

### Comparison of average tax rates by rate class under current law and proposal

2021 comparison of tax rates by rate class under current law versus Governor's proposal including 2020 average tax rates under current law. Note: Example uses a business with 5 employees making 56,000 annually

Tax rate class	Year	Taxable Wages	Average Tax rate per employee (Current law)	Average Tax rate per employee (Proposal)	2020 Average tax rate per employee (Current law)
1	2021	\$ 280,000	\$ 273	\$ 112	\$ 56
2	2021	\$ 280,000	\$ 362	\$ 185	\$ 123
3	2021	\$ 280,000	\$ 451	\$ 258	\$ 190
4	2021	\$ 280,000	\$ 540	\$ 330	\$ 258
5	2021	\$ 280,000	\$ 623	\$ 398	\$ 319
6	2021	\$ 280,000	\$ 712	\$ 470	\$ 386
7	2021	\$ 280,000	\$ 801	\$ 543	\$ 454
8	2021	\$ 280,000	\$ 890	\$ 616	\$ 521
9	2021	\$ 280,000	\$ 985	\$ 694	\$ 594
10	2021	\$ 280,000	\$ 1,085	\$ 778	\$ 672
11	2021	\$ 280,000	\$ 1,185	\$ 862	\$ 750
12	2021	\$ 280,000	\$ 1,291	\$ 952	\$ 834
13	2021	\$ 280,000	\$ 1,391	\$ 1,036	\$ 913
14	2021	\$ 280,000	\$ 1,491	\$ 1,120	\$ 991
15	2021	\$ 280,000	\$ 1,591	\$ 1,204	\$ 1,070
16	2021	\$ 280,000	\$ 1,691	\$ 1,288	\$ 1,148
17	2021	\$ 280,000	\$ 1,797	\$ 1,378	\$ 1,232
18	2021	\$ 280,000	\$ 1,897	\$ 1,462	\$ 1,310
19	2021	\$ 280,000	\$ 1,997	\$ 1,546	\$ 1,389
20	2021	\$ 280,000	\$ 2,125	\$ 1,658	\$ 1,495
21	2021	\$ 280,000	\$ 2,220	\$ 1,736	\$ 1,568
22	2021	\$ 280,000	\$ 2,293	\$ 1,809	\$ 1,641
23	2021	\$ 280,000	\$ 2,360	\$ 1,876	\$ 1,708
24	2021	\$ 280,000	\$ 2,433	\$ 1,949	\$ 1,781
25	2021	\$ 280,000	\$ 2,500	\$ 2,016	\$ 1,848
26	2021	\$ 280,000	\$ 2,573	\$ 2,089	\$ 1,921
27	2021	\$ 280,000	\$ 2,640	\$ 2,156	\$ 1,988
28	2021	\$ 280,000	\$ 2,713	\$ 2,229	\$ 2,061
29	2021	\$ 280,000	\$ 2,780	\$ 2,296	\$ 2,128
30	2021	\$ 280,000	\$ 2,853	\$ 2,369	\$ 2,201
31	2021	\$ 280,000	\$ 2,920	\$ 2,436	\$ 2,268
32	2021	\$ 280,000	\$ 3,060	\$ 2,576	\$ 2,408
33	2021	\$ 280,000	\$ 3,200	\$ 2,716	\$ 2,548
34	2021	\$ 280,000	\$ 3,340	\$ 2,856	\$ 2,688
35	2021	\$ 280,000	\$ 3,360	\$ 2,996	\$ 2,828
36	2021	\$ 280,000	\$ 3,360	\$ 3,136	\$ 2,968
37	2021	\$ 280,000	\$ 3,360	\$ 3,220	\$ 3,052
38	2021	\$ 280,000	\$ 3,360	\$ 3,276	\$ 3,108
39	2021	\$ 280,000	\$ 3,360	\$ 3,304	\$ 3,136
40	2021	\$ 280,000	\$ 3,360	\$ 3,360	\$ 3,192

