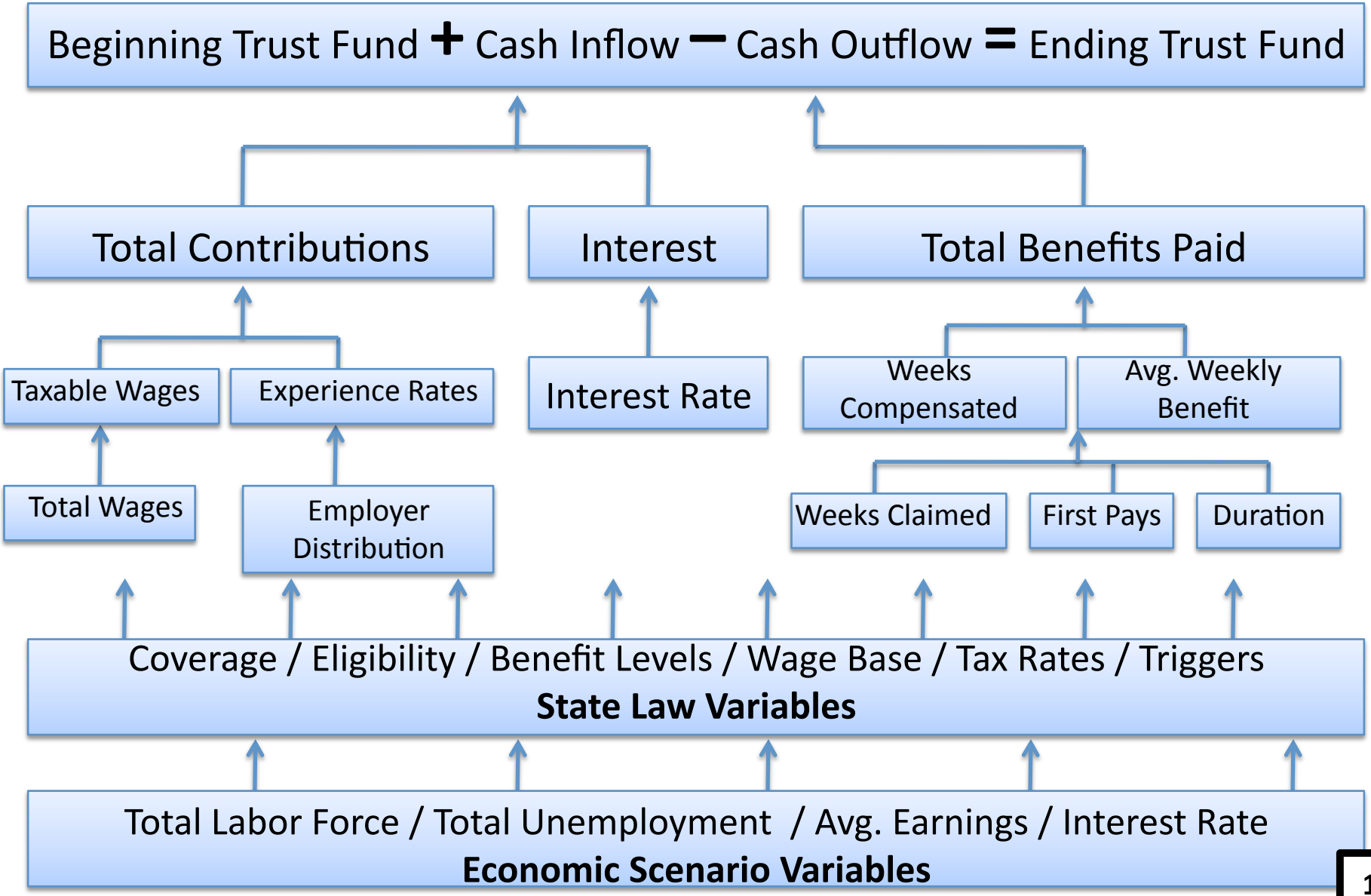
Unemployment Insurance System Modeling

11/16/09 FOR MORE INFORMATION, VISIT OUR WEBSITE AT:
HTTP://HAWAII.GOV/LABOR



SOURCE: U.S. DEPARTMENT OF LABOR

STATE LAW VARIABLES/ALTERNATIVES TO UI TAX INCREASE

4-Year Projections (2010 - 2011 - 2012 - 2013)

11/16/09 (SUBJECT TO REVISIONS. PLEASE CHECK OUR WEBSITE AT HAWAII.GOV/LABOR FOR THE LATEST UPDATES)

ALTERNATIVES TO UI TAX INCREASE / Department of Labor and Industrial Relations / 4-Year Projections (2010 - 2011 - 2012 - 2013)

SUMMARY CHARTS (see www.hawaii.gov/labor/ui/taxalternatives for detailed worksheets)

