

From: Danny Varat <DannyVarat@scsenate.gov>
To: 'Lowder, Joe' JLowder@dew.sc.gov
CC: Veldran, Katherine KatherineVeldran@gov.sc.gov
Date: 1/17/2012 5:17:45 PM
Subject: RE: Part-Time

Joe, in addition to the sum of federal dollars paid out as extensions of the \$50m to those fired, Senator Bryant would like to know the total federal dollars paid out as extensions of the \$88m in overpayments. Thanks,

DV

From: Lowder, Joe [mailto:JLowder@dew.sc.gov]
Sent: Saturday, January 14, 2012 4:59 PM
To: Danny Varat
Cc: katherine.veldran@gov.sc.gov
Subject: RE: Part-Time

Danny - apologize - I forgot to include the items we are tracking from Thursday's Committee meeting. My plan was to provide you with the responses so that the entire Committee can have access to the issues - even if one particular Senator did not request it - they would all have the answer, to include Senator Ryberg.

1. Seasonal Work - conduct a cost savings analysis
2. Habitual Filers - provide the committee with feedback if we track "habitual filers"
3. Adjudicators - provide the committee with the standards and training for DEW Adjudicators
4. Disputed Claims - what are the results for disputed claims (majority found for the employer or the claimant?)
5. Employer Taxes - provide the committee with feedback on employers paying taxes on time
6. Suitable Work - provide the committee with strategies to engage employers
7. Work Search - provide the committee on estimates of how many claimants use computers
8. High Compensated Employees - provide the committee how long "higher compensated" employees stay on benefits
9. Disqualification - verify the maximum number of weeks of federal benefits a claimant can receive after receiving 4 weeks of state benefits (disqualified for 16 weeks)
10. Provide the committee feedback on how employers or employees can "game" the system

The majority of these we will have finished early next week (Tuesday) and some will require continued work. I won't wait for all - I will start shooting you the answers Tuesday. I will go online and see if a tape of the meeting is on the website to ensure we got them all. If you have a recording - I would like to get that from you.

Joe

From: Lowder, Joe
Sent: Saturday, January 14, 2012 4:24 PM
To: Danny Varat
Cc: katherine.veldran@gov.sc.gov
Subject: RE: Part-Time

Danny,

We are running the data on what was paid out for part time benefits. I will get that to you Tuesday afternoon. We continue to contact DOL and are pushing them to get the written opinions. They did provide us with their opinion during our conference call and that both S. 1049 forcing someone to conduct community service and S. 1050 forcing someone to get drug tested to get benefits in their current written versions violate federal law and DEW risks decertification from receiving federal funds to administer the UI benefits programs. While conducting their review, DOL told us they won't provide a written response to S. 1026 (Part-time / Full-time) because there is no new legislation. Their opinion is that while they don't recommend or suggest it - there is no legal ramifications in terms of violating federal law. I understand the urgency and importance of getting these opinions in writing and will push it hard with DOL.

We are also continuing the research for Senator Bryant and will provide you with the amount of federal UI benefits paid to those partially disqualified. We have worked up the scenario's surrounding the potential for a previous employer to be charged for benefits - - even if the employee was separated by a subsequent employer. Will have both of those for you on Tuesday.

Let me try and explain the issue concerning the tax rates for this year. I have attached the tax rate that we published recently that you can look at and compare the tables (Original Calendar Year 2011, Revised Calendar Year 2011, and Calendar Year 2012).

In 2011, we needed to raise \$680M (\$500M for benefits, \$146M for federal loan repayment, and \$34M for interest) and the tax rate was set on that figure. Last year, \$146M was given to DEW by the legislature that was applied to the loan repayment so the Department only needed \$534 million. As a result, the tax rate was reduced so that it raised the required \$534M in revenue. You can see the corresponding reduction on the cost per worker in the Revised Calendar Year amounts in the attachment.

In 2012, we need to raise \$607.75M (which includes a loan repayment amount of \$150M). So if you take a look at the attachment and go to Tax Class #2 - you can see that the tax burden for Calendar Year 2012 per worker is higher than the revised Calendar Year 2011 (where the requirement was to only raise \$534M) amount BUT - it is lower than the original Calendar Year 2011 rate. Two things are changing: taxable wage base and tax rates. Comparing tax rates by themselves does not show the entire picture. This was part of the original 2010 planned increase in taxable wages to replenish the Trust Fund.

Joe

From: Danny Varat [DannyVarat@scsenate.gov]
Sent: Saturday, January 14, 2012 1:06 PM
To: Lowder, Joe
Cc: katherine.veldran@gov.sc.gov
Subject: Part-Time

Joe, Senator Bryant asked last Tue how much we pay out for part-time benefits as defined in 41-27-525. Have you found that answer yet? Also, if I didn't ask earlier, we'd like to have the written opinion from USDOL on the three profiles by next Wed in order that we may put them on next Thursday's agenda. Finally, Senator Bright's bill to disqualify all those fired for cause will be on next Wed's subcommittee agenda. It will be filed on Tue and get a bill number at that time. The sub next Wed is in 308 at 9:30. Please plan to attend and discuss Senator Bright's bill.

Thanks,

Danny