



Quarterly Regulatory & Legislative Updates for Employers

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Industry Expertise

At Every Stage of Employment



Covering
30M+
Employees

600+
Professionals

Serving
3,400M+
Clients

100K+

Credentialed Verifiers

300K+

I-9 Transactions

1M+

Verifications Fulfilled

1M+

Unemployment Claims

10M+

WOTC Screenings

20M+

Tax Statements Delivered

25M+

Pay Statements Delivered

\$2B+

Tax Incentives Secured

Webinar Agenda

- Legislative and Regulatory Activity
- Best Practices Ideas
- Unemployment Legislative Landscape 2025
- FUTA Credit Reductions 2025
- Key Takeaways



Poll Question 1

My Company has a team tasked with tracking legislative and regulatory activities.

- ☐ True
- ☐ False

Legislative and Regulatory Activity

Federal Activity

Continues to be largely Executive Orders

- President Trump signed 142 orders in the first 100 days of his term
- Many orders have been halted by courts—awaiting final disposition
- Conversely, Congress passed 5 bills in the first 100 days
- Congressional session focused around TCJA renewal



Federal Activity—Cont'd

- HR 2550 introduced in April as a pushback measure against one Executive order—aimed at restoring collective bargaining rights. (not likely to pass, but we are likely to see more legislative "correction")
- On the Federal Enforcement front, seeing signs of massive ICE fines for I-9 compliance discrepancies...Denver Cleaning company was fined over \$6 mil, and another \$1.6 mil. (Fines were for high substantive violations and unauthorized employees)



Federal Activity—Cont'd

- Supreme Court allows revocation of TPS status for Venezuela yesterday. Employers should check TPS statuses frequently, as court cases continue.
- Work Opportunity Tax Credit (WOTC)—Currently authorized until 12/2025. Not in House reconciliation bill currently being worked on. Push to include Senate amendment.
- Keep an eye on withholding processes. Changes to income tax processes will involve big changes to withholding.



Federal Activity— Employer Reaction

- Many employers appear to be taking a cautious "wait and see" approach. Uncertainty, judicial decisions, poor process management all cause delays.
- Adjust resources in wake of government exodus. Recent survey showed over 60% of employers rely on Fed websites for information.
- Some employers have sought to immediately apply with specific executive orders, some have pushed back, to an extent.



