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for the first time since the recession hit.

Jan. 15, 2013

Taxes for the Virginia unemployment insurance benefits are set to decline this year for the first time since the recession hit.

The latest projections are that employers will pay an average state tax of \$221 per employee this year, down from \$232 in 2012, said Don Lillywhite, director of labor market information for the Virginia Employment Commission. The commission projects the rate next year will drop to \$218.

That's still well above the average of \$99 per employee Virginia employers paid when the recession hit in 2008. It is also less than any neighboring state.

Unemployment insurance taxes rise as unemployment does, and as benefit payments deplete the state trust fund that pays the benefits.

Virginia, like most states, has had to borrow from the federal government to finance benefits in the years after the recession. Unlike many, though, the state trust fund moved back in the black last year and is projected to rise in the years ahead.

The state will repay the last of its loans in May, Lillywhite said.

"We're expecting it to be clear sailing after that," he said.

The commission projects a fund balance of more than \$390 million by June 30, growing to \$1.1 billion by 2015, at which point its solvency ratio will be above where it was when the recession hit.

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