



# MANAGEMENT & TRUST FUND REVIEW REPORT

FY JULY 1, 2023—JUNE 30, 2024



SOUTH CAROLINA DEPARTMENT OF  
**Employment and Workforce**  
"The Workforce Agency"

*\*Some photos used in this report were submitted by employers during DEW's SC@Work: Photo Contest. The photos spotlight examples of career opportunities throughout South Carolina.*



# AGENCY INTRODUCTION

## MISSION AND VISION

The S.C. Department of Employment and Workforce (DEW) remains steadfast in its mission to serve South Carolina through the efficient delivery of “an effective, customer-driven workforce system that facilitates financial stability and economic prosperity for employers, individuals, and communities.” Our agency not only fulfilled this mission, but also enjoyed another strong economic year with low unemployment, economic growth, and record-breaking numbers of individuals working in South Carolina jobs.

This report includes agency updates, program launches, and data to illustrate the successes of our agency. Some examples from the July 1, 2023 – June 30, 2024, fiscal year include how DEW has:



*Continued implementing provisions of Act No. 67 of 2023, the Statewide Education and Workforce Development Act, which brought new responsibilities to DEW, including the transition of the Coordinating Council for Workforce Development (CCWD) and the Regional Workforce Advisors (RWAs) from the S.C. Department of Commerce to the agency. During this fiscal year, the RWAs became fully integrated within the agency by working with other DEW personnel on important workforce development initiatives. Additionally, in June 2024 the CCWD approved the state’s first Unified State Plan (USP) as directed by Act No. 67. The USP establishes common goals and meaningful metrics for the state intended to align workforce development efforts. Importantly, the USP will help identify the state’s priority occupations and high-value credentials that reflect growing demand from private sector businesses.*



*Completed SC@Work: Road Trips, a rural initiative that brings job fairs and career services directly to 27 of our most rural and underserved areas across the state by way of DEW’s mobile Career Coach. DEW then launched the SC@Work: Rural Connections, a rural focused initiative intended to reach jobseekers with obstacles to employment, such as transportation, that prevent them from accessing regional workforce development services. Through these two rural focused programs, DEW and its partners held 265 events in rural communities serving 1,555 employers, with 8,203 jobseekers in attendance and 4,310 follow-up interviews.*



*Again this year, announced that South Carolina’s Unemployment Insurance (UI) tax rates decreased or remained the same for employers in 2025. This is the fourth year in a row that the agency, the General Assembly, and the Governor have been able to lower UI taxes thanks to prudent planning and a robust economy.*



*Launched the Explore SC@Work Campaign during FY2024. The Explore SC@Work Campaign seeks to establish awareness about the variety of jobs in South Carolina. SC@Work spotlights different careers and industries, including priority occupations, to enhance understanding of job duties and benefits. DEW used a host of methods to inform jobseekers and students about SC jobs, including materials and tactics, such as:*

- *Occupations added weekly to the DEW website gallery and posted to social media.*
- *An Explore SC@Work video series with Executive Director William Floyd.*



**William H. Floyd, III**  
Executive Director  
S.C. Department of Employment  
and Workforce

# AGENCY INTRODUCTION CONT.

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- *Media campaign with print and television reporters.*
- *Magazine and e-newsletter articles with business and industry publications.*
- *Print copies of the job flyers housed within the online gallery.*
- *Occupation bookmarks for job fairs and hiring events.*



*Again this year, joined Governor McMaster in delivering his proclamation declaring September as Workforce Development Month in South Carolina. There were more than 200 job fairs and workshops, dozens of visits by the Career Coach and the Be Pro Be Proud mobile workshop, discussion forums and roundtables, and weekly labor market information webinars produced throughout September 2023.*



*Welcomed new members to the agency's executive staff, including: Mike Brittingham, Chief of Staff, and Jacque Carlen, Chief Financial Officer.*

Again this year, our monthly unemployment rates and weekly initial claims have remained low, which has allowed the agency to focus on reemployment and expanding our workforce. DEW has experienced many successes involving reemployment, restoring the trust fund, deepening relationships with employers, providing claimant and employer services, and more.

The agency's vision, "to be viewed as an efficient, transparent, customer-friendly partner in providing quality workforce solutions," is achieved due to the dedication and professionalism of our talented team of public servants. DEW is committed to supporting claimants, connecting jobseekers and employers, and innovating through technology and continuous process improvement to provide the highest quality resources to claimants and employers.

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# PRIMARY PRODUCTS AND SERVICES

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## AGENCY DEPARTMENTS AND DIVISIONS



### UNEMPLOYMENT INSURANCE

*A federally mandated program that provides financial assistance to eligible workers who become unemployed through no fault of their own. This division also sets the tax rates for employers, collects the UI taxes, accepts unemployment claims, and makes rulings on those claims.*



### EMPLOYMENT SERVICES

*This division works to bring employers and jobseekers together through hiring events, specialized training and pilot projects to name a few examples. Through the dedicated efforts of Regional Workforce Advisors (RWAs), DEW introduces students to the wide range of career opportunities in South Carolina. Employment Services also oversees weekly job matches in which they match the skills and location of UI claimants to local businesses looking to hire individuals with those skills, and these claimants receive texts, emails, and referrals through our SC Works Online Services (SCWOS) job database with details about positions they matched with and how to apply.*



### WORKFORCE DEVELOPMENT

*Focuses on innovative approaches to workforce development. This division also operates federal training programs and evaluates the efficiency of those programs for authorized trainers in the state.*



### LABOR MARKET INFORMATION

*LMI gathers employment statistics, job forecasts, wages, demographics and other data to help various stakeholders understand today's complex workforce.*

# AGENCY EMPLOYEE COUNTS

The S.C. Department of Employment and Workforce, as of June 30, 2024, had a total of 695 employees:

- 673 Full-Time Employees
- 9 Temporary Grant Employees
- 13 Temporary Employees

These employees staff the Unemployment Insurance, Employment Services, Workforce Development, and Labor Market Information divisions, as well as other departments that provide support to those divisions.

## UI DIVISION

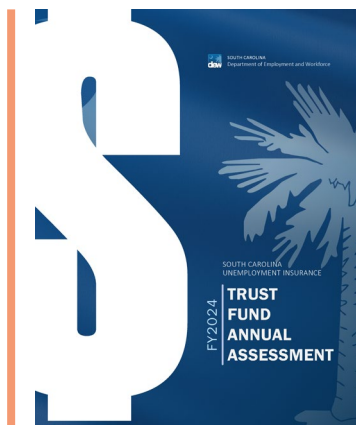
The agency's Unemployment Insurance (UI) Division is responsible for the administration of the State's Unemployment Compensation Program, providing timely and accurate payment of unemployment benefits, reemployment services, and effective collection mechanisms to maintain UI Trust Fund solvency in an effort to serve South Carolinians as they transition from unemployment to reemployment.

In coordination with the U.S. Department of Labor, UI is a state-administered federal program designed to provide unemployment benefits to eligible workers who become unemployed through no fault of their own while they actively search for suitable work. In accordance with S.C. Code of Laws, Title 41, and S.C. Code of Regulations, Chapter 47, South Carolina employers are responsible for financing the UI program through quarterly tax contributions, payable to the state's UI Trust Fund. The program allows recipients of UI benefits to maintain purchasing power, thereby easing the serious effects of unemployment on individual households, the community and the state.

### TRUST FUND

For the Fiscal Year 2024 (July 1, 2023, to June 30, 2024), the trust fund maintained its statutorily required level of reserves sufficient to withstand an average recession. The unadjusted UI Trust Fund balance as of June 30, 2024, was \$1,696,336,324. The trust fund is above its adequate balance as of June 30, 2024, and there will be no trust fund rebuilding process required for 2025.

For a detailed assessment of the health of the state's UI Trust Fund, the Agency's "FY 2024 Trust Fund Annual Assessment Report" is made available as Appendix A.



SOUTH CAROLINA UNEMPLOYMENT INSURANCE TRUST FUND ANNUAL ASSESSMENT

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#### EXECUTIVE SUMMARY

Each fiscal year, the South Carolina Department of Employment and Workforce (DEW) is required to submit an annual report to the General Assembly and the Revenue Commission detailing the status of the unemployment insurance trust fund and making an assessment of its funding level in accordance with Section 41-21 of the South Carolina Code of Laws. This assessment covers fiscal year 2024 (July 1, 2023 to June 30, 2024).

