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NIKKI R. HALEY

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Gov. Nikki Haley Announces Final Unemployment Trust Fund Loan Payment *Early Payment Saves Millions In Tax Dollars, Reestablishes Solvency*

COLUMBIA, S.C. – Gov. Nikki Haley and the South Carolina Department of Employment and Workforce (DEW) announced that the almost \$1 billion federal loan used to help pay state unemployment insurance benefits since 2008 has been repaid. DEW made a final \$120 million early payment today to the U.S. Department of Labor. The deadline to pay off the loan was scheduled for November 2015. However, early and voluntary payments on the loan by DEW between 2011 and 2015 led to returning the Trust Fund to solvency, saving businesses more than \$12 million in interest payments.

Governor Nikki Haley and DEW Executive Director, Cheryl M. Stanton, were joined by Sen. Thomas Alexander (R-Oconee), Sen. Kevin Bryant (R-Anderson), Rep. Bill Sandifer (R-Oconee), Rep. Kenny Bingham (R-Lexington), and several key members of the business community at the Statehouse today for the announcement.

“This loan payoff is truly a cause for celebration,” said Governor Nikki Haley. “Restoring solvency to the state’s unemployment trust fund is another step in our state becoming debt free and is quantitative proof that our citizens are finding work, businesses are strengthening our workforce and economy, DEW is cracking down on fraudulent claims and South Carolina is open for business.”

The loan, which reached its peak of \$977.7 million dollars in March 2011, was issued by the federal government during the height of the Great Recession. As the recession remained, South Carolina was forced to borrow to ensure that unemployment payments could continue during the economic decline.

“Thanks to the great work of businesses now employing more South Carolinians in our state’s history, the work of the General Assembly on tightening eligibility of benefits and the great work of employees at DEW protecting the integrity of the Trust Fund, we have repaid the federal government early, and are now on track to rebuild the fund to an adequate level for the state. This has been a true team effort with our business community and workforce training partners working tirelessly to not only create jobs, but also to fill

them with skilled workers, and actively fighting fraud and abuse to the system” said Director Stanton.

Senator Thomas Alexander, Chairman of the Senate Labor, Commerce and Industry Committee, said, “South Carolina’s ability to pay off its unemployment trust fund loan early is a true testament to the fortitude of the employers in the Palmetto State, the Department of Employment and Workforce, and our state’s General Assembly. Working together, we are continuing to demonstrate that South Carolina leads the nation as a business friendly state.”

Thirty-six different states have taken advances from the federal government during the last six years. However, since the inception of the loan, South Carolina has been the only state to continually maintain the full 5.4% FUTA credit, saving the business community millions of dollars in higher federal taxes

“By paying off the loan early, we are saving employers in our state from having to pay over \$12 million in federal unemployment taxes,” said Representative Bill Sandifer, Chairman of the House Labor, Commerce and Industry Committee. “We can then use that money to grow our economy, create jobs, and find innovative ways to put more money back in the pockets of South Carolina taxpayers, which is something we strive to do whenever possible.”

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