

State of South Dakota

EIGHTY-SIXTH SESSION
LEGISLATIVE ASSEMBLY, 2011

139S0402

SENATE COMMERCE AND ENERGY ENGROSSED NO. **SB 125** - 2/7/2011

Introduced by: Senators Vehle, Brown, Buhl, Garnos, Hansen (Tom), Krebs, Maher, Nelson (Tom), Peters, and Tieszen and Representatives Lust, Bolin, Boomgarden, Brunner, Carson, Conzet, Gibson, Hubbel, Rozum, Solum, Van Gerpen, White, and Willadsen

1 FOR AN ACT ENTITLED, An Act to revise the time period for computing unemployment
2 insurance employer contribution rates.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 61-5-18 be amended to read as follows:

5 61-5-18. ~~If at the beginning of any calendar year~~ an employer has met the requirements of
6 § 61-5-20.2 on the computation date for the year, then the employer's contribution rate shall be
7 the rate appearing in Column "A" on the same line on which the employer's reserve ratio appears
8 in Column "B" of the rate schedule applicable to such year. The computation date for calendar
9 year 2012 and each year thereafter is June thirtieth of the preceding year.

10 Section 2. That § 61-5-18.17 be amended to read as follows:

11 61-5-18.17. The employer's reserve ratio for calendar year 2010 and ~~thereafter~~ 2011 shall
12 be the result obtained by dividing the balance of credits existing in the employer's experience-
13 rating account by the total taxable payroll of the employer for the preceding three calendar years.



1 The employer's reserve ratio for calendar year 2012 and thereafter is the result obtained by
 2 dividing the balance of credits existing in the employer's experience-rating account as of June
 3 thirtieth preceding the year for which the rate is to be computed by the total taxable payroll of
 4 the employer for the preceding three fiscal years. The employer's experience-rating account
 5 balance for 2012 and thereafter for the purpose of this section is the balance on July thirty-first
 6 of the year preceding the year for which rates are computed and is the difference between the
 7 contributions paid through July thirty-first and the benefits paid through the preceding June
 8 thirtieth.

	Column "A"	Column "B"
	Contribution Rate	Reserve Ratio
11	9.50%	Less than -6.50%
12	9.00%	-6.50% and Less than -6.00%
13	8.50%	-6.00% and Less than -5.50%
14	8.00%	-5.50% and Less than -5.00%
15	7.50%	-5.00% and Less than -4.50%
16	7.00%	-4.50% and Less than -4.00%
17	6.50%	-4.00% and Less than -3.50%
18	6.00%	-3.50% and Less than -3.00%
19	5.50%	-3.00% and Less than -2.50%
20	5.00%	-2.50% and Less than -2.00%
21	4.50%	-2.00% and Less than -1.50%
22	4.00%	-1.50% and Less than -1.00%
23	3.50%	-1.00% and Less than -0.75%
24	3.00%	-0.75% and Less than -0.50%
25	2.50%	-0.50% and Less than -0.25%
26	2.00%	-0.25% and Less than 0.00%
27	1.50%	0.00% and Less than 0.50%

1	1.25%	0.50% and Less than 0.75%
2	1.00%	0.75% and Less than 1.00%
3	0.50%	1.00% and Less than 1.25%
4	0.35%	1.25% and Less than 1.50%
5	0.20%	1.50% and Less than 2.00%
6	0.10%	2.00% and Less than 2.50%
7	0.00%	2.50% and Over

8 The contribution rates provided in this section apply to and are retroactive to taxable wages
9 paid on and after January 1, 2010.