#### CURRENT STATUS

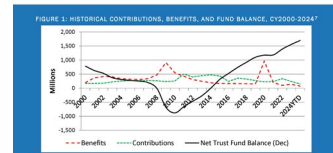
Unemployment benefits outlays for FY2024 totaled \$242,462,079. Revenue generated for fiscal year 2024 totaled \$242,462,079. The trust fund has an unadjusted balance of \$1,696,336,324. The South Carolina Department of Employment and Workforce (DEW) is required to submit an annual report to the General Assembly and the Revenue Commission detailing the status of the unemployment insurance trust fund and making an assessment of its funding level in accordance with Section 41-21 of the South Carolina Code of Laws. This assessment covers fiscal year 2024 (July 1, 2023 to June 30, 2024).

For historical context, all previous assessments from the General Assembly were reported as of June 30, 2023. The 2024 assessment provides a significant update on the trust fund balance. Following the report on the trust fund balance, the South Carolina Department of Employment and Workforce (DEW) is required to submit an annual report to the General Assembly and the Revenue Commission detailing the status of the unemployment insurance trust fund and making an assessment of its funding level in accordance with Section 41-21 of the South Carolina Code of Laws. This assessment covers fiscal year 2024 (July 1, 2023 to June 30, 2024).

TABLE 1: UI TRUST FUND COMPONENTS, FY2020-2024

COMPONENT	FY2020	FY2021	FY2022	FY2023	FY2024
UI Trust Fund Balance	\$1,696,336,324	\$1,696,336,324	\$1,696,336,324	\$1,696,336,324	\$1,696,336,324
Contributions	\$277,174,794	\$284,933,527	\$279,727,922	\$277,122,724	\$421,792,589
Interest Income	\$25,411,784	\$24,974,978	\$20,687,026	\$15,471,464	\$41,256,193
CBED Act	N/A	\$50,327,251	N/A	N/A	N/A
Benefits	\$441,128,799	\$469,818,395	\$335,583,512	\$320,587,287	\$342,544,079
UI Trust Fund Balance	\$207,252,105	\$1,141,546,146	\$1,187,707,572	\$1,054,216,462	\$1,696,336,324
Trust #aggr	179.0 million	243.2 million	243.2 million	232.9 million	318.8 million

Note: Not equivalent to audited financial statements.



\*The South Carolina Department of Employment and Workforce (DEW) is required to submit an annual report to the General Assembly and the Revenue Commission detailing the status of the unemployment insurance trust fund and making an assessment of its funding level in accordance with Section 41-21 of the South Carolina Code of Laws. This assessment covers fiscal year 2024 (July 1, 2023 to June 30, 2024).



## REEMPLOYMENT

All unemployment insurance claimants are placed in one of the following two reemployment programs. Both programs are operated in SC Works Centers across the state.

### Return to Work

According to the U.S. Department of Labor's Quarterly UI Data information, compared to 2019, the average time a UI claimant remains on UI benefits has declined in South Carolina, suggesting quicker returns to work and less reliance on government benefits. Between July 1, 2023, and June 30, 2024, the average UI benefit duration was 11.7 weeks. This compares favorably with the average duration between July 1, 2018, and June 30, 2019, of 12.4 weeks.

### Reemployment Services and Eligibility Assessment (RESEA) Program

The Reemployment Services and Eligibility Assessment (RESEA) program is designed to address individual reemployment needs of UI claimants and aims to prevent and detect improper UI payments. RESEA serves as a bridge between Unemployment Insurance and Employment Services for ex-military members and out-of-work claimants, with the goal of reducing duration of unemployment and protecting the integrity of the UI Trust Fund. Services include:

- Direct communication with DEW representatives
- Labor market information
- One stop orientations
- Development of personalized employability plan
- Referrals to training
- Unemployment compensation eligibility reviews

As of June 30, 2024, the South Carolina's RESEA program performed well nationwide. The program ranked fourteenth for highest reemployment success rate in the country.



# EMPLOYMENT SERVICES

## WAGNER-PEYSER

Wagner-Peyser establishes the One Stop delivery system to give South Carolinians access to employment services. The chart below shows successful achievement of Program Year goals from July 1, 2023 to June 30, 2024 (PY '23):

### WAGNER-PEYSER QUARTERLY REPORT

	GOAL FOR PY '23	ACTUAL	PERCENT OF GOAL
Employment Q2	61.5%	72.6%	118.0%
Employment Q4	60.7%	71.3%	117.5%
Median Earnings	\$4,984	\$7,492	150.3%

## JOB FAIRS AND HIRING EVENTS

In PY '23, there were 860 hiring events, with 91 being virtual/hybrid events and 365 employers participating. With South Carolina continuing to use a virtual events platform, employers had several types of events as recruitment options to meet their hiring needs.

## WEEKLY JOB MATCHING

To directly help South Carolina jobseekers and employers, our agency implemented Weekly Job Matches. The skills, experience, and location of UI claimants are matched with businesses in their area looking for workers with those skills. The claimants are then sent messages in the form of emails and texts with information about those positions and where to apply. During PY2023 over 3 million direct messages were sent to claimants/jobseekers.

## BE PRO BE PROUD SC

The Be Pro Be Proud SC mobile workshop visits schools and events, offering exposure to available careers in trade, along with information about the skills needed and training resources available. Stepping inside the 53-foot mobile workshop, participants experience nine in-demand professions, which offer engagement through: a heavy equipment simulator, forklift simulator, diesel technology, commercial driving simulator, construction technology, utility bucket station, welding simulators, and computer numerical control (CNC) operations.

Be Pro Be Proud is a public-private partnership, supported by the Associated Industries of South Carolina Foundation (AISC) and DEW. Since its launch in the fall of 2020, the mobile workshop has visited multiple schools, career and technology education centers, and technical colleges statewide serving 40,637 students and 2,852 general visitors. In PY2023, the workshop held 130 events with 12,251 guests.

## SC@WORK: RURAL CONNECTIONS

In 2022, began its DEW SC@Work: Road Trips. This was the first phase of the Rural Outreach Initiative to meet SC jobseekers in their hometowns and in rural areas. The second phase launched in PY2023 with SC@Work: Rural Connections which is a collaboration among DEW, SC Works, partner agencies, and employers to take DEW services and SC Works programs on the road directly to jobseekers in rural communities. The goal is to reach jobseekers with obstacles to employment, such as transportation, that prevent them from accessing regional workforce development services. DEW uses its state-of-the-art Career Coach mobile unit in the Rural Connection Initiatives. The Career Coach mobile unit is a traveling, wheelchair-accessible SC Works center, has ten workstations for job-seeking activities, provides Wi-Fi and printer capabilities, and has staff available to assist users and facilitate job searches. The Career Coach is an extension of the services provided through SC Works Centers across the state.

In PY2023, 265 events were held directly in rural communities serving 1,555 employers with 8,203 jobseekers in attendance and 4,310 follow-up interviews. A second Career Coach mobile unit is planned for PY2024.





## VETERANS PROGRAM

The agency held the November “Veterans in the Workforce” month where the agency highlighted veterans working within South Carolina through social media campaigns through Facebook and LinkedIn. DEW highlight its own military service veteran employees during this campaign. 15 Veteran focused job fairs were held throughout the 12 regions in the state. SC Works centers across the state have staff – Disabled Veterans Outreach Program (DVOP) Representatives and Local Veterans’ Employment Representatives (LVER) – who are trained to assist military jobseekers and their families to find civilian employment.

Through the support and assistance from our DVOPs and LVERs, veterans are able to receive priority employment services.

### VETERANS PERFORMANCE REPORT

	GOAL FOR PY ‘23	ACTUAL	PERCENT OF GOAL
Employment Q2	50.0%	57.9%	115.8%
Employment Q4	48.0%	54.9%	114.4%
Median Earnings	\$5,160	\$7,917	153.4%

## VETERANS PORTAL

DEW launched its SC Works Veterans Portal in April 2022, which is a one-stop directory for South Carolina’s veterans to be able to search for jobs, locate nearby SC Works centers for resume and networking assistance, learn about training and education opportunities, and take advantage of a myriad of resources on their job-seeking journey. The Veterans Portal, available at [veterans.scworks.org](https://veterans.scworks.org), is a user-friendly and helpful platform that makes it easier for veterans to transition into civilian life. Veterans benefit from the search engine that filters job opportunities matching their military skills by keyword, location, or military occupation code. The website also features veteran-focused hiring events and a page for the Honoring Investments in Recruiting and Employing (HIRE) Vets Program, which highlights employers in the state that hire veterans and offer them professional development opportunities.

