

South Dakota Department of Labor
700 Governors Drive
Pierre, SD 57501
www.sdjobs.org

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Media Contact: Dawn Dovre, 605-773-3094

Employer Surcharge Comes Off

PIERRE, S.D. – The South Dakota Department of Labor (DOL) has announced the unemployment insurance (UI) employer surcharge triggered off on Sept. 30, effective for the fourth quarter 2010.

“The Trust Fund balance is \$27.7 million,” said State Labor Secretary Pam Roberts. “The employer surcharge comes off when the balance reaches \$16.5 million at the end of a quarter.”

The employer surcharge is a permanent part of South Dakota law and automatically went into effect when the UI Trust Fund balance fell below \$11 million one year ago.

“The Department of Labor predicts the Trust Fund balance will be \$25 million on December 31, so there will also be no surcharge for the first quarter in 2011,” said Secretary Roberts. “This is positive news for employers.”

The Trust Fund balance has been increasing as a result of the passage of SB186 and HB1018 during the 2010 legislative session. SB186 reduced the surcharge amount for 2010 and 2011, increased the wage base and created a new tax-rate table with higher rates for employers with negative account balances. HB1018 brought \$11.7 million in federal funds to the Trust Fund while expanding benefits for workers in state-approved training for high-demand occupations.

The UI Advisory Council recommended the legislation and met today to continue to study the system and make recommendations for additional improvements.

Businesses who have questions about their account should contact the UI Division at 605-626-2312.