	Type of Adjustment	Specific Adjustments	CY	UHERO Projected Total Unemployment Rate	Benefits to be Paid (in millions)	End of Year Fund Balances (in millions)	Interest on Federal Loans (in millions)	Adequate Reserve Amount (in millions)	Taxes to be Collected (in millions)	Total Tax Savings (in millions)	Adj. to Tax Schedule	Taxable Wage Base	Tax Rate per Schedule			Annual Taxes Per Employee See Note 5			Annual Tax Cut per Employee See Note 6			Comments
													Minimum	Average	Maximum	Min	Avg	Max	Min	Avg	Max	
CURRENT LAW			2009	7.4%	$387	$121		$257	$42		A	$13,000	0%	0.70%	5.40%	$0	$90	$700				
			2010	8.1%	$409	<$12>	$0	$381	$275		F	$37,800	1.20%	2.75%	5.40%	$180	$1,040	$2,040				Current Law Projections
			2011	7.5%	$385	$54	$0	$585	$450	N.A	H	$37,900	2.40%	3.90%	5.40%	$360	$1,480	$2,050	N.A	N.A	N.A	
			2012	6.6%	$348	$203	$0	$606	$493		H	$38,500	2.40%	3.90%	5.40%	$360	$1,500	$2,080				
			2013	5.9%	$316	$345	$0	$633	$446		G	$39,400	1.80%	3.30%	5.40%	$270	$1,300	$2,130				
Alt #	**A**	**B**	**C**	**D**	**E**	**F**	**G**	**H**	**I**	**J**	**K**	**L**	**M**	**N**	**O**	**P**	**Q**	**R**	**S**	**T**	**U**	**V**
1	Tax Schedule	Set "E" as default	2010	8.1%	$409	<$67>	$0	$381	$221	$54	*E*	$37,800	0.60%	2.20%	5.40%	$90	$830	$2,040	$90	$210	$0	High negative balance and interest.
			2011	7.5%	$385	<$186>	$7	$585	$266	$184	*E*	$37,900	0.60%	2.20%	5.40%	$90	$830	$2,050	$270	$650	$0	See Note 4.
			2012	6.6%	$348	<$256>	$11	$606	$278	$215	*E*	$38,500	0.60%	2.20%	5.40%	$90	$850	$2,080	$270	$650	$0	
			2013	5.9%	$316	<$283>	$12	$633	$289	$157	*E*	$39,400	0.60%	2.20%	5.40%	$90	$870	$2,130	$180	$430	$0	(Pages 8, 14)
2	Tax Schedule	Set "E" for 2010	2010	8.1%	$409	<$67>	$0	$381	$221	$54	*E*	$37,800	0.60%	2.20%	5.40%	$90	$830	$2,040	$90	$210	$0	2010 tax relief only
			2011	7.5%	$385	<$12>	$1	$585	$440	$10	H	$37,900	2.40%	3.90%	5.40%	$360	$1,480	$2,050	$0	$0	$0	
			2012	6.6%	$348	$135	$0	$606	$493	$0	H	$38,500	2.40%	3.90%	5.40%	$360	$1,500	$2,080	$0	$0	$0	
			2013	5.9%	$316	$272	$0	$633	$446	$0	G	$39,400	1.80%	3.30%	5.40%	$270	$1,300	$2,130	$0	$0	$0	(Pages 9, 15)
3	Tax Schedule	Set "E" for 2010; "G for 2011	2010	8.1%	$409	<$67>	$0	$381	$221	$54	*E*	$37,800	0.60%	2.20%	5.40%	$90	$830	$2,040	$90	$210	$0	2010 & 2011 tax relief; low debt
			2011	7.5%	$385	<$74>	$3	$585	$378	$72	*G*	$37,900	1.80%	3.30%	5.40%	$270	$1,250	$2,050	$90	$230	$0	service; negative tax relief in 2013.
			2012	6.6%	$348	$60	$0	$606	$482	$11	H	$38,500	2.40%	3.90%	5.40%	$360	$1,500	$2,080	$0	$0	$0	
			2013	5.9%	$316	$262	$0	$633	$513	<$67>	H	$39,400	2.40%	3.90%	5.40%	$360	$1,540	$2,130	<$90>	<$240>	$0	(Pages 9, 16)
4	Tax Schedule / Adequate Reserve	Change Adequate Reserve (AR) multiplier from 1.5 to 1.0 from 2011	2010	8.1%	$409	<$12>	$0	$381	$275	$0	*F*	$37,800	1.20%	2.75%	5.40%	$180	$1,040	$2,040	$0	$0	$0	No immediate tax relief because
			2011	7.5%	$385	$54	$0	$390	$450	$0	H	$37,900	2.40%	3.90%	5.40%	$360	$1,480	$2,050	$0	$0	$0	fund balance is so low.
			2012	6.6%	$348	$137	$0	$404	$428	$65	G	$38,500	1.80%	3.30%	5.40%	$270	$1,270	$2,080	$90	$230	$0	(Pages 10, 17)
			2013	5.9%	$316	$200	$0	$422	$371	$75	F	$39,400	1.20%	2.75%	5.40%	$180	$1,080	$2,130	$90	$220	$0	