## RAPID RESPONSE

DEW’s Rapid Response team works closely with local staff to coordinate and facilitate management meetings and group information sessions and assist with reemployment services when DEW received notice of impending employment layoffs. During group information sessions, state and local staff provide information about reemployment services and Unemployment Insurance. Through these sessions affected workers are connected with the SC Works system. If a layoff is trade-impacted, Trade Adjustment Assistance staff are involved in the coordination and facilitation of rapid response activities.

In PY’2023, the Rapid Response team served 173 employers providing informational sessions and/or direct reemployment services to individuals impacted by a layoff and/or closure.

- 188 Management Meetings
- 114 Group Information Sessions
- 70 On-Site Services

## PERSONALIZED EMPLOYER PLAN

The agency and the representatives in the SC Works centers work with individual employers to develop a plan to obtain appropriate employees. The assigned employer team works with the employer to determine the best path forward for recruiting and identifying skills for their open positions. These plans can include the job match program, virtual job fairs, recall assistance, hiring events, and screening services, among other personalized services.

# WORKFORCE DEVELOPMENT

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The Workforce Development Division focuses on innovative and collaborative approaches to workforce development through partnerships with state and local boards, as well as other agencies and organizations throughout the state. These partnerships operate through jointly run SC Works system at centers located geographically throughout the state.

## SC WORKS LEARNING MANAGEMENT SYSTEM

The successful performance of the SC Works system relies on the staff that serve jobseekers and employers. To ensure that SC Works customers receive high-quality service delivery, DEW and the State Workforce Development Board (SWDB) have prioritized the training and professional development of SC Works center staff. Center staff are employed by DEW, as well as DEW partner agencies and organizations that provide a variety of education, workforce, and human services. Through an investment by the SWDB, DEW launched the SC Works Learning Center, a learning management center (LMS) that will provide a centralized location for training content accessible across the SC Works system and includes the functionality for staff and managers to track completion of required training. A Workforce Learning Manager will lead content creation and oversee administration and utilization of the LMS, working closely with SC Works Staff and partners to design and facilitate training courses.

## WORKFORCE INNOVATION FUNDING

Innovation in workforce programming and service delivery keeps South Carolina's workforce system nimble and adaptive to changing industry needs. In support of innovation, local workforce development boards are encouraged to pilot new strategies for delivering workforce development resources in their local communities. In 2024, DEW accepted applications for Workforce Innovation Funding from local workforce development boards. The Pee Dee Local Workforce Development Board was selected to receive a grant to educate and prepare individuals for manufacturing jobs at AESC (an EV battery manufacturer establishing operations in Florence, SC) and other industries in the energy ecosystem. Funding is available to the local board for 12 months, starting September 1, 2024.

## TAA REACH BACK INITIATIVE

DEW administers the federally funded Trade Adjustment Assistance Act (TAA) Program. TAA provides training and other services to workers who lose their job due to foreign competition. In 2022, the US Department of Labor (USDOL) announced the termination of TAA. This provision prohibits the USDOL from issuing new determinations or processing new petitions or requests for reconsideration until further notice. However, workers who were certified and separated from their trade-affected employment on or before June 30, 2022, may still be eligible for benefits and services. TAA staff has worked diligently to develop innovative strategies for reaching and identifying eligible workers through our Reach Back campaign. The campaign was launched using a combination of outreach methods designed to connect with potentially eligible workers and ensure they have access to program benefits.

### Outreach Methods:

**Geofencing and Social Media:** Ads targeting potentially eligible workers have been placed on Facebook and Instagram, allowing us to reach individuals through platforms they regularly use.

**Calls, Emails, and Letters:** Utilizing worker lists from trade-affected employers, we verify wage data using SCUBI to determine if wages have been reported for the most recent quarter. If no wages are found, TAA Workforce Consultants reach out with cold calls, followed by emails and letters, to engage and inform workers of their potential eligibility.

**Printed Materials:** Flyers specific to each of the twelve local workforce areas have been created and distributed. Regional Managers have placed these flyers in comprehensive centers and satellite offices throughout their regions. Additionally, Wagner Peyser staff have ensured flyers are available at key community touchpoints, such as libraries and community centers, to reach workers who may not visit American Job Centers (AJCs) or partner programs.

**Website:** A dedicated website can be accessed via QR code or URL displayed on TAA flyers. The website provides an overview of the TAA program and details on how to qualify. It features a clickable state map that allows workers to view trade-affected employers and applicable timeframes, helping them assess their potential eligibility based on past employment and separation dates.

**Partnerships:** Collaborative partnerships have been integral to the success of the Reach Back campaign. TAA has established partnerships with Reemployment Services and Eligibility Assessment (RESEA), Rapid Response, Unemployment Insurance (UI), Information Technology (IT), and the Workforce Innovation and Opportunity Act (WIOA).

Through these partnerships, we receive referrals and access lists of individuals who have recently separated or are projected to separate from employment. Since the launch of the Reach Back campaign, we have enrolled 49 workers into the TAA program. These individuals have utilized the program's benefits to access reemployment services and training opportunities, allowing them to transition back into the workforce efficiently. The success of this campaign demonstrates the effectiveness of our outreach efforts and the commitment of TAA staff to serve workers impacted by trade.

## SC CAREER READINESS PROGRAM

The SC Career Readiness Program provides access to career readiness courseware and assessments for jobseekers, including academic, digital skills, and soft skills. In partnership with WIN Learning, South Carolina created a custom credential called the SC Professional Skills Certificate, to equip jobseekers with critical digital and soft skills. More than 200 Professional Skills Certificates have been awarded since 2023. The credential demonstrates mastery of these topic areas and readiness to apply these skills in the workforce. There are four credential levels: Achievement Levels 2, 3, 4, and 5. Each Achievement Level correlates to an O\*NET Job Zone. The higher the learner or jobseeker scores, the greater his or her readiness for careers in higher-level O\*NET Job Zones. For employers, the Career Readiness Program offers a no-cost job analysis that evaluates specific job roles, identifying the required Achievement Level required for entry. The job analysis process helps employers make more informed hiring and advancement decisions, by matching the Achievement Level a jobseeker receives on the academic or soft skills assessment, which the level needed for the job. Since implementation of the program, 9,500 Work Ready credentials have been awarded.





**WIOA TITLE I ADULT, DISLOCATED WORKER, AND YOUTH PROGRAM PERFORMANCE FOR PY'23:**

WorkLink					Pee Dee				
Indicator/Program	Title I Adult % of Goal	Title I DW % of Goal	Title I Youth % of Goal	Overall Indicator Score	Indicator/Program	Title I Adult % of Goal	Title I DW % of Goal	Title I Youth % of Goal	Overall Indicator Score
Employment Rate Q2	105.5%	101.6%	104.9%	104.0%	Employment Rate Q2	106.8%	114.3%	105.2%	108.8%
Employment Rate Q4	107.8%	107.9%	110.7%	108.8%	Employment Rate Q4	105.7%	114.9%	101.2%	107.3%
Median Earnings	145.4%	147.0%	120.8%	137.7%	Median Earnings	126.8%	143.2%	172.4%	147.5%
Credential Rate	117.6%	138.5%	73.9%	110.0%	Credential Rate	108.5%	108.8%	96.5%	104.6%
Measurable Skill Gains	137.7%	156.3%	124.8%	139.6%	Measurable Skill Gains	119.6%	125.7%	166.2%	137.2%
	122.8%	130.3%	107.0%			113.5%	121.4%	128.3%	

