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## **Labor Department closely monitoring unemployment trust fund**

**PIERRE, S.D.** – The South Dakota Department of Labor (DOL) continues to closely monitor the unemployment insurance trust fund. The fund was projected to be \$30.1 million at the end of 2008, but fell \$4.6 million short resulting in a \$25.5 million balance. The prediction was made in August, before the recession hit South Dakota. Over the past month, the fund continued to fall to a \$21.7 million balance as of January 31.

South Dakota's unemployment rate is 3.9 percent, representing a total of 17,200 unemployed persons. "The Department of Labor's top priority right now is to help dislocated workers re-enter the workforce as quickly as possible," said Secretary Roberts. "This includes helping workers with unemployment benefits until they are back on their feet."

DOL's Unemployment Insurance Advisory Council is responsible for reviewing the adequacy of the unemployment insurance system and recommending improvements to the governor and legislature. "Because of the large number of layoffs in December, the Council convened in early January for a trust fund briefing," said Secretary Roberts. "At that time, more weeks of data were needed in order to establish trends."

The unemployment insurance benefits paid in January totaled \$5.3 million. "This is a 96 percent increase compared to the \$2.7 million paid a year ago," said Secretary Roberts. "The 4,022 initial unemployment claims in January show an over-the-year increase of 73.3 percent. This is a definite concern."

The Council is meeting again this week for another trust fund briefing and to discuss the stimulus package. South Dakota could receive \$17.6 million for unemployment benefit improvements if the proposed American Recovery and Reinvestment Act of 2009 is passed by Congress.

"The South Dakota Department of Labor has been in close contact with the U.S. Department of Labor, along with both Senator Thune and Senator Johnson, regarding this legislation," said Secretary Roberts. "We need to evaluate all possible options at this point. Contingency plans are being developed."

Unemployment insurance provides temporary financial assistance for persons who have lost their jobs, through no fault of their own, until they find other employment.

Employers make payments to the unemployment trust fund throughout the year based on the wage base and contribution rates. Workers do not contribute to this plan. Additional information on the unemployment insurance system and other Department of Labor services is found at [www.sdjobs.org](http://www.sdjobs.org).