



MANAGEMENT & TRUST FUND REVIEW REPORT

FISCAL YEAR JULY 1, 2024 — JUNE 30, 2025



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 South Carolina Department of Employment and Workforce (DEW) remains focused on its mission to serve the state through 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, marked by economic growth and record-breaking numbers of individuals working in South Carolina.

This report includes agency updates, program launches, and data to illustrate DEW’s successes during the reporting year. Some examples from the July 1, 2024 – June 30, 2025, fiscal year include how DEW has:



Continued implementing provisions of Act 67, the Statewide Education and Workforce Development Act. On April 16, 2025, the South Carolina Senate confirmed Governor Henry McMaster’s appointment of Dr. Rebecca Battle-Bryant as the first director of the Office of Statewide Workforce Development (OSWD). The OSWD is responsible for coordinating, aligning, and directing statewide workforce efforts under the direction of the Coordinating Council for Workforce Development (CCWD). One of the projects that came out of the CCWD during the program year that the OSWD oversees is the FindYourFuture.sc.gov platform, launched in February 2025 as a pilot website to connect South Carolina jobseekers with information and programs that guide them on their education and career pathways, as well as provide a convenient repository of links to the breadth of employment resources available statewide. This website marked a milestone achievement as it involved the participation of over 30 organizations, state agencies, and businesses. Find Your Future SC is the early phase of the Central Educational and Workforce Portal, an interactive, more in-depth platform that the OSWD will continue modeling in the upcoming program years.



Completed the inaugural South Carolina Supply Gap Analysis, as directed by the Statewide Education and Workforce Development Act. The report examines the difference between the number of adjusted postsecondary graduates qualified for a given occupation and the amount of new annual demand within that occupation. Stakeholders from across the workforce and education ecosystem can use these data to understand the opportunities and challenges facing the state in the coming years.



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.



Recognized Workforce Development Month for the third year in a row with Governor McMaster delivering the proclamation alongside our agency at the South Carolina Chamber of Commerce’s Workforce Symposium. Throughout September 2024, almost 200 events were held to celebrate the Workforce Development Month observance and connect residents with careers and related resources, including rural outreach featuring the SC Works Career Coach, virtual workshops, hiring events, and more. DEW also held its second annual SC@Work Photo Contest, which celebrated hard work and dedication.



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

AGENCY INTRODUCTION CONT.

in South Carolina by showcasing pictures of “SC at work,” in which employers and employees from across the state submitted photographs of the great work being performed throughout the state every day. Six awards were announced: regional winners, a people’s choice winner, and the Whitesville Rural Volunteer Fire Department as the overall state winner. As part of the culmination of Workforce Development Month activities, Governor McMaster and our agency presented the second-ever Workforce Champion Award for extraordinary effort and innovation in developing and connecting educators and students with employment opportunities in South Carolina. BMW was selected as the 2024 honoree due to its commitment to providing hands-on experiences to middle and high school students in its state-of-the-art facility, as well as its exceptional apprenticeship programs, the Scholars and Rising Scholars Programs, which were the first of their kind in the state.

PY'24 allowed our agency to focus on reemployment services and expanding our workforce. DEW has achieved numerous successes, including maintaining the trust fund, strengthening relationships with partners, and providing services to both claimants and employers.

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.

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PRIMARY PRODUCTS AND SERVICES

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. 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

This division 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.



OFFICE OF STATEWIDE WORKFORCE DEVELOPMENT

The OSWD is responsible for implementing the Statewide Education and Workforce Development Act initiatives under the direction of the Coordinating Council for Workforce Development (CCWD) to coordinate, align, and direct various workforce efforts throughout the state.

AGENCY EMPLOYEE COUNTS

DEW employed, as of June 30, 2025, a total of 709 employees consisting of:

- 691 Full-Time Employees
- 9 Temporary Grant Employees
- 7 Temporary Employees

These employees staff the Unemployment Insurance, Employment Services, Workforce Development, Office of State Wide Workforce Development (OSWD) and Labor Market Information divisions, as well as other departments that provide support to those divisions.

UI DIVISION

DEW's Unemployment Insurance (UI) Division is responsible for the administration of the State's Unemployment Compensation Program. This program serves South Carolinians transitioning from unemployment to reemployment by providing timely and accurate payment of unemployment benefits, reemployment services, and effective collection mechanisms to maintain UI Trust Fund solvency.

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 2025 (July 1, 2024, to June 30, 2025), 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, 2025, was \$1,812,388,549. The trust fund is above its adequate balance as of June 30, 2025, and there will be no trust fund rebuilding process required for 2026.

For a detailed assessment of the health of the state's UI Trust Fund, the Agency's "FY 2025 Trust Fund Annual Assessment Report" is available as [Appendix A](#).