## 2020 average tax rates by rate class under current law

Tax rate class	Year	Taxable Wages	Experience Tax Rate	Flat social tax factor	% Flat Social Cost Graduation Factor Assigned to Rate Class	Graduated Social Tax Rate	Solvency surcharge	Total Tax Rate	Tax Paid	Average tax per employee
1	2020	\$ 280,000	0.00%	0.25%	40%	0.10%	0.0%	0.10%	\$ 280	\$ 56
2	2020	\$ 280,000	0.11%	0.25%	44%	0.11%	0.0%	0.22%	\$ 616	\$ 123
3	2020	\$ 280,000	0.22%	0.25%	48%	0.12%	0.0%	0.34%	\$ 952	\$ 190
4	2020	\$ 280,000	0.33%	0.25%	52%	0.13%	0.0%	0.46%	\$ 1,288	\$ 258
5	2020	\$ 280,000	0.43%	0.25%	56%	0.14%	0.0%	0.57%	\$ 1,596	\$ 319
6	2020	\$ 280,000	0.54%	0.25%	60%	0.15%	0.0%	0.69%	\$ 1,932	\$ 386
7	2020	\$ 280,000	0.65%	0.25%	64%	0.16%	0.0%	0.81%	\$ 2,268	\$ 454
8	2020	\$ 280,000	0.76%	0.25%	68%	0.17%	0.0%	0.93%	\$ 2,604	\$ 521
9	2020	\$ 280,000	0.88%	0.25%	72%	0.18%	0.0%	1.06%	\$ 2,968	\$ 594
10	2020	\$ 280,000	1.01%	0.25%	76%	0.19%	0.0%	1.20%	\$ 3,360	\$ 672
11	2020	\$ 280,000	1.14%	0.25%	80%	0.20%	0.0%	1.34%	\$ 3,752	\$ 750
12	2020	\$ 280,000	1.28%	0.25%	84%	0.21%	0.0%	1.49%	\$ 4,172	\$ 834
13	2020	\$ 280,000	1.41%	0.25%	88%	0.22%	0.0%	1.63%	\$ 4,564	\$ 913
14	2020	\$ 280,000	1.54%	0.25%	92%	0.23%	0.0%	1.77%	\$ 4,956	\$ 991
15	2020	\$ 280,000	1.67%	0.25%	96%	0.24%	0.0%	1.91%	\$ 5,348	\$ 1,070
16	2020	\$ 280,000	1.80%	0.25%	100%	0.25%	0.0%	2.05%	\$ 5,740	\$ 1,148
17	2020	\$ 280,000	1.94%	0.25%	104%	0.26%	0.0%	2.20%	\$ 6,160	\$ 1,232
18	2020	\$ 280,000	2.07%	0.25%	108%	0.27%	0.0%	2.34%	\$ 6,552	\$ 1,310
19	2020	\$ 280,000	2.20%	0.25%	112%	0.28%	0.0%	2.48%	\$ 6,944	\$ 1,389
20	2020	\$ 280,000	2.38%	0.25%	116%	0.29%	0.0%	2.67%	\$ 7,476	\$ 1,495
21	2020	\$ 280,000	2.50%	0.25%	120%	0.30%	0.0%	2.80%	\$ 7,840	\$ 1,568
22	2020	\$ 280,000	2.63%	0.25%	120%	0.30%	0.0%	2.93%	\$ 8,204	\$ 1,641
23	2020	\$ 280,000	2.75%	0.25%	120%	0.30%	0.0%	3.05%	\$ 8,540	\$ 1,708
24	2020	\$ 280,000	2.88%	0.25%	120%	0.30%	0.0%	3.18%	\$ 8,904	\$ 1,781
25	2020	\$ 280,000	3.00%	0.25%	120%	0.30%	0.0%	3.30%	\$ 9,240	\$ 1,848
26	2020	\$ 280,000	3.13%	0.25%	120%	0.30%	0.0%	3.43%	\$ 9,604	\$ 1,921
27	2020	\$ 280,000	3.25%	0.25%	120%	0.30%	0.0%	3.55%	\$ 9,940	\$ 1,988
28	2020	\$ 280,000	3.38%	0.25%	120%	0.30%	0.0%	3.68%	\$ 10,304	\$ 2,061
29	2020	\$ 280,000	3.50%	0.25%	120%	0.30%	0.0%	3.80%	\$ 10,640	\$ 2,128
30	2020	\$ 280,000	3.63%	0.25%	120%	0.30%	0.0%	3.93%	\$ 11,004	\$ 2,201
31	2020	\$ 280,000	3.75%	0.25%	120%	0.30%	0.0%	4.05%	\$ 11,340	\$ 2,268
32	2020	\$ 280,000	4.00%	0.25%	120%	0.30%	0.0%	4.30%	\$ 12,040	\$ 2,408
33	2020	\$ 280,000	4.25%	0.25%	120%	0.30%	0.0%	4.55%	\$ 12,740	\$ 2,548
34	2020	\$ 280,000	4.50%	0.25%	120%	0.30%	0.0%	4.80%	\$ 13,440	\$ 2,688
35	2020	\$ 280,000	4.75%	0.25%	120%	0.30%	0.0%	5.05%	\$ 14,140	\$ 2,828
36	2020	\$ 280,000	5.00%	0.25%	120%	0.30%	0.0%	5.30%	\$ 14,840	\$ 2,968
37	2020	\$ 280,000	5.15%	0.25%	120%	0.30%	0.0%	5.45%	\$ 15,260	\$ 3,052
38	2020	\$ 280,000	5.25%	0.25%	120%	0.30%	0.0%	5.55%	\$ 15,540	\$ 3,108
39	2020	\$ 280,000	5.30%	0.25%	120%	0.30%	0.0%	5.60%	\$ 15,680	\$ 3,136
40	2020	\$ 280,000	5.40%	0.25%	120%	0.30%	0.0%	5.70%	\$ 15,960	\$ 3,192