10 Section 3. That § 61-5-24.1 be amended to read as follows:

11 61-5-24.1. Employers required by this title to pay contributions, except employers that
12 pursuant to chapter 61-5A reimburse the unemployment compensation trust fund for benefits
13 paid in lieu of contributions, shall also pay an employer's investment in South Dakota's future
14 fee, hereinafter "investment fee," on wages as defined by this title. The fee rate for employers
15 not eligible for experience rating, as defined in § 61-5-20.2, shall be seventy hundredths percent
16 through calendar year 2006 and fifty-five hundredths percent on and after January 1, 2007. If
17 an employer is eligible for experience rating, ~~his~~ the employer's reserve ratio shall be determined
18 pursuant to ~~§ 61-5-18.14~~ § 61-5-18.17 and ~~his~~ the employer's investment fee rate shall be the
19 rate appearing in column "A" on the same line on which ~~his~~ the employer's reserve ratio appears
20 in column "B" of the following rate schedules.

21 From January 1, 1993, to December 31, 2006, inclusive:

22	Column "A"	Column "B"
23	Investment Fee Rate	Reserve Ratio
24	0.70%	Less than 0.80%
25	0.60%	0.80% and Less than 1.00%

1	0.50%	1.00% and Less than 1.20%
2	0.40%	1.20% and Less than 1.30%
3	0.30%	1.30% and Less than 1.40%
4	0.20%	1.40% and Less than 1.50%
5	0.10%	1.50% and Less than 1.60%
6	0.00%	1.60% and Over

7 From January 1, 2007, to December 31, 2007, inclusive:

8	Column "A"	Column "B"
9	Investment Fee Rate	Reserve Ratio
10	0.60%	Less than 1.00%
11	0.50%	1.00% and Less than 1.20%
12	0.40%	1.20% and Less than 1.30%
13	0.30%	1.30% and Less than 1.40%
14	0.20%	1.40% and Less than 1.50%
15	0.10%	1.50% and Less than 1.60%
16	0.00%	1.60% and Over

17 From January 1, 2008, to December 31, 2008, inclusive:

18	Column "A"	Column "B"
19	Investment Fee Rate	Reserve Ratio
20	0.58%	Less than 1.00%
21	0.50%	1.00% and Less than 1.20%
22	0.40%	1.20% and Less than 1.30%
23	0.30%	1.30% and Less than 1.40%
24	0.20%	1.40% and Less than 1.50%
25	0.10%	1.50% and Less than 1.60%
26	0.00%	1.60% and Over

27 From January 1, 2009, to December 31, 2009, inclusive:

1	Column "A"	Column "B"
2	Investment Fee Rate	Reserve Ratio
3	0.56%	Less than 1.00%
4	0.50%	1.00% and Less than 1.20%
5	0.40%	1.20% and Less than 1.30%
6	0.30%	1.30% and Less than 1.40%
7	0.20%	1.40% and Less than 1.50%
8	0.10%	1.50% and Less than 1.60%
9	0.00%	1.60% and Over

10 Beginning January 1, 2010:

11	Column "A"	Column "B"
12	Investment Fee Rate	Reserve Ratio
13	0.55%	Less than 1.00%
14	0.50%	1.00% and Less than 1.20%
15	0.40%	1.20% and Less than 1.30%
16	0.30%	1.30% and Less than 1.40%
17	0.20%	1.40% and Less than 1.50%
18	0.10%	1.50% and Less than 1.60%
19	0.00%	1.60% and Over

20 The terms and conditions of this title which apply to the payment and collection of
21 contributions also apply to the payment and collection of the investment fee. Proceeds from the
22 investment fee shall be deposited in the clearing account of the unemployment compensation
23 fund for clearance only and may not become part of the fund. After clearance, the money
24 derived from such payments, less refunds made pursuant to the provisions of this title, shall be
25 deposited in the employer's investment in South Dakota's future special revenue fund as
26 provided for in § 61-5-24.2. Investment fee payments may not be credited to the employer's
27 experience rating account and may not be deducted in whole or in part by any employer from

1 the wages of individuals in its employ.

2 The investment fee rate may not be increased over the applicable 1987 investment fee rate
3 for any employer with a positive balance in ~~his~~ the employer's experience rating account on the
4 computation date, as established in rules promulgated by the secretary of labor pursuant to
5 chapter 1-26, for the current year and the year preceding the current year.

6 The investment rates provided in this section apply to and are retroactive to taxable wages
7 paid on and after January 1, 1993.