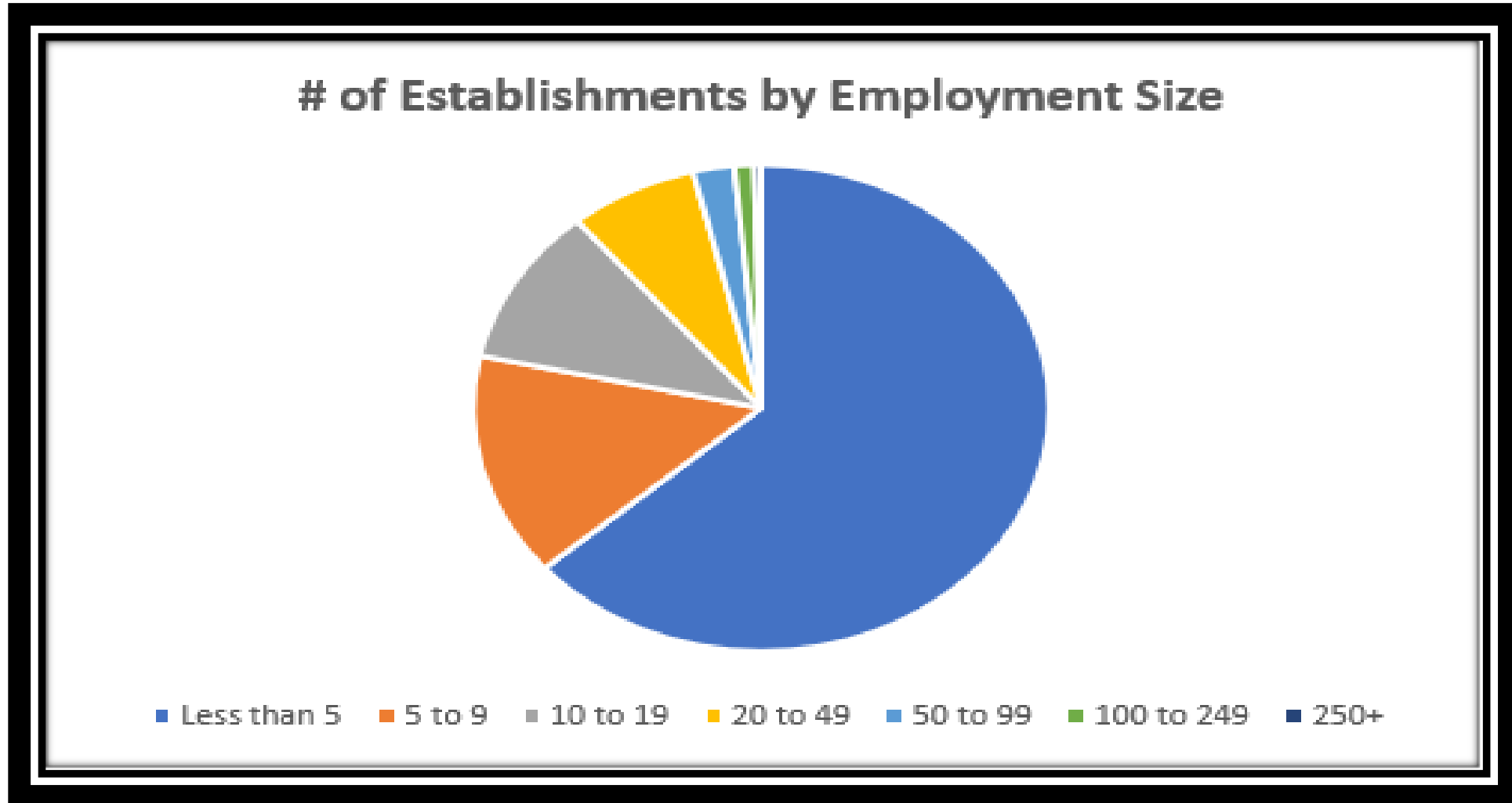




Interim Study on Modernizing Oklahoma's SUTA Laws

