

e-Alert

03.12.21

Important Message Regarding 2021 Massachusetts DUA Employer Rates

Background

The Massachusetts Department of Unemployment Assistance (DUA) has issued a notice regarding employers budgeting properly for their quarterly Unemployment Insurance (UI) contributions.

Summary

The annual UI rate scheduled is based on the balance of the Unemployment Trust Fund. Due to the high volume of claims caused by the COVID-19 pandemic, the Unemployment Trust Fund currently has a discrepancy balance, therefore triggering a high rate — schedule “G” — for the 2021 calendar year.

With no guidance from the legislation, UI employer contributions in 2021 will be increased to the highest allowable amount, causing the average employer contribution to grow by 60%, from \$539 to \$866. Foreseeing this increase, Governor Baker has filed legislation impacting the 2021 UI rate schedule. House bill 55, An Act financing a program for improvements to the Unemployment Insurance Trust Fund and relief to employers in the

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Commonwealth, will freeze the rate schedule for 2021 and 2022 at the current schedule “E,” slowing the contribution growth rate.

We will continue to monitor this legislation and are hopeful that the legislature will act quickly to approve the rate schedule freeze. However, if the legislature does not approve the rate freeze, as the April 30, 2021, Q1 contributions due date approaches, DUA will be prepared to issue rate notices for schedule “G” by the end of March 2021. Until these 2021 rate notices are issued, employers and third-party administrators (TPAs) will be unable to file for their Q1 2021 Employment and Wage Detail, which includes zero wage filings.

Employer Next Steps

- If you have questions regarding this e-Alert, please [email us](#).

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