

From: Lowder, Joe <JLowder@dew.sc.gov>
To: Danny Varat (DannyVarat@scsenate.gov) DannyVarat@scsenate.gov
CC: Veldran, Katherine KatherineVeldran@gov.sc.gov
Date: 2/13/2012 1:32:26 PM
Subject: RE: 2011

Danny,

\$146m for the 2011 calendar year was based on an estimate of approximately \$72 million for the FUTA credit avoidance repayment, with the remainder used to avoid borrowing in the last quarter of 2011 and first month in 2012 (estimated \$74 million 'cushion' to avoid borrowing). The actual payment for FUTA credit reduction avoidance was \$68M. The \$115 million cash flow loan repayment is built into the "benefit" payment estimate piece (\$495m for CY 11). So the \$183 million repaid was not technically all supposed to come from the "loan repayment" estimate that we used to set the tax rates since it included a \$115m cash flow loan payment to repay all amounts borrowed during 2011, which was built in to the benefit payment estimated figure.

For 2012, the \$150m for FUTA credit reduction avoidance is once again made up of two parts (estimate \$110 million for loan repayment and \$40 million for borrowing cushion—lower in 2012 due to the lower than anticipated benefit payments in 2011 which resulted in larger cushion for the trust fund going into the "lean" collection period). The cash flow loan shouldn't be an issue this year since we don't plan on borrowing anything.

Joe

From: Danny Varat [mailto:DannyVarat@scsenate.gov]
Sent: Monday, February 06, 2012 10:39 AM
To: Lowder, Joe
Cc: Veldran, Katherine
Subject: RE: 2011

Joe, those numbers each are a bit different than the original projections of \$146m and \$34m in interest. The repayment in particular is much higher. Can you tell me why those numbers changed? Thanks,

DV

From: Lowder, Joe [mailto:JLowder@dew.sc.gov]
Sent: Monday, February 06, 2012 8:34 AM
To: Danny Varat
Cc: Veldran, Katherine
Subject: RE: 2011

Danny,

The total actual loan repayments made in 2011 were \$183,874,767 (\$146M of which came from the legislature). The total 2011 interest paid was \$26,481,178. You also asked for this after I sent the projected CY 12 SUTA and expected FUTA remission to the federal government. Just want to make sure I have answered your question.

Joe

From: Danny Varat [mailto:DannyVarat@scsenate.gov]
Sent: Thursday, February 02, 2012 9:25 AM
To: Lowder, Joe
Cc: Veldran, Katherine
Subject: 2011

Joe, would you please send to me the data on the 2011 payment to the federal government. How much did we send in loan repayment and interest? Thanks,

DV