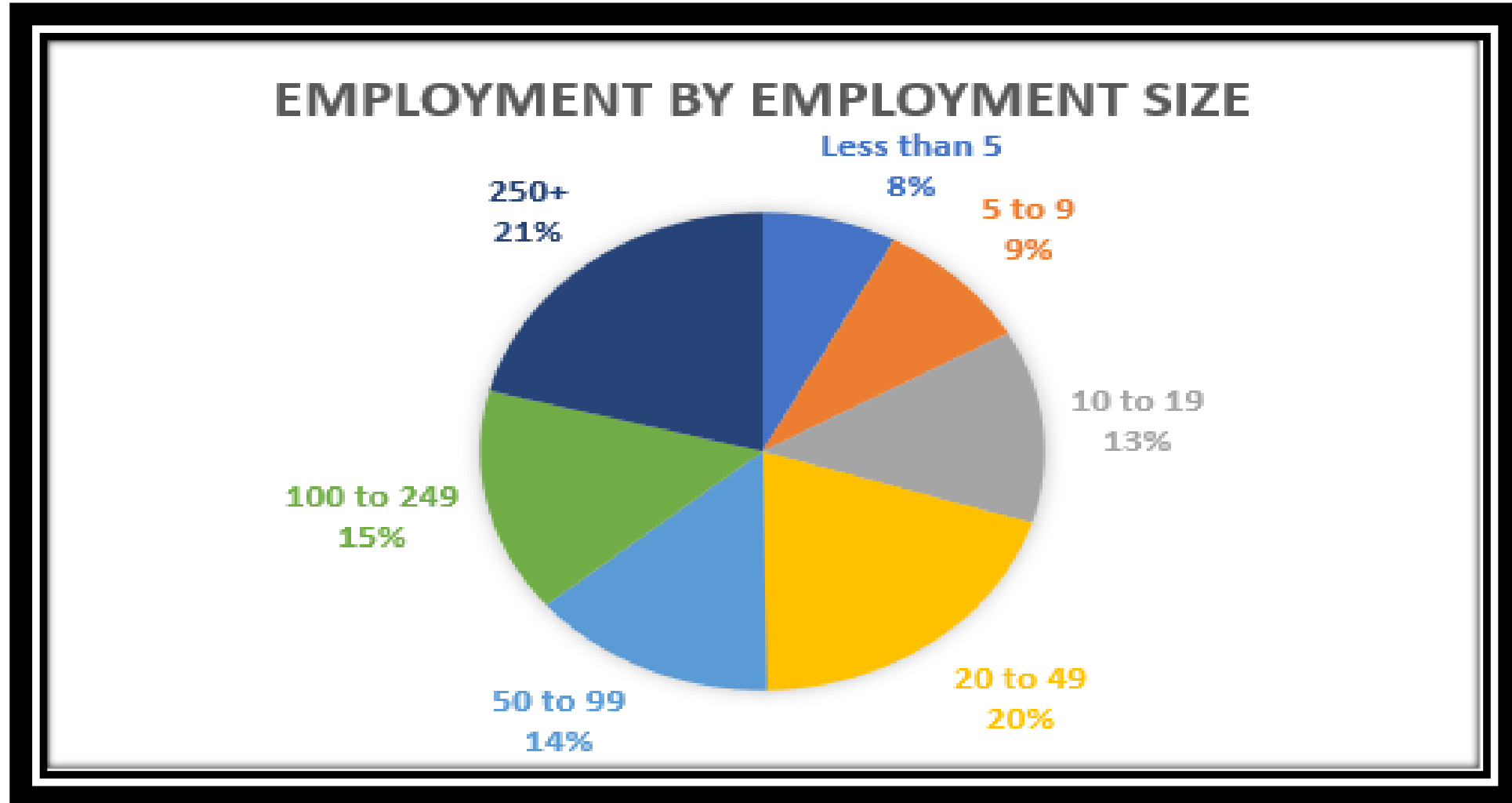
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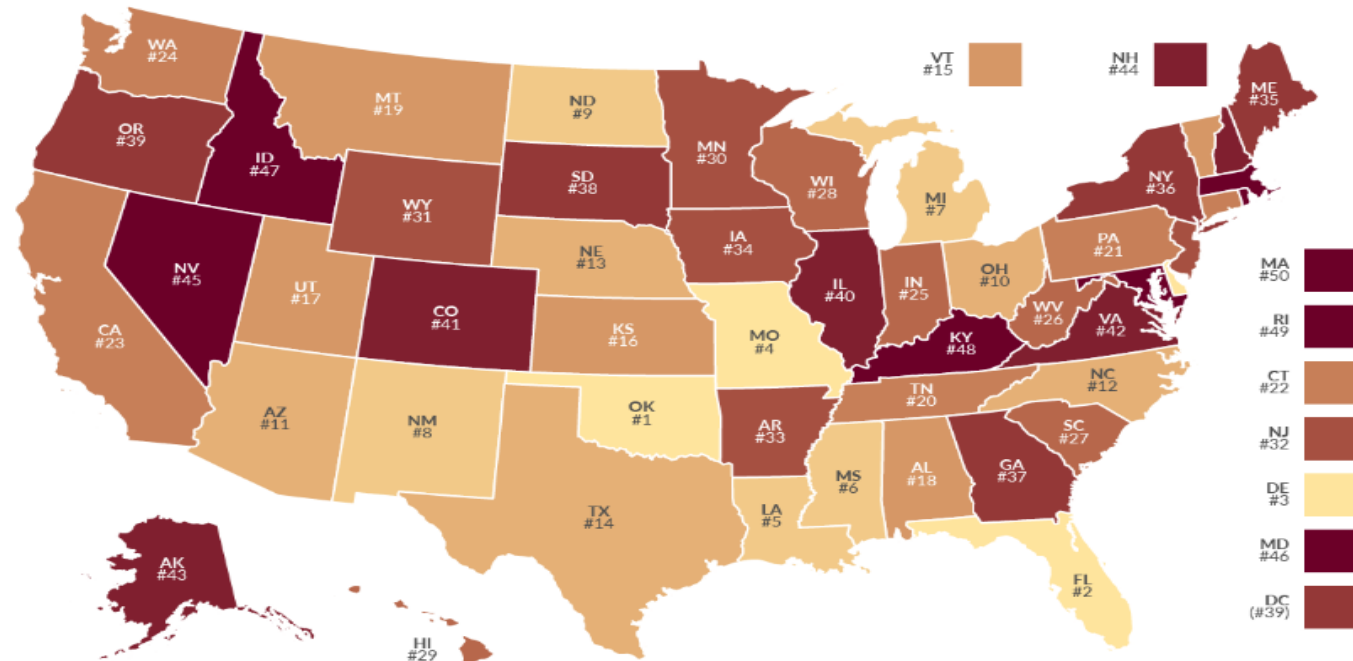


