

JOHN HICKENLOOPER  
Governor

ELLEN GOLOMBEK  
Executive Director

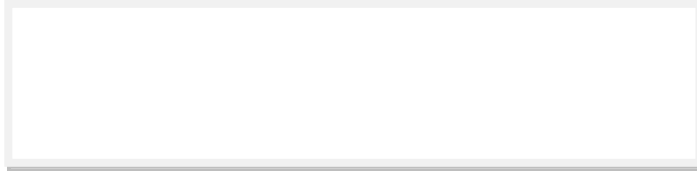
JOHN ANTAL  
Unemployment Insurance Acting  
Program Director



**DEPARTMENT OF LABOR AND EMPLOYMENT**  
Unemployment Insurance Division, Employer Services  
P.O. Box 8789  
Denver, Colorado 80201-8789  
Telephone: 303-318-9100

May 25, 2011

Employer Account Number:



Dear Employer:

As a Colorado employer you pay premiums into the Colorado Unemployment Insurance Trust Fund to pay for unemployment benefits. The recent economic downturn caused an unprecedented demand for unemployment benefits in Colorado and across the country. In January 2010, we joined 30 + other states in borrowing money from the federal government so that we could continue to pay unemployment benefits from the state's Unemployment Insurance Trust Fund. During calendar year 2010 the interest on these funds was waived by the federal government. However, beginning in January 2011 interest began to accrue on all outstanding loans.

Unless Congress acts again to waive the interest, by law, certain experience-rated employers must make an annual interest payment on borrowed money from the federal government (see the Colorado Employment Security Act 8-77-103). Based on your claims history, your company will be required to make a payment this year.

To calculate the Trust Fund Assessment rate, we will determine the total gross wages of all liable, experience-rated employers for the second quarter of the previous year (amount A). Then we will determine the sum of the annual interest on the loan and the administrative costs during the interest-repayment period (amount B). We divide amount A into amount B to get the Trust Fund Assessment rate.

Example for 2011:

**Interest accrued for loans made through April 2011 plus administrative costs for January—April 2011**

**Total gross wages of all subject employers for 2nd quarter 2010**

To determine what must be paid, we will multiply your gross wages from the fourth quarter of the previous year by the Trust Fund Assessment rate.

Example for 2011:

**Gross wages for 4th quarter 2010 X Trust Fund Assessment rate**

The first payment to the Federal government is interest for loans made through April 30, 2011. It is estimated that the first interest payment will be approximately \$12 million, shared by approximately 35,000 employers with an average assessment amount of \$340. **In July 2011, we will send you a bill titled Unemployment Insurance Trust Fund Assessment Billing Statement with your assessment amount. Payments must be received 30 days from the billing date.** If you have any questions, please call 303-318-9100 or 1-800-480-8299 if you are outside the Denver Metro Area.

Vicki Smith,

Employer Services Chief, Unemployment Insurance

Ellen Golombek,

Executive Director, Colorado Department of Labor and Employment