



SOUTH CAROLINA
HOUSE OF REPRESENTATIVES
GOVERNMENT EFFICIENCY &
LEGISLATIVE OVERSIGHT COMMITTEE

Economic Development, Transportation, and Natural Resources
Subcommittee

Chairman Travis A. Moore

The Honorable Richard B. “Blake” Sanders

The Honorable Gary S. Brewer, Jr.

The Honorable W. Scott Montgomery, IV

The Honorable Wendell K. Jones

AGENDA

Tuesday, November 18, 2025

10:30 a.m.

Room 516 – Blatt Building

- I. Approval of Minutes of October 22, 2025 Meeting
- II. Discussion of the South Carolina Department of Employment and Workforce
- III. Adjournment



**SOUTH CAROLINA
HOUSE OF REPRESENTATIVES
GOVERNMENT EFFICIENCY &
LEGISLATIVE OVERSIGHT COMMITTEE**

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MEETING MINUTES

Wednesday, October 22, 2025
10:30 a.m.
Room 516 – Blatt Building

Archived Video Available

- I. Pursuant to House Legislative Oversight Committee Rule 6.7, South Carolina ETV was allowed access for streaming the meeting. You may access an archived video of this meeting by visiting the South Carolina General Assembly’s website (<http://www.scstatehouse.gov>) and clicking on Committee Postings and Reports, then under House Standing Committees click on Legislative Oversight. Then, click on Video Archives for a listing of archived videos for the Committee.

Attendance

- I. The Economic Development, Transportation, and Natural Resources Subcommittee meeting was called to order by Chair Travis A. Moore on Wednesday, October 22, 2025, in Room 516 of the Blatt Building. All subcommittee members (Chair Moore; Representative Gary S. Brewer, Jr.; Representative Wendell K. Jones; Representative W. Scott Montgomery; Representative Richard B. “Blake” Sanders) were present for all or a portion of the meeting.

Minutes

- I. House Rule 4.5 requires standing committees to prepare and make available to the public the minutes of committee meetings, but the minutes do not have to be verbatim accounts of meetings.

Approval of Minutes

- I. Representative Brewer made a motion to approve the meeting minutes from prior meeting. A roll call vote was held, and the motion passed.

Moton to approve meeting minutes.	Yea	Nay	Not Voting
Rep. Moore	✓		
Rep. Brewer	✓		
Rep. Jones	✓		
Rep. Montgomery	✓		
Rep. Sanders	✓		

Discussion of the South Carolina Law Conservation Bank

- I. Before beginning his testimony, Chair Moore reminds the Conservation Bank’s director, J. Raleigh West III, that he was sworn in at the March 19, 2025, Public Input Meeting and that he remains under oath. Chair Moore then asks whether any other agency representatives who may address the subcommittee today or in the future have not yet been sworn.
- II. Chair Moore notes that the subcommittee has come to the end of the Conservation Bank’s formal presentations and will consider findings and recommendations for inclusion in the subcommittee’s Study Report. Chair Moore requests that Director West provide any comments he would like to share with the subcommittee regarding the Bank’s duties, services, programs, and general outlook. After Director West’s comments, the subcommittee goes into recess to review and discuss the ten findings and ten recommendations.

After reviewing, Representative Jones moves that the Study Report include all the proposed findings and recommendations. In a unanimous vote, the subcommittee votes to adopt all the proposed findings and recommendations.

Chair Moore then directs staff to provide a copy of the Study Report to all subcommittee members by the end of business on Friday, November 14, 2025, and requests that any member that would like to provide a written statement for inclusion in the report prepare and deliver the statement to staff by Friday, November 14, 2025. The subcommittee then went into recess.

- III. After returning from recess, the subcommittee began its first meeting with the South Carolina Department of Employment and Workforce. Before beginning his testimony, Chair Moore reminds SCDEW's director, William H. Floyd, III, that he was sworn in at the March 19, 2025, Public Input Meeting and that he remains under oath. Chair Moore then asks whether any other agency representatives who may address the subcommittee today or in the future have not yet been sworn. Paul Famolari, Assistant Executive Director for Unemployment Insurance, was sworn in.
- IV. Director Floyd begins his overview of SCDEW's organization, departments, units, department and unit responsibilities, and partnerships. Throughout the presentation, members ask Director Floyd questions and he responds.
- V. Assistant Director Famolari begins his presentation to the subcommittee and discusses the following topics:
 - 1. Unemployment Insurance.

Throughout his presentation, Members ask Assistant Director Famolari questions and he responds.

Adjournment

- I. There being no further business, the meeting is adjourned.



EMPLOYEES

832 FTEs

FUNDING

The majority of DEW's budget is funded through federal sources. The U.S. Department of Labor allocates funds from the Federal Unemployment Tax (FUTA) to the states to pay for administrative and operational costs. Employer-paid state unemployment taxes pay for state unemployment benefits.

General Funds FY 2025-26

\$12,984,847

Total Funds FY 2025-26

\$145,356,655

LEADERSHIP

SCDEW's director is appointed by the governor, with the advice and consent of the Senate. The director serves at the pleasure of the governor. (S.C. Code Ann. § 41-29-35).

SOUTH CAROLINA DEPARTMENT OF EMPLOYMENT & WORKFORCE

MISSION

To promote and support an effective, customer-driven workforce system that facilitates financial stability and economic prosperity for employers, individuals and communities.

VISION

To be viewed as an efficient, transparent, customer-friendly partner in providing quality workforce solutions.

MAIN GOAL

To match jobseekers with employers quickly, efficiently, and effectively, and we offer a variety of services to assist both groups. DEW, one of 21 cabinet agencies, is a partner in the state's workforce system. DEW and its partners provide a variety of workforce services for job seekers and employers at [SC Works Centers](#), [Connection Points](#) and satellite offices in 12 local workforce investment areas across all 46 SC counties.

SERVICES

SCDEW's director is appointed by the governor, with the advice and consent of the Senate. The director serves at the pleasure of the governor. (S.C. Code Ann. § 41-29-35).

Jobseekers

- Career counseling
- Job referrals
- Computer access
- Testing and training
- Résumé assistance
- Partner services
- Business consulting
- Second Chance Program (with SCDC)
- GED Incentive Program

Employees

- Training
- Job market trends
- Tax credit info
- Recruiting and screening
- Posting job openings
- Transitional assistance

Unemployment Insurance

Paul Famolari, Assistant Executive
Director for Unemployment Insurance



SOUTH CAROLINA DEPARTMENT OF
Employment and Workforce





Unemployment Insurance Benefits

UI Benefits: Overview

Legislative Purpose Refresher (S.C. Code § 41-27-20):

- “Economic insecurity due to unemployment is a **serious menace** to health, morals and welfare of the people of this State.”
- “Involuntary unemployment is therefore a subject of general interest and concern which requires appropriate action by the General Assembly to prevent its spread and to lighten its burden which so often falls with crushing force upon the unemployed worker and his family.”
- “Protection against this greatest hazard of our economic life...can be provided by **encouraging the employers to provide more stable employment** and by the systematic accumulation of funds during periods of employment to provide benefits for periods of unemployment.”
- “...the public good and general welfare of the citizens of this State require...the compulsory setting aside of unemployment reserves to be used for the benefit of persons **unemployed through no fault of their own.**”

UI Benefits: Overview

Key definitions:

- **Base Period**: The first four of the last five completed calendar quarters prior to the first day of an individual's benefit year. [S.C. Code § 41-27-150(A)]
- **Alternate Base Period**: The four most recently completed quarters prior to the first day of an individual's benefit year. [S.C. Code § 41-27-150(B)]
- **Benefit Year**: The one-year period beginning the Sunday prior to the date an individual submits an initial application for UI benefits. [S.C. Code § 41-27-160; S.C. Code Regs. § 47-21(E)(1)]
- **Bona Fide Employer**: The employer that most recently paid the claimant at least eight times the claimant's weekly benefit amount. [S.C. Code § 41-35-110(5)]
- **Claimant**: An applicant for unemployment insurance benefits.

UI Benefits: Overview

- **Insured Worker**: “an individual who has been paid wages in his base period for insured work equal to or exceeding one and one-half times the total of his wages paid in the quarter of such base period in which his wages for insured work were highest provided...he has been paid at least [\$4,455] in his base period for insured work and [\$1,092] in that quarter of his base period in which such wages were highest.” [S.C. Code § 41-27-310]
- **Unemployed**: “An individual is considered “unemployed” in a week during which he performs no services and with respect to which no wages are payable to him or in a week of less than full-time work if the wages payable to him with respect to that week are less than his weekly benefit amount.” [S.C. Code § 41-27-370]
- **Less than full-time work**: “Part-time is defined as twenty-nine (29) hours or less of work per week.” [S.C. Code Regs. § 47-3(E)]
- **Week**: a calendar week starting on Sunday. [S.C. Code § 41-27-390; S.C. Code Regs. § 47-24]

UI Benefits: Overview

- **Weekly Benefit Amount (WBA)**: "An insured worker's weekly benefit amount is fifty percent of his average weekly wage." However, the WBA cannot be less than \$42 nor more than an amount established by DEW. [S.C. Code § 41-35-40]
- **Average Weekly Wage**: The amount that results when the wages the claimant earned in their highest earning quarter during the base year is divided by 13. S.C. Code § 41-27-140.
- **Maximum Benefit Amount**: Twenty times the claimant's WBA or 1/3rd of the claimant's base period wages, whichever is less. [S.C. Code § 41-35-50]. As a result, a claimant can only draw full unemployment benefits for a maximum of twenty weeks within a benefit year.

