



**Unemployment Insurance Advisory Council  
2008 Annual Report**

This document serves as the report of meetings, discussions, and recommendations of the Unemployment Insurance Advisory Council, pursuant to SDCL 61-2-7.1. Council members appointed by Governor Rounds include Secretary of Labor Pam Roberts (chair), Carol Hinderaker, Robert Anderson, David Owen, Paul Aylward, Jason Dilges, Bob Riter, Jr., Homer Harding, and Mark Merchen. The report is available to any interested person or groups and can be found on the South Dakota Department of Labor (SDDOL) website at [www.sdjobs.org](http://www.sdjobs.org).

Council action for 2008 began with a meeting on June 17, 2008. The Council received a summary of 2008 legislation and an update on the financial impact of 2006 Trust Fund solvency legislation. Complete details on the solvency legislation can be found in the 2006 report, available online at [www.sdjobs.org](http://www.sdjobs.org). The Trust Fund balance is gradually increasing, consistent with projections made when the changes were proposed. The 2008 Legislature passed only one bill which will affect unemployment insurance. HB 1002 resulted from the 2007 Legislative Agency Review. It was a clean-up bill which revised wording of statutes and deleted obsolete statutes.

The Council received projections of Trust Fund balances by quarter end date for 2008. The current deduction of one-half of social security payments from unemployment insurance benefits will end when the Trust Fund has a \$30 million balance at the end of a calendar quarter. It is uncertain whether this will occur in 2008. The Council also discussed the interest that will be charged, beginning in 2009, to employers who have continuous and increasing negative balances in their unemployment insurance accounts. The Council reaffirmed their unanimous support for the 2006 legislation that created the interest charge. The SDDOL was directed to create a plan to communicate details about the interest charges to employers.

A public hearing was held. There were no public comments.

At the August 19, 2008, meeting the Council received Trust Fund financial projections (Attachment A) based on the most recent benefit payment and revenue information.

The Council had no recommendations for change to the Governor or Legislature.

Respectfully submitted on August 19, 2008, by the Unemployment Insurance Advisory Council.

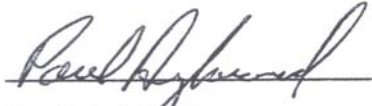
Members:



Pamela S. Roberts




Robert Anderson



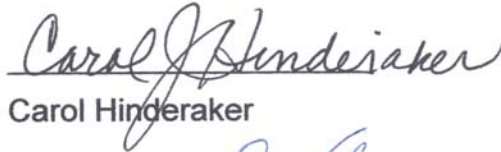
Paul Aylward



Bob Riter, Jr.



Mark Merchen



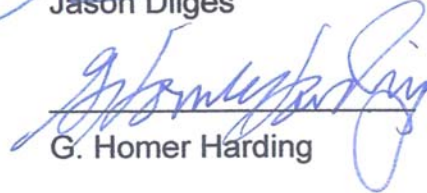
Carol Hinderaker



David Owen



Jason Dilges



G. Homer Harding

**Unemployment Insurance Projections**



**Unemployment Insurance Totals  
(in millions)**

<b>YEAR</b>	<b>Total Income</b>	<b>Benefits</b>	<b>Trust Fund</b>
2000	17.5	15.2	51.1
2001	16.9	22.8	45.1
2002	17.0	29.8	51.2
2003	17.5	31.0	37.4
2004	18.0	28.1	27.3
2005	18.9	25.8	20.4
2006	19.5	20.8	19.3
2007	26.3	20.8	24.1
<b>2008</b>	<b>27.2</b>	<b>21.2</b>	<b>30.1</b>

\* *Italicized* - Projected Data