Upper Savannah					Lower Savannah				
Indicator/Program	Title I Adult % of Goal	Title I DW % of Goal	Title I Youth % of Goal	Overall Indicator Score	Indicator/Program	Title I Adult % of Goal	Title I DW % of Goal	Title I Youth % of Goal	Overall Indicator Score
Employment Rate Q2	97.7%	105.7%	83.2%	95.5%	Employment Rate Q2	112.7%	123.3%	107.1%	114.4%
Employment Rate Q4	104.5%	102.2%	84.3%	97.0%	Employment Rate Q4	111.0%	117.4%	111.4%	113.3%
Median Earnings	123.1%	104.9%	123.1%	117.0%	Median Earnings	146.5%	178.9%	118.8%	148.1%
Credential Rate	79.6%	100.6%	63.1%	81.1%	Credential Rate	134.5%	117.2%	107.9%	119.9%
Measurable Skill Gains	149.8%	149.8%	157.8%	152.5%	Measurable Skill Gains	152.2%	173.3%	144.8%	156.8%
	110.9%	112.7%	102.3%			131.4%	142.0%	118.0%	

Upstate					Catawba				
Indicator/Program	Title I Adult % of Goal	Title I DW % of Goal	Title I Youth % of Goal	Overall Indicator Score	Indicator/Program	Title I Adult % of Goal	Title I DW % of Goal	Title I Youth % of Goal	Overall Indicator Score
Employment Rate Q2	95.3%	99.9%	98.5%	97.9%	Employment Rate Q2	94.2%	95.2%	95.1%	94.8%
Employment Rate Q4	103.8%	102.3%	105.6%	103.9%	Employment Rate Q4	101.2%	107.9%	105.0%	104.7%
Median Earnings	116.0%	137.7%	114.8%	122.8%	Median Earnings	103.7%	114.3%	125.3%	114.4%
Credential Rate	111.1%	124.0%	103.3%	112.8%	Credential Rate	99.0%	86.0%	92.6%	92.5%
Measurable Skill Gains	141.5%	155.9%	165.9%	154.4%	Measurable Skill Gains	131.8%	112.2%	156.3%	133.4%
	113.5%	123.9%	117.6%			106.0%	103.1%	114.8%	

Greenville					Santee-Lynches				
Indicator/Program	Title I Adult % of Goal	Title I DW % of Goal	Title I Youth % of Goal	Overall Indicator Score	Indicator/Program	Title I Adult % of Goal	Title I DW % of Goal	Title I Youth % of Goal	Overall Indicator Score
Employment Rate Q2	108.6%	110.7%	122.5%	113.9%	Employment Rate Q2	102.3%	114.0%	110.1%	108.8%
Employment Rate Q4	103.2%	118.0%	120.0%	113.7%	Employment Rate Q4	90.3%	93.9%	110.2%	98.1%
Median Earnings	120.2%	101.9%	87.7%	103.3%	Median Earnings	137.4%	98.6%	126.1%	120.7%
Credential Rate	126.6%	125.5%	46.9%	99.7%	Credential Rate	114.0%	132.5%	112.3%	119.6%
Measurable Skill Gains	138.8%	157.3%	141.7%	145.9%	Measurable Skill Gains	130.5%	179.2%	142.2%	150.7%
	119.5%	122.7%	103.8%			114.9%	123.6%	120.2%	

Midlands					Waccamaw				
Indicator/Program	Title I Adult % of Goal	Title I DW % of Goal	Title I Youth % of Goal	Overall Indicator Score	Indicator/Program	Title I Adult % of Goal	Title I DW % of Goal	Title I Youth % of Goal	Overall Indicator Score
Employment Rate Q2	102.9%	105.7%	91.0%	99.9%	Employment Rate Q2	103.0%	118.3%	108.8%	110.1%
Employment Rate Q4	96.6%	102.4%	101.4%	100.1%	Employment Rate Q4	108.6%	102.6%	115.4%	108.8%
Median Earnings	121.5%	105.7%	127.6%	118.3%	Median Earnings	124.4%	67.7%	124.5%	105.5%
Credential Rate	118.0%	117.5%	102.6%	112.7%	Credential Rate	105.3%	130.1%	98.8%	111.4%
Measurable Skill Gains	109.6%	105.1%	124.1%	112.9%	Measurable Skill Gains	123.2%	185.2%	146.4%	151.6%
	109.7%	107.3%	109.3%			112.9%	120.8%	118.8%	

Trident					Lowcountry				
Indicator/Program	Title I Adult % of Goal	Title I DW % of Goal	Title I Youth % of Goal	Overall Indicator Score	Indicator/Program	Title I Adult % of Goal	Title I DW % of Goal	Title I Youth % of Goal	Overall Indicator Score
Employment Rate Q2	115.9%	96.4%	109.3%	107.2%	Employment Rate Q2	102.5%	98.1%	117.8%	106.1%
Employment Rate Q4	114.4%	115.2%	107.0%	112.2%	Employment Rate Q4	103.1%	110.9%	111.7%	108.6%
Median Earnings	134.9%	159.6%	190.3%	161.6%	Median Earnings	122.6%	122.5%	112.0%	119.0%
Credential Rate	126.9%	60.9%	80.5%	89.4%	Credential Rate	109.9%	130.4%	126.3%	122.2%
Measurable Skill Gains	103.4%	122.6%	76.3%	100.8%	Measurable Skill Gains	142.0%	125.8%	114.1%	127.3%
	119.1%	111.0%	112.7%			116.0%	117.5%	116.4%	

The assessment reflects performance across programs and negotiated indicators. To pass performance a Local Workforce Development Area (LWDA) must:

- Have an Overall Program Score (across all indicators) of at least 90%
- Have an Overall Indicator Score (across Adult, Dislocated Worker, and Youth programs) of at least 90%
- Have an individual indicator percentage of at least 50%

Color Coding

PASS

FAIL

# LABOR MARKET INFORMATION

The Labor Market Information (LMI) Division produces a wide array of data, statistics, and analysis related to employment and workforce in South Carolina. This includes labor supply and demand, wages and income, labor force and unemployment figures, employment projections, and labor force demographics. There are many consumers of LMI products, including workers and jobseekers, employers, elected officials and other policymakers, education professionals, and economic developers, as well as academic researchers and the media. LMI materials are available at [scworkforceinfo.com](http://scworkforceinfo.com). LMI staff also provide trainings, responses to data requests, and presentations centered on the state's workforce.

The LMI Division operates four programs that are funded by the Bureau of Labor Statistics, part of the U.S. Department of Labor:

- Local Area Unemployment Statistics (LAUS) produce data on how many people are employed and how many people are unemployed, i.e., any individual who doesn't have a job and is actively looking for one. The sum of these two figures is the labor force, and the share of the labor force that is unemployed is the unemployment rate.
- Current Employment Statistics (CES) provide information on the number of filled jobs and their average wage every month, as well as some detail by industry. Note that these numbers may not always tell the same story: LAUS is a survey of households, while CES is a survey of businesses. LAUS and CES data are published monthly by DEW in our Employment Situation press release.
- The Quarterly Census of Employment and Wages (QCEW) is a record of all businesses in the Unemployment Insurance system, how many people they employ, how much they pay, and what industry they are in. This information is more comprehensive than CES but not as timely.
- Occupational Employment and Wages Statistics (OEWS) provide information on payroll and salary by occupation rather than industry. These data are published annually.

## WORKFORCE INNOVATION GRANT

LMI receives a Workforce Innovation Grant from the Employment and Training Administration, also part of the Department of Labor. This funding supports many additional products, including short- and long-term employment projections by industry and occupation, data on company staffing patterns, information on current job openings and job candidates, as well as occasional reports on topics of interest to LMI customers.

## TRENDS

LMI publishes a monthly report, South Carolina Data Trends, which summarizes the data discussed here and provides analysis on economic topics of interest. Current and previous issues are available on the DEW website at [dew.sc.gov/labor-market-information/data-trends-issues](http://dew.sc.gov/labor-market-information/data-trends-issues). LMI also regularly updates our community profiles, which provide an array of information about our state, its counties and metropolitan areas, and 12 workforce development areas. Community Profiles are available at [lmi.dew.sc.gov](http://lmi.dew.sc.gov).