UI Benefits: Overview

The purpose of the UI program is to provide temporary benefits to individuals unemployed through no fault of their own. **Who is actually eligible?**

- **First**, a claimant must apply for UI benefits and show they are legally authorized to work in the US and that they had a sufficient attachment to the labor market by establishing that they meet the definition of an insured worker. This means they had to have worked in at least two quarters and earned enough in total wages during their base period and that their total wages are at least one and a half times the amount they earned in their highest earning quarter.
 - DEW accesses the claimant's wage history contained in the wage reports employers submit quarterly to DEW.
 - DEW issues a "Determination of Insured Status" that informs the claimant of their benefit year, base period, all the wages the claimant earned during their base period, the claimant's WBA, and the claimant's maximum benefit amount.
 - The claimant can dispute the wages listed on this determination and provide proof of additional wages.

UI Benefits: Overview

- **Second, the claimant must be unemployed from the most recent bona fide employer through no fault of their own.**
 - DEW conducts a fact-finding investigation, gathering information from the claimant and their most recent bona fide employer.
 - DEW issues a decision on the claimant's potential eligibility for UI benefits based on their job separation. DEW must find that the claimant was unemployed through no fault of their own.
 - Claimants are disqualified from receiving UI benefits for various periods of times if DEW finds the claimant : (1) voluntarily quit without good cause; (2) was discharged for cause, misconduct, or gross misconduct; (3) was discharged for illegal drug use; or (4) voluntarily retired.
 - Both the claimant and the former employer can appeal this decision.

UI Benefits: Overview

- **Lastly**, the claimant must file a certification every week that they are unemployed and seeking UI benefits. In these weekly certifications, the claimant must certify that they are:
 - Able to work.
 - Available to work.
 - Active seeking work.
- Claimant must also certify whether they worked for anyone at anytime during that week and report any wages that they may have earned.

UI Benefits: Process

- Claimant first files an initial claim application online via our MyBenefits portal:
 - Social Security Number (or proof of legal status).
 - Work history, including dates of employment and separation reason.
 - Tax election.
 - Pension information, if any.
 - Preferred payment method (state issued debit card or direct deposit).
 - Type of work claimant is looking for.
 - Counties claimant is looking for work in.
- Claimants must register for work in the SC Works Online System (SCWOS) at the end of their UI application.

UI Benefits: Process

DEW issues an Initial Determination of Status as an Insured Worker

[Redacted]
NORTH CHARLESTON, SC 29406-3311

Claim ID: [Redacted]
Claimant ID: [Redacted]
XXX-XX-[Redacted]
SC Works Center: Charleston
Effective Date: 05/25/2025
Date Filed: 05/30/2025
Date Prepared: 06/03/2025

Initial Determination of Status as an Insured Worker

***BENEFITS YOU MAY BE ELIGIBLE FOR**

WEEKLY BENEFIT AMOUNT \$149.00
MAXIMUM TOTAL BENEFITS \$2,980.00
BENEFIT YEAR ENDS 05/23/2026

SEE ATTACHED FOR CLAIMANT INFORMATION

EMPLOYMENT RECORD		STANDARD BASE PERIOD QUARTERLY EARNINGS			
EMPLOYER	ACCOUNT NO.	*QTR / YEAR	*QTR / YEAR	*QTR / YEAR	*QTR / YEAR
		1/2024	2/2024	3/2024	4/2024
		\$3,687.45	\$2,925.00	\$1,132.25	\$2,700.00
		\$200.00	\$0.00	\$360.00	\$0.00
		\$0.00	\$0.00	\$0.00	\$410.00
STANDARD BASE QUARTER TOTAL		\$3,887.45	\$2,925.00	\$1,492.25	\$3,110.00

UI Benefits: Process

Next, DEW conducts a factfinding investigation.

- The claimant will provide information about why they're no longer employed with their last employer.
- The employer then has the opportunity to explain why the claimant is no longer employed and provide any supporting documents.
- DEW staff will review the initial responses and follow up, as needed, to provide parties with the chance to rebut and to gather any necessary final information.

UI Benefits: Process

Once the fact-finding is complete, DEW issues a determination regarding the separation.

Original

[REDACTED]
NORTH CHARLESTON, SC 29406-3311

Decision Date: 06/06/2025
Mailing Date: 06/06/2025
Effective Date: 05/25/2025
Type: [REDACTED]
Category: Lay Off (SC)
Benefit Year Ends: 06/26/2026
RE: [REDACTED]
Claimant ID: [REDACTED]
SSN: xxx-xx-[REDACTED]
WBA: \$149.00
RBA: \$2,980.00

DECISION

You are eligible for benefits from 05/25/2025, if otherwise eligible.

DETERMINATION REASON

You are on lay off from your most recent bona fide employer due to lack of work and no disqualification is imposed on the separation under the South Carolina code.

CONCLUSIONS

You have met the eligibility requirements of the law, benefits are allowed.

UI Claims Adjudicator

UI Benefits: Process

The determination includes detailed appeal rights:

IMPORTANT: This determination will be the final decision of the Department unless you file an appeal setting forth in detail the grounds for appeal by 06/16/2025. Appeals may be filed by one of three methods: by mail addressed to the "Appeal Tribunal, Post Office Box 995, Columbia, SC 29202," or by fax to 803-737-0287, or via the CSS or ESS portals using the "Request Appeal" button. **NOTE: UPLOADING DOCUMENTS TO THE PORTALS OR EMAILS TO THE DEPARTMENT WILL NOT BE ACCEPTED AS AN APPEAL.** For additional information on filing an appeal, visit our website at <https://dew.sc.gov/individuals/appeals>.

UI Benefits: Job Separation Eligibility

Claimants are eligible for UI benefits if DEW finds the claimant was separated for any of the following reasons:

- Lack of work.
- Voluntarily quit with good cause.
- Discharged without cause.
- Separated due to compelling family circumstances.
- Separated due to domestic violence.

UI Benefits: Job Separation Eligibility

Lack of work

- Slowdown or shutdown of business.
- A contributory employer's account is charged for all UI benefits a claimant receives, unless the lack of work was due to a natural disaster declared by the President or a declaration of emergency declared by the Governor

UI Benefits: Job Separation Eligibility

Voluntarily quit with good cause:

- Claimant must show that there was **a substantial and material change in the terms of employment** that would cause a similarly situated person to choose unemployment.
- Generally, a claimant must also provide the employer a reasonable opportunity to address their concerns.
- A contributory employer's account is charged for all UI benefits a claimant receives.

UI Benefits: Job Separation Eligibility

Discharge without cause:

- Substandard performance due to inefficiency, inability, or incapacity. **This means that a claimant's failure to perform to the satisfaction of the employer was beyond the claimant's control**, had no harmful intent, or was a good faith error in judgment or discretion. [S.C. Code Regs. § 47-101]
- A contributory employer's account is charged for all UI benefits a claimant receives.

UI Benefits: Job Separation Eligibility

Compelling family circumstances (S.C. Code § 41-31-125(B)):

- It was medically necessary for the claimant to stop working for a period of time longer than the employer was willing to provide paid or unpaid leave.
- It was medically necessary for the claimant to stop working to care for an ill or disabled immediate family member for a period of time longer than the employer was willing to provide paid or unpaid leave.
- The claimant had to relocate because their spouse was transferred or employed in another city or state outside of a reasonable commuting distance.
- A contributory employer's account is not charged for any UI benefits received if the claimant was separated from employment due to compelling family circumstances.

UI Benefits: Job Separation Eligibility

Domestic violence (S.C. Code § 41-35-125(A)):

- The claimant is separated from employment due to circumstances directly related to domestic abuse and the claimant:
 - Reasonably fears future domestic abuse at or enroute to the job site;
 - Needs to relocate to prevent future domestic abuse; or
 - Reasonably believes that quitting work is necessary for their and/or their family's safety.
- The claimant must provide documentation (e.g., police or court records, statement from clergy, attorney, or social worker).
- A contributory employer's account is not charged for any UI benefits received if the claimant was separated from employment due to domestic violence.

UI Benefits: Job Separation Eligibility

Claimants are disqualified from receiving benefits for a period of time if DEW finds any of the following:

- Voluntarily quit without good cause [S.C. Code § 41-35-120(1)] or voluntarily retired [S.C. Code § 41-35-120(8)]
- Discharge for misconduct [S.C. Code § 41-35-120(2)(a)]
- Discharge for cause other than misconduct [S.C. Code § 41-35-120(2)(b)]
- Discharge for illegal drug use [S.C. Code § 41-35-120(3)]
- Discharge for gross misconduct [S.C. Code § 41-35-120(4)]
- Failure to accept work [S.C. Code § 41-35-120(5)]
- Unemployed due to a labor dispute [S.C. Code § 41-35-120(6)]

Contributory employers are not charged if a claimant receives benefits after serving their disqualification.

UI Benefits: Job Separation Eligibility

Voluntarily quit without good cause (S.C. Code § 41-35-120(1)) or voluntarily retired (S.C. Code § 41-35-120(8)):

- A claimant is indefinitely disqualified from receiving UI benefits if DEW finds that the claimant voluntarily quit their most recent job without good cause or that the claimant voluntarily retired.
- Examples: quitting for a better job, conflicts with coworkers or supervisors, personal reasons.
- **To requalify for UI benefits**, a claimant must return to work and earn at least eight times their weekly benefit amount in covered employment.
- This indefinite disqualification does not reduce the maximum amount of UI benefits a claimant can receive in a benefit year. As a result, a claimant that requalifies for UI benefits could receive the full amount of benefits during a benefit year.

UI Benefits: Job Separation Eligibility

Discharge for misconduct (S.C. Code § 41-35-120(2)(a)):

- A claimant is disqualified from receiving UI benefits for twenty weeks, with a corresponding reduction in the maximum benefits they can receive in a benefit year, if DEW finds that the claimant was discharged for misconduct connected to the employment.
- The claimant cannot receive any UI benefits until the current benefit year ends, and they return to work and earn sufficient wages to qualify for a new benefit year.