Did you know?

According to taxfoundation.org, Oklahoma has the #1 rated U.I. tax component ranking.

How Does Your State Rank on Unemployment Insurance Taxes?

Unemployment Insurance Tax Component Rankings, 2022 State Business Tax Climate Index



Note: A rank of 1 is best, 50 is worst. D.C.'s score and rank do not affect other states. The report shows tax systems as of July 1, 2021 (the beginning of Fiscal Year 2022). Source: Tax Foundation, 2022 State Business Tax Climate Index.



Did you know?



Compared to the surrounding states Oklahoma has the lowest NEW employer tax rate.

Oklahoma
1.5%

Colorado
1.53%

Arkansas
1.9%

Missouri
2.38%

Texas
2.7%

Kansas
2.7%

Economic Derivation Indicators 2024



Average Annual Wage in Oklahoma (exact) \$53,983.15 (rounded) \$54,000.00

Unemployment Insurance **Taxable Wage Base** (54,000 X **state factor 50%**) = **\$27,000.00**

Average Weekly Wage in Oklahoma (exact) \$1,038.14

Maximum weekly benefit amount (1,038.14 X **state factor 50%**) = **\$519.00**

Maximum number of full benefit weeks 16 weeks

Maximum benefit amount per year (16 X \$519) = **\$8,304.00**

Range of Rates 0.3% to 9.2%

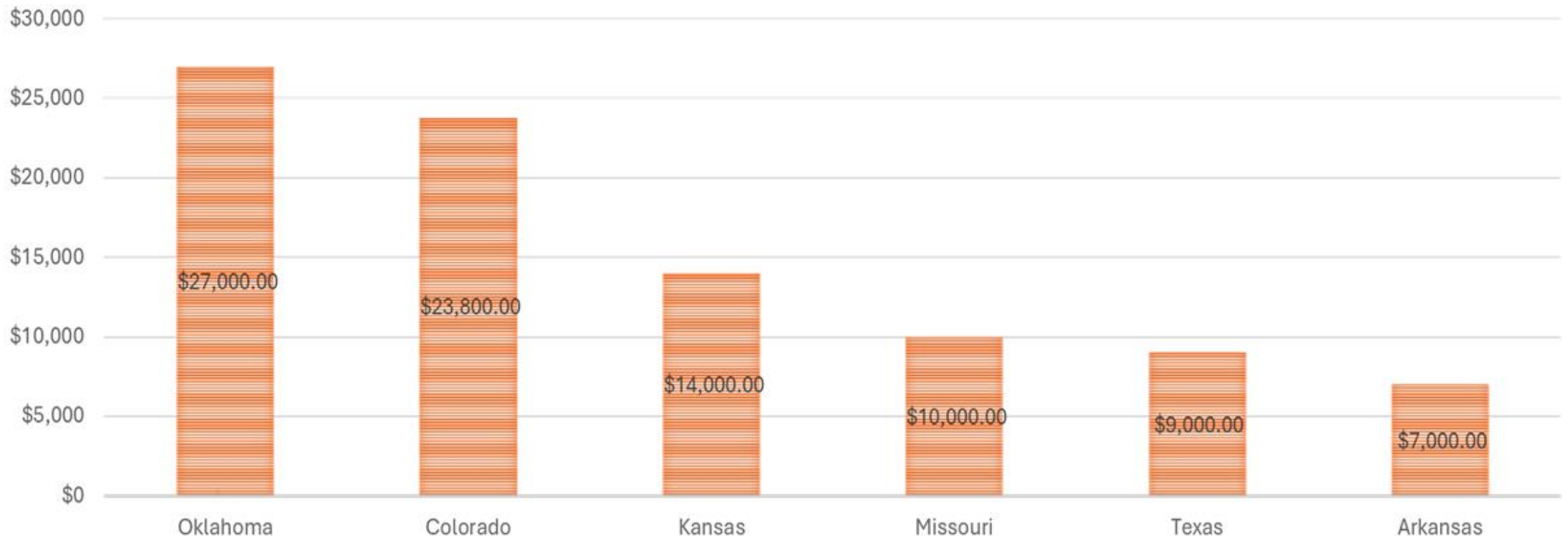
Majority of employers in Oklahoma are @ 0.3% 0.3% X \$27,000 = \$81.00 per employee

