015 was \$68,909,100 (less than \$125 million), the highest taxable wage base, \$18,500, will be in effect for 2016. (*HB 168, signed by the governor on August 15, 2013.*)

Continued on next page.

If the state's trust fund balance continues to climb, employers may see the taxable wage base decrease in future years:

- If the UI Trust Fund balance is \$125 million or less balance as of September 30 of the preceding year, the taxable wage base will be \$18,500;
- If the trust fund is greater than \$125 million, but less than \$175 million, the taxable wage base will be \$16,500;
- If the trust fund balance is at least \$175 million, but not greater than \$225 million, the taxable wage base will be \$14,500;
- If the trust fund balance is greater than \$225 million, but less than \$275 million, the taxable wage base will be \$12,500;
- And if the UI Trust Fund balance is \$275 million or greater, the taxable wage base will be \$10,500.

Special training tax assessment

The "special training tax assessment," billed semi-annually at a rate of .15% prior to 2014, increases when the SUI taxable wage base decreases. Because the taxable wage base will be \$18,500 for 2016, the assessment rate will continue to be .085% for 2016.

FUTA taxes for calendar year 2015

Because Delaware repaid its federal UI loan balance that began in March 2010 prior to November 10, 2014, the net FUTA rate returned to 0.6% for calendar year 2014. The minimum net FUTA rate of 0.6% continues for calendar year 2015.

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