State Legislative/ Regulatory Activity

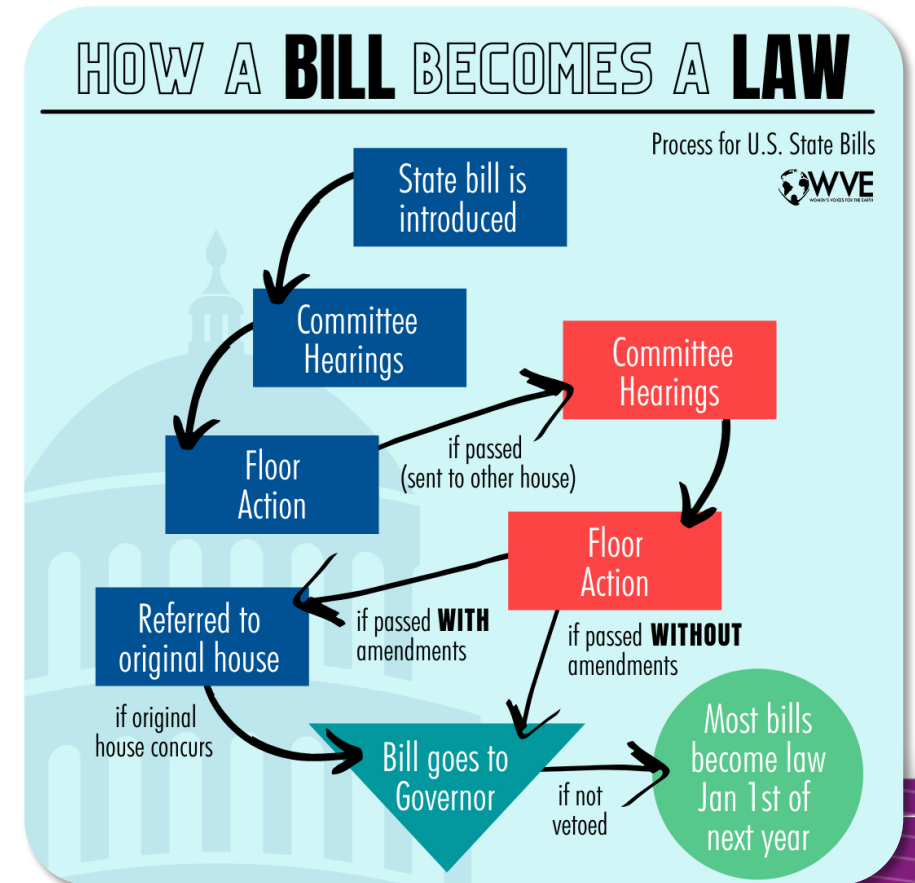
Key Initiatives of 2025

- 28 states will have ended current session by the end of the month, so the legislative picture for the year is gaining clarity on the state level.
- Artificial Intelligence lead the way—45 states + PR introduced over 550 bills thus far. 8 states have introduced comprehensive protection bills similar to the CO bill passed last year. VA and TX are the largest.



State Activity—Cont'd

- Wage Theft/Pay Equity—Several states look to bolster enforcement, NY and MA lead with bills aimed at enforcement. Many new bills with added penalty provisions, AZ, PA, and CA leading.
- Paid Leave Initiatives—MO, NE, and AK paid sick leave take effect this year. 5/1, 10/1 and 7/1. MO survived Sup Ct challenge, but bill to repeal sent to governor.
- Immigration/E-Verify—Big FL expansion bill died in Senate after passing house. TX SB 324, all employer bill, passed Senate. Expands to all employers from current agency req.. Some states adding protections, CO 25-276 prohibits sharing of data of public employees.



State Legislative/Regulatory Activity Cont'd

- Data privacy laws took effect in 5 states in January
 - Delaware
 - Iowa
 - Nebraska
 - New Hampshire
 - New Jersey
- 3 more state laws take effect this year, Minnesota and Tennessee in July, Maryland in October

Best Practices Ideas

How to Demonstrate Good Faith via Compliance Activities

Key recommendations for Federal preparedness:

- Self Audits of compliance processes
- Documentation of processes
- Annual training on key components
- Stay up to date/monitor information
- Adjust policies/handbooks as necessary
- Know key points of escalation, i.e. SME, Legal, etc.



Poll Question 2

Juggling employment law compliance issues is harder this year because...

- ☐ The new administration is moving so fast, cannot keep track
- ☐ We are worried about heightened enforcement at the state level
- ☐ We expect more labor and employment claims on the whole
- ☐ We have no concerns, compliance is a snap

