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A PRELIMINARY LOOK AT THE 2022 SUI TAXABLE WAGE BASES

State unemployment insurance (SUI) trust funds are largely financed by employer contributions (in Alaska, New Jersey and Pennsylvania employees also make contributions). States are required to maintain an SUI taxable wage base of no less than the limit set under the Federal Unemployment Tax Act (FUTA). The 2022 FUTA wage limit of \$7,000 has remained unchanged since 1983, despite increases in the federal minimum wage and annual cost-of-living adjustments over the last 36 years.

Some states are conservative in their approach to maintaining adequate SUI trust fund reserves. Consequently, the SUI wage base is flexible in those states, meaning, it is indexed to the average wage or varies based on the trust fund balance. According to the U.S. Department of Labor (US DOL), 24 jurisdictions had a flexible wage base in 2020 (the US DOL expects the 2021 information will be available by the end of December 2021). (*U.S. Department of Labor, Comparison of State Unemployment Laws, 2020, state law information webpage; email response to inquiry.*)

A PRELIMINARY LOOK AT THE 2022 STATE UNEMPLOYMENT TAXABLE WAGE BASES

Following is a preliminary list of the 2022 SUI taxable wage bases (as compared to 2021) and employee SUI withholding rates, if applicable.

SUI taxable wage bases, 2021 v. 2022				
State	2021 \$	2022 \$	increase or decrease %	2022 employee contribution rates
Alabama	8,000*	8,000*		
Alaska	43,600	45,200	3.67%	Employee SUI withholding rate is 0.56% on wages up to \$45,200
Arizona **	7,000*	7,000*		
Arkansas **	10,000	10,000		
California	7,000*	7,000*		
Colorado **/**	13,600	17,000	25%	
Connecticut **	15,000*	15,000*		
Delaware **	16,500	16,500 (EST)		
District of Columbia	9,000*	9,000*		
Florida ***	7,000*	7,000*		
Georgia	9,500*	9,500*		
Hawaii	47,400	51,600	8.86%	



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State	2021 \$	2022 \$	increase or decrease %	2022 employee contribution rates
Idaho	43,000	46,500	8.14%	
Illinois	12,960	12,960		
Indiana	9,500*	9,500*		
Iowa	32,400	34,800	7.41%	
Kansas	14,000*	14,000*		
Kentucky**	10,800	11,100 (EST)	2.78%	
Louisiana**	7,700	7,700		
Maine	12,000*	12,000*		
Maryland	8,500*	8,500*		
Massachusetts	15,000*	15,000*		
Michigan**	9,500	9,500		
Minnesota	36,000	TBD		
Mississippi	14,000*	14,000*		
Missouri	11,000	11,000		
Montana	35,300	38,100	7.93%	
Nebraska**	9,000/24,000*	9,000/24,000*		
Nevada	33,400	36,600	9.58%	
New Hampshire	14,000*	14,000*		
New Jersey**	36,200	39,800	9.94%	Employee SUI withholding rate is 0.425% on wages up to \$39,800
New Mexico	27,000	28,700	6.30%	
New York**	11,800	12,000	1.69%	
North Carolina	26,000	TBD		
North Dakota	38,500	38,400	(0.3%)	
Ohio**	9,000*	9,000*		



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State	2021 \$	2022 \$	increase or decrease %	2022 employee contribution rates
Oklahoma	24,000	24,800	3.33%	
Oregon	43,800	47,700	8.90%	
Pennsylvania	10,000*	10,000*		Employee SUI withholding 0.06% on total wages
Puerto Rico **	7,000	7,000 (EST)		
Rhode Island **/**	24,600/26,100	TBD		
South Carolina	14,000	14,000		
South Dakota	15,000	15,000		
Tennessee **	7,000	7,000 (EST)		
Texas	9,000*	9,000*		
Utah	38,900	41,600	6.94%	
Vermont	14,100	15,500 (EST)	9.93%	
Virginia	8,000*	8,000*		
Virgin Islands	32,500	TBD		
Washington	56,500	62,500	10.62%	
West Virginia **	12,000*	12,000*		
Wisconsin	14,000*	14,000*		
Wyoming	27,300	TBD		
FUTA	7,000*	7,000*		

Legend

* Law sets the taxable wage base; legislation would be necessary to change.

** See footnote below.

*** Due to the continued effect of COVID-19 UI benefit claims on state UI trust fund balances, the state is delayed in issuing 2022 SUI tax rate information and notices.



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EST: Estimated 2022 wage base

TBD: 2022 wage base was not available as of the time of this printing

Arizona

Effective January 1, 2023, legislation ([SB 1828](#)/Chapter 412) will increase the SUI taxable wage base to \$8,000, up from \$7,000. This increase is intended to fund the rise in the maximum weekly UI benefit amount, which effective July 1, 2022, will increase to \$320, up from \$240.