UI Benefits: Job Separation Eligibility

Discharge for misconduct (S.C. Code § 41-35-120(2)(a)):

■ **Examples:**

- "Conduct evincing such willful and wanton disregard of an employer's interests as found in deliberate violations or disregard of standards of behavior the employer has the right to expect."
- "Carelessness or negligence of such degree or recurrence as to manifest equal culpability, wrongful intent, or evil design, or to show an intentional and substantial disregard of the employer's interest or the employee's duties and obligations to his employer."

■ **Exceptions:**

- "No finding of misconduct may be made for discharge resulting from an extreme hardship, emergency, sickness, or other extraordinary circumstances."

UI Benefits: Job Separation Eligibility

Discharged for cause other than misconduct (S.C. Code § 41-35-120(2)(b)):

- A claimant is disqualified from receiving UI benefits for **between five and nineteen weeks**, with a corresponding reduction in the maximum benefits they can receive in a benefit year, if DEW finds that the claimant was discharged for cause other than misconduct connected to the employment.
- The claimant can receive UI benefits after they serve their disqualification period. For example, a claimant disqualified from receiving benefits for sixteen weeks can receive four full weeks of UI benefits **after** they serve the sixteen-week disqualification period.
- **Examples:** attendance issues, poor performance (not due to inefficiency, inability, or incapacity); unintentional policy violations.

UI Benefits: Job Separation Eligibility

Discharge for illegal drug use (S.C. Code § 41-35-120(3)):

- A claimant is **indefinitely disqualified** from receiving UI benefits if DEW finds that the claimant was discharged for illegal drug use.
- To requalify for UI benefits, a claimant must return to work and earn at least eight times their weekly benefit amount in covered employment.
- This indefinite disqualification does not reduce the maximum amount of UI benefits a claimant can receive in a benefit year. As a result, a claimant that requalifies for UI benefits could receive the full amount of benefits during a benefit year.

UI Benefits: Job Separation Eligibility

Discharge for illegal drug use (S.C. Code § 41-35-120(3)):

Requirements:

- Employer must have a communicated policy prohibiting illegal use of drugs; and
 - Employee refuses to provide a sample for testing or otherwise fails to cooperate upon request; or
 - The sample tested positive for illegal drugs or legal drugs without a prescription.
- The drug test must be:
 - Collected and labeled by a licensed health care professional or other similarly authorized individual; and
 - Performed by a certified lab; and
 - Confirmed by the gas chromatography/mass spectrometry method or an equivalent method approved by the federal government.

UI Benefits: Job Separation Eligibility

Discharge for gross misconduct (S.C. Code § 41-35-120(4)):

- A claimant is indefinitely ineligible to receive UI benefits if DEW finds that the claimant was discharged for gross misconduct.
- To requalify for UI benefits, a claimant must return to work and earn at least eight times their weekly benefit amount in covered employment.
- This indefinite disqualification does not reduce the maximum amount of UI benefits a claimant can receive in a benefit year. As a result, a claimant that requalifies for UI benefits could receive the full amount of benefits during a benefit year.

UI Benefits: Job Separation Eligibility

Discharge for gross misconduct (S.C. Code § 41-35-120(4)):

Gross misconduct includes:

- Willful or reckless damage in excess of \$50 to employer property.
- Consumption of/being under the influence of alcohol on employer property in violation of a written policy.
- Theft of items valued at more than \$50.
- Failure to comply with state or federal drug and alcohol testing and use regulations.
- Criminal assault or battery of another employee or customer.
- Criminal abuse of a patient or child in the claimant's professional care.
- Willful failure to comply with a lawful, reasonable order of a supervisor directly related to the employees' employment as detailed in a written job description.
- Willful neglect of duty directly related to the responsibilities as detailed in a written job description.

UI Benefits: Failure to Accept Work

Failure to accept work (S.C. Code § 41-35-120(5)):

- A claimant is indefinitely ineligible to receive UI benefits if DEW finds that the claimant failed to:
 - Apply for available suitable work when directed to by DEW.
 - Accept available suitable work when offered by an employer.
 - Return to his customary self-employment, if any, when directed by DEW.
- To requalify for UI benefits, a claimant must return to work and earn at least eight times their weekly benefit amount in covered employment.
- Employers can notify DEW of an individual's failure to accept work through their self-service online Portal or by mail.

UI Benefits: Failure to Accept Work

Failure to accept work (S.C. Code § 41-35-120(5)):

In determining whether work is suitable, DEW must consider:

- The degree of risk involved to a claimant's health, safety, and morals.
- The claimant's prior training and experience.
- The claimant's prior earnings.
 - At least 90% of most recent wages during the first eight weeks of UI.
 - At least 75% of most recent wages after first eight weeks of UI.
- The claimant's prior work schedule.
- The commuting distance.
- The claimant's length of unemployment.

UI Benefits: Failure to Accept Work

Failure to accept work (S.C. Code § 41-35-120(5)):

DEW cannot disqualify the claimant if:

- The offered available work is vacant as a direct result of a strike, lockout, or other labor dispute.
- The offered available work requires the claimant to join a union or to resign from or refrain from joining a union.
- The offered wages, hours, or other conditions of the job are substantially less favorable than those prevailing for similar work in the area.
- The claimant is in a training program approved by DEW.

UI Benefits: Labor Dispute

Unemployed due to a labor dispute (S.C. Code § 41-35-120(6)):

A claimant is ineligible to receive UI benefits in any week during which DEW finds that his unemployment is directly due to an active labor dispute at the jobsite **unless** the claimant establishes that:

- The claimant is not participating in, financing, or directly interested in the labor dispute; and
- The claimant does not belong to a grade or class of workers of which any members at the jobsite are participating in or directly interested in the dispute.

UI Benefits: Weekly Requirements

A claimant must file a weekly claim certifying certain information:

Certification

Did you end a job, complete an on-call or temporary job assignment during the week of **06/29/2025 to 07/05/2025**? ☒ No

Did you work for anyone, anywhere, at any time during the week of **06/29/2025 to 07/05/2025**? ☐ Yes ☐ No

Were you physically and mentally able to work during the week of **06/29/2025 to 07/05/2025**? ☐ Yes ☐ No

Were you available to work, or were you available to be recalled from a layoff, during the week of **06/29/2025 to 07/05/2025**? ☐ Yes ☐ No

Did you refuse any job offers or referrals during the week of **06/29/2025 to 07/05/2025**? ☐ Yes ☐ No

Did you attend school or training during the week of **06/29/2025 to 07/05/2025**? ☐ Yes ☐ No

Did you receive a pension or retirement payment for the week of **06/29/2025 to 07/05/2025**? ☐ Yes ☐ No

Did you receive severance or separation pay during the week of **06/29/2025 to 07/05/2025**? ☐ Yes ☐ No

Did you receive holiday or vacation pay during the week of **06/29/2025 to 07/05/2025**? ☐ Yes ☐ No

Did you apply for or begin receiving any of the following during the week of **06/29/2025 to 07/05/2025** Disability Pay, Worker's Compensation or Unemployment Insurance under the law from any other State or Federal government agency? ☐ Yes ☐ No

UI Benefits: Weekly Requirements

- A claimant must register for work in SCWOS **and** report to appointments scheduled by DEW. [S.C. Code § 41-35-110(2)]
- A claimant must be able to work and available for work at his usual trade, occupation, or business or in another trade, occupation, or business for which he is qualified based on his prior training or experience. [S.C. Code § 41-35-110(3)]
- A claimant must actively seek work each week and perform at least two job searches in SCWOS. [S.C. Code § 41-35-110(3); S.C. Regs. § 47-104]
- A claimant must have been unemployed for one waiting week. [S.C. Code § 41-35-110(4)]
- If they last worked for a temporary staffing agency, a claimant must report to that temporary agency each week to inquire about new assignments. [S.C. Code § 41-35-110(3)(c)]

UI Benefits: Identity Verification

Every claimant must also have their identity verified before they can receive any weekly UI benefit payments.

- Digital identity verification through ID.me.
- In-person identity verification through the United States Postal Service.

UI Benefits: Special Situations

Partial Benefits

A claimant can receive UI benefits while working part-time because the definition of unemployed includes someone who worked less than full-time hours in a week and earned less than their WBA. [S.C. Code § 41-27-370]

- The claimant must accept all available work offered to him.
- The claimant must work less than twenty-nine hours in a week.
- The claimant must report all gross wages earned during the week.
- The claimant must earn less than his weekly benefit amount.

UI Benefits: Special Situations

Deductions from Weekly UI Benefit Payments

The following are deducted from a claimant's weekly benefit amount:

- Wages the claimant earned during the week in excess of $\frac{1}{4}$ of their WBA.
- State and federal income taxes (if elected).
- Any outstanding UI benefit overpayments.
- Child support payments.

UI Benefits: Special Situations

Unemployment due to a break between school terms (S.C. Code § 41-35-20):

- A claimant employed by an educational institution or an institution of higher education is **ineligible** to receive UI benefits based on school wages if they are unemployed during a regularly scheduled break between academic terms and they have reasonable assurance of returning to work in the same capacity when school resumes after the break. A claimant is also **ineligible** to receive UI benefits during regular holiday or vacation closures (e.g., Christmas and Spring breaks).
- Reasonable assurance means a written, verbal, or implied agreement that the claimant will return in the same capacity after the break.
- A claimant can receive **retroactive UI benefit payments** if the employer does not resume their employment after the break.

UI Benefits: Special Situations

Extended Benefits (S.C. Code § 41-35-310-450):

- Required program that provides additional weekly benefit payments to claimants during periods of high unemployment. Benefit payments are usually 50% funded by the federal government.
- **There are three scenarios that can trigger the availability of Extended Benefits:**
 - When the insured unemployment rate for the previous 13 weeks is at least 5% and 20% higher than it was during the same 13 week period in one of the last two years;
 - When the insured unemployment rate for the previous 13 weeks is at least 6%; or
 - When the seasonally adjusted total unemployment rate for the most recent three calendar months is at least 6.5% and 10% higher than it was during the same three months in one of the two previous years.
- Extended Benefits are no longer available once none of those conditions are met.

