UI Director’s Report

• South Dakota awarded the top performing small state award in UI Appeals Payment Excellence

• June 30, 2018 Trust Fund balance = $120.2 million
  – Reduced rate tax table (Schedule B) will be in effect for 2019. The 2019 tax rate notices will be mailed to employers the end of October.

• Administrative Fee
  – April to August 2018 = $678,665
UI Program

• Provides temporary financial assistance for people who have lost their jobs, through no fault of their own, until they find other employment.

• Financed by employers through payroll taxes. Workers do not contribute to this plan.
State Unemployment Fund

• Each state has its own account in the Federal Unemployment Trust Fund. Federal law requires the immediate deposit of all state-collected unemployment contributions into the U.S. Treasury.

• The State account consists of contributions and reimbursements collected and interest earned on these amounts.
  – Deposits into this account can only be withdrawn and used for the payment of benefits and refunds of contributions paid in error.
Employer Tax Rates

• Employers are assigned tax rates based on their individual experience with unemployment. This is called Experience Rating.
• Federal law requires an employer must have at least three years of experience before receiving a rate based on experience.
• New employers are assigned a set rate for the first three years.
• Taxable wage base is $15,000.
• Contribution rates range from 0% to 9.45%.
Benefit Amounts

• Eligible claimants receive up to 26 weeks of State benefits.
• Weekly benefit calculations = 1/26 of the high quarter earnings, up to 50% of state average weekly wage.
  ─ Minimum $28
  ─ Maximum $402
• Total benefit calculations = 1/3 of total base period earnings, up to 26 times weekly benefit
  ─ Maximum $10,452
Claimant Responsibilities

• Serve a “waiting week”
• Be able and available for work
• Conduct an active search for work
  – Minimum of two job contacts a week
  – Register with the Department
• Be willing to accept “suitable work” if offered
## UI Trust Fund – Projected 2018
as of September 27, 2018

### UI Financials - Quarterly Summary
(in Millions)

<table>
<thead>
<tr>
<th>CY 2018</th>
<th>Actual 1st Qtr</th>
<th>Actual 2nd Qtr</th>
<th>Projected 3rd Qtr</th>
<th>Projected 4th Qtr</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions/Interest In</td>
<td>$4.5</td>
<td>$12.8</td>
<td>$8.7</td>
<td>$6.0</td>
<td>$32.0</td>
</tr>
<tr>
<td>Benefits Paid Out</td>
<td>$12.6</td>
<td>$5.8</td>
<td>$3.5</td>
<td>$5.7</td>
<td>$27.6</td>
</tr>
</tbody>
</table>

| Trust Fund | $113.1 | $120.2 | $125.6 | $125.9 | $125.9 |

*Actual data through August 2018.*
# UI Trust Fund – Projected 2019

as of September 27, 2018

## UI Financials - Quarterly Summary

(in Millions)

<table>
<thead>
<tr>
<th>CY 2019</th>
<th>Projected 1st Qtr</th>
<th>Projected 2nd Qtr</th>
<th>Projected 3rd Qtr</th>
<th>Projected 4th Qtr</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions/Interest In</td>
<td>$4.3</td>
<td>$13.7</td>
<td>$9.1</td>
<td>$5.9</td>
<td>$33.0</td>
</tr>
<tr>
<td>Benefits Paid Out</td>
<td>$13.0</td>
<td>$6.2</td>
<td>$4.0</td>
<td>$5.8</td>
<td>$29.0</td>
</tr>
</tbody>
</table>

Trust Fund | $117.2 | $124.7 | $129.8 | $129.9 | $129.9 |

*Projected using Schedule B.*
Public Comments