



Unemployment Insurance Annual Report

FFY October 1, 2024 — September 30, 2025

Contents

Overview	3
Benefits	3
Short-Time Compensation	4
Tax	5
Trust Fund	6
Recommendations for Legislature	6

Overview

The Nebraska Unemployment Insurance (UI) program was created to provide a temporary partial wage replacement to workers unemployed through no fault of their own. The UI program is a federal-state partnership based upon the implementation of the Social Security Act of 1935. The federal government sets broad overall policy for administration of the program and provides money to the states for the proper and efficient administration of the state unemployment programs. The United States Department of Labor (USDOL) monitors state performance and compliance and holds and invests all money in the Unemployment Trust Fund until drawn down by states for the payment of benefits.

The Nebraska Employment Security Law (NESL) sets forth benefit eligibility requirements for workers and the tax structure applicable to subject employers. The State directly administers the unemployment program, takes claims from unemployed workers, determines eligibility, insures timely payment of benefits, determines employer liability, and assesses and collects combined tax payments.

Nearly all wage and salary workers are covered by the UI program. Railroad workers are covered by a separate federal UI program. Ex-service members with recent service in the Armed Forces and civilian federal employees are covered by a federal UI program, with states paying benefits from federal funds as agents of the federal government.

Benefits

FFY	Total State Benefits Paid
24-25	\$107,074,715
23-24	\$89,382,551
22-23	\$65,920,876
21-22	\$54,425,689
20-21	\$118,648,052

Unemployment Weeks Compensated		Benefits Paid	
	Month	Regular UI	Regular UI
2025	Sep	17,323	\$8,062,666
	Aug	17,321	\$7,815,793
	Jul	21,666	\$9,384,566
	Jun	21,380	\$8,961,625
	May	14,640	\$6,384,917
	Apr	16,920	\$8,288,451
	Mar	26,256	\$11,728,235
	Feb	25,862	\$11,569,553
	Jan	26,809	\$12,249,804
2024	Dec	21,916	\$9,898,258
	Nov	13,788	\$6,178,696
	Oct	14,492	\$6,552,151

Regular State UI Claims FFY 24-25

Initial Claims Filed	45,533
Initial Claims Receiving the First Payment	19,319
Continued Weeks Filed	293,174
Continued Weeks Paid	238,373

Short-Time Compensation

The Short-Time Compensation program helps prevent layoffs by allowing employers to uniformly reduce affected employees' hours by 10 to 60 percent while the employees receive a prorated unemployment benefit. STC benefits are paid based on a percentage reduction of regular UI benefits equal to the percentage reduction in regular work hours.

	2024-2025	2023-2024	2022-2023	2021-2022
Number of employers filing STC applications:	16	14	14	7
Number of layoffs averted through the STC program:	887	1,022	120	322
Amount of STC program benefits paid:	\$249,808	\$155,879	\$146,335	\$212,551

Tax

Employer Unemployment Insurance (UI) taxes are assessed by the State of Nebraska based on wages paid for covered employment. The state “combined tax” is comprised of contributions which are deposited to the federal Unemployment Trust Fund and a state unemployment insurance tax which is deposited to the State Unemployment Insurance Trust Fund. The federal government collects a separate federal unemployment tax pursuant to the Federal Unemployment Tax Act (FUTA). Tax rates are established for the calendar year.

Historical (CY 2021 – 2025) Combined Tax Rates

Category	2025	2024	2023	2022	2021
1	0.00%	0.00%	0.00%	0.00%	0.00%
2	0.14%	0.12%	0.08%	0.12%	0.13%
3	0.22%	0.19%	0.13%	0.20%	0.20%
4	0.25%	0.21%	0.15%	0.22%	0.23%
5	0.28%	0.24%	0.17%	0.25%	0.25%
6	0.33%	0.28%	0.20%	0.29%	0.30%
7	0.36%	0.31%	0.22%	0.32%	0.33%
8	0.39%	0.33%	0.23%	0.34%	0.35%
9	0.44%	0.38%	0.27%	0.39%	0.40%
10	0.5%	0.43%	0.30%	0.44%	0.45%
11	0.53%	0.45%	0.32%	0.47%	0.48%
12	0.55%	0.48%	0.34%	0.49%	0.50%
13	0.58%	0.50%	0.35%	0.51%	0.53%
14	0.61%	0.52%	0.37%	0.54%	0.55%
15	0.67%	0.57%	0.40%	0.59%	0.60%
16	0.75%	0.64%	0.45%	0.66%	0.68%
17	0.86%	0.74%	0.52%	0.76%	0.78%
18	1.00%	0.86%	0.61%	0.88%	0.90%
19	1.19%	1.03%	0.73%	1.05%	1.08%
20	5.40%	5.40%	5.40%	5.40%	5.40%

Historical (CY 2020 – 2024) Combined Tax Rates – New Employers

Category	2025	2024	2023	2022	2021
Non-construction	1.25%	1.25%	1.25%	1.25%	1.39%
Construction	5.40%	5.40%	5.40%	5.40%	5.40%

Contributions from Employers to Unemployment Trust Fund

	FY24-25	FY23-24	FY22-23	FY21-22	FY20-21
Combined tax	\$89,027,011	\$ 78,439,654	\$79,113,883.92	\$80,163,778	\$68,004,045
Payments in lieu of contributions	\$ 5,509,896	\$ 4,766,093	\$4,267,380.49	\$1,995,207.48	\$2,810,232

Trust Fund

FFY Unemployment Trust Fund (UTF) and State Unemployment Insurance Trust (SUIT) Balances					
	2025	2024	2023	2022	2021
UTF Available for Benefits	\$524,931,682	\$533,641,780	\$524,830,607	\$510,837,654	\$482,448,028
WDF/SUIT Balance	\$59,608,494	\$8,950,221	\$77,013,770	\$75,932,879	\$72,939,849
Total Funds Available to Pay Benefits	\$584,540,176	\$542,592,001	\$601,844,377	\$587,607,271	\$555,983,520
State Reserve Ratio	1.19%	0.92%	1.05%	1.09%	1.12%

The UTF is established within the federal treasury as a reserve to pay liability against future benefits. The SUIT Fund is a state account reserved for the payment of unemployment benefits if needed.

UTF Balance		WDF/SUIT Fund Balance	
9/30/2025	\$524,931,682	9/30/2025	\$59,608,494
9/30/2024	\$533,641,780	9/30/2024	\$8,950,221
9/30/2023	\$524,830,607	9/30/2023	\$77,013,770
9/30/2022	\$510,837,654	9/30/2022	\$75,932,879
9/30/2021	\$482,448,028	9/30/2021	\$72,939,849

Recommendations for Legislature

Because of the continued solvency of the Nebraska unemployment program, no significant changes to the Nebraska Employment Security Law are required at this time.

The Nebraska account in the federal Unemployment Trust Fund is greater than what would be needed to pay benefits in any reasonably foreseeable recession. Consideration should be given to whether funding should increase for workforce development through state unemployment insurance taxes.