Arkansas

As a result of 2021 legislation ([HB 1409](#)/Act 368), the SUI taxable wage base for calendar year 2022 will remain \$10,000, the same as it was in 2021. Absent this legislation, and due to the continuing effect on the state's UI trust fund of the COVID-19 pandemic, the SUI wage base could have increased to \$11,000 or \$12,000 for 2022.

Colorado

Legislation in 2020 ([SB 20-207](#)) held the SUI taxable wage base at \$13,600 for calendar year 2021 with incremental increases each year thereafter until it reaches \$30,600 in 2026. The 2022 SUI taxable wage base will be \$17,000, then \$20,400 in 2023; \$23,800 in 2024; and \$27,200 in 2025. After 2026, the taxable wage base will be adjusted by changes in the annual average weekly wage.

Connecticut

A law passed in 2021 (HB 6633/Public Act [21-200](#)) increases the SUI taxable wage base for calendar year 2024 to \$25,000, up from the current \$15,000. Beginning with calendar year 2025, the taxable wage base will be indexed each year for inflation.

Delaware

In 2013, legislation ([HB 168](#)) increased the SUI taxable wage base to a minimum of \$10,500 and a maximum of \$18,500 by linking 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. In 2019, legislation (HB 198) froze the taxable wage base at \$16,500 for 2020 (under the bill language from July 1, 2019 to October 29, 2020) so that the Division of Unemployment Insurance and the Unemployment Compensation Advisory Council could determine whether the formula used to calculate the annual figure should be revised.

Kentucky

In 2021, [HB 413/Chapter 177](#) reduced the 2021 SUI taxes by freezing the rate schedule to Schedule A, the lowest rate schedule provided for by law, and the 2021 taxable wage base to \$10,800, the same rate schedule and taxable wage base that applied in 2020. Revised tax rate notices were issued in April 2021. HB 413 would also have frozen the rate schedule to Schedule A and taxable wage base to \$10,800 for calendar year 2022; however, Governor Andy Beshear line-item vetoed the provisions that extended the UI tax relief to calendar year 2022, saying that the state should wait and see until 2022 because "the Commonwealth's financial situation is fluid." The legislature did not override the governor's veto. (Chapter 177.) The taxable wage base is expected to continue to increase by \$300 each calendar year until it reaches \$12,000.

Louisiana

Legislation passed in 2021 ([SB 89/Act 91](#)) requires that the taxable wage base remains at \$7,700 for 2022. In 2020, legislation ([SB 55/Act 40](#)) provided that the SUI taxable wage base remained at \$7,700 for 2021.



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Michigan

The 2021 SUI taxable wage base increased to \$9,500 for all employers, up from the \$9,000 that had been in effect for the past several years for non-delinquent employers (\$9,500 was assigned to delinquent employers). This was because Michigan's UI trust fund balance fell below \$2.5 billion on June 30, 2020. The UI agency announced that the taxable wage base of \$9,500 will continue for 2022.

Nebraska

Legislation from 2019 ([LB 428](#)) increases the SUI taxable wage base to \$24,000 for employers assigned the maximum rate. This change was effective for calendar year 2020. The taxable wage base remains \$9,000 for all other employers.

New Jersey

Employee contribution rate includes the Workforce Development/Supplemental Workforce Funds surcharge.

New York

The taxable wage base will continue to increase as follows: 2022 — \$12,000; 2023 — \$12,300; 2024 — \$12,500; 2025 — \$12,800; 2026 — \$13,000; for each year thereafter, computed as 16% of the state's average annual wage.

Ohio

Legislation enacted in 2016 ([SB 235](#)) increased the SUI taxable wage base to \$9,500 for calendar years 2018 and 2019. The taxable wage base reverted to \$9,000 effective January 1, 2020 and will remain at that amount unless changed by future legislation.

Puerto Rico

Legislation from 2017 grants the territory's Secretary of Labor the discretion to increase the taxable wage base to as much as \$10,500 if deemed necessary.

Rhode Island

Negative-balanced employers assigned the maximum tax rate will have a taxable wage base that is \$1,500 higher than other employers (e.g., for 2021, \$24,600 versus \$26,100 for negative-balanced employers).

Tennessee

Under Tennessee UI law, if the UI trust fund balance on December 31 of any year is less than \$900 million, the taxable wage base is \$9,000. If the trust fund balance is above \$900 million, but less than \$1 billion on December 31, the taxable wage base is \$8,000. If the trust fund balance is over \$1 billion on December 31, the taxable wage base is \$7,000. The Tennessee UI trust fund balance as of November 30, 2021, was \$1,119,103,499. If the balance remains above \$1 billion as of December 31, 2021, the 2022 taxable wage base will remain \$7,000.

West Virginia

Governor Jim Justice's [announcement](#) regarding the repayment of the state's federal UI loan stated that employers are predicted to save 25% in 2022. According to a senior Workforce West Virginia representative, to achieve the 25% savings in 2022, Governor Justice intends to reduce the 2022 SUI taxable wage base from \$12,000 to \$9,000, which would require legislation to implement. (Email response to inquiry, 9-27-2021.)