

**STATE OF ILLINOIS
DEPARTMENT OF EMPLOYMENT SECURITY**

2025

STATE EXPERIENCE FACTOR

AND

EMPLOYERS' UI CONTRIBUTION RATES

The 2025 State Experience Factor for unemployment insurance contributions is **114%**. The State Experience Factor for 2024 was 126%. Employers' 2025 contribution rates are computed per the Illinois Unemployment Insurance Act ("the Act").

DETERMINATION OF THE STATE EXPERIENCE FACTOR

The State Experience Factor is determined in the following manner:

1. **The Unadjusted State Experience Factor**

This is the ratio of all regular benefits paid (including benefits charged to reimbursable employers) during the period from July 1, 2021 to June 30, 2024 to net revenues during the period from October 1, 2021 to September 30, 2024. Net revenues include receipts from reimbursable employers.

2. **Adjustment Points**

An adjustment is made to the 2025 State Experience Factor when the amount standing to the credit of this State's account in the Unemployment Insurance Trust Fund, as of June 30, less the Benefit Reserve for Fund Building from July 1, 1987 through June 30, 2024, varies from the sum of \$1.75 billion. For every \$50 million, or fraction thereof, by which this adjusted Trust Fund balance exceeds \$1.75 billion, the State Experience Factor is decreased by one percentage point. For every \$50 million, or a fraction thereof, by which the amount falls below \$1.75 billion, the State Experience Factor is increased by one percentage point.

COMPUTATION OF THE STATE EXPERIENCE FACTOR FOR 2025

The State Experience Factor for 2025 was computed as follows:

1. Unadjusted State Experience Factor:

All Benefits Paid 07/01/2021 thru 06/30/2024.....\$5,843,061,324
Net Revenues 10/01/2021 thru 09/30/2024..... \$7,542,168,246
Unadjusted factor = 77.4719%
or 77%

Net Revenue = The calculated experience-rated revenue liabilities (10/01/2021 thru 09/30/2024)
+ reimbursable revenue receipts (10/01/2021 thru 09/30/2024)

Note: Under the provisions of the Act, the ratio of 77.4719% was rounded to the nearest multiple of one percent, namely 77%.

2. Adjustment Points

A. The amount standing to the credit of Illinois' account in the
Unemployment Insurance Trust Fund as of 06/30/2024\$1,871,082,745

B. Minus Benefit Reserves for Fund Building\$15,221,257

C. Trust Fund targeted balance Adjustment..... \$1,750,000,000
Difference from target \$105,861,488 ↓ Downward
Adjustment Points =..... 2.1172
Or..... 3%

D. Adjusted State Experience Factor 74%

E. Year-to-Year Constraint

(MAX) 16% 139%

(MIN) 12% 111% (Use MIN)

Constrained Adjusted State Experience factor = 111%

Bonus Points added per
statute 820 ILCS 405/1505 (I-D-4) 3%

Constrained ASEF with Downside Limiter = 114%

EMPLOYERS' CONTRIBUTION RATES FOR 2025

Most employers who became liable for the payment of contributions *on or after January 1, 2023* will pay at the entry rate of **3.650%**. The Act dictates that employers pay higher entry rates if they are in a North American Industrial Classification System (NAICS) sector that has an average tax rate above the standard entry rate. New employers in the following NAICS sectors will pay higher rates:

| | |
|---|--------|
| Administrative Support & Waste Management NAICS (sector 56) | 3.750% |
| Undetermined NAICS (sector 99) | 3.750% |

The above entry rate includes the **0.550%** Fund Building Rate in effect for 2025.

Employers who became liable *between January 1, 2023 and June 1, 2023* (i.e. had at least 13 months of experience as of June 30, 2024) will have the greater of: the standard new employer rate of **3.650%** or a rate-based on their experience. Their contribution rate will be determined as specified below for experience-rated employers except that the period used will be July 1, 2023 through June 30, 2024.