## 2021 average tax rates by rate class under current law

Tax rate class	Year	Taxable Wages	Experience Tax Rate	Flat social tax factor	% Flat Social Cost Graduation Factor Assigned to Rate Class	Graduated Social Tax Rate	Solvency surcharge	Total Tax Rate	Tax Paid	Average tax per employee
1	2021	\$ 280,000	0.00%	1.22%	40%	0.49%	0.0%	0.49%	\$ 1,366	\$ 273
2	2021	\$ 280,000	0.11%	1.22%	44%	0.54%	0.0%	0.65%	\$ 1,811	\$ 362
3	2021	\$ 280,000	0.22%	1.22%	48%	0.59%	0.0%	0.81%	\$ 2,256	\$ 451
4	2021	\$ 280,000	0.33%	1.22%	52%	0.63%	0.0%	0.96%	\$ 2,700	\$ 540
5	2021	\$ 280,000	0.43%	1.22%	56%	0.68%	0.0%	1.11%	\$ 3,117	\$ 623
6	2021	\$ 280,000	0.54%	1.22%	60%	0.73%	0.0%	1.27%	\$ 3,562	\$ 712
7	2021	\$ 280,000	0.65%	1.22%	64%	0.78%	0.0%	1.43%	\$ 4,006	\$ 801
8	2021	\$ 280,000	0.76%	1.22%	68%	0.83%	0.0%	1.59%	\$ 4,451	\$ 890
9	2021	\$ 280,000	0.88%	1.22%	72%	0.88%	0.0%	1.76%	\$ 4,924	\$ 985
10	2021	\$ 280,000	1.01%	1.22%	76%	0.93%	0.0%	1.94%	\$ 5,424	\$ 1,085
11	2021	\$ 280,000	1.14%	1.22%	80%	0.98%	0.0%	2.12%	\$ 5,925	\$ 1,185
12	2021	\$ 280,000	1.28%	1.22%	84%	1.02%	0.0%	2.30%	\$ 6,453	\$ 1,291
13	2021	\$ 280,000	1.41%	1.22%	88%	1.07%	0.0%	2.48%	\$ 6,954	\$ 1,391
14	2021	\$ 280,000	1.54%	1.22%	92%	1.12%	0.0%	2.66%	\$ 7,455	\$ 1,491
15	2021	\$ 280,000	1.67%	1.22%	96%	1.17%	0.0%	2.84%	\$ 7,955	\$ 1,591
16	2021	\$ 280,000	1.80%	1.22%	100%	1.22%	0.0%	3.02%	\$ 8,456	\$ 1,691
17	2021	\$ 280,000	1.94%	1.22%	104%	1.27%	0.0%	3.21%	\$ 8,985	\$ 1,797
18	2021	\$ 280,000	2.07%	1.22%	108%	1.32%	0.0%	3.39%	\$ 9,485	\$ 1,897