Unemployment Updates



Poll Question 3

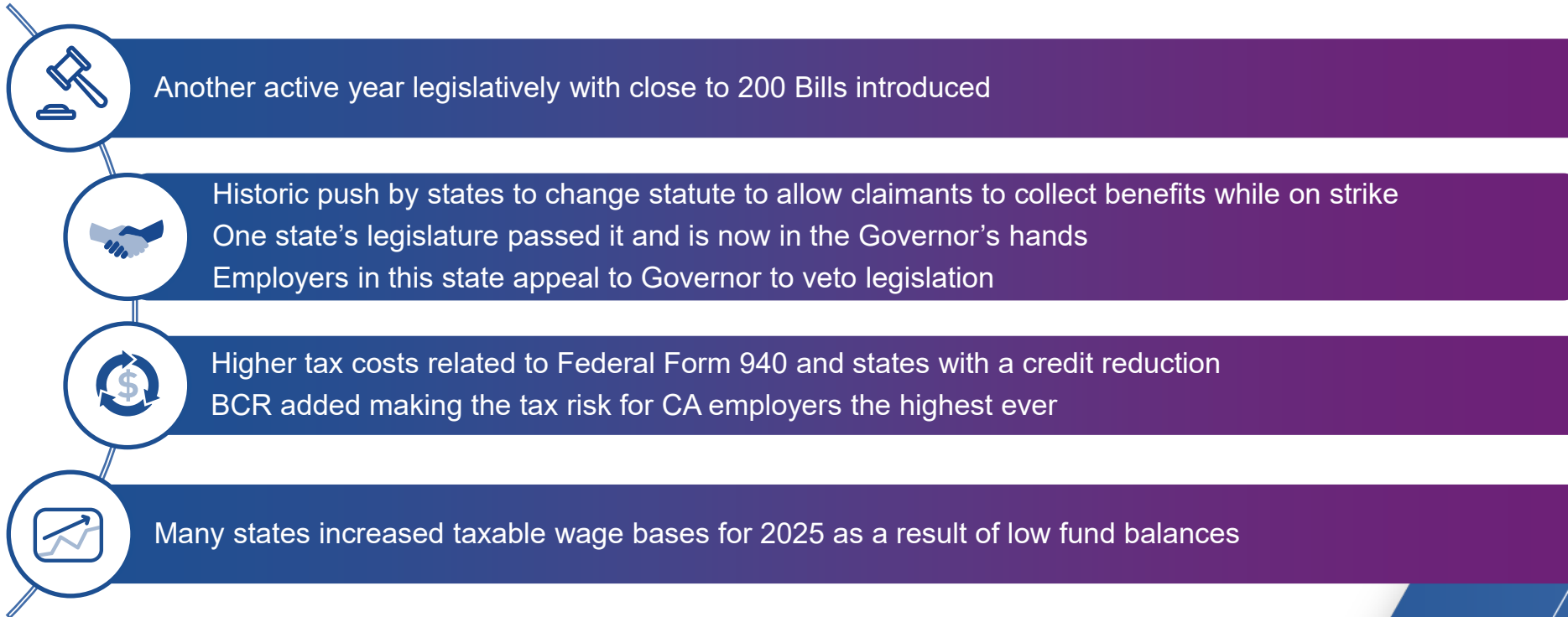
Employees are eligible in all states for UI benefits when on strike.