5	Tax Schedule / Adequate Reserve	Adjust AR multiplier from 1.5 to 1.0 and set"E" for 2010 and "G" for 2011	2010	8.1%	$409	<$67>	$0	$381	$221	$54	*E*	$37,800	0.60%	2.20%	5.40%	$90	$830	$2,040	$90	$210	$0	Balance of tax relief and
			2011	7.5%	$385	<$74>	$3	$390	$378	$72	*G*	$37,900	1.80%	3.30%	5.40%	$270	$1,250	$2,050	$90	$230	$0	adjustments.
			2012	6.6%	$348	$60	$0	$404	$482	$11	H	$38,500	2.40%	3.90%	5.40%	$360	$1,500	$2,080	$0	$0	$0	
			2013	5.9%	$316	$195	$0	$422	$446	$0	G	$39,400	1.80%	3.30%	5.40%	$270	$1,300	$2,130	$0	$0	$0	(Pages 11, 20)
6	Wage Base	Change Taxable Wage Base from 100% to 50% of average annual wage	2010	8.1%	$409	<$98>	$0	$381	$190	$85	F	$18,900	1.20%	2.75%	5.40%	$180	$520	$1,020	$0	$520	$1,020	Low wage employers will not
			2011	7.5%	$385	<$171>	$7	$585	$312	$138	H	$19,000	2.40%	3.90%	5.40%	$360	$740	$1,030	$0	$730	$1,020	benefit; high negative balance and
			2012	6.6%	$348	<$176>	$7	$606	$343	$150	H	$19,300	2.40%	3.90%	5.40%	$360	$750	$1,040	$0	$750	$1,040	interest due. See Note 4.
			2013	5.9%	$316	<$135>	$6	$633	$357	$89	H	$19,700	2.40%	3.90%	5.40%	$360	$770	$1,060	<$90>	$530	$1,070	(Pages 10, 18)
7	Benefits	Change maximum weeks of benefits from 26 weeks to 20 weeks	2010	8.1%	$369	$29	$0	$381	$275	$0	F	$37,800	1.20%	2.75%	5.40%	$180	$1,040	$2,040	$0	$0	$0	No immediate tax relief because
			2011	7.5%	$346	$133	$0	$585	$450	$0	H	$37,900	2.40%	3.90%	5.40%	$360	$1,480	$2,050	$0	$0	$0	fund balance is so low.
			2012	6.6%	$313	$256	$0	$606	$428	$65	G	$38,500	1.80%	3.30%	5.40%	$270	$1,270	$2,080	$90	$230	$0	No tax relief until 2012.
			2013	5.9%	$284	$360	$0	$633	$374	$72	F	$39,400	1.20%	2.75%	5.40%	$180	$1,080	$2,130	$90	$420	$0	(Pages 11, 19, 21)
8A	Benefits	Change MWBA formula from 75% to 70% of average wkly wage (70% from 2011); See Note 2	2010	8.1%	$396	$1	$0	$381	$275	$0	F	$37,800	1.20%	2.75%	5.40%	$180	$1,040	$2,040	$0	$0	$0	No tax relief.
			2011	7.5%	$385	$67	$0	$585	$450	$0	H	$37,900	2.40%	3.90%	5.40%	$360	$1,480	$2,050	$0	$0	$0	
			2012	6.6%	$348	$217	$0	$606	$493	$0	H	$38,500	2.40%	3.90%	5.40%	$360	$1,500	$2,080	$0	$0	$0	
			2013	5.9%	$316	$360	$0	$633	$446	$0	G	$39,400	1.80%	3.30%	5.40%	$270	$1,300	$2,130	$0	$0	$0	(Pages 22, 25)
8B	Benefits	Change MWBA formula from 75% to 60%. See Note 2	2010	8.1%	$361	$36	$0	$381	$275	$0	F	$37,800	1.20%	2.75%	5.40%	$180	$1,040	$2,040	$0	$0	$0	No tax relief until 2012.
			2011	7.5%	$362	$125	$0	$585	$450	$0	H	$37,900	2.40%	3.90%	5.40%	$360	$1,480	$2,050	$0	$0	$0	
			2012	6.6%	$328	$233	$0	$606	$428	$65	G	$38,500	1.80%	3.30%	5.40%	$270	$1,270	$2,080	$90	$230	$0	
			2013	5.9%	$298	$323	$0	$633	$374	$72	F	$39,400	1.20%	2.75%	5.40%	$180	$1,080	$2,130	$90	$420	$0	(Pages 23, 26)
8C	Benefits	Change MWBA formula from 75% to 50%. See Note 2	2010	8.1%	$329	$68	$0	$381	$275	$0	F	$37,800	1.20%	2.75%	5.40%	$180	$1,040	$2,040	$0	$0	$0	No tax relief until 2012.
			2011	7.5%	$331	$188	$0	$585	$450	$0	H	$37,900	2.40%	3.90%	5.40%	$360	$1,480	$2,050	$0	$0	$0	
			2012	6.6%	$300	$327	$0	$606	$428	$65	G	$38,500	1.80%	3.30%	5.40%	$270	$1,270	$2,080	$90	$230	$0	
			2013	5.9%	$272	$447	$0	$633	$374	$72	F	$39,400	1.20%	2.75%	5.40%	$180	$1,080	$2,130	$90	$420	$0	(Pages 23, 27)