19	2021	\$ 280,000	2.20%	1.22%	112%	1.37%	0.0%	3.57%	\$ 9,986	\$ 1,997
20	2021	\$ 280,000	2.38%	1.22%	116%	1.42%	0.0%	3.80%	\$ 10,627	\$ 2,125
21	2021	\$ 280,000	2.50%	1.22%	120%	1.46%	0.0%	3.96%	\$ 11,099	\$ 2,220
22	2021	\$ 280,000	2.63%	1.22%	120%	1.46%	0.0%	4.09%	\$ 11,463	\$ 2,293
23	2021	\$ 280,000	2.75%	1.22%	120%	1.46%	0.0%	4.21%	\$ 11,799	\$ 2,360
24	2021	\$ 280,000	2.88%	1.22%	120%	1.46%	0.0%	4.34%	\$ 12,163	\$ 2,433
25	2021	\$ 280,000	3.00%	1.22%	120%	1.46%	0.0%	4.46%	\$ 12,499	\$ 2,500
26	2021	\$ 280,000	3.13%	1.22%	120%	1.46%	0.0%	4.59%	\$ 12,863	\$ 2,573
27	2021	\$ 280,000	3.25%	1.22%	120%	1.46%	0.0%	4.71%	\$ 13,199	\$ 2,640
28	2021	\$ 280,000	3.38%	1.22%	120%	1.46%	0.0%	4.84%	\$ 13,563	\$ 2,713
29	2021	\$ 280,000	3.50%	1.22%	120%	1.46%	0.0%	4.96%	\$ 13,899	\$ 2,780
30	2021	\$ 280,000	3.63%	1.22%	120%	1.46%	0.0%	5.09%	\$ 14,263	\$ 2,853
31	2021	\$ 280,000	3.75%	1.22%	120%	1.46%	0.0%	5.21%	\$ 14,599	\$ 2,920
32	2021	\$ 280,000	4.00%	1.22%	120%	1.46%	0.0%	5.46%	\$ 15,299	\$ 3,060
33	2021	\$ 280,000	4.25%	1.22%	120%	1.46%	0.0%	5.71%	\$ 15,999	\$ 3,200
34	2021	\$ 280,000	4.50%	1.22%	120%	1.46%	0.0%	5.96%	\$ 16,699	\$ 3,340
35	2021	\$ 280,000	4.75%	1.22%	120%	1.25%	0.0%	6.00%	\$ 16,800	\$ 3,360
36	2021	\$ 280,000	5.00%	1.22%	120%	1.00%	0.0%	6.00%	\$ 16,800	\$ 3,360
37	2021	\$ 280,000	5.15%	1.22%	120%	0.85%	0.0%	6.00%	\$ 16,800	\$ 3,360
38	2021	\$ 280,000	5.25%	1.22%	120%	0.75%	0.0%	6.00%	\$ 16,800	\$ 3,360
39	2021	\$ 280,000	5.30%	1.22%	120%	0.70%	0.0%	6.00%	\$ 16,800	\$ 3,360
40	2021	\$ 280,000	5.40%	1.22%	120%	0.60%	0.0%	6.00%	\$ 16,800	\$ 3,360

