



Reduce Unemployment Compensation Wage Base

- **Unemployment taxes for employers are calculated based on an employer's "experience rating," which is affected based on how often their employees must utilize unemployment compensation.**
- **Every employer in West Virginia, regardless of size or experience rating, is taxed on the first \$9,500 in wages of each employee.**
 - **A lower experience rating means an employer pays a higher percentage on that \$9,500 in wages.**
- **West Virginia's Unemployment Trust Fund is in very healthy shape with a balance of over \$395 million at the end of January 2025. By comparison, prior to COVID-19, the fund's balance typically hovered in a range of between \$100 million and \$200 million.**
- **West Virginia could easily afford to reduce the taxable wage base for unemployment compensation from \$9,500 to \$9,000 without affecting the trust fund balance. This would instantly provide tax relief to every business operating in West Virginia without impacting the state's general revenue budget.**
 - **Smaller employers would experience greater relief, as this tax is paid on a higher percentage of the total wages for lower-wage employees.**
- **Incrementally reducing the wage base also allows this tax to be lowered in a responsible and controlled manner so that future increases are less likely.**