Taxable Wage Bases 2024

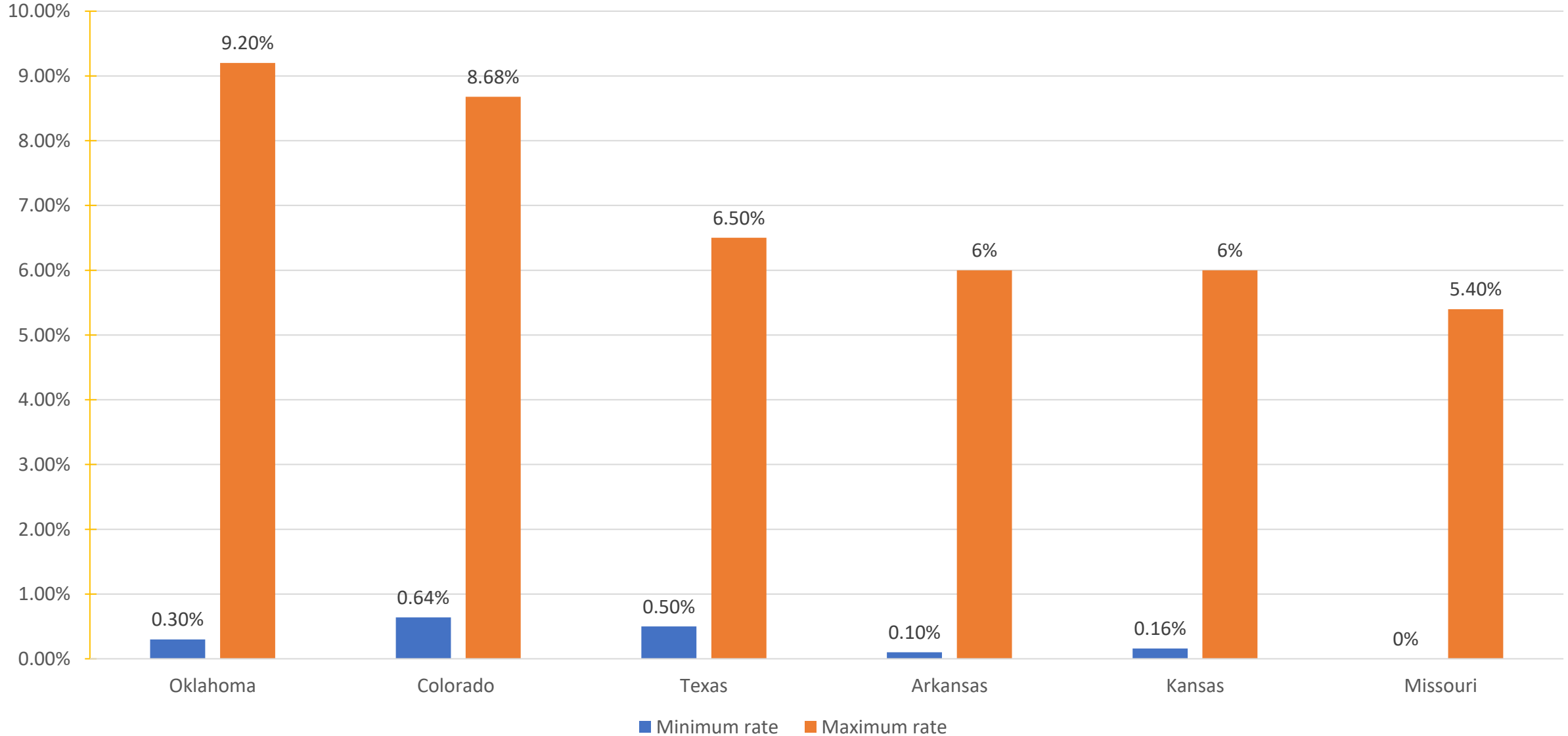


Taxable wage bases in Oklahoma and Colorado are economically derived.

Taxable wage bases in the rest of these surrounding states are legislatively set.