Employers who have incurred liability for the payment of contributions within each of the three or more years immediately preceding 2025 will qualify for a variable rate based on their individual experience. These employers may calculate their 2025 contribution rate as follows:

1. **Determine your BENEFIT RATIO**

There are three components of the Benefit Ratio:

Benefit Charges -- These are listed on the BEN-118 Statement of Benefit Charges.

Benefit Conversion Factor (BCF) -- The BCF gives Benefit Charges the same statewide financial impact as Benefit Wages (charges to employer accounts prior to July 1, 1989) to ensure the stability of the Unemployment Insurance Trust Fund. The 2025 BCF is **138.4%**.

Taxable Wages -- These are reported on the UI-3/40 Quarterly Contribution and Wage Report.

If you have incurred liability within each of the **three** calendar years immediately preceding 2025, calculate your Benefit Ratio as follows:

1. Total the Benefit Charges for the period July 2023 through June 2024.
2. Multiply the total Benefit Charges by the Benefit Conversion Factor of 138.4%.
3. Divide these Converted Benefit Charges by your Taxable Wages for the period July 2023 through June 2024. This result, rounded to four places past the decimal when expressed as a percentage, is your 2025 Benefit Ratio

If you have incurred liability within each of the **four** calendar years immediately preceding 2025, calculate your Benefit Ratio as follows:

1. Total the Benefit Charges for the period July 2022 through June 2024.
2. Multiply the total Benefit Charges by the Benefit Conversion Factor of 138.4%.
3. Divide these Converted Benefit Charges by your Taxable Wages for the period July 2022 through June 2024. This result, rounded to four places past the decimal when expressed as a percentage, is your 2025 Benefit Ratio.

If you have incurred liability within each of the **five** calendar years immediately preceding 2024, calculate your Benefit Ratio as follows:

1. Total the Benefit Charges for the period July 2021 through June 2024.
2. Multiply the total Benefit Charges by the Benefit Conversion Factor of 138.4%.
3. Divide these Converted Benefit Charges by your Taxable Wages for the period July 2021 through June 2024. This result, rounded to four places past the decimal when expressed as a percentage, is your 2025 Benefit Ratio.

2. Multiply your Benefit Ratio by the STATE EXPERIENCE FACTOR

Multiply your Benefit Ratio by the 2025 State Experience Factor of **114%**. Round the product to the nearest one-tenth of one percent.

3. Add the product in item 2 to the FUND BUILDING RATE

The Fund Building Rate for 2025 is **0.550%**. This rate is provided for in the Illinois Unemployment Insurance Act and is included in the rate calculation to aid in the maintenance of a solvent Unemployment Insurance Trust Fund.

The **minimum contribution rate** for 2025 is **0.750%**
(0.2% x 114% plus the 0.550% Fund Building Rate).

The **maximum contribution rate** for 2025 is **7.850%**
(6.400% x 114% plus the 0.550% Fund Building Rate).

NOTE: An experience-rated employer whose contribution rate is **higher than 5.400%** and whose **total quarterly wages are less than \$50,000** pays contributions at **5.400%** in that quarter.

WAGE LIMITATION

Only the first \$13,916 of wages paid to a worker in the calendar year 2025 are subject to the payment of contributions.

Examples of Rate Calculation

1. An employer's Benefit Ratio of 0.0310% is multiplied by the 2025 State Experience Factor of 114% to get 0.0353% which rounds to 0.0%. After adding the Fund Building Rate of 0.550%, the employer's 2025 contribution rate is determined to be the minimum rate of 0.750%.
2. An employer's Benefit Ratio of 1.5299% is multiplied by the 2025 State Experience Factor of 114% to get 1.7440% which rounds to 1.7%. After adding the Fund Building Rate of 0.550%, the employer's 2025 contribution rate is determined to be 2.250%.
3. An employer's Benefit Ratio of 8.0612% is multiplied by the 2025 State Experience Factor of 114% to get 9.1897% which rounds to 9.2%. Adding the Fund Building Rate of 0.550% equals 9.750%. The employer's 2025 contribution rate is determined to be limited to the maximum rate of 7.850%.