The Virgin Islands Consortium

2025 Unemployment Tax Rates Finalized by V.I. Department of Labor

Employers in the Virgin Islands see a slight decrease in rates, with further reductions anticipated in 2026 as financial pressures on the trust fund ease.

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The V.I. Department of Labor has announced the finalized 2025 Unemployment Insurance tax rates for employers, which took effect on January 1, 2025.

The average contribution rate for 2025 is 4.6%, representing a decrease from the 2024 rate of 4.11%. Employer rates will vary depending on assigned interval groups, ranging from 2.46% to 5.4%.

These rates are part of an annual adjustment process that aligns with Title 24, Chapter 12, Section 308 of the Virgin Islands Code. VIDOL confirmed that the payroll variation mechanism introduced last year is working as intended, helping to stabilize the rates and ensure sustainability of the trust fund.

The department anticipates further rate reductions in 2026 as the repayment of advances continues to ease financial pressures on the fund. VIDOL also noted that employers could expect additional improvements in the rate structure over time, barring any major economic disruptions.

Employers with questions regarding the new rates are encouraged to contact Ms. Faye Reed, Chief of Tax, directly at (340) 776-3700 ext. 2035 or via email at faye.reed@dol.vi.gov. General inquiries can also be directed to VIDOL's offices on St. Croix at (340) 773-1994 or St. Thomas at (340) 776-3700.