



SOUTH DAKOTA
DEPT. OF LABOR
& REGULATION

Reemployment Assistance Advisory Council

TUESDAY, AUGUST 23, 2022
10:30 A.M. CDT

UI Trust Fund

- The maximum weekly benefit amount for initial claims filed on and after July 3 increased from \$466 to \$487.
- The reduced rate tax table (Schedule B) will be in effect for 2023.
 - The Trust Fund balance at the end of June needed to be at least \$160.8 million.
 - June 30, 2022, balance was \$182.1 million.

UI Trust Fund Totals (in millions)

Year	Total Income In	Benefits Paid Out	Trust Fund
2012	45.9	33.3	51.3
2013	43.7	30.1	65.9
2014	44.3	26.5	84.8
2015	38.7	24.9	99.5
2016	40.9	27.6	112.4
2017	37.6	28.8	121.4
2018	31.9	25.5	127.8
2019	33.9	25.3	136.6
2020*	82.8	98.5	117.7
2021*	78.2	29.0	170.8

*Total Income In includes \$88.6 million in CARES Act funds.

UI Trust Fund – Projected 2022

as of August 10, 2022

RA Financials - Quarterly Summary

(in Millions)

CY 2022	Actual	Actual	Projected	Projected	Total
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	
Contributions/Interest In	\$4.5	\$21.2	\$9.7	\$6.4	\$41.8
Benefits Paid Out	\$11.5	\$4.3	\$3.8	\$4.5	\$24.1
Trust Fund	\$164.4	\$182.1	\$185.8	\$187.7	\$187.7

*Actual data through June 30, 2022.

UI Trust Fund – Projected 2023

as of August 10, 2022

RA Financials - Quarterly Summary

(in Millions)

CY 2023	Projected	Projected	Projected	Projected	Total
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	
Contributions/Interest In	\$4.3	\$16.6	\$9.3	\$6.2	\$36.4
Benefits Paid Out	\$13.3	\$4.7	\$3.8	\$4.2	\$26.0
Trust Fund	\$178.8	\$190.5	\$196.0	\$198.1	\$198.1

*Projected using Schedule B.

Legislative Proposal

- Create a new tax schedule (Schedule C)
 - Reduce tax rates by 0.5%
- Reduce June 30 Trust Fund balance triggers
 - Schedule A: AHCM = less than 1.3
 - Schedule B: AHCM = 1.3 and < 1.5
 - Schedule C: AHCM = 1.5 or higher
- Change surcharge triggers
 - Trigger when Trust Fund balance is below AHCM of 1.0
 - Allow credit to an employer's experience rating account unless funds are used to repay advances from the federal unemployment trust fund account

Proposed Tax Table

Reserve Ratio	Contribution Rate		
	Schedule A	Schedule B	Schedule C
Less than < -7.00%	9.45%	9.30%	8.80%
-7.00% and less than -6.50%	8.95%	8.80%	8.30%
-6.50% and less than -6.00%	8.45%	8.30%	7.80%
-6.00% and less than -5.50%	7.95%	7.80%	7.30%
-5.50% and less than -5.00%	7.45%	7.30%	6.80%
-5.00% and less than -4.50%	6.95%	6.80%	6.30%
-4.50% and less than -4.00%	6.45%	6.30%	5.80%
-4.00% and less than -3.50%	5.95%	5.80%	5.30%
-3.50% and less than -3.00%	5.45%	5.30%	4.80%
-3.00% and less than -2.50%	4.95%	4.80%	4.30%
-2.50% and less than -2.00%	4.45%	4.30%	3.80%
-2.00% and less than -1.50%	3.95%	3.80%	3.30%
-1.50% and less than -1.00%	3.45%	3.30%	2.80%
-1.00% and less than -0.75%	2.95%	2.80%	2.30%
-0.75% and less than -0.50%	2.45%	2.30%	1.80%
-0.50% and less than -0.25%	1.95%	1.80%	1.30%
-0.25% and less than 0.00%	1.45%	1.30%	0.80%
0.00% and less than 0.50%	0.95%	0.80%	0.30%
0.50% and less than 0.75%	0.70%	0.55%	0.05%
0.75% and less than 1.00%	0.55%	0.40%	0.00%
1.00% and less than 1.25%	0.35%	0.20%	0.00%
1.25% and less than 1.50%	0.25%	0.10%	0.00%
1.50% and less than 1.75%	0.15%	0.00%	0.00%
1.75% and less than 2.25%	0.05%	0.00%	0.00%
2.25% and Over	0.00%	0.00%	0.00%

UI Trust Fund – Projected

Legislative Proposal – Effective 2024

RA Financials - Annual Summary

(in Millions)

	Projected	Projected	Projected	Projected
	CY 2023	CY 2024	CY 2025	CY 2026
Contributions/Interest In	\$36.4	\$24.1	\$24.8	\$25.5
Benefits Paid Out	\$26.0	\$27.4	\$28.3	\$29.5
Trust Fund	\$198.1	\$194.7	\$191.3	\$187.3

- Tax reduction trigger June 30, 2023 AHCM: 1.90 (Schedule C applied for 2024)
- Tax reduction trigger June 30, 2024 AHCM: 1.84 (Schedule C applied for 2025)
- Tax reduction trigger June 30, 2025 AHCM: 1.71 (Schedule C applied for 2026)
- Tax reduction trigger June 30, 2026 AHCM: 1.60 (Schedule C applied for 2027)

UI Trust Fund – Projected

Legislative Proposal – Effective 2023

RA Financials - Annual Summary

(in Millions)

	Projected	Projected	Projected	Projected
	CY 2023	CY 2024	CY 2025	CY 2026
Contributions/Interest In	\$23.2	\$23.9	\$24.6	\$25.3
Benefits Paid Out	\$26.0	\$27.4	\$28.3	\$29.5
Trust Fund	\$184.9	\$181.4	\$177.7	\$173.6

- Tax reduction trigger June 30, 2023 AHCM: 1.82 (Schedule C applied for 2024)
- Tax reduction trigger June 30, 2024 AHCM: 1.71 (Schedule C applied for 2025)
- Tax reduction trigger June 30, 2025 AHCM: 1.59 (Schedule C applied for 2026)
- Tax reduction trigger June 30, 2026 AHCM: 1.48 (Schedule B applied for 2027)

Proposed Surcharge Table

- Proposed

Balance in Fund	Rates
AHCM 0.75 and less than 0.60	0.10%
AHCM 0.60 and less than 0.50	0.20%
AHCM 0.50 and less than 0.40	0.30%
AHCM 0.40 and less than 0.30	0.40%
AHCM 0.30 and less than 0.20	0.50%
AHCM 0.20 and less than 0.00	1.00%
AHCM less than 0.00	1.50%

- AHCM trust fund balance (June 30, 2022)

- AHCM 0.75: \$75.4 million
- AHCM 0.60: \$60.3 million
- AHCM 0.50: \$50.2 million
- AHCM 0.40: \$40.2 million
- AHCM 0.30: \$30.1 million
- AHCM 0.20: \$20.1 million

- Current

Balance in Fund	Rates
\$11 million	0.10%
\$10.5 million	0.20%
\$10 million	0.30%
\$9.5 million	0.40%
\$9 million	0.50%
\$8.5 million	0.60%
\$8 million	0.70%
\$7.5 million	0.80%
\$7 million	0.90%
\$6.5 million	1.00%
\$6 million	1.25%
\$5.5 million	1.50%

Public Comments



Council Discussion/Action