UI Benefits: Special Situations

Extended Benefits (S.C. Code § 41-35-310-450):

- Claimants are eligible to receive Extended Benefits if they remain unemployed and have received all of the regular state UI benefits payable to them, and they comply with all the regular requirements to receive weekly UI benefit payments.
- Claimants are ineligible to receive Extended Benefits if they were held indefinitely ineligible to receive UI benefits because of their job separation and have not met the requalification requirements by returning to work and earning eight times their WBA.
- Claimants are ineligible to receive Extended Benefits if they were disqualified from receiving UI benefits for any length of time because they were discharged for misconduct or cause unless they show that they have returned to work since the disqualification was imposed and worked in at least four different weeks and earned at least four times their WBA.
- Extended Benefits were last available during the height of the pandemic, ending December 12, 2020.

UI Benefits: Federal Programs

DEW administers several federal UI benefits programs. Benefits under these programs are 100% funded by the federal government:

- UI benefits for federal civilian employees.
 - 162 claims from federal civilian employees in 2024.
- UI benefits for ex-military.
 - 253 claims from ex-military in 2024.

UI Benefits: Federal Programs

Disaster Unemployment Assistance (DUA)

- Emergency program under the Stafford Act that is administered by state agencies after major disasters. Oversight is provided by USDOL, and benefits and administrative costs are provided by FEMA.
- Provides temporary weekly funds to people who live in, work in, or commute through an affected county as identified by FEMA.
- Program provides support to individuals unemployed as a direct result of the major disaster but who are not eligible to receive benefits under regular state UI.
- Includes self-employed, farmers, and independent contractors.
- Approximately 675 DUA claims due to Hurricane Helene.
- Approximately \$530,000 in DUA benefits paid to South Carolinians impacted by Hurricane Helene.

UI Benefits: Federal Programs

Specially Created Federal Programs

- Pandemic
 - Pandemic Unemployment Assistance (PUA)
 - Pandemic Emergency Unemployment Compensation (PEUC)
 - Federal Pandemic Unemployment Compensation (FPUC)
- Great Recession
 - Emergency Unemployment Compensation (EUC)

UI Benefits: Service Delivery

MyBenefits Portals

- Claimants and employers have their own online portals where they can access information and documents related to their UI claims. Full self-service.

Call Center

- DEW has customer service representatives (CSRs) in five locations across the state who answer calls and provide assistance to claimants and employers.
- CSR handled an average of approximately **7,500** incoming calls per week during 2024.

SC Works Centers

- Individuals can also receive assistance at one of 43 SC Works centers and **207** connection points across the state.

UI Benefits: Staffing

Benefit Operations Staffing

- Staffing is split between **five** primary UI hubs: Charleston, Columbia, Conway, Greenville, and Sumter
- Each hub has one manager and at least one assistant manager.
- **30** customer service representatives
- **56** benefits adjudicators
- One manager and seven document control staff responsible for processing, cataloging, and routing incoming mail

UI Benefits: Metrics

There are 53 UI programs in the United States. USDOL has created core performance measures to evaluate the success of a UI program in meeting its fundamental purpose: providing timely and accurate UI benefits to eligible claimants.

- **New Employer Status Determinations:** The percentage of new employer status determinations that are made within **90 days** of the employer's first quarter of liability.
- **First Payment Timeliness:** The percentage of first payments that are issued within **14 days** after the end of the first compensable week.
- **Determination Timeliness:** The percentage of initial determinations that are issued within **21 days** of the claim file date or the issue detection date.
- **Separation Determination Quality Score:** An evaluation of a random sample of job separation determinations that evaluates whether all the necessary information was gathered, parties' due process rights were adhered to, and the proper decision issued based on the available facts.

UI Benefits: Metrics

New Employer Status Determination Timeliness

USDOL's expectation is that at least **70%** of new employer status determinations are made within **90 days** of the last day of the first quarter the employer became liable.

- The national percentage was **88.0%**.
- **In 2024, South Carolina issued 94.5% of new employer status determinations within USDOL's timeframe.**
- South Carolina was the **4th best performing program** in the country in this metric.

UI Benefits: Metrics

New Employer Status Determination Timeliness – Regional Comparison

State	New Employer Status Determination Timeliness	National Rank
South Carolina	94.5%	4
Florida	93.9%	5
North Carolina	92.3%	6
Georgia	90.4%	10
Alabama	88.7%	17
Kentucky	85.6%	28
Mississippi	79.5%	44
Tennessee	69%	49

*Source: USDOL ETA 581

UI Benefits: Metrics

New Employer Status Determinations Timeliness – Historical Progress

Year	New Employer Status Determination Timeliness	National Percentage	National Rank
2020	89.3%	87.8%	14
2021	87.4%	89.2%	27
2022	88.4%	88.0%	18
2023	86.0%	86.2%	22
2024	94.5%	88.0%	4

*Source: USDOL ETA 581

UI Benefits: Metrics

First Payment Timeliness

USDOL's expectation is that at least **87%** of first payments are issued within **14 days** of the first compensable week.

- The national percentage was **74.1%**.
- **In 2024, South Carolina issued 91.8% of first payments within USDOL's timeframe.**
- South Carolina was the **6th best performing program** in the country in this metric and **one of only nine** programs in the country to meet that goal.

UI Benefits: Metrics

First Payment Timeliness – Regional Comparison

State	First Payment Timeliness	National Rank
South Carolina	91.8%	6
Mississippi	82.4%	17
Tennessee	79.5%	20
Georgia	73.5%	27
North Carolina	70.2%	31
Florida	65.2%	42
Kentucky	59.7%	48
Alabama	35.3%	53

UI Benefits: Metrics

First Payment Timeliness – Historical Progress

Year	First Payment Timeliness	National Percentage	National Rank
2020	76.3%	66.2%	20
2021	42.2%	59.9%	47
2022	79.6%	63.9%	17
2023	88.6%	69.7%	6
2024	91.8%	74.6%	6

UI Benefits: Metrics

Determination Timeliness

USDOL's expectation is that at least **80%** of determinations are issued within **21 days** of the claim file date or the issue detection date.

- The national percentage was **64.9%**.
- **In 2024, South Carolina issued 95.9% of determinations within USDOL's timeframe.**
- South Carolina was the **3rd best performing program** in the country in this metric **and one of only 20 programs in the country** to meet that goal.

UI Benefits: Metrics

Determination Timeliness – Regional Comparison

State	Determination Timeliness	National Rank
South Carolina	95.9%	3
Mississippi	87.4%	13
North Carolina	81.3%	19
Tennessee	72.5%	25
Georgia	62.0%	35
Kentucky	43.9%	42
Alabama	32.7%	47
Florida	23.6%	51

UI Benefits: Metrics

Determination Timeliness – Historical Progress

Year	Determination Timeliness	National Percentage	National Rank
2020	59.8%	51.2%	18
2021	64.0%	48.4%	9
2022	91.0%	51.0%	3
2023	95.7%	61.8%	1
2024	95.9%	64.9%	3

UI Benefits: Metrics

Separation Determination Quality

Each quarter, a random sample of 30 job separation determinations are evaluated and scored. A determination must receive a score of 95 or 100 to pass. USDOL's expectation is that at least **75%** of evaluated determinations pass.

- The national average in 2024 was **68.9%**.
- **In 2024, in South Carolina 87.3% of job separation determinations met this quality metric.**
- South Carolina was the **11th best performing program** in the country in this metric and **one of only 23** programs in the country to meet that goal.

UI Benefits: Metrics

Separation Determination Quality – Regional Comparison

State	Separation Determination Quality	National Rank
South Carolina	87.3%	11
North Carolina	76.7%	22
Tennessee	76.1%	23
Mississippi	69.2%	29
Alabama	64.5%	33
Georgia	63.1%	34
Kentucky	60.3%	38
Florida	35.6%	48

UI Benefits: Metrics

Separation Determination Quality – Historical Progress

Year	Separation Determination Quality	National Percentage	National Rank
2020	27.1%	64.1%	50
2021	49.5%	60.5%	35
2022	77.5%	65.8%	18
2023	89.0%	66.5%	6
2024	87.3%	69.0%	11

A photograph of two women sitting at a table, looking down at documents. The woman on the left is older with white hair, wearing a white sweater, and has her hand near her face. The woman on the right is younger with dark hair, wearing a light-colored cardigan, and is smiling. The background is a bright, out-of-focus office or meeting room.

Reemployment Services & Eligibility Assessment (RESEA)

Reemployment Services & Eligibility Assessment (RESEA)

Overview

The Reemployment Services and Eligibility Assessment (RESEA) program is federal program authorized under the Social Security Act and run by states. The program is geared toward identifying eligible UI claimants who are most likely to exhaust their full allotment of UI benefits and to provide them with intensive and personalized reemployment services to get them into a new job faster than they would on their own.

The RESEA program has four chief goals:

1. Reduce UI duration through improved employment outcomes
2. Strengthen UI program integrity
3. Promote alignment with the vision of the federal Workforce Innovation and Opportunity Act (WIOA)
4. Establish RESEA as an entry point to other workforce system partners

Reemployment Services & Eligibility Assessment (RESEA)

Eligibility

- An individual must be eligible to receive UI benefits without disqualification.
- An individual must have characteristics that suggest they are likely to exhaust all their UI benefits. Factors include, but are not limited to:
 - education level
 - occupation
 - time in last occupation
 - industry of last occupation
 - delay in filing
- Once selected for RESEA services, a claimant must attend all scheduled meetings. Failure to do so will result in the claimant being ineligible to receive UI benefits until they complete the required meeting.

