

Unemployment Insurance (UI) Advisory Council Meeting Minutes
October 5, 2010
Kneip Building, Conference Room #3
700 Governors Drive
Pierre, SD

Members Present

Pam Roberts, Chair
Jason Dilges
Carol Hinderaker
Bob Riter, Jr.
Homer Harding
David Owen
Paul Aylward

Members Absent

Mark Merchen
Rob Anderson

Others Present

Don Kattke
Pauline Heier
Dawn Dovre
Monica Harding
Jean Anderson
Greg Johnson
Amanda Hossle
Julie Johnson
Patty Nohr
Sharon Schnabel
Dawn Williams
Deb Mortenson
Michele Brich
Pam Olinger

Chairwoman Roberts called the meeting to order, and roll call was taken by Pauline Heier. A quorum was present.

Paul Aylward MOVED to approve the August 24, 2010, minutes. Carol Hinderaker SECONDED. Motion Carried.

Pauline Heier and Don Kattke gave a presentation on the current financial status of the State UI Trust Fund and updated the Council on the impact of the extended training benefits to workers attending approved training.

Don Kattke talked about changing the timing of annual employer tax rate notices from December 31 to June 30. This change would provide employers with their upcoming tax rates before the start of each year.

Pam Olinger, a CPA with Endorf, Lurken & Olsen, explained to the Council the impact that changing the timing of the tax rate notice would have on the business community. Currently, businesses receive their rate notice for the current year in March. Most payroll software requires a current tax rate to be entered at the beginning of the year. Employers must now estimate their rate until they receive their actual tax rate and make later corrections, causing added expense to businesses.

The Council discussed the issue of changing the timing of the annual employer tax rate notice from December 31 to June 30.

Michele Brich representing the South Dakota Innkeepers Association suggested the Council investigate changing the taxable payroll period used in determining tax rates from 36 months to 30 months one time to neutralize the impact to revenue.

Jason Dilges MOVED to continue working on this issue and draft legislation to be presented at the next meeting for use in the 2011 Legislature. Paul Aylward SECONDED.

Bob Riter made a SUBSTITUTE motion to recommend to the Governor and the Legislature that the timing of the tax rate notices from calendar end (December 31) to fiscal year (June 30) be ultimately made. Homer Harding SECONDED. Motion Carried on roll call vote. 7 Yeas and 0 Nays.

Bob Riter MOVED to approve the 2010 Annual Report as discussed. Carol Hinderaker SECONDED. Motion Carried.

The next meeting will be held in January after the 2011 legislative session opens.

Paul Aylward MOVED to adjourn the meeting. Bob Riter SECONDED. Motion Carried.