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SC Department of Employment and Workforce

NEWS RELEASE

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S.C. Businesses to Pay Lowest Federal Unemployment Taxes for 2015

COLUMBIA -- The U.S. Department of Labor (DOL) has approved giving the full 5.4 percent tax reduction on business federal unemployment taxes (FUTA) for 2015 to South Carolina businesses.

This is in addition to the Department of Employment and Workforce (DEW) dropping the state unemployment tax for the second straight year, saving businesses \$151 million over that time period.

The standard FUTA tax rate is 6 percent on the first \$7,000 of wages. With the 5.4 percent tax reduction, S.C. businesses will pay a maximum tax of \$42 per employee per year. FUTA tax is to be paid to IRS using form 940 by Feb. 1, 2016.

The FUTA reduction is a result of DEW paying off nearly \$1 billion in federal loans last June. The state used the money to pay unemployment insurance benefits during the Great Recession. Early and voluntary payments were made between 2011 and 2015 led to returning the state's Trust Fund to solvency, saving businesses more than \$12 million in interest payments.

“By taking the hard road and paying off nearly \$1 billion in federal loans six months early is allowing us, once again, to save businesses money that they can then reinvest into their companies through expansions and putting South Carolinians to work,” said Cheryl Stanton, executive director of Department of Employment and Workforce.

The announcement by DOL comes on the heels of DEW announcing a decrease in the 2016 state unemployment insurance tax rate. The 2016 tax rate represents an average reduction of 17.1% over last year's rate, saving businesses more than \$69 million. State unemployment taxes in 2016 will be assessed on the first \$14,000 in wages.

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The South Carolina Department of Employment and Workforce is putting South Carolinians to work. The agency invests in building a pipeline of quality workers, matches workers with jobs, and is a bridge for individuals who find themselves out of work for no fault of their own. This promotes financial stability and economic prosperity for employers, individuals and communities. [SCDEW](#) is dedicated to advancing South Carolina through services that meet the needs of the state's businesses, jobseekers and those looking to advance their careers.