CURRENT LAW

11/16/09 (SUBJECT TO REVISIONS. PLEASE CHECK OUR WEBSITE AT HAWAII.GOV/LABOR FOR THE LATEST UPDATES)

	Type of Adjustment	Specific Adjustments	CY	UHERO Projected Total Unemployment Rate	Benefits to be Paid (in millions)	End of Year Fund Balances (in millions)	Interest on Federal Loans (in millions)	Adequate Reserve Amount (in millions)	Taxes to be Collected (in millions)
CURRENT LAW			2009	7.4%	$387	$121		$257	$42
			2010	8.1%	$409	<$12>	$0	$381	$275
			2011	7.5%	$385	$54	$0	$585	$450
			2012	6.6%	$348	$203	$0	$606	$493
			2013	5.9%	$316	$345	$0	$633	$446

Total Tax Savings (in millions)	Adj. to Tax Schedule	Taxable Wage Base	Tax Rate per Schedule			Annual Taxes Per Employee See Note 5			Annual Tax Cut per Employee See Note 6			Comments
			Minimum	Average	Maximum	Min	Avg	Max	Min	Avg	Max	
N.A	A	$13,000	0%	0.70%	5.40%	$0	$90	$700	N.A	N.A	N.A	Current Law Projections
	F	$37,800	1.20%	2.75%	5.40%	$180	$1,040	$2,040				
	H	$37,900	2.40%	3.90%	5.40%	$360	$1,480	$2,050				
	H	$38,500	2.40%	3.90%	5.40%	$360	$1,500	$2,080				
	G	$39,400	1.80%	3.30%	5.40%	$270	$1,300	$2,130				

TAX SCHEDULE AND ADEQUATE RESERVE ADJUSTMENTS

11/16/09 (SUBJECT TO REVISIONS. PLEASE CHECK OUR WEBSITE AT HAWAII.GOV/LABOR FOR THE LATEST UPDATES)

	Type of Adjustment	Specific Adjustments	CY	UHERO Projected Total Unemployment Rate	Benefits to be Paid (in millions)	End of Year Fund Balances (in millions)	Interest on Federal Loans (in millions)	Adequate Reserve Amount (in millions)	Taxes to be Collected (in millions)
		CURRENT LAW	2009	7.4%	$387	$121		$257	$42
			2010	8.1%	$409	<$12>	$0	$381	$275
			2011	7.5%	$385	$54	$0	$585	$450
			2012	6.6%	$348	$203	$0	$606	$493
			2013	5.9%	$316	$345	$0	$633	$446
Alt #	**A**	**B**	**C**	**D**	**E**	**F**	**G**	**H**	**I**
1	Tax Schedule	Set "E" as default	2010	8.1%	$409	<$67>	$0	$381	$221
			2011	7.5%	$385	<$186>	$7	$585	$266
			2012	6.6%	$348	<$256>	$11	$606	$278
			2013	5.9%	$316	<$283>	$12	$633	$289
2	Tax Schedule	Set "E" for 2010	2010	8.1%	$409	<$67>	$0	$381	$221
			2011	7.5%	$385	<$12>	$1	$585	$440
			2012	6.6%	$348	$135	$0	$606	$493
			2013	5.9%	$316	$272	$0	$633	$446
3	Tax Schedule	Set "E" for 2010; "G for 2011	2010	8.1%	$409	<$67>	$0	$381	$221
			2011	7.5%	$385	<$74>	$3	$585	$378
			2012	6.6%	$348	$60	$0	$606	$482
			2013	5.9%	$316	$262	$0	$633	$513
4	Tax Schedule / Adequate Reserve	Change Adequate Reserve (AR) multiplier from 1.5 to 1.0 from 2011	2010	8.1%	$409	<$12>	$0	$381	$275
			2011	7.5%	$385	$54	$0	$390	$450
			2012	6.6%	$348	$137	$0	$404	$428
			2013	5.9%	$316	$200	$0	$422	$371
5	Tax Schedule / Adequate Reserve	Adjust AR multiplier from 1.5 to 1.0 and set"E" for 2010 and "G" for 2011	2010	8.1%	$409	<$67>	$0	$381	$221
			2011	7.5%	$385	<$74>	$3	$390	$378
			2012	6.6%	$348	$60	$0	$404	$482
			2013	5.9%	$316	$195	$0	$422	$446

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TAX SCHEDULE AND ADEQUATE RESERVE ADJUSTMENTS

11/16/09 (SUBJECT TO REVISIONS. PLEASE CHECK OUR WEBSITE AT HAWAII.GOV/LABOR FOR THE LATEST UPDATES)