Reemployment Services & Eligibility Assessment (RESEA)

RESEA Program

All RESEA participants are scheduled for an in-person meeting within their first three weeks of eligibility with a RESEA analyst. During this meeting, staff:

- Verify identity and review and confirm the claimant's eligibility for UI benefits
- Provide labor market information related to the claimant's location and occupation(s), including referrals to available jobs that match the claimant's experience
- Assist in developing an individualized reemployment plan
- Provide information on the variety of training and workforce development services provided by workforce partners and make referrals to those partners as needed

Reemployment Services & Eligibility Assessment (RESEA)

- Participants can be scheduled for up to three additional RESEA appointments. These appointments are usually in-person but can be held virtually.
- Issues identified during RESEA appointments that may impact a UI claimant's continued eligibility to receive UI benefits are investigated and adjudicated.
- RESEA is funded by dedicated grants from USDOL.
- South Carolina's RESEA administrative grant for FY25 was \$2,808,664.
- South Carolina has received additional performance-based grants each of the last three years. These grants have added an additional \$200,000 to \$300,000 in funding each year.
 - Additional funding has been used to hire additional staff and to provide more eligible UI claimants with RESEA services.

Reemployment Services & Eligibility Assessment (RESEA)

Service Delivery

- RESEA staff are located in each Comprehensive SC Works Center across the state, and in Georgetown and Greenville.
- Nearly 20,000 eligible UI claimants participated in the RESEA program in 2024.
- DEW scheduled 41,000 RESEA appointments with eligible participants in 2024.
- This year, DEW piloted traveling RESEA staff to meet RESEA participants at smaller SC Works Centers closer to where they live.
- Team of virtual RESEA staff members located in Columbia that conduct virtual RESEA appointments and also sub in for staff who are out of the office.

Reemployment Services & Eligibility Assessment (RESEA)

Metrics

- The Department of Labor evaluates the success of a state's RESEA program by determining the percentage of RESEA participants that are employed during the second quarter after the participant exited the RESEA program.
- The most recent data available from the Department of Labor was for the period ending June 30, 2024. [Source: Department of Labor Training and Education Notice 12-24]
 - **75%** of South Carolina RESEA participants were reemployed during the second quarter after they exited the RESEA program.
 - This was tied for the **12th best** reemployment rate in the country.



Unemployment Insurance Integrity

Integrity: Overview

Preserving the integrity of the UI Trust Fund is of utmost importance.

Additional benefits and lax eligibility of federal pandemic programs introduced sophisticated criminals to the UI program.

There are two broad focus areas:

- 1) Employers:** DEW works to ensure that employers are properly reporting employees and paying taxes in accordance with the laws created by the legislature.
- 2) Claimants:** DEW works to ensure that UI benefits are paid only to those individuals who meet all the eligibility requirements of the law, and that individuals repay any UI benefit they receive that they shouldn't have.

Integrity: Employer Tax

Most common employer tax issues:

- Entities not establishing an account when they should.
- Entities misclassifying workers as independent contractors instead of employees.
- Underpayment or nonpayment of UI taxes.
- Fictitious employer schemes.

Integrity: Employer Accounts

Entities Not Establishing an Account When They Should

- **Employer definition:** (1) an entity that in any quarter paid more than \$1,500 in wages; or (2) an entity which employed at least one person in at least twenty different weeks during a year. [S.C. Code § 41-27-210(2)]
- **Staff will investigate entities that appear to be in business with employees but do not have accounts with DEW.**
 - Most common method of identification is when a claimant files a claim for UI benefits saying they were separated from Employer X, but Employer X does not have a DEW account.
- Employers must pay back UI taxes from the date they first became liable for UI taxes, capped at four years.
- Employers can appeal liability determinations.

Integrity: Worker Misclassification

Entities Misclassifying Workers as Independent Contractors Instead of Employees

- DEW **randomly audits** employers to ensure they properly classify employees and pay required taxes. DEW also investigates classification disputes revealed by a worker filing a UI claim.
- **Dedicated team of approximately 25 auditors across the state.**
- Employers are required to allow DEW to inspect business records. [S.C. Code § 41-29-150]
- **DEW auditors conduct site visits**, review business records, and interview staff to ensure the audited business is properly reporting employees and paying taxes.

Integrity: Worker Misclassification

USDOL has established the Effective Audit Measure (EAM) as a means of evaluating the effectiveness of a state's employer auditing activities. The EAM looks at the following four factors:

- 1) # of employers audited:** States must audit at least 1% of contributory employers.
- 2) change in total wages reported:** Audits must result in at least a 2% increase in the total wages reported to the state.
- 3) Total wages audited:** States must audit at least 1% of the total wages reported during the audit year; and
- 4) Average # of misclassified employees detected per audit:** States must identify an average of one misclassified worker per audit completed.

States must accomplish all four factors in order to pass EAM for a calendar year.

Integrity: Worker Misclassification

- DEW passed EAM in 2023 for the first time in five years and was **one of only 19** programs in the country to pass.
- DEW passed EAM again in 2024, **one of only 16** programs in the country to pass:
 - DEW completed **1,451 audits**
 - DEW audits increased total wages reported by **5%**
 - DEW audited more than **\$1.2 billion** in gross payroll
 - DEW identified more than **1,530 misclassified workers**
- Employers receive a detailed audit report from each audit.
- Employers have the right to appeal misclassification decisions.

Integrity: Delinquent Employer Tax

Underpayment or Nonpayment of UI Taxes

- Taxes are due by the end of the month following the end of a **calendar quarter**.
- If an employer doesn't submit a wage report, DEW estimates the taxable wages and taxes them at double the rate that would otherwise apply. This means some estimated taxable wages are taxed at 10.8%.
- DEW provides written notification giving the employer ten days to submit the report.
[S.C. Code § 41-31-320]
- **DEW must assess a penalty of 10% of the contributions due if the underpayment was due to negligence.** [S.C. Code § 41-31-330(2)(B)]. Penalty for failing to pay full amount.
- Interest accrues at 1% per month. [S.C. Code § 41-31-370]
- DEW provides a final written notice giving the employer an additional fifteen days to submit the payment. [S.C. Code § 41-31-390(A)]

Integrity: Delinquent Employer Tax

- DEW must file a lien if the employer does not pay the amount owed. [S.C. Code § 41-31-390]
- Employers must pay future quarter taxes at the highest Tax Class 20 rate until the lien amount is paid in full. [S.C. Code § 41-31-60(B)]
- Once DEW files a lien, the amount under the lien stays collectable for ten years.
- **Outstanding employer debt as of December 31, 2024** (represents debt from January 1, 2015, forward):
 - **Taxes:** \$179.8 million.
 - **Fees, Penalties, and Interest:** \$100.7 million.
 - **Estimated Debt:** Note that most outstanding employer debt, \$157.4 million, is estimated and therefore likely not real.
 - **Collections:** Collected nearly \$3 billion in taxes over last ten years.
- Collection methods: collection calls; installment payment agreements; employer bank account levies; submission of eligible employer debt to the State Offset Debt program run by DOR and the federal Treasury Offset Program.

Integrity: Fictitious Employer Schemes

Fictitious Employer Schemes

- Bad actors register fake employers with DEW.
- They submit wage reports with fake employees and purported wages using stolen social security numbers.
- Some even pay UI taxes!
- The goal is to establish a record of sufficient wages that would allow the bad actor to file fraudulent unemployment insurance claims using the stolen SSNs asserting that each was unemployed from the fake employer due to a lack of work.
- DEW records would show the SSNs earned wages from the fake employer, and the fake employer would respond confirming the layoff, resulting in the payment of UI benefits to the bad actor.

Integrity: Fictitious Employer Schemes

- DEW closely monitor employer registration and wage reports to identify suspicious employers.
 - DEW's dedicated Special Investigations team reviews data daily, and certain data elements are flagged automatically.
 - DEW crossmatches data from discovered fictitious employers against other employer records to identify potential related fictitious employers.
 - Fraudsters learned from the pandemic. Over 200 fictitious employers identified since 2021 reporting wages for over 1,000 fake employees. Potential savings of over \$6,000,000.
- National Association of State Workforce Agencies (NASWA) Integrity Data Hub (IDH) provides alerts from other states.

Integrity: Claimant Improper Payments

A claimant that receives benefits when they did not meet all the eligibility requirements are disqualified from receiving benefits and required to repay any benefits they received during that period. There are two broad categories of benefit overpayments:

- **Nonfraudulent overpayment:** An overpayment that occurs when a claimant receives benefits that they should not have received, but their receipt of benefits was not because they intentionally gave false information or misled DEW.

Examples: A claimant was originally held eligible based on their job separation, but the eligibility was overturned after the employer appealed; a claimant inadvertently underreported their weekly wages during a week that they claimed benefits.

- **Fraudulent overpayment:** A fraudulent overpayment occurs when a claimant knowingly makes a false statement or representation, or fails to disclose a material fact, with the intent to obtain or increase UI benefits. [S.C. Code 41-41-10]

Examples: A claimant worked during a week, but certified he did not and did not report any wages; a claimant used someone else's social security number to file a claim for UI benefits.

Integrity: Claimant Improper Payments

DEW utilizes a variety of methods to detect and investigate potential fraud and overpayments:

- **Quarterly wage crossmatch**

- DEW crossmatches every claimant that received benefits during a quarter against the wages every employer reported during that quarter. DEW audits claims where the claimant received UI benefits and wages during the same quarter.

- **National and State Directory of New Hires crossmatch**

- DEW crossmatches every claim filed every week against the National and State Directories of New Hires. Hits are investigated to ensure that claimants that have returned to work stop filing or report wages.

