



Important: Questions about rates should be in writing as the information may be confidential. Please direct phone inquiries to (888) 848-7442. Tax Bureau customer service hours are 8:30 a.m. to noon and 1:00 p.m. to 4:00 p.m., Monday - Friday (*excluding state holidays*).

How Rates Are Computed (*For Employers Eligible For a Computed Rate*)

Rates for private employers are calculated on a "benefit ratio" system. Rates are calculated in four steps:

1. Selection of the Rate Table

There are eight rate tables each having 21 ranks. Rates vary from 0.000% to 9.000% on table 1 and from 0.000% to 7.000% on table 8. The table in effect for **2025** is **Table 8**. The table used is decided by a formula that considers:

- the total money available to pay benefits on the rate computation date (07/01/2024)
- the total wages paid by contributory employers in the first four of the five calendar quarters immediately before the rate computation date
- the highest 12 consecutive month benefit cost ratio in the 10 years ending on the computation date

2. Determining Each Employer's Benefit Ratio

Divide the employer's average annual benefits paid for five years before the computation date by their average annual taxable payroll for the same five years.

3. Ranking Employers by Benefit Ratio

Each employer's benefit ratio is compared to every other employer.

- List all employers by increasing benefit ratios, from the lowest to the highest.
- Group the employers on the list into 21 ranks, each rank having about 4.76% (1/21) of the total taxable wages reported by the same employers for the four calendar quarters immediately before the computation date.

Note: All employers with the same benefit ratio are given the same rank. Employers with taxable wages that overlap ranks are given the lower of the two ranks.

4. Applying the Rate Table (1) to the Ranking (3)

- Employers whose benefit ratios put them in rank 1 are assigned rank 1 rate on table 8. Employers whose benefit ratios place them in rank 2 are assigned the rank 2 rate and so forth.
- See section 1 of the Notice of Tax Rate for your rate. The contribution rate in section 1 is the state experience rate as defined on Federal Form 940.
- For 2025, the Reserve Fund Rate is 0.000%.
- For 2025, the Surcharge Rate is 0.000%.

Note: You must file a timely report even if you have a zero rate.

Benefit Ratio Rankings for 2024 and 2025

2024				2025			
RANK	BENEFIT RATIOS		RATE FROM	RANK	BENEFIT RATIOS		RATE FROM
	FROM	TO	TABLE 8		FROM	TO	TABLE 8
1	LOWEST	0.0001	0.000	1	LOWEST	0.0001	0.000
2	0.0002	0.0002	0.000	2	0.0002	0.0002	0.000
3	0.0003	0.0074	0.000	3	0.0003	0.0025	0.000
4	0.0075	0.0462	0.100	4	0.0026	0.0412	0.100
5	0.0463	0.0735	0.100	5	0.0413	0.0710	0.100
6	0.0736	0.0996	0.100	6	0.0711	0.0839	0.100
7	0.0997	0.1261	0.200	7	0.0840	0.1120	0.200
8	0.1262	0.1554	0.200	8	0.1121	0.1360	0.200
9	0.1555	0.1875	0.300	9	0.1361	0.1678	0.300
10	0.1876	0.2194	0.300	10	0.1679	0.1937	0.300
11	0.2195	0.2555	0.300	11	0.1938	0.2334	0.300
12	0.2556	0.2900	0.400	12	0.2335	0.2576	0.400
13	0.2901	0.3164	0.500	13	0.2577	0.2825	0.500
14	0.3165	0.3635	0.600	14	0.2826	0.3147	0.600
15	0.3636	0.4272	0.700	15	0.3148	0.3694	0.700
16	0.4273	0.5119	0.900	16	0.3695	0.4459	0.900
17	0.5120	0.6535	1.100	17	0.4460	0.5737	1.100
18	0.6536	0.8913	1.500	18	0.5738	0.7793	1.500
19	0.8914	1.3679	2.000	19	0.7794	1.2093	2.000
20	1.3680	2.6317	2.800	20	1.2094	2.3285	2.800
21	2.6318	HIGHEST	7.000	21	2.3286	HIGHEST	7.000

Miscellaneous Information

1. Rates for "Newly Covered" Employers:

- **Non-Construction Employers** not eligible for a computed rate are given the rate in rank 12 but not less than 1.000%.
- **Construction Employers** not eligible for a computed rate are given the rate in rank 21.

2. Taxable Wage Base

- The taxable wage base is two-thirds of the average annual wage paid in Iowa for the calendar year before the rate computation date.
- For **2025**, the taxable wage base is **\$39,500.00**.

Appeals Must:

1. Be in **writing**
2. Be filed **within 30 days** of the rate notice date
3. State that it is an **appeal**
4. Give the **grounds** for the appeal. Grounds include:
 - an error in the taxable wage detail and/or benefit charges
 - a favorable claims decision issued since the rate computation date or that you expect to receive on an appeal in progress

Note: Grounds **do not include** fairness or "financial hardship". We cannot reduce rates that are correctly calculated.

5. Include your Iowa **Employer Account Number**
6. Be **mailed** to:

Iowa Workforce Development
 Unemployment Insurance Tax Bureau
 1000 East Grand Avenue
 Des Moines, Iowa 50319-0209