Rate Ranges for Neighbors 2024



Economic Derivation Indicators **Post Reform**



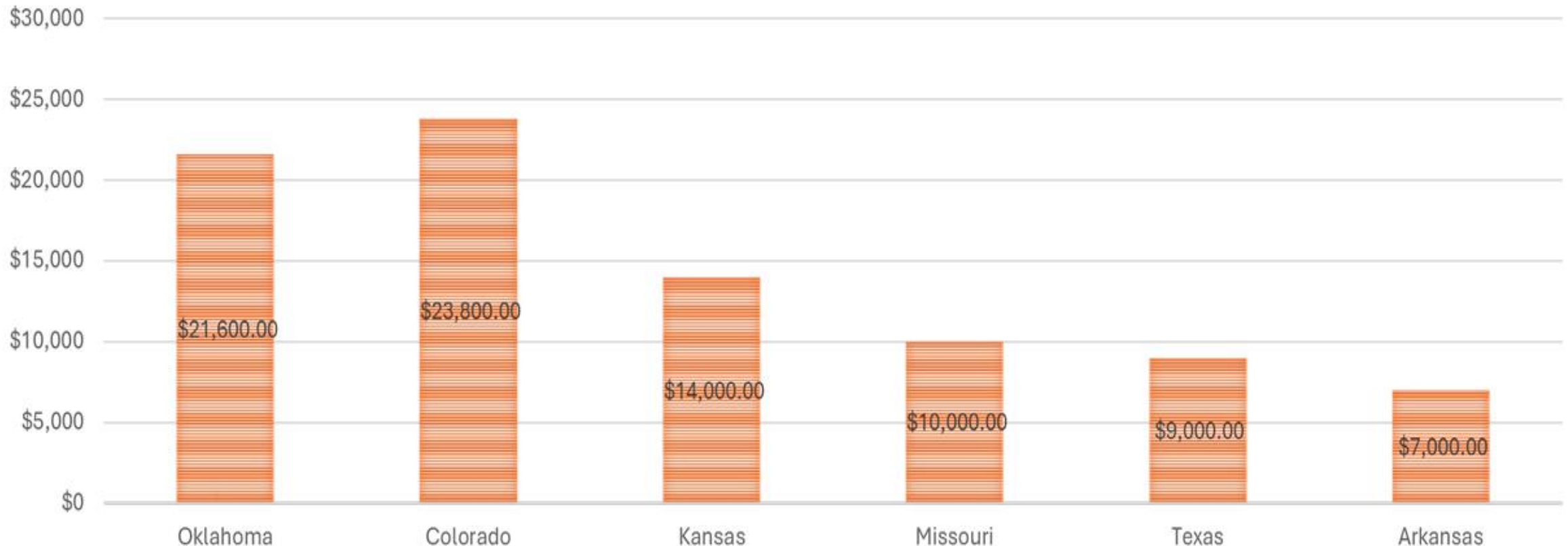
Average Annual Wage in Oklahoma	(exact) \$53,983.15	(rounded) \$54,000.00
Unemployment Insurance Taxable Wage Base	(54,000 X state factor 40%) = \$21,600.00	
Average Weekly Wage in Oklahoma	(exact) \$1,038.14	
Maximum weekly benefit amount	(1,038.14 X state factor 40%) = \$415.26	
Maximum number of full benefit weeks	16 weeks	
Maximum benefit amount per year	(16 X \$415.26) = \$6,644.16	
Range of Rates	0.3% to 9.2%	
Majority of employers in Oklahoma are @ 0.3%	0.3% X \$21,600 = \$64.80 per employee	