- **Prisoner crossmatches**

- DEW crossmatches every claim filed every week against local, state, and federal prisoner databases. Hits are investigated to ensure that prisoners do not receive UI benefits while incarcerated.

Integrity: Claimant Improper Payments

- **Identity verification**

- Every claimant must have their identity verified either digitally by ID.me or in-person at a US post office location before they can receive UI benefits.

- **NASWA IDH crossmatches**

- DEW crossmatches claims data against other states' claim data housed with the NASWA IDH. This identifies claimants that may have filed claims in multiple states, are utilizing known suspicious email addresses, or who are using suspicious IP addresses.

- **Tips & leads**

- The public can report fraud to DEW via an online form or by calling our call center to provide details.

- **Data analytics**

- DEW has established, and regularly updates, certain data elements, or combinations of data elements, that are suspicious. Those claims are flagged and routed for investigation.

Integrity: Claimant Wage Audits

DEW audits claimants who received both wages and UI benefits in a quarter.

- DEW sends an audit notice to the employer that reported wages, asking the employer to provide detailed wage information for the claimant for each week during the quarter.
- If the employer reported paying the claimant during weeks the claimant received benefits, DEW sends an audit notice to the claimant providing them with an opportunity to explain or dispute any discrepancies.
- DEW issues a decision if the claimant did not properly report wages. The decision:
 - Disqualifies the claimant for any week they did not properly report wages.
 - Establishes the amount of benefits the claimant must repay.
 - Categorizes the overpayment as fraudulent or nonfraudulent.
 - If DEW determines the claimant engaged in fraud, the decision adds a 33% fine and imposes a disqualification from receiving future benefits for up to 52 weeks.

Integrity: Claimant New Hire Audits

DEW audits claimants who appear on either the National or State Directory of New Hires.

- Employers are required to report new hires to DSS within 21 days. Individuals rehired within 60 days of their separation are excluded from this requirement.
- DEW sends an audit notice to the employer that reported the hire, asking the employer to verify the start date of employment and whether the claimant is still employed. DEW also sends a notice to the claimant informing them of the new hire hit.
- **DEW issues a decision if the claimant kept filing and did not report wages. The decision:**
 - Disqualifies the claimant for any week they did not properly report wages.
 - Establishes the amount of benefits the claimant must repay.
 - Categorizes the overpayment as fraudulent or nonfraudulent.
 - **If DEW determines the claimant engaged in fraud, the decision adds a 33% fine and imposes a disqualification from receiving future benefits for up to 52 weeks.**

Integrity: Overpayment Balance

Claimants are required to repay to the UI Trust Fund any state UI benefits received that they were not eligible to receive.

- **Outstanding claimant UI benefit overpayment debt as of December 31, 2024: \$38,324,505.77**
- DEW uses the following tools to collect overpaid UI benefits:
 - ✓ Benefit offsets;
 - ✓ Installment payment plans;
 - ✓ State and Federal income tax refund garnishment;
 - ✓ Involuntary wage garnishment; and
 - ✓ Lottery intercept.

Integrity: Amounts Collected

South Carolina has increased collections over the years due to a substantial increase in involuntary wage garnishments, and collected the **17th** most in the nation in 2024:

Year	UI Benefit Overpayment Collected
2020	\$14,929,620
2021	\$10,244,744
2022	\$7,187,449
2023	\$13,056,271
2024	\$13,961,257

Integrity: Amounts Collected

South Carolina collects more than its neighbors:

State	2024 Collections
South Carolina	\$13,961,257
North Carolina	\$11,733,086
Tennessee	\$8,446,660
Georgia	\$7,302,825
Mississippi	\$6,776,646
Kentucky	\$6,249,088
Florida	\$5,276,005
Alabama	\$3,826,741

*Source: USDOL ETA 207

Integrity: Metrics

There are 53 UI programs in the United States. USDOL has created core performance measures to evaluate the success of a state in preserving the integrity of its UI program:

- **Improper Payment Rate:** the percentage of a state's UI benefit payments that were paid to a claimant that did not meet eligibility requirements.
- **Overpayment Detection Rate:** the percentage of estimated overpayments expected based on the state's improper payment rate that were actually identified and established by the state.
- **Recovery Rate:** the percentage of the overpayments established (minus any overpayment waived) that were recovered by the state.

Integrity: Improper Payment Rate

Improper Payment Rate

An **improper payment** is a payment made to a claimant who did not meet the eligibility requirements under a state's law.

The **improper payment rate** is the percentage of a state's UI benefit payments that were paid to a claimant that did not meet eligibility requirements. Each state's improper payment rate is determined each year based on an intensive investigation of over 1,000 paid UI claims and is reported for the year ending June 30.

USDOL's requirement is for a state to have an improper payment rate **below 10%.**

- During the year ending June 30, 2024, the national improper payment rate was **14.41%**
- South Carolina's improper payment rate for the year ending June 30, 2024, was **7.29%**
- South Carolina had the **12th lowest** improper payment rate in the nation for the 2024 reporting period.

Integrity: Improper Payment Rate

Improper Payment Rate – Regional Comparison

State	Improper Payment Rate	National Rank
South Carolina	7.29%	12
Alabama	7.64%	15
Georgia	7.94%	21
Mississippi	8.19%	23
North Carolina	22.16%	46
Florida	23.20%	47
Tennessee	26.52%	50
Kentucky	35.43%	52

*Source: www.dol.gov/agencies/eta/unemployment-insurance-payment-accuracy/data

Integrity: Improper Payment Rate

Improper Payment Rate – Historical Progress

Year	Improper Payment Rate	National Rank
2020	11.88%	47
2021	25.19%	42
2022	20.86%	34
2023	7.49%	16
2024	7.29%	12

*Source: www.dol.gov/agencies/eta/unemployment-insurance-payment-accuracy/data

Integrity: Fraud Rate

Fraud Rate

The **fraud rate** is the percentage of a state's UI benefit payments that were paid to a claimant who intentionally made a false statement or withheld material facts with the intent to obtain or increase UI benefits.

While not a formal metric, USDOL publishes data on each state's fraud rate for the year ending June 30.

- During the year ending June 30, 2024, the national fraud rate was **5.39%**.
- South Carolina's fraud rate for the year ending June 30, 2024, was **0.36%**.
- South Carolina had the **5th** lowest fraud rate in the nation for the 2024 reporting period.

Integrity: Fraud Rate

Fraud Rate– Historical Progress

Year	Fraud Rate	National Rank
2020	6.18%	51
2021	14.28%	46
2022	7.66%	38
2023	1.19%	8
2024	0.36%	5

*Source: www.dol.gov/agencies/eta/unemployment-insurance-payment-accuracy/data

Integrity: Overpayment Detection

Overpayment Detection Rate

The **overpayment detection rate** is the percentage of the overpayments expected based on the state's improper payment rate determined by the BAM program that were actually identified and established by the state.

USDOL's expectation is for a state to have an overpayment detection rate **between 50% and 95%**. A rate of less than 50% suggests a problem with the state's *integrity* program, while a rate greater than 95% suggests an issue with the state's *BAM* program.

- During the three-year period ending December 31, 2024, the national overpayment detection rate was **77.67%**.
- **South Carolina's overpayment detection rate was 73.81%.**
- South Carolina had the **5th** best overpayment detection rate in the nation of the states that met this metric for the three-year period ending December 31, 2024.

Integrity: Overpayment Detection

Overpayment Detection Rate – Regional Comparison

State	Overpayment Detection Rate
South Carolina	73.81%
Florida	64.90%
Tennessee	59.93%
Kentucky	577.11%
Mississippi	262.42%
Alabama	170.11%
North Carolina	112.48%
Georgia	98.95%

*Source: https://oui.doleta.gov/unemploy/3yr_overpay.asp

Integrity: Overpayment Recovery Rate

Overpayment Recovery Rate

The **overpayment recovery rate** is the percentage of the overpayments established (minus any overpayment waived) that were recovered by the state.

USDOL's expectation is for a state to have an overpayment recovery rate of **at least 68%**.

- The national overpayment recovery rate was **43.23%** in 2024.
- South Carolina's overpayment recovery rate was **198.25%**.
- South Carolina had the **4th best** overpayment recovery rate in the nation in 2024.

Integrity: Overpayment Recovery Rate

Overpayment Recover Rate – Regional Comparison 2024

State	Overpayment Recovery Rate	National Rank
Mississippi	206.71%	3
South Carolina	198.25%	4
North Carolina	107.62%	9
Tennessee	65.66%	28
Alabama	33.34%	39
Georgia	32.71%	40
Florida	14.33%	45
Kentucky	-25.56%	51

*Source: https://oui.doleta.gov/unemploy/overpay_recovery.asp

Integrity: Overpayment Recovery Rate

Overpayment Recovery Rate – Regional Comparison Three-Years Ending December 31, 2024.

State	Improper Payment Rate	National Rank
Mississippi	117.36%	1
South Carolina	106.38%	3
North Carolina	49.91%	29
Georgia	43.91%	31
Kentucky	40.41%	33
Tennessee	40.00%	34
Alabama	23.30%	42
Florida	8.26%	46

*Source: https://oui.doleta.gov/unemploy/overpay_recovery.asp

Integrity: Staffing

While every employee within UI plays an important role in preserving the integrity of the UI Trust Fund, we have a **dedicated UI Integrity Division** made up one director, one assistant director, four units, and approximately seventy employees:

- **Benefit Payment Control:** One manager and sixteen staff. Conducts wage and new-hire crossmatch audits.
- **Collections:** Two managers, sixteen staff. Pursues unpaid UI taxes from employers and recovery of overpaid UI benefits from claimants.
- **Field Service:** One director, five regional managers, nineteen staff. Conducts audits of employers to ensure that they are properly reporting employees.
- **Special Investigations:** One manager and four investigators. Monitors claim activity to identify suspicious UI claims and employer accounts to identify fictitious employer schemes; investigates tips and leads from the public, develops cases to refer to DEW's Office of General Counsel for potential prosecution.