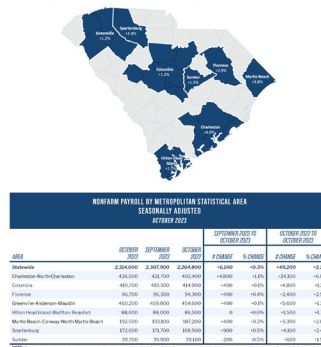
South Carolina Data

# TRENDS

OCTOBER 2023 ISSUE

### CURRENT EMPLOYMENT STATISTICS

Seasonally Adjusted – Year-Over-Year Change



Sector	SEPTEMBER 2022 TO OCTOBER 2023			OCTOBER 2022 TO OCTOBER 2023		
	SEPT 2022	SEPT 2023	% CHANGE	OCT 2022	OCT 2023	% CHANGE
Total Nonfarm	2,284,490	2,307,900	1.01%	2,284,490	2,307,900	1.01%
Manufacturing	171,000	171,000	0.00%	171,000	171,000	0.00%
Construction	100,000	100,000	0.00%	100,000	100,000	0.00%
Retail Trade	200,000	200,000	0.00%	200,000	200,000	0.00%
Health Care	150,000	150,000	0.00%	150,000	150,000	0.00%
Education	100,000	100,000	0.00%	100,000	100,000	0.00%
Government	100,000	100,000	0.00%	100,000	100,000	0.00%
Other	1,513,490	1,526,900	1.01%	1,513,490	1,526,900	1.01%



# LEGISLATIVE RECOMMENDATIONS

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The Department makes the following legislative recommendations to improve efficiency and promote integrity:

1. **Amend Section 41-31-60(B) to state that an employer with an active lien must pay future quarters at their calculated rate plus 2 additional percentage points.**

Employers with an active lien must pay their quarterly UI taxes at the maximum Tax Class 20 rate. When the tax code was changed effective 2011, the difference between Tax Class 20 and the next highest tax class was only approximately 10%. In 2025, the difference between Tax Class 20 and the next highest tax class is over 250%. Additionally, businesses who are already in Tax Class 20 suffer no consequence for failing to pay their full UI taxes, other than nominal interest and penalties. DEW recommends that this provision be changed to require employers with an active lien to pay future UI taxes at their calculated rate plus 2 percentage points until all liens are paid. Adding 2 percentage points will render the tax structure more consistent with the consequences when the tax code was changed in 2011.

2. **Amend Sections 41-31-350 and 41-31-370 to eliminate the cap on penalties.**

Employers that fail to submit quarterly wage reports or pay UI taxes on time are subject to a penalty of 10% of the taxes due. This penalty, however, is capped at \$1,000. Wage growth and payrolls have increased substantially since this penalty was last updated in 1985. As a result, employers with large payrolls that fail to comply with the law are penalized at a disproportionately small amount compared to smaller businesses. DEW recommends that the 10% cap be eliminated and all noncompliant employers be subjected to a penalty of a full 10% of the taxes due.

3. **Amend Section 41-31-350 to create a SOC code penalty of \$5 per employee without a SOC Code.**

Starting in 2024, employers were required to provide a Standard Occupational Classification (SOC) code and the hours worked for each of their employees as part of their quarterly wage report submissions to DEW. SOC codes and hours worked provide vital information about South Carolina's workforce, and this information is crucial to achieving the goals of the Statewide Education and Workforce Development Act (Act 67 of 2023). However, there is currently no penalty for an employer that fails to provide this vital information. DEW recommends that when an employer submits a quarterly wage report with missing SOC codes or hours worked that the employer be assessed a penalty of \$5.00 per employee without a SOC code or hours worked. This penalty would be imposed under the same statutory timeframes for the imposition of a tax lien. DEW further recommends that the penalty be statutorily waived if an employer, files the accurate missing SOC codes and/or hours worked within thirty days of the imposition of the penalty. This will encourage compliance with Act 67 of 2023 and promote South Carolina's workforce development goals.

4. **Make the necessary statutory changes to authorize electronic communication wherever a statute specifies mail.**

DEW currently spends over \$1,000,000 per year mailing statutorily required notices to individuals and employers via the United States Postal Service (USPS). To promote cost savings and efficiency, DEW recommends that the legislature create a proviso authorizing DEW to send statutorily required notices via electronic means if the recipient opts in to electronic delivery. Individuals or employers that do not opt in to electronic delivery of notices would continue to receive them via the USPS.

5. **Consider amending Section 41-31-5 to gradually expand the lookback period for setting UI taxes from twelve quarters to twenty quarters.**

Currently, DEW sets employer UI tax rates by looking at the taxable wages and UI benefit charges during the twelve quarters ending on June 30. When this law was changed effective for tax year 2014, only 15.8% of taxable wages were placed in the lowest Tax Class 1. In 2025, however, 29.7% of taxable wages were in Tax Class 1 due to having had zero benefit charges during the previous twelve quarters. This means that 29.7% of the tax base is not contributing to the UI Trust Fund. DEW recommends that the legislature consider gradually expanding the lookback period so that less taxable wages are in the lowest Tax Class 1 each year. For instance, the law could be changed so that the lookback period for tax year 2026 would be the sixteen quarters ending on June 30 and the lookback period for tax year 2027 and thereafter would be twenty quarters.

# LEGISLATIVE RECOMMENDATIONS CONT.

Expanding the lookback period would ultimately lower the percentage of taxable wages in Tax Class 1 to a level more commensurate with when the law was enacted, and it would also minimize the adverse impact to a small business of a single unemployment claim. For example, a small business with no benefit charges and three employees each making \$40,000 would pay taxes at the lowest Tax Class 1 rate. A single claim paying out \$3,000 in UI benefits would have resulted in that employer going from paying 0.06% in taxes to paying 5.46% in taxes in 2025 with the current twelve-month lookback period. If the lookback period was over twenty quarters, however, that employer's tax rate would have only gone up to 1.551% in 2025.







**MANAGEMENT AND  
TRUST FUND REVIEW REPORT**  
FY JULY 1 2023 - JUNE 30, 2024





SOUTH CAROLINA  
Department of Employment and Workforce



SOUTH CAROLINA  
UNEMPLOYMENT INSURANCE

FY2024

**TRUST  
FUND  
ANNUAL  
ASSESSMENT**

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## EXECUTIVE SUMMARY

Each fiscal year, the South Carolina Department of Employment and Workforce (DEW) is required to submit, by October 1, a report to the Governor, General Assembly and the Review Committee indicating the amount in the Unemployment Insurance (UI) Trust Fund and making an assessment of its funding level in accordance with Section 41-33-45 of the South Carolina Code of Laws. This assessment covers fiscal year 2024 (July 1, 2023-June 30, 2024).

## CURRENT STATUS

Unemployment benefit outlays for FY2024 totaled \$142,943,075<sup>1</sup>. Revenues generated to fund the UI programs totaled \$241,790,569<sup>2</sup>.

As of June 30, 2024, the UI Trust Fund had an unadjusted balance of \$1,696,336,324<sup>3</sup>. The health of the Trust Fund has been strong over the past fiscal year.

The Trust Fund is above its adequate balance as of June 30, 2024, and there will be no Trust Fund rebuilding process required for CY2025.

For historical context, all previous advances from the federal government were repaid as of June 11, 2015. The COVID-19 pandemic had a significant negative impact on the Trust Fund balance. Fortunately, the Trust Fund was fully funded going into CY2020 and thus in better shape to weather a downturn. Additionally, swift legislative action, including appropriating \$836.4 million to the Trust Fund, helped to mitigate the significant drain. The balance as of June 30, 2024 exceeded the state definition of adequate funding. Thus, no solvency surcharge will be required for CY2025, and weekly UI payments continue to remain consistent with pre-pandemic levels.

More than 20 states had to borrow from the federal government to continue making unemployment benefit payments at some point during the past four years. As of September 6, 2024, three states/territories (CA, NY, and VI) continued to have an outstanding balance, and two states (CA, NY) are actively borrowing. In addition to paying back these loans, these states must also now pay interest on the accumulated balances. The federal waiver on interest expired September 6, 2021. For

<sup>1</sup> Treasury Direct Account Statements

<sup>2</sup> *Ibid*

<sup>3</sup> Treasury Direct Account Statements: Jun 2024

FY2024, these states accumulated more than \$580 million in interest costs alone. South Carolina avoided this fate, and South Carolina employers will not have to pay increased UI taxes or a solvency surcharge to pay off loans and rebuild the Trust Fund.

## FUTURE OUTLOOK

The economic recovery from the pandemic-induced recession is largely complete. As of July 2022, all jobs lost

had been recovered statewide and UI claim payments remain consistent with their pre-pandemic levels. This strong recovery combined with effective management of the Trust Fund, in partnership with the Governor's Office and General Assembly, will result in no solvency surcharge for CY2025<sup>4</sup>.