- ☐ True
- ☐ False



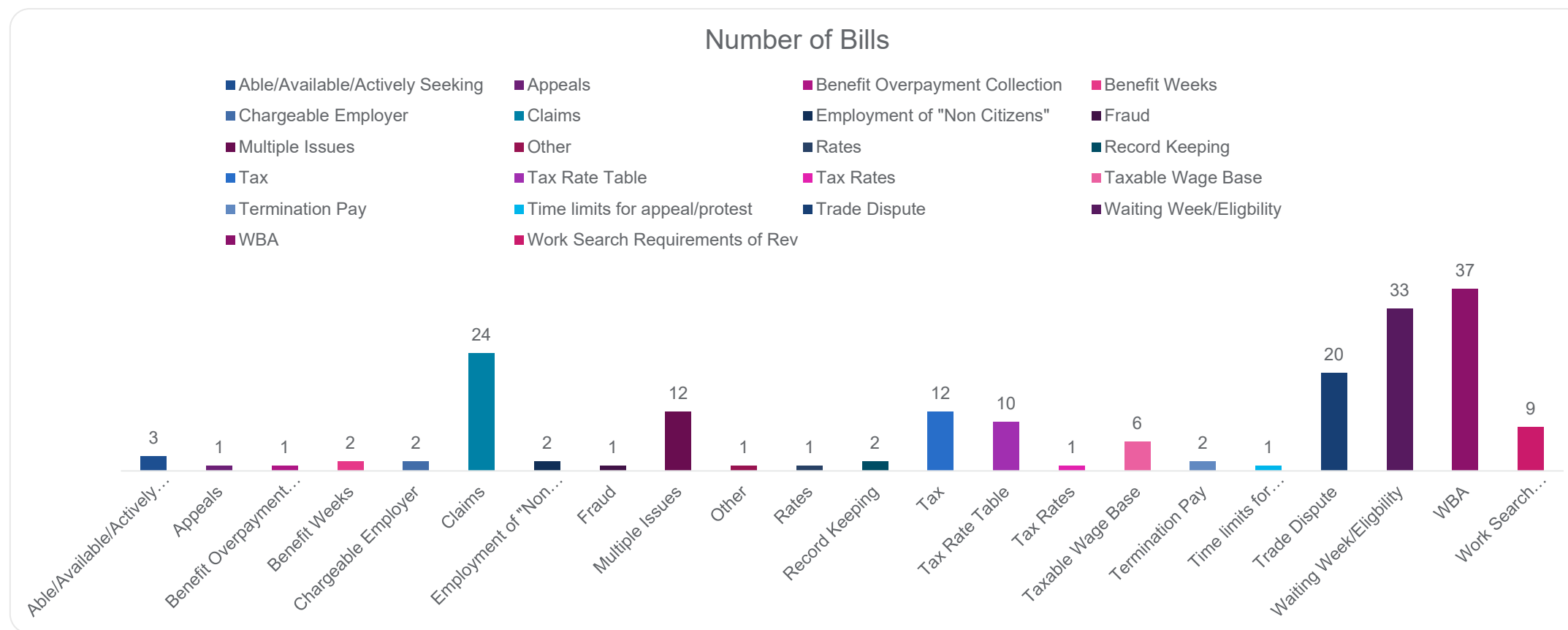
Unemployment Legislative Landscape 2025

Overview



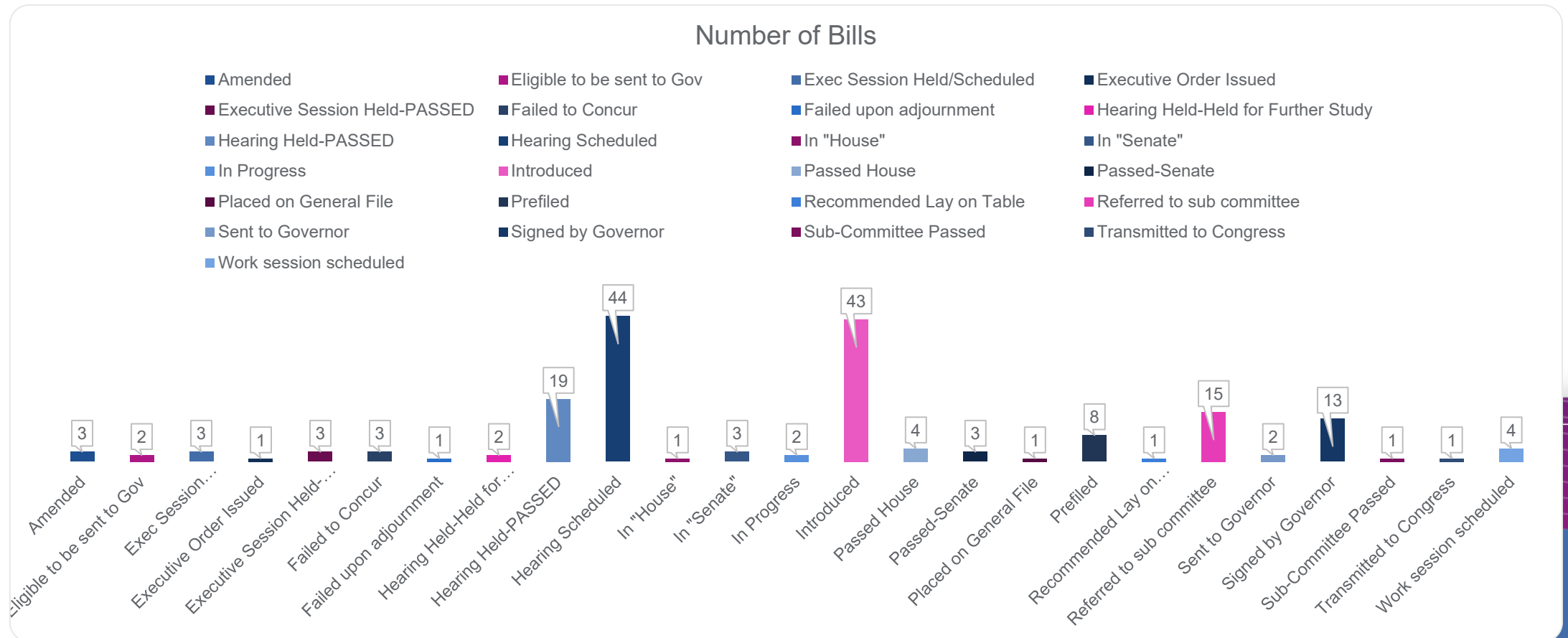
Unemployment Legislative Landscape 2025

Number of Bills by Topic



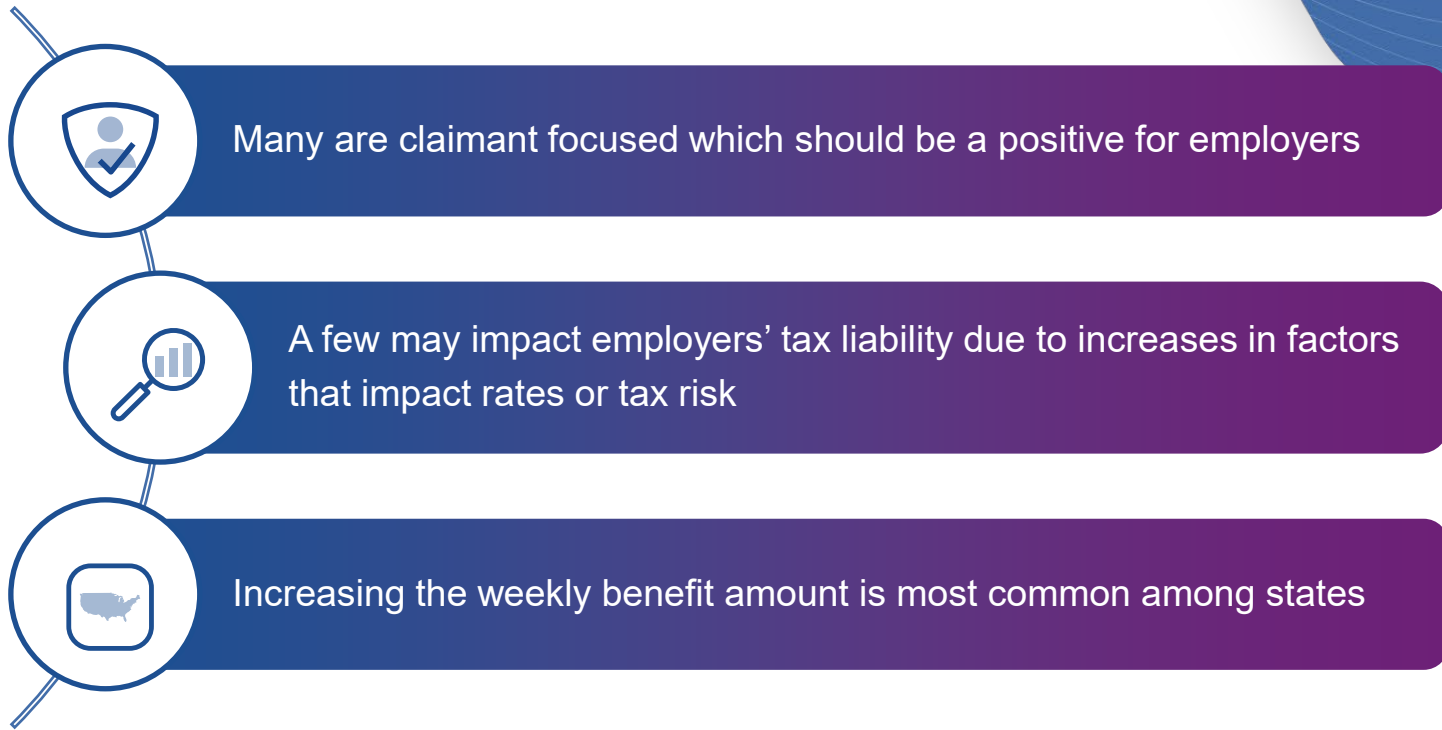
Unemployment Legislative Landscape 2025

Number of Bills by Status



What this Means for Employers

Tax Risk Assessment



Unemployment Legislative Landscape 2025

Audit UI tax rates upon receipt

States mail them annually so in most years, you get one opportunity to protest inaccuracies that may increase your tax rate

Monitor all benefit charge statements for inaccuracies and fraud

Whether weekly, monthly, quarterly or annually, upon receipt, these should be audited for accuracy.
This is one of the main reasons for increased tax rates annually.

