



## House of Representatives

State of South Carolina

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**Committees:**

Labor, Commerce and Industry  
Real Estate Subcommittee  
Insurance Subcommittee

September 30, 2013

The Honorable Cheryl Stanton  
Director, SC Department of Employment and Workforce  
P.O. Box 995  
Columbia, SC 29202

REF: Unemployment Benefit Ratio

Dear Director Stanton:

It is our understanding that a question has arisen as to the General Assembly's intention with respect to Section 41-31-5(1) of the South Carolina Code which defines the term "benefit ratio" for purposes of rates of contribution to the Unemployment Trust Fund. We understand the specific question is whether the General Assembly intended the calculation of the benefit ratio be based on three years' experience rather than ten years beginning January 1, 2014.

We were both very involved in the discussion and compromise that resulted in the DEW reform bill (Act 234 of 2010) which was signed into law by Governor Sanford on June 3, 2010. We represented to our respective chambers that the bill was written to provide for a phase in of the benefit ratio. During the first three years, as provided in Section 41-31-5(1)(a), ten years of experience, or as many years as are available, must be used. At the end of three years beginning on January 1, 2014, the calculation must be based on three years of experience as provided in Section 41-31-5(1)(b). It is understood that the calculation should be made at some point prior to when it will apply. We believe the reading of the statute is clear and that the calculation for the benefit ratio effective for January 1, 2014, is for three years, regardless of when the calculation is made.

Thank you for your kind consideration of our comments.

Kenny Bingham

A handwritten signature in black ink, appearing to read "Kenny Bingham".

SC House of Representatives

Greg Ryberg

A handwritten signature in black ink, appearing to read "Greg Ryberg".

SC Senate (retired)

cc: Governor Nikki Haley