	Total Tax Savings (in millions)	Adj. to Tax Schedule	Taxable Wage Base	Tax Rate per Schedule			Annual Taxes Per Employee See Note 5			Annual Tax Cut per Employee See Note 6			Comments
				Minimum	Average	Maximum	Min	Avg	Max	Min	Avg	Max	
	N.A	A	$13,000	0%	0.70%	5.40%	$0	$90	$700	N.A	N.A	N.A	Current Law Projections
		F	$37,800	1.20%	2.75%	5.40%	$180	$1,040	$2,040				
		H	$37,900	2.40%	3.90%	5.40%	$360	$1,480	$2,050				
		H	$38,500	2.40%	3.90%	5.40%	$360	$1,500	$2,080				
		G	$39,400	1.80%	3.30%	5.40%	$270	$1,300	$2,130				
Alt #	**J**	**K**	**L**	**M**	**N**	**O**	**P**	**Q**	**R**	**S**	**T**	**U**	**V**
1	$54	***E***	$37,800	0.60%	2.20%	5.40%	$90	$830	$2,040	$90	$210	$0	High negative balance and interest See Note 4
	$184	***E***	$37,900	0.60%	2.20%	5.40%	$90	$830	$2,050	$270	$650	$0	
	$215	***E***	$38,500	0.60%	2.20%	5.40%	$90	$850	$2,080	$270	$650	$0	
	$157	***E***	$39,400	0.60%	2.20%	5.40%	$90	$870	$2,130	$180	$430	$0	
2	$54	***E***	$37,800	0.60%	2.20%	5.40%	$90	$830	$2,040	$90	$210	$0	2010 tax relief only
	$10	H	$37,900	2.40%	3.90%	5.40%	$360	$1,480	$2,050	$0	$0	$0	
	$0	H	$38,500	2.40%	3.90%	5.40%	$360	$1,500	$2,080	$0	$0	$0	
	$0	G	$39,400	1.80%	3.30%	5.40%	$270	$1,300	$2,130	$0	$0	$0	
3	$54	***E***	$37,800	0.60%	2.20%	5.40%	$90	$830	$2,040	$90	$210	$0	2010 & 2011 tax relief; low debt service; negative tax relief in 2013 alleviated by combining alternative #3 and #4 to #5.
	$72	***G***	$37,900	1.80%	3.30%	5.40%	$270	$1,250	$2,050	$90	$230	$0	
	$11	H	$38,500	2.40%	3.90%	5.40%	$360	$1,500	$2,080	$0	$0	$0	
	<$67>	H	$39,400	2.40%	3.90%	5.40%	$360	$1,540	$2,130	<$90>	<$240>	$0	
4	$0	***F***	$37,800	1.20%	2.75%	5.40%	$180	$1,040	$2,040	$0	$0	$0	No immediate tax relief because fund balance is so low.
	$0	H	$37,900	2.40%	3.90%	5.40%	$360	$1,480	$2,050	$0	$0	$0	
	$65	G	$38,500	1.80%	3.30%	5.40%	$270	$1,270	$2,080	$90	$230	$0	
	$75	F	$39,400	1.20%	2.75%	5.40%	$180	$1,080	$2,130	$90	$220	$0	
5	$54	***E***	$37,800	0.60%	2.20%	5.40%	$90	$830	$2,040	$90	$210	$0	Balance of tax relief and adjustments.
	$72	***G***	$37,900	1.80%	3.30%	5.40%	$270	$1,250	$2,050	$90	$230	$0	
	$11	H	$38,500	2.40%	3.90%	5.40%	$360	$1,500	$2,080	$0	$0	$0	
	$0	G	$39,400	1.80%	3.30%	5.40%	$270	$1,300	$2,130	$0	$0	$0	

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TAXABLE WAGE BASE ADJUSTMENTS

11/16/09 (SUBJECT TO REVISIONS. PLEASE CHECK OUR WEBSITE AT HAWAII.GOV/LABOR FOR THE LATEST UPDATES)

	Type of Adjustment	Specific Adjustments	CY	UHERO Projected Total Unemployment Rate	Benefits to be Paid (in millions)	End of Year Fund Balances (in millions)	Interest on Federal Loans (in millions)	Adequate Reserve Amount (in millions)	Taxes to be Collected (in millions)
CURRENT LAW			2009	7.4%	$387	$121		$257	$42
			2010	8.1%	$409	<$12>	$0	$381	$275
			2011	7.5%	$385	$54	$0	$585	$450
			2012	6.6%	$348	$203	$0	$606	$493
			2013	5.9%	$316	$345	$0	$633	$446
Alt #	**A**	**B**	**C**	**D**	**E**	**F**	**G**	**H**	**I**
6	Wage Base	Change Taxable Wage Base from 100% to 50% of average annual wage	2010	8.1%	$409	<$98>	$0	$381	$190
			2011	7.5%	$385	<$171>	$7	$585	$312
			2012	6.6%	$348	<$176>	$7	$606	$343
			2013	5.9%	$316	<$135>	$6	$633	$357

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TAXABLE WAGE BASE ADJUSTMENTS

11/16/09 (SUBJECT TO REVISIONS. PLEASE CHECK OUR WEBSITE AT HAWAII.GOV/LABOR FOR THE LATEST UPDATES)

	Total Tax Savings (in millions)	Adj. to Tax Schedule	Taxable Wage Base	Tax Rate per Schedule			Annual Taxes Per Employee See Note 5			Annual Tax Cut per Employee See Note 6			Comments
				Minimum	Average	Maximum	Min	Avg	Max	Min	Avg	Max	
	N.A	A	$13,000	0%	0.70%	5.40%	$0	$90	$700	N.A	N.A	N.A	Current Law Projections
		F	$37,800	1.20%	2.75%	5.40%	$180	$1,040	$2,040				
		H	$37,900	2.40%	3.90%	5.40%	$360	$1,480	$2,050				
		H	$38,500	2.40%	3.90%	5.40%	$360	$1,500	$2,080				
		G	$39,400	1.80%	3.30%	5.40%	$270	$1,300	$2,130				
Alt #	**J**	**K**	**L**	**M**	**N**	**O**	**P**	**Q**	**R**	**S**	**T**	**U**	**V**
6	$85	F	$18,900	1.20%	2.75%	5.40%	$180	$520	$1,020	$0	$520	$1,020	Low wage employers will not
	$138	H	$19,000	2.40%	3.90%	5.40%	$360	$740	$1,030	$0	$730	$1,020	benefit from low wage base;
	$150	H	$19,300	2.40%	3.90%	5.40%	$360	$750	$1,040	$0	$750	$1,040	high negative balances and
	$89	H	$19,700	2.40%	3.90%	5.40%	$360	$770	$1,060	<$90>	$530	$1,070	interest due. See Note 4.