## 2021 average tax rates by rate class under proposal

Tax rate class	Year	Taxable Wages	Experience Tax Rate	Flat social tax factor	% Flat Social Cost Graduation Factor Assigned to Rate Class	Graduated Social Tax Rate	Solvency surcharge	Total Tax Rate	Tax Paid	Average tax per employee
1	2021	\$ 280,000	0.00%	0.50%	40%	0.20%	0.0%	0.20%	\$ 560	\$ 112
2	2021	\$ 280,000	0.11%	0.50%	44%	0.22%	0.0%	0.33%	\$ 924	\$ 185
3	2021	\$ 280,000	0.22%	0.50%	48%	0.24%	0.0%	0.46%	\$ 1,288	\$ 258
4	2021	\$ 280,000	0.33%	0.50%	52%	0.26%	0.0%	0.59%	\$ 1,652	\$ 330
5	2021	\$ 280,000	0.43%	0.50%	56%	0.28%	0.0%	0.71%	\$ 1,988	\$ 398
6	2021	\$ 280,000	0.54%	0.50%	60%	0.30%	0.0%	0.84%	\$ 2,352	\$ 470
7	2021	\$ 280,000	0.65%	0.50%	64%	0.32%	0.0%	0.97%	\$ 2,716	\$ 543
8	2021	\$ 280,000	0.76%	0.50%	68%	0.34%	0.0%	1.10%	\$ 3,080	\$ 616
9	2021	\$ 280,000	0.88%	0.50%	72%	0.36%	0.0%	1.24%	\$ 3,472	\$ 694
10	2021	\$ 280,000	1.01%	0.50%	76%	0.38%	0.0%	1.39%	\$ 3,892	\$ 778
11	2021	\$ 280,000	1.14%	0.50%	80%	0.40%	0.0%	1.54%	\$ 4,312	\$ 862
12	2021	\$ 280,000	1.28%	0.50%	84%	0.42%	0.0%	1.70%	\$ 4,760	\$ 952
13	2021	\$ 280,000	1.41%	0.50%	88%	0.44%	0.0%	1.85%	\$ 5,180	\$ 1,036
14	2021	\$ 280,000	1.54%	0.50%	92%	0.46%	0.0%	2.00%	\$ 5,600	\$ 1,120
15	2021	\$ 280,000	1.67%	0.50%	96%	0.48%	0.0%	2.15%	\$ 6,020	\$ 1,204
16	2021	\$ 280,000	1.80%	0.50%	100%	0.50%	0.0%	2.30%	\$ 6,440	\$ 1,288
17	2021	\$ 280,000	1.94%	0.50%	104%	0.52%	0.0%	2.46%	\$ 6,888	\$ 1,378
18	2021	\$ 280,000	2.07%	0.50%	108%	0.54%	0.0%	2.61%	\$ 7,308	\$ 1,462
19	2021	\$ 280,000	2.20%	0.50%	112%	0.56%	0.0%	2.76%	\$ 7,728	\$ 1,546
20	2021	\$ 280,000	2.38%	0.50%	116%	0.58%	0.0%	2.96%	\$ 8,288	\$ 1,658
21	2021	\$ 280,000	2.50%	0.50%	120%	0.60%	0.0%	3.10%	\$ 8,680	\$ 1,736
22	2021	\$ 280,000	2.63%	0.50%	120%	0.60%	0.0%	3.23%	\$ 9,044	\$ 1,809
23	2021	\$ 280,000	2.75%	0.50%	120%	0.60%	0.0%	3.35%	\$ 9,380	\$ 1,876
24	2021	\$ 280,000	2.88%	0.50%	120%	0.60%	0.0%	3.48%	\$ 9,744	\$ 1,949
25	2021	\$ 280,000	3.00%	0.50%	120%	0.60%	0.0%	3.60%	\$ 10,080	\$ 2,016
26	2021	\$ 280,000	3.13%	0.50%	120%	0.60%	0.0%	3.73%	\$ 10,444	\$ 2,089
27	2021	\$ 280,000	3.25%	0.50%	120%	0.60%	0.0%	3.85%	\$ 10,780	\$ 2,156
28	2021	\$ 280,000	3.38%	0.50%	120%	0.60%	0.0%	3.98%	\$ 11,144	\$ 2,229
29	2021	\$ 280,000	3.50%	0.50%	120%	0.60%	0.0%	4.10%	\$ 11,480	\$ 2,296
30	2021	\$ 280,000	3.63%	0.50%	120%	0.60%	0.0%	4.23%	\$ 11,844	\$ 2,369
31	2021	\$ 280,000	3.75%	0.50%	120%	0.60%	0.0%	4.35%	\$ 12,180	\$ 2,436
32	2021	\$ 280,000	4.00%	0.50%	120%	0.60%	0.0%	4.60%	\$ 12,880	\$ 2,576
33	2021	\$ 280,000	4.25%	0.50%	120%	0.60%	0.0%	4.85%	\$ 13,580	\$ 2,716
34	2021	\$ 280,000	4.50%	0.50%	120%	0.60%	0.0%	5.10%	\$ 14,280	\$ 2,856
35	2021	\$ 280,000	4.75%	0.50%	120%	0.60%	0.0%	5.35%	\$ 14,980	\$ 2,996
36	2021	\$ 280,000	5.00%	0.50%	120%	0.60%	0.0%	5.60%	\$ 15,680	\$ 3,136
37	2021	\$ 280,000	5.15%	0.50%	120%	0.60%	0.0%	5.75%	\$ 16,100	\$ 3,220
38	2021	\$ 280,000	5.25%	0.50%	120%	0.60%	0.0%	5.85%	\$ 16,380	\$ 3,276
39	2021	\$ 280,000	5.30%	0.50%	120%	0.60%	0.0%	5.90%	\$ 16,520	\$ 3,304
40	2021	\$ 280,000	5.40%	0.50%	120%	0.60%	0.0%	6.00%	\$ 16,800	\$ 3,360