## RECENT UNEMPLOYMENT INSURANCE TRUST FUND HISTORY

The components of the Trust Fund are defined as follows:

- **Contributions** – Revenue received from employers, federal government, or other states as of June 30.
- **Interest** – Federal Treasury interest posted to each state's Trust Fund account quarterly.
- **Benefits** – Benefit payments less benefit overpayment recoveries.

- **Fund Balance** – Unadjusted Trust Fund balance
- **Total Wages** – Total covered payroll wages reported by all covered employers for the period beginning July 1 and ending June 30.

Historical data of the principal components of the state UI Trust Fund are outlined in Table 1. Graphs of the historical contributions, benefits, and fund balance are shown in Figure 1 based on calendar year data.

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<sup>4</sup> CY2024 tax rates will be mailed to all businesses the second week of November 2024.

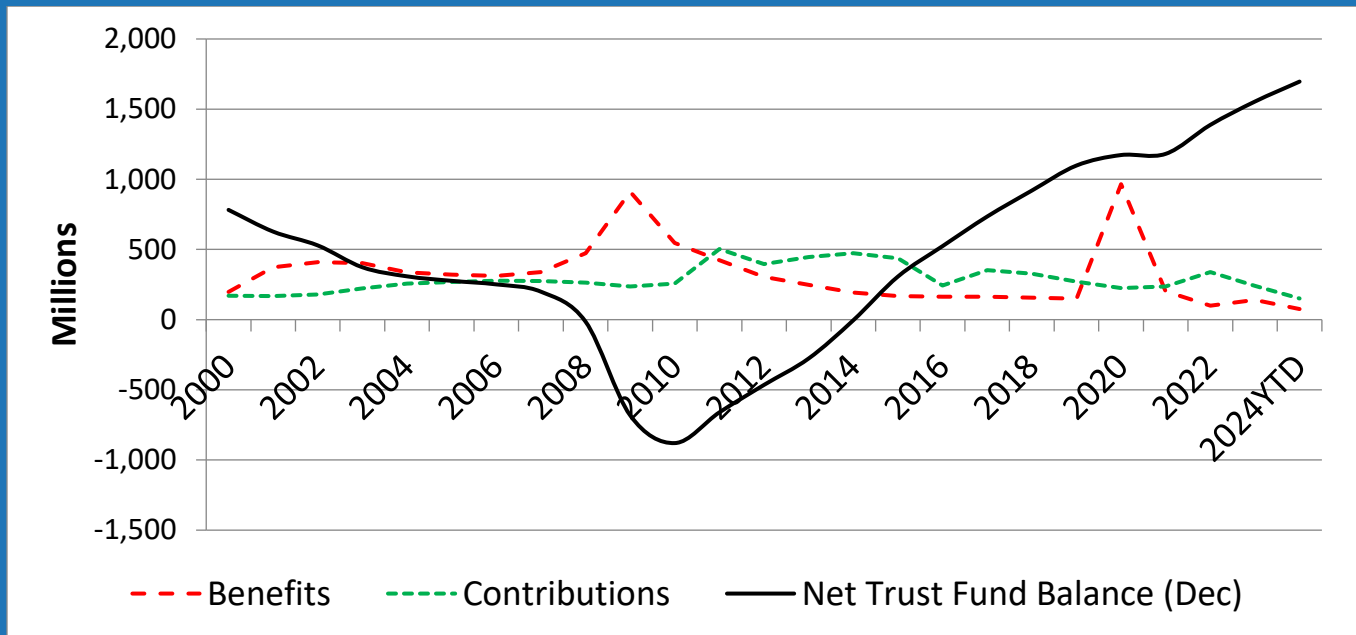


TABLE 1: UI TRUST FUND COMPONENTS, FY2020-2024

COMPONENT	FY2020	FY2021	FY2022	FY2023	FY2024
7/1 Begin Fund Balance	\$1,050,622,227	\$707,250,195	\$1,181,566,146	\$1,387,797,571	\$1,554,293,460
Contributions	\$477,274,994	\$284,303,507	\$319,727,912	\$271,220,724	\$241,790,569
Earned Interest	\$25,511,764	\$23,473,578	\$20,037,025	\$25,872,453	\$43,195,370
CARES Act	N/A	\$836,397,251	N/A	N/A	N/A
Benefits	\$846,158,789	\$669,858,385	\$133,533,512	\$130,597,287	\$142,943,075
6/30 End Fund Balance <sup>5</sup>	\$707,250,195	\$1,181,566,146	\$1,387,797,571	\$1,554,293,460	\$1,696,336,324
Total Wages <sup>6</sup>	\$78.0 billion	\$83.2 billion	\$93.4 billion	\$102.7 billion	\$108.9 billion

Note: Not equivalent to audited financial statements.

FIGURE 1: HISTORICAL CONTRIBUTIONS, BENEFITS, AND FUND BALANCE, CY2000-2024<sup>7</sup>



<sup>5</sup> Treasury Direct Account Statements Jul 2019-Jun 2024, Unadjusted

<sup>6</sup> Internal estimates August 14, 2024

<sup>7</sup> US Department of Labor: Financial Handbook 394 <http://www.oui.doleta.gov/unemploy/hb394.asp> (information from US Department of Labor excludes all federal advances and other fiscal year-ending adjustments) and ETA2112 Reports; contributions data exclude CARES Act funding

After 10 years of continuously falling annual benefit payments, South Carolina experienced a significant increase in benefit costs in the spring of 2020 as a result of the COVID-19 pandemic. This dramatic increase in benefit costs combined with declining tax revenues brought the Trust Fund balance from a high of nearly \$1.1 billion as of January 2020 to just over \$700 million by June 2020. An \$836.4 million infusion from legislatively appropriated CARES Act funds was received in August and December 2020 bringing the Trust Fund balance back over \$1.1 billion as of December 2020. Benefit payments have declined dramatically since the spring of 2020 and are now consistent with pre-pandemic levels. Barring any additional economic turmoil, the Trust Fund balance is expected to stay over \$1.5 billion for the foreseeable future.

## SOLVENCY STANDARDS

South Carolina has adopted the most widely accepted measure of Trust Fund solvency, known as the Average High Cost Multiple (AHCM). See S.C. Code Ann. § 41-31-45(A). This measure of whether a state has enough money to cover unemployment claims during an economic downturn was devised in 1995 by the federal Advisory Council on Unemployment Compensation.

The AHCM is calculated by taking the Trust Fund balance as a percent of estimated wages for the most recent 12 months (also known as the reserve ratio) and dividing it by the Average High Cost Rate, which is the average of the three highest calendar year benefit cost rates, in the last 20 years or a period including three recessions, whichever is longer. Benefit cost rates are benefits paid as a percent of total wages in taxable employment.

For the upcoming year, 2025, the three highest cost years in the last 20 years or last three recessions (2004-2023) are 2009, 2010, and 2020. For instance, in 2009, the state paid out approximately 1.84 percent of total wages in benefits (\$910 million in benefits

divided by \$49.4 billion in total wages). Averaging the high cost rate for those three years gives the average high cost rate of 1.379382341 percent. The most recently completed calendar year of 2023, the state paid \$105,488,032,616 in total wages. Multiplying the 1.38 percent by approximately \$105.5 billion provides the adequate balance for CY2025...\$1,455,083,293.

The South Carolina General Assembly has adopted the US Department of Labor's recommendation that a state have an AHCM of 1.0, which means that the state has enough funds to pay one year of benefits at the Average High Cost. This should be sufficient to fund benefits during an average recession.

Table 2 shows South Carolina's three highest benefit cost rate years, the state's actual (or projected) total wages, and the Trust Fund balance that would be required to achieve the recommended solvency level of 1.0. Note that CY2020 is now a new high cost year and factors into the Trust Fund adequacy calculations for CY2025.

