

July 1 of the year for which the rates are being computed (a period less than three years for newly subject employers).

Computing an employer's contribution rate

Experience-rating contribution rates are computed for all eligible employers effective January 1 of each calendar year. The factors in the computation of an employer's contribution rate are:

- an employer's benefit wage ratio
- state experience factor
- conditional factor (if applicable)

Benefit wage ratio

An employer's benefit wage ratio is the percentage of taxable payroll used to compute eligibility of claimants during the three-year experience period as defined in Section 1-227 of the Oklahoma Employment Security Act prior to July 1 of the year immediately preceding the year for which the rates are being computed (a period less than three years for newly subject employers).

The following is an illustration of an employer's benefit wage ratio computation.

Experience rate period	Benefit wage charges	Taxable payroll on which taxes have been paid timely
2006-2007	\$10,000.00	\$80,000.00
2007-2008	\$6,000.00	\$100,000.00
2008-2009	\$7,000.00	\$115,000.00
	\$23,000.00	\$295,000.00

Employers benefit wage ratio = \$ 23,000.00 divided by \$295,000.00 = 0.07797 = 7.8%

The state experience factor is 42%.

Therefore, the employer's contribution rate is 3.3%.

State experience factor

The state experience factor is calculated by dividing total benefits paid from the Unemployment Insurance trust fund for the most recent 12 quarters by the total benefit wages of all employers for the same 12-quarter period. The following illustration shows how the state experience factor was determined for 2010. The illustration uses the new 12-quarter experience period for calculations.