CONTINUED **FROM PAGE 6**

BENEFITS ADJUSTMENTS

11/16/09 (SUBJECT TO REVISIONS. PLEASE CHECK OUR WEBSITE AT HAWAII.GOV/LABOR FOR THE LATEST UPDATES)

	Type of Adjustment	Specific Adjustments	CY	UHERO Projected Total Unemployment Rate	Benefits to be Paid (in millions)	End of Year Fund Balances (in millions)	Interest on Federal Loans (in millions)	Adequate Reserve Amount (in millions)	Taxes to be Collected (in millions)
CURRENT LAW			2009	7.4%	$387	$121		$257	$42
			2010	8.1%	$409	<$12>	$0	$381	$275
			2011	7.5%	$385	$54	$0	$585	$450
			2012	6.6%	$348	$203	$0	$606	$493
			2013	5.9%	$316	$345	$0	$633	$446
Alt #	**A**	**B**	**C**	**D**	**E**	**F**	**G**	**H**	**I**
7	Benefits	Change maximum weeks of benefits from 26 weeks to 20 weeks	2010	8.1%	$369	$29	$0	$381	$275
			2011	7.5%	$346	$133	$0	$585	$450
			2012	6.6%	$313	$256	$0	$606	$428
			2013	5.9%	$284	$360	$0	$633	$374
8A	Benefits	Change MWBA formula from 75% to 70% of average wkly wage (70% from 2011); See Note 2	2010	8.1%	$396	$1	$0	$381	$275
			2011	7.5%	$385	$67	$0	$585	$450
			2012	6.6%	$348	$217	$0	$606	$493
			2013	5.9%	$316	$360	$0	$633	$446
8B	Benefits	Change MWBA formula from 75% to 60%. See Note 2	2010	8.1%	$361	$36	$0	$381	$275
			2011	7.5%	$362	$125	$0	$585	$450
			2012	6.6%	$328	$233	$0	$606	$428
			2013	5.9%	$298	$323	$0	$633	$374
8C	Benefits	Change MWBA formula from 75% to 50%. See Note 2	2010	8.1%	$329	$68	$0	$381	$275
			2011	7.5%	$331	$188	$0	$585	$450
			2012	6.6%	$300	$327	$0	$606	$428
			2013	5.9%	$272	$447	$0	$633	$374

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BENEFITS ADJUSTMENTS

11/16/09 (SUBJECT TO REVISIONS. PLEASE CHECK OUR WEBSITE AT HAWAII.GOV/LABOR FOR THE LATEST UPDATES)

	Total Tax Savings (in millions)	Adj. to Tax Schedule	Taxable Wage Base	Tax Rate per Schedule			Annual Taxes Per Employee See Note 5			Annual Tax Cut per Employee See Note 6			
				Minimum	Average	Maximum	Min	Avg	Max	Min	Avg	Max	
	N.A	A	$13,000	0%	0.70%	5.40%	$0	$90	$700	N.A	N.A	N.A	Current Law Projections
		F	$37,800	1.20%	2.75%	5.40%	$180	$1,040	$2,040				
		H	$37,900	2.40%	3.90%	5.40%	$360	$1,480	$2,050				
		H	$38,500	2.40%	3.90%	5.40%	$360	$1,500	$2,080				
		G	$39,400	1.80%	3.30%	5.40%	$270	$1,300	$2,130				
Alt #	**J**	**K**	**L**	**M**	**N**	**O**	**P**	**Q**	**R**	**S**	**T**	**U**	**V**
7	$0	F	$37,800	1.20%	2.75%	5.40%	$180	$1,040	$2,040	$0	$0	$0	No immediate tax relief because fund balance is so low. No tax relief until 2012.
	$0	H	$37,900	2.40%	3.90%	5.40%	$360	$1,480	$2,050	$0	$0	$0	
	$65	G	$38,500	1.80%	3.30%	5.40%	$270	$1,270	$2,080	$90	$230	$0	
	$72	F	$39,400	1.20%	2.75%	5.40%	$180	$1,080	$2,130	$90	$420	$0	
8A	$0	F	$37,800	1.20%	2.75%	5.40%	$180	$1,040	$2,040	$0	$0	$0	No tax relief.
	$0	H	$37,900	2.40%	3.90%	5.40%	$360	$1,480	$2,050	$0	$0	$0	
	$0	H	$38,500	2.40%	3.90%	5.40%	$360	$1,500	$2,080	$0	$0	$0	
	$0	G	$39,400	1.80%	3.30%	5.40%	$270	$1,300	$2,130	$0	$0	$0	
8B	$0	F	$37,800	1.20%	2.75%	5.40%	$180	$1,040	$2,040	$0	$0	$0	No tax relief until 2012.
	$0	H	$37,900	2.40%	3.90%	5.40%	$360	$1,480	$2,050	$0	$0	$0	
	$65	G	$38,500	1.80%	3.30%	5.40%	$270	$1,270	$2,080	$90	$230	$0	
	$72	F	$39,400	1.20%	2.75%	5.40%	$180	$1,080	$2,130	$90	$420	$0	
8C	$0	F	$37,800	1.20%	2.75%	5.40%	$180	$1,040	$2,040	$0	$0	$0	No tax relief until 2012.
	$0	H	$37,900	2.40%	3.90%	5.40%	$360	$1,480	$2,050	$0	$0	$0	
	$65	G	$38,500	1.80%	3.30%	5.40%	$270	$1,270	$2,080	$90	$230	$0	
	$72	F	$39,400	1.20%	2.75%	5.40%	$180	$1,080	$2,130	$90	$420	$0	