Taxable Wage Bases **Post Reform**

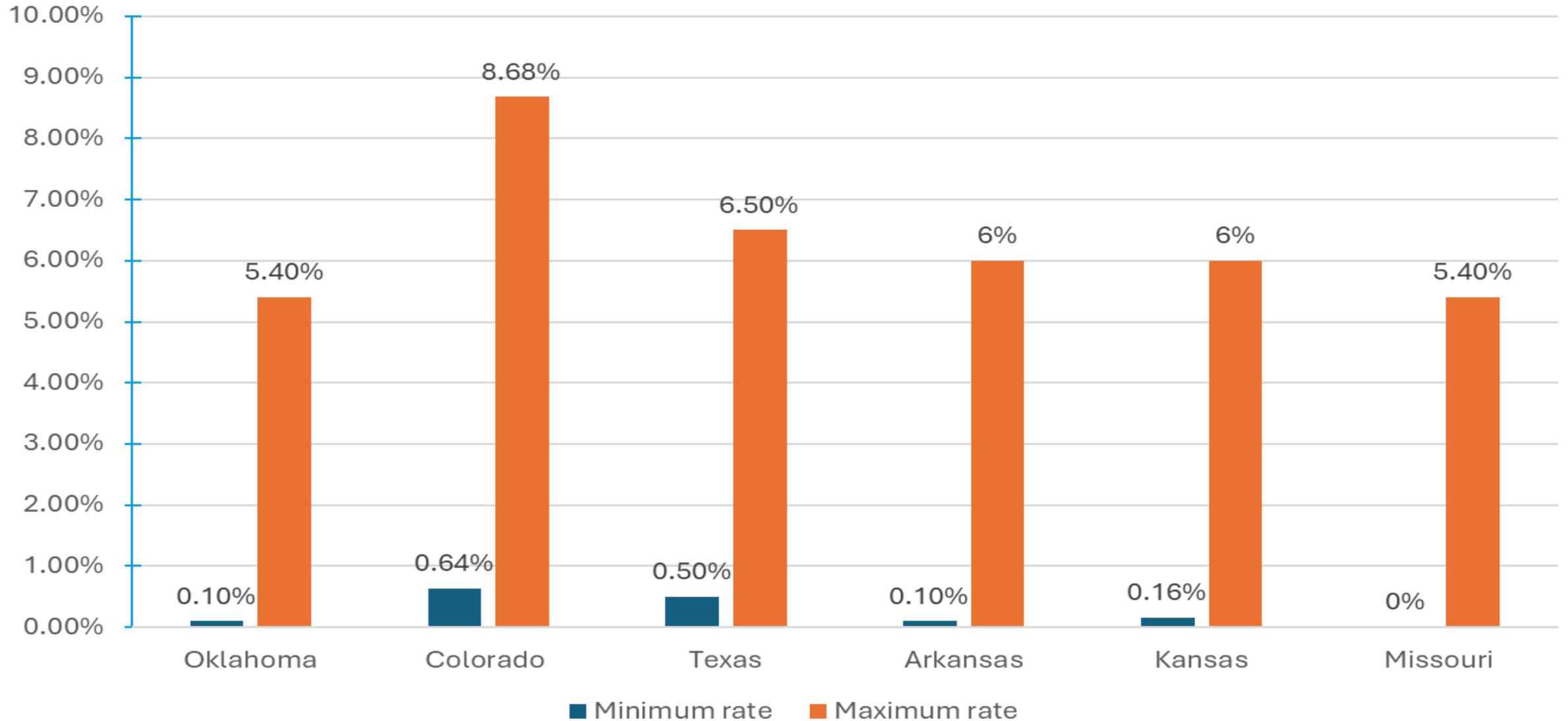


Taxable wage bases in Oklahoma and Colorado are economically derived.

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Rate