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GOVERNOR PARSON ANNOUNCES $300 MILLION TRANSFER OF CORONAVIRUS RELIEF FUNDS TO STATE'S UNEMPLOYMENT INSURANCE TRUST FUND

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MARCH 22, 2021

JEFFERSON CITY — Today, Governor Mike Parson announced that he has authorized a transfer of $300 million in federal Coronavirus Relief Funds (CRF) from the State Treasury into the state's UI Trust Fund to help keep the Trust Fund balance above the level that would trigger an increase in contribution tax rates for Missouri businesses.

"With over 96 percent of Missouri's businesses employing 50 or fewer employees, these additional funds will help prevent tax increases for our small businesses and strengthen the UI Trust Fund," Governor Parson said. "Despite the unprecedented rise in unemployment caused by COVID-19 this past year, our economy continues to come back strong as businesses reopen and Missourians get back to work. We have come a long way since the early days of this pandemic, and an increase in taxes is the last thing Missouri employers need as we continue our recovery."

Missouri employers wholly fund the state's Unemployment Insurance (UI) Trust Fund from which state unemployment benefits are provided to eligible workers who have lost their jobs. With thousands of Missourians unemployed during the pandemic, Missouri businesses would have likely seen an increase in their unemployment taxes to replenish the Trust Fund, without this action.

"Small businesses employ over 45 percent of our workforce here in the state. These funds will provide those employers a better sense of economic security encouraging them to employ or re-employ workers. These efforts are critical to allowing small businesses to reopen, recover, and grow," Department of Labor and Industrial Relations Director Anna Hui said. "We continue to look for ways to be fiscally responsible in assisting businesses and individuals in the state in recovering from the pandemic. Today's action helps businesses by enabling them to employ more workers and create sustainable economic prosperity across Missouri."

As of February 2021, Missouri's unemployment rate stands at 4.2 percent, below the national average of 6.2 percent. While February rankings are not yet available, Missouri ranked twelfth lowest in the nation in unemployment in January 2021.

The transfer of CRF funds to the UI Trust Fund accompanies the Public Order that the Missouri Department of Labor and Industrial Relations issued last December under the Governor's Executive

Order to prevent increases in unemployment tax rates that are triggered when the average Trust Fund balance dips too low.

This fund transfer will help Missouri not follow the twenty other state who have depleted their UI Trust Funds and are borrowing money to pay unemployment benefits.

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