

RESEARCH NOTES



Research & Analysis
Bureau

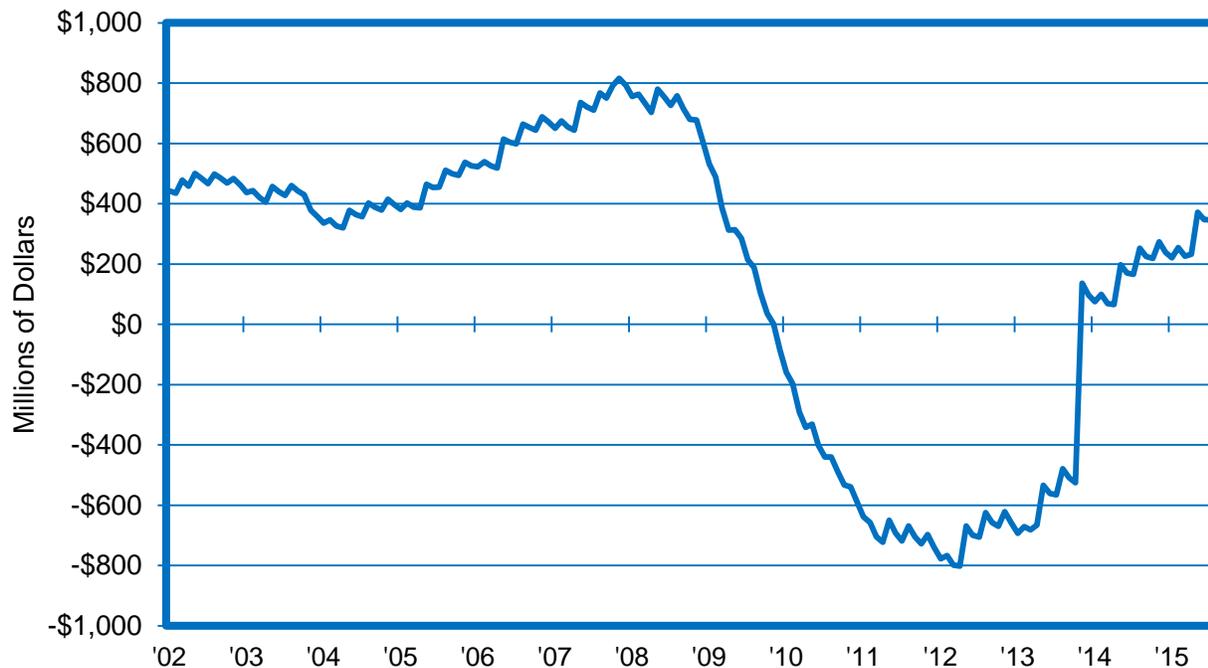
Nevada's Premier Source of Workforce & Economic Information and Analysis



Unemployment Insurance Trust Fund
Alessandro Capello, Economist

Note: 2015:51
August 19, 2015

Unemployment Insurance Trust Fund Improving; Still Several Years from Required Balance



- Nevada's Unemployment Insurance Trust Fund is a pool of funds administered by the State that uses taxes collected from employers to finance UI benefits.
- Nevada's Trust Fund balance peaked at \$816 million in late 2007, meeting both State and federal solvency measures. But, with the recession being worse than any in recent history, the Fund balance was insufficient to support UI benefits. By late 2009, the Fund hit zero, forcing Nevada to borrow from the federal government to fund the UI program.
- Nevada's UI Trust Fund hit its historical low of -\$801 million in April of 2012. In order to pay back the federal government and establish a positive fund reserve, Nevada opted to issue a \$592 million bond in November 2013. As of July 2015, \$410 million in principal and \$37 million in interest remains outstanding on the bond with full payment expected to occur in December 2017.
- At the end of July 2015, the Trust Fund balance was \$346.3 million, nearly \$180 million higher than a year ago. Despite this improvement, the Trust Fund still requires several more years of build-up in order to have the funds to weather another recession.