Unemployment Insurance Appeals

UI Benefits: Appeals Overview

Every decision DEW makes regarding a claimant's eligibility for UI benefits is appealable:

- Monetary determinations
- Initial job separation determinations
- Determinations denying benefits for a week or multiple weeks
- Overpayment and fraud determinations

Additionally, employers can appeal the following tax determinations:

- Determination finding employer liable to pay UI taxes
- Determinations that certain workers are employees instead of independent contractors
- Determinations that employer acquired another business
- Annual tax rate notice

UI Benefits: Appeals Overview

Lower Authority Appeals

- First level of review. Administrative hearing officers conduct a formal appeal hearing and issue a decision.

Higher Authority Appeals / Appellate Panel

- Second and final level of review within DEW. Three-member board of review elected by the legislature that reviews the record created by hearing officer.
- Bound by the record created by the administrative hearing officer.

Administrative Law Court

- Appeals of Appellate Panel decisions go to the Administrative Law Court.
- Bound by the record the Appellate Panel used to issue its decision.

UI Benefits: Lower Authority Appeals

- **Staffing:** one Chief of Appeals, two lead administrative hearing officers, eleven administrative hearing officers, and four support staff.
- **Filing Deadline:** Parties have ten days from the mailing date of a determination to file an appeal, otherwise it becomes final. [S.C. Code § 41-35-660]
- **Filing Method:** Appeals can be filed online, via mail, or via fax.
- **Generally:**
 - Appeal hearings are meant to be “simple, speedy, and inexpensive.”
 - Parties can be represented by an attorney.

UI Benefits: Lower Authority Appeals

- DEW provides all parties to an appeal with written notice of the date, time, method, and issues of a hearing at least seven days before the hearing date.
- Most appeal hearings are held by telephone.
- Parties can request that DEW issue subpoenas for evidence.
- The administrative hearing officer conducts a formal evidentiary hearing, swearing parties in, taking testimony, admitting evidence, and allowing cross-examination.
- The administrative hearing officer ends the hearing when they believe they have enough information to make a decision.
- A detailed written decision is mailed as soon as possible after the hearing.

UI Benefits: Lower Authority Appeals Workload

Lower Authority Appeals disposed of more than **14,000** appeal issues in 2024.

- Approximately **72.5%** affirmed the initial determination.
- Approximately **27.45%** either reversed or modified the decision in favor of the appellant.
- Nationwide, approximately **70%** of Lower Authority Appeals decisions affirmed the initial determination and **30%** either reversed or modified the decision in favor of the appellant.

UI Benefits: Appellate Panel

- Three-member board of review elected by the legislature in May of every presidential election year.
- One full-time and one part-time support staff.
- Parties have **10 days** from the mailing date of the administrative hearing officer's decision to file an appeal with the Appellate Panel, otherwise it becomes final. [S.C. Code § 41-35-680]
- The Appellate Panel is bound by the record created by the administrative hearing officer.
 - Can come to its own findings of fact and conclusions of law.
 - Can remand case to Lower Authority Appeals to reopen the record to gather more evidence.
 - Can invite parties to come to Columbia to present oral arguments.
- Parties have **30 days** from the mailing date of the Appellate Panel's decision to file an appeal with the Administrative Law Court, otherwise it becomes final. [S.C. Code § 41-35-750]

UI Benefits: Higher Authority Appeals

The Appellate Panel is supported by the Higher Authority Appeals division.

- One supervisor, three appellate writers, and one support staff.
- Higher Authority Appeals responsibilities:
 - Process appeals to the Appellate Panel.
 - Prepare the records on appeal.
 - Draft proposed decisions for the Appellate Panel's consideration.

UI Benefits: Higher Authority Appeals Workload

The Appellate Panel issued nearly **1,000** decisions in 2024.

- Approximately **84%** affirmed the Lower Authority Appeals decision.
- Approximately **16%** either reversed or modified the Lower Authority Appeals decision in favor of the appellant.
- Nationwide, approximately **89%** of Higher Authority Appeals decisions affirmed the Lower Authority Appeals decision and **11%** either reversed the decision or reduced the disqualification in favor of the appellant.

UI Benefits: Appeals Metrics

There are 53 UI programs in the United States. USDOL has created core **performance measures** to evaluate the success of a UI program's Appeals functions in processing timely decisions and preserving the due process rights of participants.

- **Lower Authority Appeals Case Aging:** The average age of a pending appeal.
- **Lower Authority Appeals Time Lapse:** The percentage of decisions issued within 30 days of the appeal file date.
- **Lower Authority Appeals Decision Quality Score:** An evaluation of a random sample of Lower Authority Appeals hearings that evaluates whether all the necessary information was gathered, parties' due process rights were adhered to, and the proper decision issued based on the available facts.
- **Higher Authority Appeals Case Aging:** The average age of a pending appeal.

UI Benefits: Appeals Metrics

Lower Authority Appeals Case Aging

USDOL's expectation is that the **average age** of a pending appeal be **less than 30 days** from the appeal file date.

- The national average age of a pending appeal in 2024 was **189.5 days**.
- In South Carolina, the average age of a pending appeal was only **17 days**.
- South Carolina was the **10th best** performing program in the country in this metric and **one of only 26** programs in the country to meet that goal.

UI Benefits: Appeals Metrics

Lower Authority Appeals Case Aging– Regional Comparison

State	Average Age of a Pending Appeal (days)	National Rank
Mississippi	7.7	1
South Carolina	17.0	10
Florida	26.2	24
North Carolina	39.8	32
Tennessee	44.3	33
Kentucky	81.1	41
Alabama	574.0	52
Georgia	576.3	53

UI Benefits: Appeals Metrics

Lower Authority Appeals Case Aging – Historical Progress

Year	Average Age of a Pending Appeal (days)	National Average	National Rank
2020	103.0	99.4	39
2021	66.0	153.8	16
2022	15.0	201.4	12
2023	15.0	200.2	7
2024	17.0	189.5	10

UI Benefits: Appeals Metrics

Lower Authority Appeals Time Lapse

USDOL's expectation is that at least **60%** of Lower Authority Appeals decisions be issued within **30 days** of the appeal file date.

- The national percentage was **25.7%**.
- In 2024, South Carolina issued **94.4%** of Lower Authority Appeals decisions within DOL's timeframe.
- South Carolina was the **4th best** performing program in the country in this metric and **one of only 13** programs in the country to meet that goal.

UI Benefits: Appeals Metrics

Lower Authority Appeals Time Lapse – Regional Comparison

State	% of Decisions Issued Within 30 Days	National Rank
South Carolina	94.4%	4
Florida	78.7%	15
Mississippi	52.6%	26
Kentucky	21.8%	35
Tennessee	16.1%	40
North Carolina	5.2%	45
Alabama	2.4%	48
Georgia	2.1%	50

UI Benefits: Appeals Metrics

Lower Authority Appeals Time Lapse– Historical Progress

Year	% of Decisions Issued within 30 days	National Average	National Rank
2020	35.28%	41.0%	28
2021	38.2%	11.1%	9
2022	91.5%	16.2%	3
2023	94.7%	23.8%	3
2024	94.4%	25.7%	4

UI Benefits: Appeals Metrics

Lower Authority Appeals Quality

Each quarter, a random sample of twenty Lower Authority Appeals cases are evaluated and scored. A case must receive a score of at least 85 to pass. USDOL's expectation is that at least **80%** of evaluated cases receive a passing score.

- The national average in 2024 was **97.6%**.
- In 2024, South Carolina **100%** of Lower Authority Appeals cases met this quality metric.
- South Carolina was **one of 22** states to score 100%.

UI Benefits: Appeals Metrics

Lower Authority Appeals Quality – Regional Comparison

State	Lower Authority Appeals Quality	National Rank
South Carolina	100%	1 (tied)
North Carolina	100%	1 (tied)
Mississippi	98.7%	26
Kentucky	96.2%	37
Florida	94.2%	43
Tennessee	90.8%	47
Alabama	90.0%	49
Georgia	83.8%	51

UI Benefits: Appeals Metrics

Lower Authority Appeals Quality – Historical Progress

Year	Lower Authority Appeals Quality	National Percentage
2020	N/A	N/A
2021	76.3%	97.4%
2022	88.2%	89.0%
2023	93.8%	101.3%
2024	100%	97.6%

UI Benefits: Appeals Metrics

Higher Authority Appeals Case Aging

USDOL's expectation is that the **average age** of a pending Higher Authority appeal be **less than 40 days** from the appeal file date.

- The national average age of a pending appeal in 2024 was **149.5 days**.
- In South Carolina, the average age of a pending appeal was only **22 days**.
- South Carolina was the **20th best** performing program in the country in this metric.

UI Benefits: Appeals Metrics

Higher Authority Appeals Case Aging– Regional Comparison

State	Average Age of a Pending Appeal (days)	National Rank
Mississippi	7.7	2
Tennessee	8.0	3
North Carolina	14.7	9
Florida	21.6	18
South Carolina	22.0	20
Alabama	24.0	22
Georgia	27.8	24
Kentucky	33.6	29

UI Benefits: Appeals Metrics

Higher Authority Appeals Case Aging – Historical Progress

Year	Average Age of a Pending Appeal (days)	National Average	National Rank
2020	17.0	51.5	9
2021	24.0	94.6	10
2022	20.0	257.0	10
2023	21.0	168.6	15
2024	22.0	199.5	20



Quality Assurance & Measurements

UI Quality Assurance & Measurements

DEW's Quality Assurance and Measurements (QAM) team drafts standard operating procedures (SOPs) for the UI Division and independently reviews the work performed by the UI Division to ensure quality customer service, proper decision making, and adherence to SOPs.

