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Date: 11/4/2016 9:13:40 AM
Subject: Fwd: DEW cuts 2017 Unemployment Tax Rate

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Begin forwarded message:

From: "Bouyea, Robert" <RBouyea@dew.sc.gov>
Date: November 4, 2016 at 9:11:35 AM EDT
To: "Bouyea, Robert" <RBouyea@dew.sc.gov>
Subject: DEW cuts 2017 Unemployment Tax Rate



SC Department of Employment and Workforce
NEWS RELEASE

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For Immediate Release

November 4, 2016

DEW cuts 2017 Unemployment Tax Rate

For the third consecutive year, the S.C. Department of Employment and Workforce (DEW) is cutting the Unemployment Insurance (UI) tax rate.

The 2017 tax rate represents an average reduction of 10.1% over last year's rate, while rebuilding the trust fund to a level that will withstand an economic downturn. South Carolina has cut tax rates by an average of 30.9 percent since 2013.

Rate reductions are a direct result of the state's robust economy, businesses employing more than 2.185 million South Carolinians, an unemployment rate that is at a 15-year low, DEW dramatically lowering benefit payouts, and legislative and DEW policy changes to restrict benefits to individuals who lost their job through no fault of their own.

"Cutting the unemployment insurance tax rate for a third straight year reduces the cost of doing business in South Carolina," said Gov Nikki Haley. "When costs are down, businesses can grow - that means more jobs for our citizens and continued progress for our entire state."

During the Great Recession, South Carolina needed to borrow nearly \$1 billion from the federal government in order to provide unemployment benefits. The agency, however, was able to pay off the loan early saving businesses \$12 million. After the loan off in 2015, the Legislature passed a regulation that requires DEW to rebuild the Trust Fund within five years to a level that will fund the potential benefit needs without borrowing from the federal government.

“The economy is strong and more South Carolinians are working than any time in our state’s history. This is allowing us to reduce the tax burden on businesses while rebuilding the Trust Fund to a level that will sustain a recession,” said Cheryl Stanton, DEW’s executive director. “Our gratitude goes out to the business community and workforce development training partners who have worked hard to create jobs and provide the skilled workers to fill them.”

This is also the fourth consecutive year that businesses will receive their individual tax rate notices during the first week of November, six months before the first tax payment is due. Wage and Contribution reports are due by April 30, 2017, and these tax rates apply to the first \$14,000 earned by each employee.

2017 Contribution Table

The tax rates applicable for wages paid between January 1, 2017, and December 31, 2017, are shown in the table below. A **Notice of Contribution Rate** detailing individual rates was distributed to each employer. Individual rates are based on an employer’s computed benefit ratio. The tax rate class assignment in the notice should be used for the full calendar year. Please note that tax rates are applicable to the first \$14,000 each employee earns.

Rate Class	Lower Benefit Ratio	Upper Benefit Ratio	Base Rate (Benefits)	Solvency Surcharge	Contingency Assessment	Total Effective Rate	Maximum Cost per Employee
1	0.000000	0.000004	0.00%	0.00%	0.06%	0.06%	\$8.40
2	0.000005	0.000476	0.27%	0.14%	0.06%	0.47%	\$65.80
3	0.000477	0.000822	0.29%	0.16%	0.06%	0.51%	\$71.40
4	0.000823	0.001201	0.32%	0.18%	0.06%	0.56%	\$78.40
5	0.001202	0.001570	0.36%	0.20%	0.06%	0.62%	\$86.80
6	0.001571	0.001739	0.40%	0.22%	0.06%	0.68%	\$95.20
7	0.001740	0.002084	0.45%	0.24%	0.06%	0.75%	\$105.00
8	0.002085	0.002478	0.50%	0.27%	0.06%	0.83%	\$116.20
9	0.002479	0.002986	0.55%	0.30%	0.06%	0.91%	\$127.40
10	0.002987	0.003544	0.61%	0.34%	0.06%	1.01%	\$141.40
11	0.003545	0.004305	0.68%	0.37%	0.06%	1.11%	\$155.40
12	0.004306	0.005047	0.76%	0.41%	0.06%	1.23%	\$172.20
13	0.005048	0.006031	0.91%	0.49%	0.06%	1.46%	\$204.40
14	0.006032	0.007255	1.53%	0.83%	0.06%	2.42%	\$338.80
15	0.007256	0.008828	1.70%	0.92%	0.06%	2.68%	\$375.20
16	0.008829	0.010663	1.89%	1.03%	0.06%	2.98%	\$417.20
17	0.010664	0.014051	2.10%	1.14%	0.06%	3.30%	\$462.00
18	0.014052	0.018501	2.33%	1.27%	0.06%	3.66%	\$512.40
19	0.018502	0.028432	2.59%	1.41%	0.06%	4.06%	\$568.40
20	0.028433	999.999999	3.49%	1.91%	0.06%	5.46%	\$764.40

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About DEW

The S.C. Department of Employment and Workforce (DEW) 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. DEW 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.