Know your options for tax reduction

Several options may be available to reduce risk, depending on the state.
Know your state statutes.

FUTA Credit Reductions 2025

Forecasting 2025 Federal Tax Obligations

FUTA Tax 6.0%

- May be paid quarterly or annually depending on company size

Tax Credit 5.4%

- Received only if all state taxes are paid timely and in full

Credit Reduction

- States of CA, CT and NY as well as VI territory
- Percent of reduction depends on length of outstanding advance

BCR Add-On Potential

- Previously mentioned states/territories risk having an additional BCR.
- CA is highest at 3.7% which would be largest increase in history of program for CA employers
- Request for waiver can be submitted by Governor but has a deadline in July

Source: [US Dept of Labor](#)



FUTA Credit Reductions 2025

- Federal Form 940 will be due by January 31, 2026
- Final credit reduction states will be noted on this document.
- Be on the lookout for any updates throughout the year about the potential BCR addition

Form **940 for 2024: Employer's Annual Federal Unemployment (FUTA) Tax Return** 850113
Department of the Treasury — Internal Revenue Service OMB No. 1545-0029

Employer identification number (EIN) -
Name (not your trade name)
Trade name (if any)
Address
Number Street Suite or room number
City State ZIP code
Foreign country name Foreign postmark/country Foreign postal code

Type of Return
(Check all that apply.)
☐ a. Amended
☐ b. Successor employer
☐ c. No payments to employees in 2024
☐ d. Final: Business closed or stopped paying wages
Go to www.irs.gov/Form940 for instructions and the latest information.

Read the separate instructions before you complete this form. Please type or print within the boxes.

Part 1: Tell us about your return. If any line does NOT apply, leave it blank. See instructions before completing Part 1.

1a If you had to pay state unemployment tax in one state only, enter the state abbreviation . 1a
1b If you had to pay state unemployment tax in more than one state, you are a multi-state employer . 1b ☐ Check here, Complete Schedule A (Form 940).
2 If you paid wages in a state that is subject to CREDIT REDUCTION . 2 ☐ Check here, Complete Schedule A (Form 940).

Part 2: Determine your FUTA tax before adjustments. If any line does NOT apply, leave it blank.

3 Total payments to all employees . 3
4 Payments exempt from FUTA tax . 4
Check all that apply: 4a ☐ Fringe benefits 4c ☐ Retirement/Pension 4e ☐ Other
4b ☐ Group-term life insurance 4d ☐ Dependent care
5 Total of payments made to each employee in excess of \$7,000 . 5
6 Subtotal (line 4 + line 5 = line 6) . 6
7 Total taxable FUTA wages (line 3 - line 6 = line 7). See instructions . 7
8 FUTA tax before adjustments (line 7 x 0.006 = line 8) . 8

Part 3: Determine your adjustments. If any line does NOT apply, leave it blank.

9 If ALL of the taxable FUTA wages you paid were excluded from state unemployment tax, multiply line 7 by 0.054 (line 7 x 0.054 = line 9). Go to line 12 . 9
10 If SOME of the taxable FUTA wages you paid were excluded from state unemployment tax, OR you paid ANY state unemployment tax late (after the due date for filing Form 940), complete the worksheet in the instructions. Enter the amount from line 7 of the worksheet . 10
11 If credit reduction applies, enter the total from Schedule A (Form 940) . 11

Part 4: Determine your FUTA tax and balance due or overpayment. If any line does NOT apply, leave it blank.

12 Total FUTA tax after adjustments (lines 8 + 9 + 10 + 11 = line 12) . 12
13 FUTA tax deposited for the year, including any overpayment applied from a prior year . 13
14 Balance due. If line 12 is more than line 13, enter the excess on line 14.
• If line 14 is more than \$500, you must deposit your tax.
• If line 14 is \$500 or less, you may pay with this return. See instructions . 14
15 Overpayment. If line 13 is more than line 12, enter the excess on line 15 and check a box below: 15
You MUST complete both pages of this form and SIGN it. Check one: ☐ Apply to next return. ☐ Send a refund.

