

State of South Dakota

EIGHTY-SIXTH SESSION
LEGISLATIVE ASSEMBLY, 2011

742S0362

SENATE BILL NO. 64

Introduced by: Senators Peters, Buhl, Cutler, Frerichs, Haverly, Johnston, Krebs, Maher, Nelson (Tom), Nygaard, Putnam, Rave, Rhoden, and Tidemann and Representatives Solum, Abdallah, Blake, Conzet, Cronin, Dennert, Elliott, Feickert, Gosch, Hawley, Hunhoff (Bernie), Hunt, Kirkeby, Moser, Novstrup (David), Turbiville, and Willadsen

1 FOR AN ACT ENTITLED, An Act to provide that interest paid on negative balances in
2 employers' experience rating accounts be credited to their experience rating accounts.

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

4 Section 1. That § 61-5-18.16 be amended to read as follows:

5 61-5-18.16. Any employer whose experience rating account, as determined pursuant to § 61-
6 5-18, has a negative reserve shall, in addition to the contribution rate, pay interest on the
7 negative balance in the employer's experience rating account, excluding any negative balance
8 existing on December 31, 2006. Following December 31, 2008, and each year thereafter, the
9 department shall determine the interest due and owing on each negative balance account.
10 Interest shall be owed only if the employer had a negative account balance on the computation
11 date used for the annual interest calculation and a negative account balance on the ending date
12 of each of the seven preceding calendar quarters. The interest rate shall be the average of the
13 quarterly interest rates paid by the United States Treasury on unemployment insurance trust fund



1 reserves in the calendar year ending on the interest calculation date. The interest rate so
2 determined will be applied to the amount by which the negative account increased from
3 December 31, 2006, or from the date the employer became subject to this title if later, to the
4 computation date used for the interest calculation date for the year. Interest due and owing shall
5 be paid in equal quarterly payments during the year following the computation date, with each
6 payment due on the last day of each quarter. The computation date and experience rating
7 account balance used to determine contribution rates shall be used in the application of this
8 section. ~~No~~ Any interest payments ~~may~~ shall be credited to the experience rating account of the
9 employer. The terms and conditions of this title which apply to the payment and collection of
10 contributions also apply to the payment and collection of the negative account interest
11 assessments.