CONTINUED FROM PAGE 8

UNEMPLOYMENT COMPENSATION FUND PROJECTIONS 2009 THROUGH 2011
(UHERO, BOH AND FHB Unemployment Rate Projections)

Unemployment Rate Projections	2009	2010	2011	2012	2013
UHERO 9/25/2009	7.4%	8.1%	7.5%	6.6%	5.9%
Brewbaker- BOH 10/15/2009	7.9%	8.4%			
Laney - FHB 11/5/2009	7.2%	7.5%			

Note: Brewbaker and Laney only project 2009 and 2010.
Used UHERO 2011 projection of 7.5% Total Unemployment Rate (TUR).

UHERO 9/25/2009 Total Unemployment Rate forecast of 7.4% in 2009, 8.1% in 2010, 7.5% in 2011

			13-wk	*Hawaii Unemployment Compensation Fund*						
	TUR	IUR	Avg	INCOME		OUTGO	BALANCE	Avg Tax Rate	Taxable Wage Base	Avg Taxes @TWB
	(unadjusted)		Claims	Taxes	Interest					
1st Qtr		3.25%	19,313	4,990,587	4,532,665	90,247,145	352,215,515*			
2nd Qtr		3.56%	21,088	21,851,384	3,484,701	100,051,509	279,785,004*			
3rd Qtr		3.52%	20,694	*9,271,990*	*2,788,122*	*95,894,998*	214,875,814*			
4th Qtr		3.70%	21,400	*6,000,000*	*1,300,000*	*101,000,000*	*121,200,000*	Schedule A		
CY 2009	**7.4%**	**3.51%**	**20,600**	***42,100,000***	***12,100,000***	***387,200,000***	**121,200,000***	0.7%	$13,000	$90
1st Qtr		3.70%	21,400	*4,000,000*	*300,000*	*100,000,000*	*26,000,000*			
2nd Qtr		3.75%	21,700	*106,000,000*	*200,000*	*102,000,000*	*30,000,000*			
3rd Qtr		3.80%	22,000	*92,000,000*	*200,000*	*105,000,000*	*17,000,000*			
4th Qtr		3.70%	21,500	*70,000,000*	*0*	*102,000,000*	*-15,000,000*	Schedule F		
CY 2010	**8.1%**	**3.74%**	**21,600**	***272,000,000***	***700,000***	***409,000,000***	***-15,000,000***	2.75%	$37,800	$1,040
1st Qtr		3.50%	20,300	*50,000,000*	*0*	*96,000,000*	*-61,000,000*			
2nd Qtr		3.50%	20,300	*158,000,000*	*0*	*96,000,000*	*1,000,000*			
3rd Qtr		3.50%	20,300	*137,000,000*	*400,000*	*96,000,000*	*42,000,000*			
4th Qtr	(UHERO)	3.50%	20,300	*104,000,000*	*500,000*	*97,000,000*	*50,000,000*	Schedule H		
CY 2011	**7.5%**	**3.50%**	**20,300**	***449,000,000***	***900,000***	***385,000,000***	***50,000,000***	3.90%	$37,900	$1,480

Brewbaker 10/15/2009 Total Unemployment Rate forecast of 7.9% in 2009, 8.4% in 2010, UHERO = 7.5% in 2011