**TABLE 2: SOLVENCY STANDARDS AND PROJECTIONS<sup>8</sup>**

CALENDAR YEAR	HIGH COST YEARS	AVERAGE HIGH COST RATE	TOTAL WAGES <sup>9</sup> 2 YEARS PRIOR (BILLIONS\$)	TARGET BALANCE <sup>10</sup> (AHCM=1.0) (MILLIONS\$)
<b>2015</b>	1991, 2009, 2010	1.30	\$57.0	\$741.0
<b>2016</b>	1991, 2009, 2010	1.30	\$60.3	\$783.9
<b>2017</b>	1991, 2009, 2010	1.30	\$64.0	\$832.0
<b>2018</b>	1991, 2009, 2010	1.30	\$67.2	\$873.6
<b>2019</b>	1991, 2009, 2010	1.30	\$71.1	\$924.3
<b>2020</b>	1991, 2009, 2010	1.30	\$75.1	\$965.9
<b>2021</b>	2009, 2010, 2020	1.38	\$77.2	\$1,083.3
<b>2022</b>	2009, 2010, 2020	1.38	\$79.6	\$1,098.5
<b>2023</b>	<i>2009, 2010, 2020</i>	1.38	\$88.2	\$1,217.2
<b>2024</b>	<i>2009, 2010, 2020</i>	1.38	\$97.6	\$1,346.9
<b>2025</b>	<i>2009, 2010, 2020</i>	1.38	\$105.5	<b>\$1,455.9</b>
<b>2026</b>	<i>2009, 2010, 2020</i>	1.38	\$109.7	\$1,513.9
<b>2027</b>	<i>2009, 2010, 2020</i>	1.38	\$114.1	\$1,574.6

*Projections in italics*

For CY2025, the fund adequacy target is projected to be \$1,455.9 million based on total wages paid in the last available full year, 2023, of \$105.5 billion and an average high cost rate of 1.38. The adequate fund balance will continue to increase as the state’s economy continues to expand and will reach over \$1.57 billion by 2027.

## TRANSPARENCY OF FUNDING (PROVISO 83.3)

In accordance with FY2024-25 Appropriations Act Proviso 83.3 this report also provides information on (1) state unemployment taxes collected by tax rate class, (2) unemployment benefit claims paid, (3) how many unemployment claims were made in error, (4) payments made to the federal government for outstanding unemployment benefit loans, and (5) the balance in the state’s UI Trust Fund at fiscal year’s end.

<sup>8</sup> US Department of Labor: Financial Handbook 394 and Agency calculations—small differences may be due to rounding.

<sup>9</sup> Assumes 4% total wage growth annually. Numbers will change as economic conditions change. Note that the wages in Table 2 are based on calendar year data while the wages in Table 1 are based on fiscal year information.

<sup>10</sup> Estimates are rounded



**TABLE 3: CONTRIBUTIONS BY TAX RATE CLASS, 2023**

TAX RATE CLASS	# OF EMPLOYER ACCOUNTS	BASE CONTRIBUTIONS	CONTINGENCY CONTRIBUTIONS	% OF TOTAL CONTRIBUTIONS
1	74,234	\$1,758	\$3,759,963	1.5%
2	840	\$1,441,568	\$621,632	0.8%
3	684	\$1,624,926	\$636,812	0.9%
4	516	\$1,908,711	\$658,824	1.0%
5	523	\$2,021,767	\$581,726	1.0%
6	488	\$2,126,476	\$605,773	1.1%
7	529	\$2,313,124	\$591,453	1.1%
8	615	\$2,707,500	\$618,445	1.3%
9	566	\$3,805,025	\$765,386	1.8%
10	514	\$3,393,065	\$637,254	1.6%
11	682	\$3,524,958	\$593,567	1.6%
12	43,737	\$11,146,059	\$1,635,297	5.0%
13	842	\$4,759,813	\$599,449	2.1%
14	964	\$9,268,222	\$586,771	3.9%
15	878	\$10,148,804	\$567,729	4.2%
16	1,175	\$11,526,406	\$591,392	4.8%
17	1,251	\$12,003,100	\$556,252	4.9%
18	1,705	\$13,278,532	\$552,037	5.4%
19	2,012	\$13,519,369	\$504,066	5.5%
20	15,668	\$108,791,301	\$1,503,667	43.2%
<b>TOTAL</b>	<b>148,423</b>	<b>\$219,310,483</b>	<b>\$17,167,494</b>	

## TAX COLLECTIONS BY TAX RATE CLASS

Tax rates are set on a calendar year basis in the fall of each year. Tax rates for CY2024 were set in November 2023.

In CY2023, a total of \$219.3 million was collected in the form of total state unemployment taxes based on employer-submitted wage reports. These funds were used to pay unemployment benefits to eligible individuals who were separated through no fault of their own and to continue building the state Trust Fund to the acceptable solvency level as defined in state law. In addition to the base tax rate for benefits, all businesses in the state are also responsible for paying a 0.06% administrative contingency assessment which totaled nearly \$17.2 million for 2023.

Table 3 shows the estimated contributions paid for CY2023 by each tax rate class.

There are a large number of businesses in tax rate class 1 due to the relatively short three-year look back period used to compute a business' experience rating. A majority of businesses in tax rate class 1 are relatively small in size. Approximately 5 percent of the state's taxable wages (excluding new businesses and delinquent accounts) are assigned to each category. Businesses with less than 12 months of liability are assigned a new business tax rate of class 12. This accounts for the large volume of

businesses in that category in Table 3. Any business with a delinquent wage and contribution report or delinquent unemployment taxes is assigned to rate class 20, which accounts for the larger volume of businesses in that category.

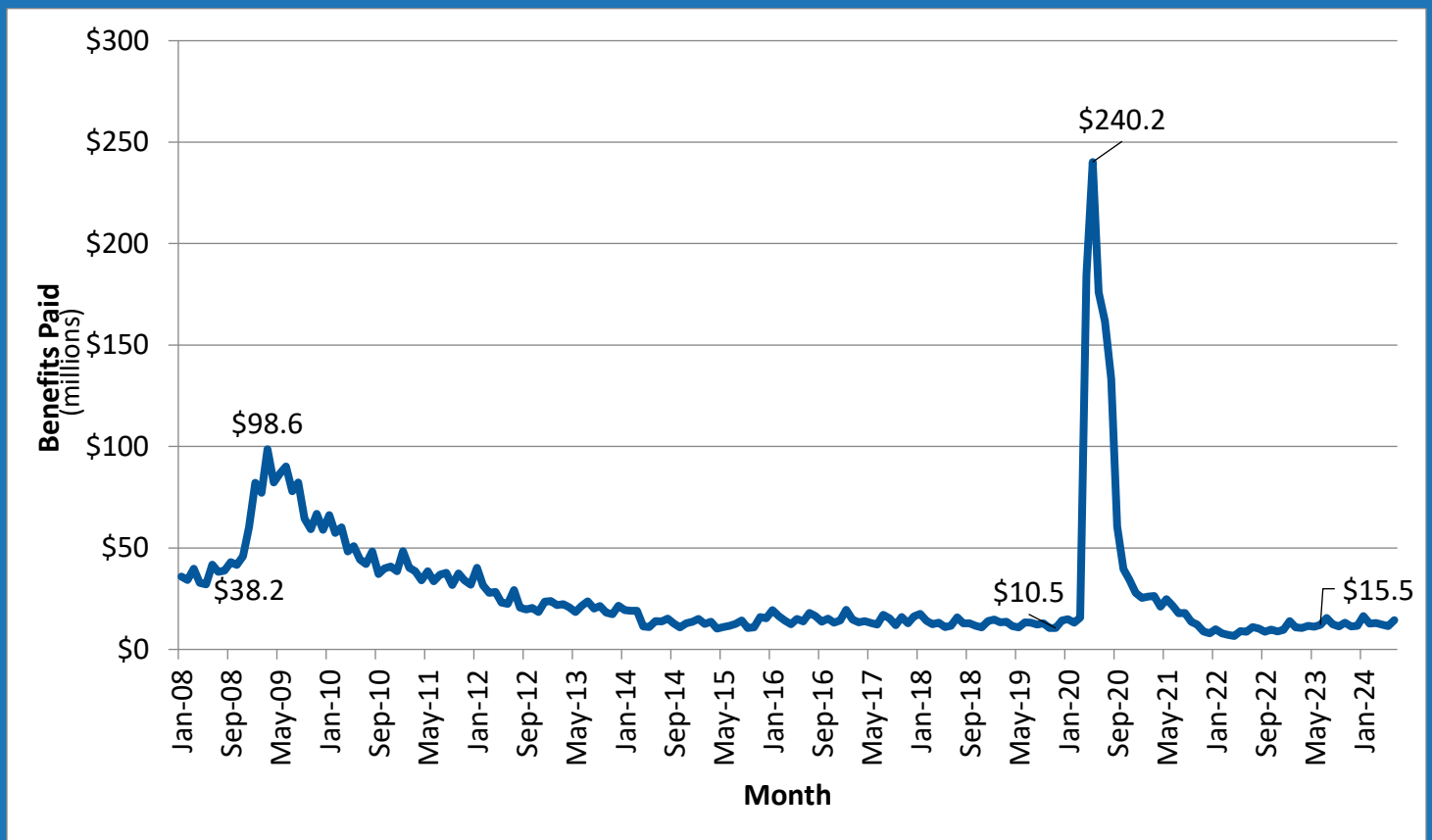
## STATE UNEMPLOYMENT BENEFITS PAID

State unemployment taxes fund up to 20 weeks of unemployment benefits to individuals who are out of work through no fault of their own. Prior to June 2011, the state unemployment taxes funded up to 26 weeks of unemployment benefits. Due to the reduction in the number of weeks available, continued job growth, economic improvement in the state, and stricter disqualification

penalties being implemented, benefit payments have come down substantially from their height in 2009.

