



**FOR IMMEDIATE RELEASE**  
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**2005 UI & TDI TAXABLE WAGE BASES DETERMINED**  
**TDI TAX RATE DROPS**

The Department has determined the 2005 taxable wage bases for the Unemployment Insurance and Temporary Disability Insurance programs. The wage base, on which Unemployment Insurance taxes will be paid during the tax year that begins January 1, will be \$16,000. This is an increase of \$2,000 from the 2004 taxable wage base of \$14,000.

The higher taxable wage base is the result of a declining balance in the Employment Security Fund. The taxable wage base is determined by the level of reserves in the Employment Security Fund. As of September 30<sup>th</sup>, there was \$167.6 million in reserves to pay benefits. According to law, if the Employment Security Fund balance is more than \$125 million but less than \$175 million on September 30<sup>th</sup>, the taxable wage base will be \$16,000 for the next calendar year.

While the wage base limits the amount of wages that are taxable, tax rates for individual employers will vary according to their experience with the Unemployment Insurance system. Employers will be notified of their individual 2005 tax rates in December.

The Temporary Disability Insurance (TDI) taxable wage base will be \$49,000 in 2005, an increase of \$2,200 over the 2004 base of \$46,800. The TDI taxable wage base is set at the amount of earnings needed by an individual to qualify for the maximum weekly benefit of \$588 for the maximum duration of 30 weeks. As a result of a higher TDI Fund balance, the *employee* contribution rate for TDI will be lowered to 1.4 percent in 2005. This is a decrease of 6.7 percent from the 2004 rate of 1.5 percent. Despite the increase in the taxable wage base, this will result in lower TDI payroll deductions for *all employees* in 2005.

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*Equal Opportunity Employer/Program*

Auxiliary aids and services are available upon request to individuals with disabilities.  
TDD (401) 462-8006