Ranges for Neighbors **Post Reform**



Maximum Weekly Benefit with All Conditional Factors

Given Oklahoma's current average weekly wage \$1,038:

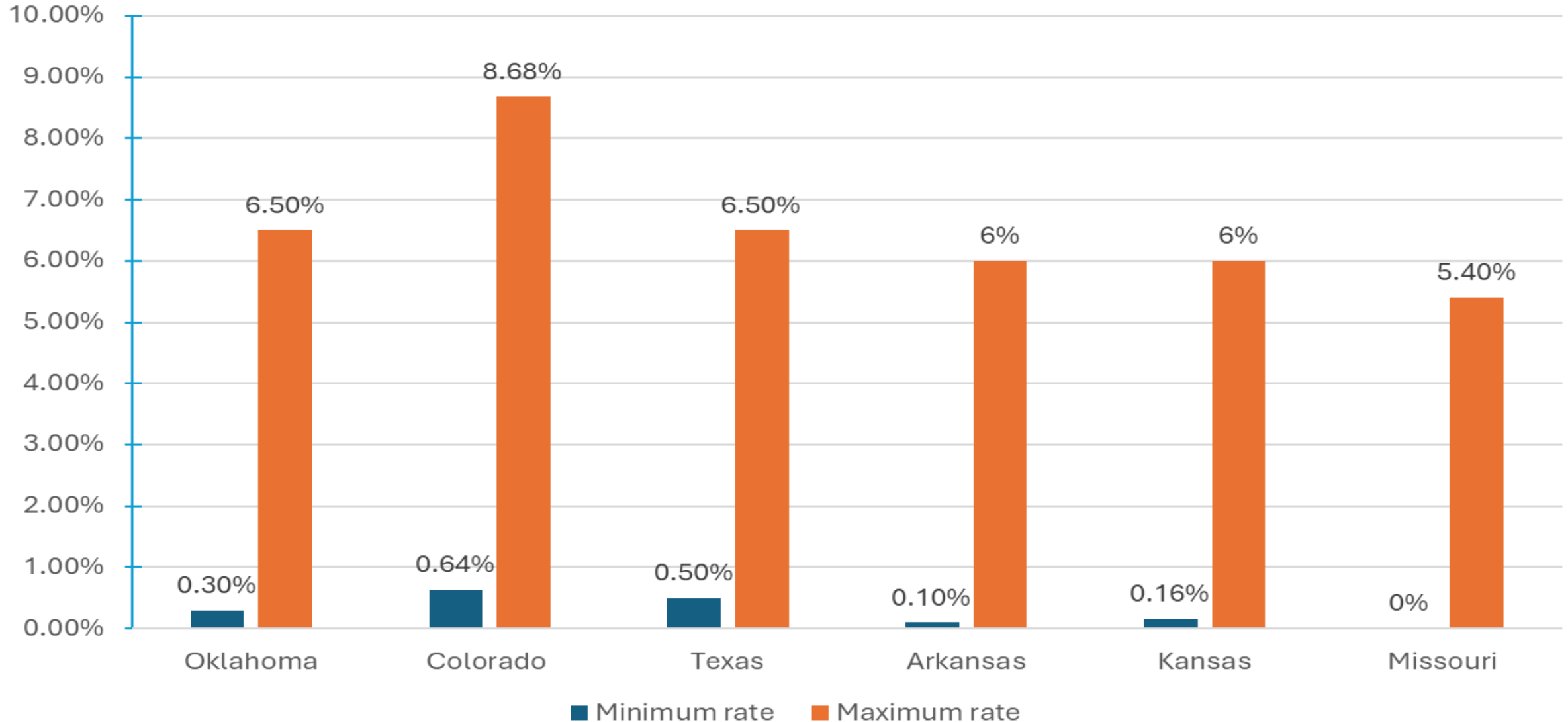
Maximum Weekly Benefit:

- 60% average weekly wage = \$623.00 (rounded, with NO trust fund conditional factor)
- 57.5% = \$597.00 (Condition 'A')
- 55.0% = \$571.00 (Condition 'B')
- 52.5% = \$545.00 (Condition 'C')
- 50% = \$519.00 (Condition 'D') **current**

Maximum Weekly Benefit **Post Reform:**

- 55% average weekly wage = \$571.00 (rounded, with NO trust fund conditional factor)
- 52.5% = \$545.00 (Condition 'A')
- 50% = \$519.00 (Condition 'B')
- 47.5% = \$493.00 (Condition 'C')
- 45% = \$467.00 (Condition 'D')

Rate Ranges for Neighbors **Post Reform**



Next Steps Toward Change



Given Oklahoma's current average annual salary and weekly wage:

- Taxable wage base is **\$27,000.00**
- Tax rate range is **0.1% to 9.2%**

These could be reduced **IF**:

- There were legislative changes to lower the percentages used in the calculation and/or set a static taxable wage base (not economically derived)
- There were legislative changes to modify the tax rate schedule (could be compressed to 0.1% to 6.5%)
- Elimination of the 0.1% rate will fund the maximum tax rate reduction
- The agency were directed to pursue EZTax system modifications

Always Remember!!!!



Employers must respond to agency notices!!

Most common reason for SUTA rate increases is lack of employer response to

“The Notice of Application for Unemployment Compensation”

“The Notice of Benefit Wages”

How claims impact employers tax rates

Small employers are disproportionately impacted by just one claim.

LARGE EMPLOYER	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Mega low mart	1.00%	0.50%	0.40%	0.40%	0.30%	0.40%	0.40%	1.00%	0.80%	0.80%	0.80%
Big box store	1.10%	0.40%	0.30%	0.40%	0.60%	0.70%	0.70%	1.20%	0.90%	0.90%	0.80%
Mega warehouse				assigned	assigned	0.10%	0.10%	0.60%	0.60%	0.90%	1.00%
SMALL EMPLOYER								C O V I D - 1 9			
Meat Market	0.20%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.30%	0.30%	0.30%	4.30%
Small town Electric	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.30%	0.30%	5.40%	5.40%
Spay Clinic	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.30%	0.30%	5.40%	5.40%
Mayberry Convenience Store	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.10%	0.30%	0.30%	4.70%	4.00%

These are actual accounts, but the names have been changed.



Thank You for Your Interest

Trae Rahill
CEO, OESC