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 112340 Form 940 (2024)

Unemployment Management

Year over Year Taxable Wage Bases

- Nearly half of all states increased
- YOY increase – country
 - 2%
- YOY increase – only those with increases
 - 4.96%
- NE and RI see an increase in employers whose rates are at max

2024-2025 WAGE BASE COMPARISON

STATE	2024 WAGE BASE	2025 WAGE BASE	STATE	2024 WAGE BASE	2025 WAGE BASE
AK	\$ 49,700	\$ 51,700	NC	\$ 31,400	\$ 32,600
AL	\$ 8,000	\$ 8,000	ND	\$ 43,800	\$ 45,100
AR	\$ 7,000	\$ 7,000	NE*	\$9,000 / \$24,000	\$9,000 / \$24,000
AZ	\$ 8,000	\$ 8,000	NH	\$ 14,000	\$ 14,000
CA	\$ 7,000	\$ 7,000	NJ	\$ 42,300	\$ 43,300
CO	\$ 23,800	\$ 27,200	NM	\$ 31,700	\$ 33,200
CT	\$ 25,000	\$ 26,100	NV	\$ 40,600	\$ 41,800
DC	\$ 9,000	\$ 9,000	NY	\$ 12,500	\$ 12,800
DE	\$ 10,500	\$ 12,500	OH	\$ 9,000	\$ 9,000
FL	\$ 7,000	\$ 7,000	OK	\$ 27,000	\$ 28,200
GA	\$ 9,500	\$ 9,500	OR	\$ 52,800	\$ 54,300
HI	\$ 59,100	\$ 62,000	PA	\$ 10,000	\$ 10,000
IA	\$ 38,200	\$ 39,500	PR	\$ 7,000	\$ 7,000
ID	\$ 53,500	\$ 55,300	RI**	\$29,200 / \$30,700	\$29,800 / \$31,300
IL	\$ 13,590	\$ 13,916	SC	\$ 14,000	\$ 14,000
IN	\$ 9,500	\$ 9,500	SD	\$ 15,000	\$ 15,000
KS	\$ 14,000	\$ 14,000	TN	\$ 7,000	\$ 7,000
KY	\$ 11,400	\$ 11,700	TX	\$ 9,000	\$ 9,000
LA	\$ 7,700	\$ 7,700	UT	\$ 47,000	\$ 48,900
MA	\$ 15,000	\$ 15,000	VA	\$ 8,000	\$ 8,000
MD	\$ 8,500	\$ 8,500	VI	\$ 31,000	\$ 31,800
ME	\$ 12,000	\$ 12,000	VT	\$ 14,300	\$ 14,800
MI	\$ 9,500	\$ 9,000	WA	\$ 68,500	\$ 72,800
MN	\$ 42,000	\$ 43,000	WI	\$ 14,000	\$ 14,000
MO	\$ 10,000	\$ 9,500	WV	\$ 9,521	\$ 9,500
MS	\$ 14,000	\$ 14,000	WY	\$ 30,900	\$ 32,400
MT	\$ 43,000	\$ 45,100	FUTA	\$ 7,000	\$ 7,000

Poll Question 4

The states that have the potential to see a BCR add-on for their FUTA tax in 2026 are

- ☐ Alabama / Missouri / Wyoming
- ☐ California / New York / Wisconsin
- ☐ California / Connecticut / New York
- ☐ Arkansas / New York / Pennsylvania
- ☐ None of the above

Key Takeaways

- Monitor the legislative/regulatory landscape to ensure your organization is informed of the latest developments
- Document processes as clearly as possible. Helpful for internal application and external auditors
- Ensure employees are adequately trained and up to date on escalation policy
- Take advantage of all good faith opportunity
- California employers must stay on top of the BCR add-on and whether it gets waived
- Expect more taxable wage base increases if states do not shore up their trust fund balances



Questions?



Call To Action



Stay Informed

Check out our other webinar
on-demand recordings



Contact Us

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