- **Standard Operating Procedures**

- QAM staff collaborate with all UI divisions to develop, refine, and publish standard operating procedures for regular UI work.

- **UI Core Competency Training**

- QAM staff develop training videos and material on all aspects of the UI program. These videos form the basis of UI core competency training for new and existing employees.

- **Call Center Scorecards**

- QAM reviews and scores at least five of calls per customer service representative each week to ensure that callers receive excellent customer service and accurate information. The scorecards are provided to CSRs as part of their ongoing training and development.

UI Quality Assurance & Measurements

- **Benefit Accuracy Management (BAM) Program:**

- A federally required program that audits nearly approximately 1,000 claims every year. These audits are intensive with multiple contacts to claimants and employers over several weeks. The BAM team determines whether claims are properly investigated and properly paid or denied. The percentage of claims that they review that were improperly paid is the basis for the state's formal improper payment rate.

- **Constituent Inquiries:**

- DEW regularly receives constituent inquiries from individual claimants and employers, as well as legislators. The QAM team reviews and investigates complex inquiries to determine the appropriate response.

- **Tax Performance System:**

- A federally required in-depth review of a state's tax functions, resulting in an annual pass/fail report.

UI Quality Assurance & Measurements

Quality Assurance and Measurements Staffing

- One Director
- **BAM program:** one manager, one lead, and five staff.
- **Quality Assurance / Quality Control:** one manager and five staff. This team reviews and scores calls, drafts standard operating procedures, and handles investigations into constituent inquiries.
- **Tax Performance System:** one staff.

```
mirror_mod = modifier_ob.mirrors[0]
# set mirror object to mirror_mod
mirror_mod.mirror_object = mirror_ob

# operation == "MIRROR_X":
mirror_mod.use_x = True
mirror_mod.use_y = False
mirror_mod.use_z = False
# operation == "MIRROR_Y":
mirror_mod.use_x = False
mirror_mod.use_y = True
mirror_mod.use_z = False
# operation == "MIRROR_Z":
mirror_mod.use_x = False
mirror_mod.use_y = False
mirror_mod.use_z = True

# selection at the end - add to selection
mirror_ob.select = 1
modifier_ob.select = 1
context.scene.objects.active = mirror_ob
["Selected" + str(modifier_ob.name)]
mirror_ob.select = 0
one = bpy.context.selected_objects[0]
data.objects[one.name].select = 1

print("please select exactly one object")

----- OPERATOR CLASSES -----
```

Technical Services

```
@context):
context.active_object = mirror_ob
```

UI: Technical Services

There are two sophisticated computer systems used to run the UI program.

SCUBI (Southeast Consortium for Unemployment Benefits Integration)

- Started as four-state consortium in 2010 with North Carolina, Georgia, and Tennessee to procure, design, develop, implement, and maintain a modern cloud-based UI benefits system.
- Georgia and Tennessee dropped out.
- South Carolina went live with the new modern system in 2017; North Carolina in 2018.

SUITS (State Unemployment Insurance Tax System)

- South Carolina implemented new modern cloud-based UI Tax system in 2018.

UI: Technical Services

DEW's UI Technical Services team is comprised of one director, two assistant directors, and thirteen staff. This team is responsible for:

- Managing the relationships with the vendors for the benefits and tax systems.
 - During 2020, the UI Technical Services team spearheaded the successful development and implementation of multiple new Covid programs, and the team was instrumental in ensuring our system did not break (unlike several states).
 - Since 2020, this team has been responsible for numerous system enhancements to the functionality of the system and to improve the staff and constituent experience.
- Identifying issues and defects in the systems and resolving them in collaboration with the vendors.
 - Complex systems with substantial data and variables regularly leads to issues that must be troubleshooted.

UI: Technical Services

- Identifying process improvements and system enhancements.
 - Team regularly develops, tests, and implements system improvements, whether from staff feedback or statutory changes.
- Completing federal Benefits Quality and Timeliness and Data Validation reviews.
 - Audits thirty UI claims per quarter to ensure the adjudication was properly handled. This forms the basis for the federal Determination Quality metric.
 - Audits twenty appeal decisions per quarter to ensure the appeal decision was properly handled. This forms the basis for the federal Appeals Quality metric.
 - Performs the required federal data validation program, which reviews the accuracy of all the data within our benefits system.



Successes

UI: Successes

Taxes

- Through careful stewardship of the UI Trust Fund, South Carolina is one of only 18 states in the country to have a **fully solvent trust fund**. This has allowed DEW to cumulatively cut UI taxes by nearly 70% since 2011.

Benefits and Appeals

- South Carolina is exceeding all federal performance measures for claim and appeals timeliness and quality, ranking in the **top ten** in the nation in many categories. As a result, South Carolinians are receiving high quality decisions faster than most states.

UI: Successes

Integrity

- DEW has one of the best performing employer audit teams in the country.
- DEW has developed a strong and robust improper payment prevention and detection program, drastically reducing its improper payment rate over the years and ranking among the best performing states in the country.

Systems

- DEW successfully modernized its UI benefits system in 2017 and its UI tax system in 2018. These modern systems allowed DEW rapidly scale up and handle the historic spike of Covid claims in 2020 without crashing and quickly implement multiple novel federal benefit programs so that South Carolinians benefited faster than most in the country.
- These modern systems also allowed DEW to process the ongoing high workload without developing significant backlogs that continue to plague many other state programs.

UI Benefits 2024 Metrics Summary

Our UI program is one of the top performing programs in the country.

Metric	DOL Goal	South Carolina Performance	Regional Rank	National Rank
New Employer Determination Timeliness	70%	94.5%	1	4
First Payment Timeliness	87%	91.8%	1	6
Determination Timeliness	80%	95.9%	1	3
Job Separation Determination Quality	75%	87.3%	1	11
Lower Authority Appeals Case Aging	30 days	17 days	2	10
Lower Authority Appeals Time Lapse	80%	94.4%	1	4
Lower Authority Appeals Quality	75%	100%	1	1
Higher Authority Appeals Case Aging	45 days	22 days	5	20
Effective Audit Measure	Pass	Pass	1 of 3 to pass	1 of 16 to pass
Improper Payment Rate	<10%	7.29%	1	12
Fraud Rate	n/a	0.36%	1	5
Overpayment Detection Rate	b/t 50% and 95%	73.81%	1	5
Overpayment Recovery Rate	68%	198.25%	2	4
RESEA Reemployment Rate	n/a	75%	3	12



Challenges & Legislative Recommendations

UI Legislative Recommendations

Tax Class 1

- Opportunity for statutory review to consider gradually expanding the **lookback period from three to five years** so that less taxable wages are in the lowest Tax Class 1 every year.
 - Bring percentage of taxable wages in Tax Class 1 down to 2014 levels.
 - Reduce adverse impact of a single UI claim on small businesses

Penalty Structure

- Currently, the law requires employers to pay taxes at Tax Class 20 for tax code infractions. Because UI taxes are historically low, this can result in substantial consequences for relatively minor infractions.
- Opportunity for the legislature to reassess by simply increasing an employer's calculated rate by two percentage points, which would provide meaningful consequences without crippling an employer.

UI Legislative Recommendations

Cap on Penalties

- Currently, employers that fail to file a wage report or to pay the full amount of taxes due are assessed a penalty of 10% of the taxes due, capped at \$1,000.
 - Wage growth and payrolls have increased substantially since these penalties were 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 businesses with smaller payrolls.
 - Opportunity for legislature to **remove the 10% cap** so that all noncompliant employers receive a proportionate penalty.

SOC Code Penalty

- Currently, there is no penalty for an employer that fails to provide SOC codes or hours worked for each of their employees as required by S.C. Code § 41-31-160. This information is crucial to achieving the goals of the Statewide Education and Workforce Development Act.
 - Opportunity for a statutory change to **impose a penalty of \$5.00 per employee** reported without a SOC code or hours worked, but to waive that penalty if the employer provides the missing information within thirty days of the imposition of the penalty.

UI Legislative Recommendations

Increased Electronic Correspondence

- Multiple statutes currently require DEW to mail correspondence to parties. A statutory change **allowing electronic correspondence** instead of USPS mail could save hundreds of thousands of dollars a year.

Sections 41-35-120(3) Illegal drug use and 41-35-120(4) Gross misconduct.

- These provisions govern the most severe forms of employee misconduct on the job. However, the indefinite disqualification currently imposed is arguably less severe than the twenty-week disqualification imposed for misconduct.
- A person disqualified for misconduct cannot draw UI benefits for at least a year and must return to work and earn eight times their WBA from a single employer. A person disqualified for illegal drug use or gross misconduct can draw UI benefits as soon as they return to work and earn eight times their WBA from any combination of employers.
- As a result, DEW recommends that Section 41-35-120(3) be revised to impose a twenty-week disqualification and Section 41-35-120(4) be repealed in its entirety.

UI Legislative Recommendations

Section 41-35-126. Military Relocation Benefits.

- This provision allows benefits to an individual who quits employment to relocate because their spouse has been transferred from one military assignment to another, provided the separation from employment occurred within fifteen days of the military relocation date.
- However, the compelling family circumstances exemptions under Section 41-35-125 cover this situation and are more generous, because the relocation can occur within thirty days of the spouse's reassignment.
- As a result, DEW recommends that Section 41-35-126 be **repealed entirely.**

UI Challenges

Administrative funding

- Administrative funding from DOL has declined substantially in inflation adjusted dollars.
- However, cost of running the program, even in lower claim volume years, is higher:
 - Wage growth for employees to remain competitive.
 - Modern systems are expensive to maintain and enhance.
 - Administrative funding is based on UI claim workload but doesn't account for the increased number of employers to serve due to booming economy.
 - Constantly evolving fraud threat requires additional funding to keep up with.



Questions?