TO: County Extension Directors  
District Extension Directors

FROM: Sheri L. Schwab  
Associate Director and Director of County Operations

DATE: May 17, 2012

SUBJECT: New Rate for Unemployment Compensation for County Operations

As you recall, based on the move of all NCCES employees to Send-in payroll status, the University began charging counties a percentage of the county-paid portion of salaries in order to cover the Unemployment Compensation claims. All employers are required to pay the Employment Security Commission (ESC) for unemployment claims. By charging this to counties, the University is able to pay the bills outright for both the County and the University portion of claims, and does not have to bill each county for claims.

The rate to be charged on the County portion of the salary is analyzed in April of each year and then set for the upcoming fiscal year. This rate is based on an analysis of the current balance in the account and anticipated instances or needs for the upcoming fiscal year. As such, each fiscal year, the rate is subject to increase or decrease, based on this analysis.

I am pleased to convey that the rate for this upcoming fiscal year will decrease. The current year's rate is .69 of the non-state paid portion of the salary, and it will decrease to a rate of .35, effective July 1, 2012.

The reason for the decrease is the unemployment compensation for County Operations employees paid in fiscal year 2011-12 was lower than the forecast. Please keep in mind that it is very difficult to forecast unemployment compensation billing due to the uncertainty of the economy and the lag in unemployment billing (i.e., the bill we will receive around December 2012 will be for claims filed from August 2010 to July 2011.)

The rate on the University portion of any salary remains at .69. We are pleased to provide this cost-savings to our partners.

Please inform your County Manager or appropriate designee of the decreased amount for the next fiscal year. Nikki Kurdys in CALS Personnel will also forward this letter to the designated Payroll contacts.

Please contact my office if you need any additional information regarding this change.

SLS/vp