

# Unemployment Insurance Advisory Council Meeting



October 19, 2016

# Opening Remarks

# UI Trust Fund – Projected 2016 as of October 17, 2016

## UI Financials - Quarterly Summary (in Millions)

CY 2016	Actual	Actual	Projected	Projected	Total
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	
Contributions/Interest In	\$4.8	\$16.3	\$11.7	\$6.2	\$39.0
Benefits Paid Out	\$11.7	\$5.8	\$4.2	\$5.9	\$27.6
Trust Fund	\$92.2	\$102.8	\$110.5	\$110.8	\$110.8

\* Actual data through August 2016.

# Proposed Annual Tax Rate Process

- Employer tax rate is based on the employer's account status as of June 30 and prior three fiscal years of taxable payroll.
- Tax rating process would decrease ALL experience-rated employer's tax rate by 0.1 percent if the trust fund balance on June 30 has an AHCM rate of 1.6 or above.
- Employers still receive their tax notice for the upcoming year in October of prior year.

# Proposed Tax Rates/Schedule

Rate Reserve Ratio	Current	Proposed if AHCM is below 1.60		Proposed if AHCM is 1.60 or higher	
	Tax Rate	Tax Rate	Administrative Fee	Tax Rate	Administrative Fee
2.25 AND > 999.99	0.00	0.00	0.00	0.00	0.00
1.75 AND < 2.25	0.10	0.08	0.02	0.00	0.02
1.50 AND < 1.75	0.20	0.18	0.02	0.08	0.02
1.25 AND < 1.50	0.30	0.28	0.02	0.18	0.02
1.00 AND < 1.25	0.40	0.38	0.02	0.28	0.02
0.75 AND < 1.00	0.60	0.58	0.02	0.48	0.02
0.50 AND < 0.75	0.75	0.73	0.02	0.63	0.02
0.00 AND < 0.50	1.00	0.98	0.02	0.88	0.02
-0.25 AND < 0.00	1.50	1.48	0.02	1.38	0.02
-0.50 AND < -0.25	2.00	1.98	0.02	1.88	0.02
-0.75 AND < -0.50	2.50	2.48	0.02	2.38	0.02
-1.00 AND < -0.75	3.00	2.98	0.02	2.88	0.02
-1.50 AND < -1.00	3.50	3.48	0.02	3.38	0.02
-2.00 AND < -1.50	4.00	3.98	0.02	3.88	0.02
-2.50 AND < -2.00	4.50	4.48	0.02	4.38	0.02
-3.00 AND < -2.50	5.00	4.98	0.02	4.88	0.02
-3.50 AND < -3.00	5.50	5.48	0.02	5.38	0.02
-4.00 AND < -3.50	6.00	5.98	0.02	5.88	0.02
-4.50 AND < -4.00	6.50	6.48	0.02	6.38	0.02
-5.00 AND < -4.50	7.00	6.98	0.02	6.88	0.02
-5.50 AND < -5.00	7.50	7.48	0.02	7.38	0.02
-6.00 AND < -5.50	8.00	7.98	0.02	7.88	0.02
-6.50 AND < -6.00	8.50	8.48	0.02	8.38	0.02
-7.00 AND < -6.50	9.00	8.98	0.02	8.88	0.02
-999.99 AND < -7.00	9.50	9.48	0.02	9.38	0.02

# Quarterly Contribution & Wage Report

Form 21 (rev. 10/16) **EMPLOYER'S QUARTERLY CONTRIBUTION, INVESTMENT FEE, AND WAGE REPORT**  
 Unemployment Insurance Division of South Dakota - Attention: Cashier  
 PO Box 4730 • Aberdeen, SD 57402-4730 • Phone 605.626.2312

Account Number

Quarter/Year

Due Date

**Please use Black Ink Only.**  
 Completion instructions are below or on the back of the form DLR-UID-21a.

3. Total gross wages paid in this quarter (Item 23)	
4. Wages in excess of \$15,000 paid this quarter (Item 24)	
5. Taxable wages (Item 3 minus Item 4)	
6. UI contribution rate:	% x line 5
7. Administrative fee:	% x line 5
8. Surcharge rate:	% x line 5
9. Investment fee rate:	% x line 5
10. Total due (add lines 6, 7, 8, & 9)	
11. Adjustment from prior quarters (explain on reverse or attachment)	
12. Interest: Line 10 x 1.5% per month from due date	
13. Penalty for late filings: \$25.00 per month	
14. Penalty for late payments: \$25.00 per month	
15. Total remittance (add lines 10, 11, 12, 13 & 14)	

1. For each month, report the number of covered workers who worked during or received pay for the payroll period which includes the 12th of the month.

If none, enter "0"

1st month	2nd month	3rd month
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2. Does this account operate in more than one location in South Dakota? Yes  No

16. If your business in South Dakota has changed in any way, please complete Item 16 on back side of this page. If the ownership changed during this quarter, a separate report must be submitted by each ownership.

**Make remittance payable to "SD Unemployment Insurance"**

Note: When you make a check payment, you authorize us to use information from your check to make a one-time electronic funds transfer (EFT) from your account. When we use information from your check to make an EFT, funds may be withdrawn from your account as soon as the same day we receive your payment. You will not receive your check back from your financial institution.

17. Employer's Social Security Number	18. Employer's Name (Last, First)	19. Total Gross Wages Paid This Quarter	20. Excess Wages This Quarter
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Signature  I certify all information on this report is complete and correct.

Title

Prepared by  Telephone

21. Total Gross Wages This Page

22. Total Excess Wages This Page

23. Total Gross Wages All Pages

24. Total Excess Wages All Pages

**Please use Black Ink Only.**

Completion instructions are below or on the back of the form DLR-UID-21a.

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7. Administrative fee:	% x line 5
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15. Total remittance (add lines 10, 11, 12, 13 & 14)	

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# UI Trust Fund – Projected 2017 as of October 17, 2016

## UI Financials - Quarterly Summary

(in Millions)

CY 2017	Projected	Projected	Projected	Projected	Total
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	
Contributions/Interest In	\$5.0	\$16.4	\$11.5	\$6.8	\$39.7
Benefits Paid Out	\$13.3	\$6.3	\$4.3	\$6.1	\$30.0
Trust Fund	\$102.5	\$112.6	\$119.7	\$120.4	\$120.4

- Tax reduction trigger June 30, 2017 AHCM: 1.65
- January 1, 2018 reduced tax rates go into effect.

# UI Trust Fund – Projected 2018 Proposal – Tax Rate Reduction of .1%

## UI Financials - Quarterly Summary (in Millions)

CY 2018	Projected	Projected	Projected	Projected	Total
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	
Contributions/Interest In	\$5.3	\$13.6	\$9.7	\$5.7	\$34.4
Benefits Paid Out	\$13.8	\$6.5	\$4.7	\$6.5	\$31.5
Trust Fund	\$111.9	\$118.9	\$124.0	\$123.3	\$123.3

- CY 2018 projected trust fund accumulation: \$2.8 million
- Administrative fee revenue: \$800,000
- Tax reduction trigger June 30, 2018 AHCM: 1.66
- January 1, 2019 reduced tax rates still in effect.



# Council Action