



SOUTH DAKOTA
DEPT. OF LABOR
& REGULATION

Reemployment Assistance Advisory Council

THURSDAY, JUNE 4, 2020
10 A.M. CDT

CARES Act (Coronavirus Aid, Relief, and Economic Security)

and **Families First Coronavirus Response Act**

- Federal Pandemic Unemployment Compensation (FPUC)
 - Additional \$600 weekly payment
- Pandemic Unemployment Assistance (PUA)
 - Self-employed, independent contractors, gig workers
- Pandemic Emergency Unemployment Compensation (PEUC)
 - Additional 13 weeks for exhaustees of State benefits
- First Week Full Benefits
 - 100% federal funded

Implementation

- Suspended work search requirement
- Changed wait time from 15 to 8 days
- Suspended non-paid waiting week
- Relieved employers of charges for COVID-19 related payments
- Exempted employers for penalties

Claims Since March 16

- Initial Weekly Claims = 50,388
 - Average = 5,000
 - 2019 average = 232
- Continued Weekly Claims = 162,861
 - Average = 18,000
 - 2019 average = 1,742

Unemployment Rate

	April 2020	March 2020	April 2019
United States	14.7%	4.4%	3.6%
South Dakota	10.2%	3.1%	3.2%

Benefits Paid Since March 16

- State = \$38.1 million
- FPUC = \$90.3 million
- PUA = \$2.0 million
- PEUC = \$40.6 thousand

Short-term Compensation

- Also known as worksharing or shared work
- Allows employers to maintain their workforce by reducing hours worked in lieu of layoffs
- Affected workers receive a partial benefit for hours lost

STC Example

- An employee normally works full time, 40 hours a week at \$15/hour, earning \$600/week. The employee qualifies for a weekly benefit amount (WBA) of \$300.
- The employer reduces work hours by 40% equaling 16 hours. The employee works and earns wages of \$360/week.

STC Example

- Under current law, employee's wages are greater than their WBA. The employee would not be eligible for benefits.
- Under the Short-term Compensation program, the employee received \$120 in benefits in addition to the wages earned.

UI Trust Fund Totals (in millions)

CY Year	Total Income In	Benefits Paid Out	Trust Fund
2008	26.5	25.1	25.5
2009	31.6	63.6	-7.7
2010	84.2	49.7	26.1
...			
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

Triggers

- Increased employer tax schedule
 - Effective when Trust Fund dips to \$11 million or below
- Employer taxes
 - Increase in January 2021 if AHCM is below 1.6 (\$120 million) June 2020

UI Trust Fund – Projected 2020

as of June 1, 2020

RA Financials - Quarterly Summary

(in Millions)

CY 2020	Actual	Projected	Projected	Projected	Total
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	
Contributions/Interest In	\$4.7	\$12.9	\$7.8	\$5.2	\$30.6
Benefits Paid Out	\$12.1	\$60.4	\$45.0	\$22.5	\$140.0
Trust Fund	\$129.2	\$87.2	\$53.8	\$37.4	\$37.4

*Actual data through April 2020.

Public Comments

