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For Immediate Release: Thurs., April 2, 2009
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South Dakota certified for unemployment modernization stimulus funds

PIERRE, S.D. – Gov. Mike Rounds announced today that South Dakota was the first state to pass new legislation and be certified by the U.S. Department of Labor to receive unemployment insurance modernization incentive funds from the federal stimulus package.

U.S. Secretary of Labor Hilda Solis notified Gov. Rounds during a conference call this morning.

The 2009 South Dakota Legislature unanimously passed HB1176, which adopted an alternative base period to determine the eligibility of unemployment claims. The new law was required so the state Unemployment Insurance Trust Fund could receive \$5.9 million in stimulus money, which is expected to be deposited April 27.

“I am pleased my Department of Labor, the Unemployment Insurance Advisory Council and the state Legislature all worked together so quickly to get these funds,” said Gov. Rounds. “This was a major accomplishment for the 2009 session. South Dakota’s trust fund welcomes this influx of money to maintain a stable balance.”

The base period is the time frame used to determine if unemployed individuals had sufficient wages to qualify for jobless benefits. The current base period is the first four of the last five completed quarters. Claimants must have earnings in at least two quarters of the base period.

The alternative base period will be the last four completed quarters and goes into effect July 1, 2009. It can be used by unemployed individuals who cannot establish claims using the current base period. They still must have earnings in at least two quarters of the base period.

Nineteen states already use the alternative base period. The U.S. Department of Labor is reviewing those laws for certification.

Unemployment insurance provides temporary financial assistance for people who have lost their jobs, through no fault of their own, until they find other jobs. South Dakota’s unemployment insurance program is financed by employers through payroll taxes; workers do not contribute to the plan. To learn more, visit www.sdjobs.org.