



## SC Department of Employment and Workforce

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#### **DEW Makes Second Unemployment Trust Fund Loan Repayment Well in Advance of Due Date**

COLUMBIA—The SC Department of Employment and Workforce (DEW) today announced it made a voluntary payment of \$75 million to the federal government for the agency's unemployment trust fund loan.

This marks the second voluntary payment the state has made in 2013 bringing the total to \$219 million this year. "Today we are proud to announce we are paying an additional \$75 million towards the nearly \$1 billion federal unemployment loan. This will save the taxpayers and businesses of this state \$1 million in interest over the next two years, putting us on a path of being paid off by 2015 – a real reason to celebrate!"

"For the past three years, South Carolina has made early, voluntary payments on the trust fund loan," said DEW Executive Director Cheryl M. Stanton. "In fact, we are paying \$25 million more than we had originally projected, reducing our final payment in 2015 and further saving the state interests cost. Because of our good track record in repaying the loan, in 2012 South Carolina was the only state that received a waiver to avoid the higher federal unemployment tax rates. We appreciate the work of the state's business community in improving South Carolina's economy to make this early loan payment possible."

One of the criteria for states that owe money to the federal government (including South Carolina) to avoid increased federal unemployment taxes for businesses in 2013 is to make a loan payment by November 10, 2013. DEW made a \$144 million payment in May. The agency anticipates receiving official approval to avoid the increased taxes from the US Department of Labor (DOL) in early November. South Carolina avoided higher federal taxes in 2011 and 2012.

To date, South Carolina has repaid more than \$520 million of the \$977 million borrowed from the federal government. After this month's loan repayment of \$75 million, the outstanding balance will be approximately \$455 million. The state is scheduled to repay the entire loan amount by the end of 2015.

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