



## Alabama Department of Labor

### News Release

For Immediate Release: December 4, 2015

### Shared Costs for Alabama Employers at Zero

MONTGOMERY – Alabama Department of Labor Commissioner Fitzgerald Washington announced today that shared costs to employers have dropped to zero for calendar year 2016. Shared costs represent a portion of unemployment insurance taxes employers pay on each employee. The last time shared costs were at zero was in 1991.

“This reduction in taxes for Alabama’s employers is great news,” said Washington. “It’s been almost 25 years since employers haven’t paid anything in shared costs. Hopefully, employers will be able to turn those tax savings into new jobs for Alabamians.”

Shared costs represent the portion of unemployment insurance taxes paid by all employers that are not chargeable to any one employer (example: a company goes out of business or files for bankruptcy).

In 2014 and 2015, shared costs paid by employers were \$24.00 per employee annually. At the height of the recession, shared costs were as high as 1.60%, representing a cost of \$128.00 per employee annually.

The reduction in shared costs is due to both a reduction in unemployment compensation claims and to taxes recovered via the Department’s participation in the Federal Treasury Offset Program, which captures income tax refunds in order to repay benefit claim overpayments.

2016 tax rate notices are available for employers at [www.labor.alabama.gov](http://www.labor.alabama.gov).

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*Members of the media seeking more information should contact Communications Director Tara Hutchison at (334) 242-8616.*