Figure 2 shows the benefits paid by month from January 2008 through June 2024. Monthly benefit payments reached a peak in the Great Recession in March 2009 at over \$98 million. Benefit payments reached over \$240 million in the month of May 2020 as pandemic-related shutdowns of certain types of businesses had their most significant impact. As of June 2024 that number had fallen to \$15.5 million. Figure 2 does not include any federal unemployment benefit payments.

FIGURE 2: MONTHLY UI BENEFIT PAYMENTS, JAN 2008 - JUN 2024<sup>11</sup>



<sup>11</sup> US Department of Labor, <https://oui.doleta.gov/unemploy/claimssum.asp>

# UNEMPLOYMENT INSURANCE IMPROPER PAYMENTS

## IMPROPER PAYMENTS

The Integrity Unit is responsible for preventing, detecting and recouping any improper payments to claimants from the UI program. These improper payments include both overpayments and underpayments. They also include both fraud and non-fraud overpayments.

Historically, a majority of improper UI payments result from claimants who do not report wages earned when they file for UI benefits. DEW discovers the vast majority of these overpayments by cross-matching claims data against the wage reports South Carolina employers submit each quarter and by cross-matching data from the State Directory of New Hires. These tools, however, alert DEW of the improper payment after it has occurred. Further, DEW is required by federal law and due process standards to investigate each potential improper payment and afford the claimant a reasonable amount of time to respond before determining the payments were improper. The amount of time between the start of the improper payment and DEW's discovery, investigation, and adjudication of the improper payment will increase the amount of the improper payment.

## RECOUPMENT

DEW has several means of collecting any overpayments made to claimants. Some of the most successful include the federal and state income tax refund intercept programs (TOPs and SOD). Involuntary wage withholding after the claimant returns to work is another avenue for collection for those who do not repay their overpayments or fail to enter into repayment agreements. Overpaid individuals have the option to repay their benefits securely and easily online. As overpayments increase, overpayment collections also tend to rise as there are more overpayments that are collectable. Note that collection efforts for overpayments detected in CY2020-CY2022 will continue to occur in future years, which may result in larger recoupment values in the coming years relative to the amount of benefits paid.

## FY2023-FY2024

Table 4 provides information on the number of fraud and non-fraud overpayment cases detected by the unit for the period FY2023 through FY2024 as well as the dollar amounts associated with the overpayments. The higher recoupment numbers in FY2024 are largely the result of the recovery of overpayments made during the pandemic, a period of high benefit payments.

TABLE 4: OVERPAYMENTS, FY2023 – FY2024<sup>12</sup>

	Fraud		Non-Fraud		Total	
	FY23	FY24	FY23	FY24	FY23	FY24
<b>Cases</b>	1,597	1,040	8,834	6,585	10,431	7,625
<b>Dollars</b>	\$5.0m	\$2.4m	\$5.4m	\$4.8m	\$10.4m	\$7.2m
<b>Recouped</b>	\$3.8m	\$5.0m	\$5.7m	\$9.6m	\$9.5m	\$14.6m
<b>NET</b>	\$1.2m	-\$2.6m	-\$0.3m	-\$4.8m	\$0.9m	-\$7.4m

## UNEMPLOYMENT INSURANCE LOAN PAYMENTS

No federal loans were required or repaid during FY2024.

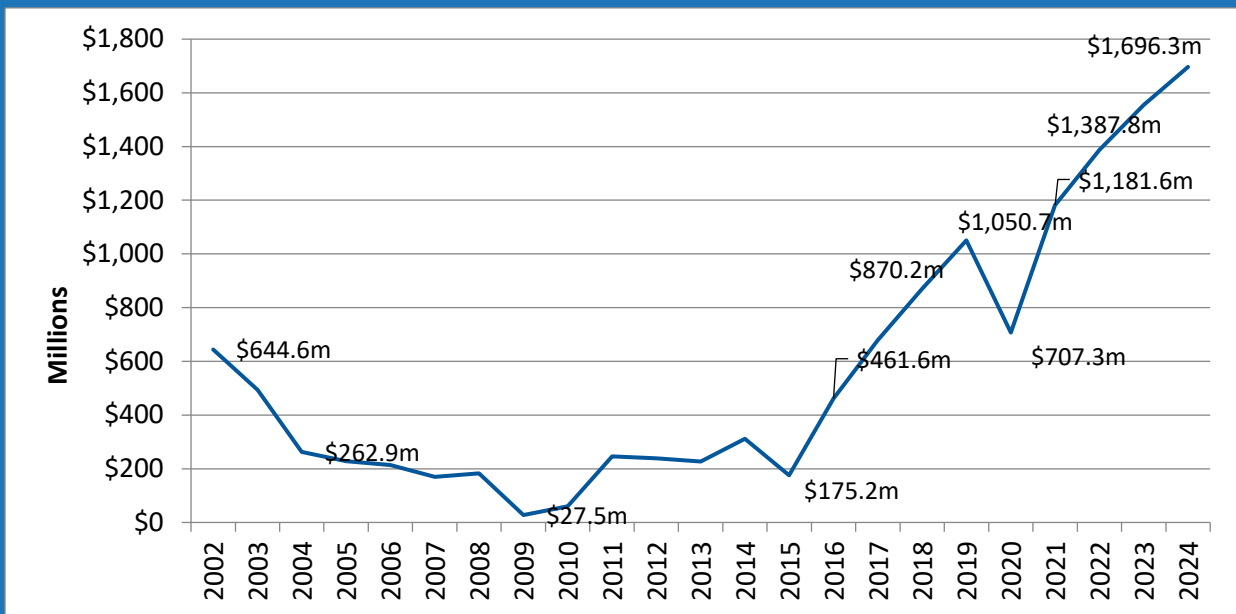
<sup>12</sup> ETA227 overpayment detections for fraud and non-fraud



# UNEMPLOYMENT INSURANCE TRUST FUND BALANCE

As of June 30, 2024, there was an unadjusted balance of \$1,696,336,324<sup>13</sup> in the state’s UI Trust Fund held at the US Treasury in Washington, DC. As shown in Figure 3, the balance in the UI Trust Fund declined steadily between June 30, 2002 and June 30, 2011 but has recovered over the past ten years. Not shown is that these balances include loans between 2009 and 2015. The Trust Fund balance as of June 30, 2015 does not include any outstanding loans as they were repaid in full on June 11, 2015. The timing of the last loan payment accounts for the lower Trust Fund total in 2015 compared to 2014. The onset of the COVID-19 pandemic accounts for the significant dip in the Trust Fund balance in 2020. The addition of \$836.4 million in CARES Act funding restored the Trust Fund balance to pre-pandemic levels.

FIGURE 3: UI TRUST FUND BALANCE AS OF JUNE 30, 2002–2024



## CONCLUSION

The state’s Trust Fund remains fully funded at the end of FY2024. This funding allowed South Carolina to maintain an adequate fund balance and avoid the need to borrow money from the federal government, as was done between 2008 and 2011. The balance in the Trust Fund has attained a funding level sufficient to fund benefits during an average recession as measured by S.C. Code Ann. §41-31-45(A).

<sup>13</sup> Account Statement June 2024: <https://www.treasurydirect.gov/govt/reports/tbp/account-statement/report.html>



SOUTH CAROLINA

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