	TUR (unadjusted)	IUR	13-wk Avg Claims	*Hawaii Unemployment Compensation Fund* INCOME Taxes	INCOME Interest	OUTGO	BALANCE	Avg Tax Rate	Taxable Wage Base	Avg Taxes @TWB
1st Qtr		*3.25%*	19,313	4,990,587	4,532,665	90,247,145	352,215,515*			
2nd Qtr		*3.56%*	21,088	21,851,384	3,484,701	100,051,509	279,785,004*			
3rd Qtr		*3.52%*	20,694	*9,271,990*	*2,788,122*	*95,894,998*	214,875,814*			
4th Qtr		*4.50%*	26,100	*6,000,000*	*1,300,000*	*123,000,000*	*99,200,000*	Schedule A		
CY 2009	***7.9%***	***3.70%***	**21,800**	***42,100,000***	***12,100,000***	***409,200,000***	**99,200,000***	0.7%	$13,000	$90
1st Qtr		*4.20%*	24,300	*4,000,000*	*0*	*114,000,000*	*-11,000,000*			
2nd Qtr		*4.00%*	23,200	*106,000,000*	*0*	*109,000,000*	*-14,000,000*			
3rd Qtr		*4.00%*	23,200	*92,000,000*	*0*	*110,000,000*	*-32,000,000*			
4th Qtr		*4.00%*	23,200	*70,000,000*	*0*	*110,000,000*	*-72,000,000*	Schedule F		
CY 2010	***8.4%***	***4.10%***	**21,600**	***272,000,000***	***0***	***443,000,000***	***-72,000,000***	2.75%	$37,800	$1,040
1st Qtr		*3.50%*	20,300	*50,000,000*	*0*	*96,000,000*	*-118,000,000*			
2nd Qtr		*3.50%*	20,300	*158,000,000*	*0*	*96,000,000*	*-56,000,000*			
3rd Qtr		*3.50%*	20,300	*137,000,000*	*0*	*96,000,000*	*-15,000,000*			
4th Qtr	(UHERO)	*3.50%*	20,300	*104,000,000*	*0*	*97,000,000*	*-8,000,000*	Schedule H		
CY 2011	***7.5%***	***3.50%***	**20,300**	***449,000,000***	***0***	***385,000,000***	***-8,000,000***	3.90%	$37,900	$1,480

Laney 11/5/2009 Total Unemployment Rate forecast of 7.2% in 2009, 7.5% in 2010, UHERO = 7.5% in 2011

	TUR (unadjusted)	IUR	13-wk Avg Claims	*Hawaii Unemployment Compensation Fund* INCOME Taxes	INCOME Interest	OUTGO	BALANCE	Avg Tax Rate	Taxable Wage Base	Avg Taxes @TWB
1st Qtr		*3.25%*	19,313	4,990,587	4,532,665	90,247,145	352,215,515*			
2nd Qtr		*3.56%*	21,088	21,851,384	3,484,701	100,051,509	279,785,004*			
3rd Qtr		*3.52%*	20,694	*9,271,990*	*2,788,122*	*95,894,998*	214,875,814*			
4th Qtr		*3.30%*	19,100	*6,000,000*	*1,600,000*	*90,000,000*	*132,500,000*	Schedule A		
CY 2009	***7.2%***	***3.41%***	**20,100**	***42,100,000***	***12,400,000***	***376,200,000***	**132,500,000***	0.7%	$13,000	$90
1st Qtr		*3.60%*	20,800	*4,000,000*	*400,000*	*98,000,000*	*39,000,000*			
2nd Qtr		*3.60%*	20,800	*106,000,000*	*500,000*	*98,000,000*	*48,000,000*			
3rd Qtr		*3.50%*	20,300	*92,000,000*	*400,000*	*96,000,000*	*44,000,000*			
4th Qtr		*3.50%*	20,300	*70,000,000*	*300,000*	*97,000,000*	*17,000,000*	Schedule F		
CY 2010	***7.5%***	***3.50%***	**20,600**	***272,000,000***	***1,600,000***	***389,000,000***	***17,000,000***	2.75%	$37,800	$1,040
1st Qtr		*3.50%*	20,300	*50,000,000*	*0*	*96,000,000*	*-29,000,000*			
2nd Qtr		*3.50%*	20,300	*158,000,000*	*0*	*96,000,000*	*33,000,000*			
3rd Qtr		*3.50%*	20,300	*137,000,000*	*400,000*	*96,000,000*	*74,000,000*			
4th Qtr	(UHERO)	*3.50%*	20,300	*104,000,000*	*900,000*	*97,000,000*	*82,000,000*	Schedule H		
CY 2011	***7.5%***	***3.50%***	**20,300**	***449,000,000***	***1,300,000***	***385,000,000***	***82,000,000***	3.90%	$37,900	$1,480

Summary:
Tax schedules are still F in 2010 and H in 2011 under all three scenarios.
Brewbaker scenario: Fund balance remains negative through end of 2013.
Laney scenario: fund goes negative only in first quarter 2011.

NOTES

1. **Projections assumes UHERO projected unemployment rates:** 2009 = 7.4%; 2010 = 8.1%; 2011 = 7.5%; 2012 = 6.6%; 2013 = 5.9%.

2. **MWBA (Maximum Weekly Benefit Amount) in 2010:** 75% = $546; 70% = $509; 60% = $437; 50% = $364. In 2004, MWBA = $417.

3. **Adequate Reserve** multiplier is 1.5 for all, except for #4 and #5, which is 1.0.

4. **Interest** must be paid by special assessment and/or general funds; cannot be paid from UI trust fund balance.

5. **Taxes per Employee:** Minimum = lowest tax rate on schedule times wages for minimum wage worker; Average = average tax rate times taxable wage base; Maximum = highest tax rate on schedule times taxable wage base.

6. **Tax Savings per Employee:** Minimum = tax savings at lowest tax rate for minimum wage worker; Average = tax savings at average tax rate for worker paid taxable wage base; Maximum = tax savings at highest tax rate for worker paid taxable wage base.