



SOUTH DAKOTA
DEPT. OF **LABOR**
& **REGULATION**

Unemployment Insurance Advisory Council Meeting

OCTOBER 11, 2018

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 - Deposits into this account can only be withdrawn and used for the payment of benefits and refunds of contributions paid in error.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 = $\frac{1}{26}$ of the high quarter earnings, up to 50% of state average weekly wage.
 - Minimum \$28
 - Maximum \$402
- Total benefit calculations = $\frac{1}{3}$ 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)

CY 2018	Actual	Actual	Projected	Projected	Total
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	
Contributions/Interest In	\$4.5	\$12.8	\$8.7	\$6.0	\$32.0
Benefits Paid Out	\$12.6	\$5.8	\$3.5	\$5.7	\$27.6
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)

CY 2019	Projected	Projected	Projected	Projected	Total
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	
Contributions/Interest In	\$4.3	\$13.7	\$9.1	\$5.9	\$33.0
Benefits Paid Out	\$13.0	\$6.2	\$4.0	\$5.8	\$29.0
Trust Fund	\$117.2	\$124.7	\$129.8	\$129.9	\$129.9

*Projected using Schedule B.

2018 Annual Report



Public Comments