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, South Carolina's RESEA program performed well compared to other state programs. 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, 2024 to June 30, 2025 (PY '24):

WAGNER-PEYSER QUARTERLY REPORT

	GOAL FOR PY '24	ACTUAL	PERCENT OF GOAL
Employment Q2	67.0%	70.4%	105.1%
Employment Q4	66.0%	70.6%	107.0%
Median Earnings	\$5,755	\$7,800	135.5%

JOB FAIRS AND HIRING EVENTS

In PY '24, there were 1,095 hiring events, with 135 being virtual/hybrid events and 5,288 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 PY'24 over 4 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 (AISCF) 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 51,665 students and 5,515 general visitors. In PY'24, the workshop held 139 events with 13,691 guests.

SC@WORK: RURAL CONNECTIONS

In 2022, DEW began its 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 PY'24 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 PY'24 DEW now offers two Career Coaches in the field which has continued to expand services.

In PY'24, this initiative held 683 events in rural communities serving 2,314 employers with 22,953 jobseekers in attendance and 8,128 follow-up interviews.



VETERANS PROGRAM

In November each year DEW sponsors “Veterans in the Workforce” month. During this time the agency highlights veterans working within South Carolina using social media campaigns through Facebook and LinkedIn. During PY’24, fourteen 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.

DEW offers the SC Works Veterans Portal, a one-stop directory for South Carolina’s veterans to search for jobs, locate 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, is a user-friendly 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.

VETERANS PERFORMANCE REPORT

	GOAL FOR PY '24	ACTUAL	PERCENT OF GOAL
Employment Q2	50.0%	57.2%	114.4%
Employment Q4	48.0%	51.6%	107.5%
Median Earnings	\$5,160	\$6,694	129.7%

S.T.A.Y.S PROGRAM

DEW launched the S.T.A.Y.S Program (Stay to Apply Your Skills) in November 2024, for military veterans and their spouses to participate in up to five interviews with participating South Carolina employers. This program offers the opportunity for veterans and spouses to demonstrate their transferable skills often not shown on an application or resume but may be demonstrated in the interview. In PY’24 the S.T.A.Y.S program served 527 participants, 33 spouses, with 329 participating employers.

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 receives notice of impending employment layoffs. During these 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 (TAA) staff are involved in the coordination and facilitation of rapid response activities.

In PY’24, the Rapid Response team served 239 employers proving informational sessions and/or direct reemployment services to individuals impacted by a layoff and/or closure.

- 263 Management Meetings
- 122 Group Information Sessions
- 67 On-site Services

PERSONALIZED EMPLOYER PLAN

The agency and SC Works representatives work with employers to develop a customized recruitment plan tailored to their business needs. These representatives help employers determine recruiting needs and identify skills required for their open positions. Recruitment plans can include the job match program, virtual or in-person job fairs and hiring events, recall assistance, direct referrals, social media, screening services, and SC Works Online, among other personalized services.



WORKFORCE DEVELOPMENT

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 centers located across the state..

WORKFORCE SYSTEM MODERNIZATION

DEW launched a case management and labor exchange modernization project in PY'22, starting with a study to evaluate the feasibility of integrating partner systems and data to build a seamless and streamlined experience for all system users. The first half of PY'24 was spent discussing the project and developing the scope of work and system specifications in preparation for a solicitation of proposals from potential vendors. A Request for Proposals (RFP) was released in January 2025, kicking off the system procurement process. Other activities included:

- Formation of Evaluation and Scoring, Data Governance, and Organizational Change Management Committees.
- Engagement with WIOA Core Program partners.
- Distribution of Change Readiness Assessments to staff and administrative users as well as jobseekers and employers.
- Procurement of a Program Assurance, Independent Verification, and Validation consultant.

DEW identified several key takeaways from the Change Readiness Assessments:

- Key staff lack awareness of the project.
- Impacts to daily job functions are largely unknown.
- Training is needed to ensure staff can seamlessly transition from the current system to the new system.
- Unresolved questions are related to potential impacts and motivation for the project.
- Jobseekers and employers want easy access to resources and tools and better candidate matching capabilities.

In early PY'25, DEW branded the project as the SCWOS Modernization Project. Committees are actively carrying out relevant tasks and priorities to advance the project including efforts to improve communication and informational awareness about the project through tools such as virtual information sessions, printed materials, and an online information center. Vendor selection and contract negotiation are underway.

CROSS-PARTNER STAFF TRAINING

DEW continued investing in professional development opportunities to support collaboration and shared understanding among workforce partners. One example is the ability to provide a centralized location for training content accessible across the SC Works system including the functionality for staff and managers to track completion of required training. To accomplish this, DEW's Workforce Learning Office (WLO) oversees implementation of the SC Works Learning Management System (LMS), working closely with SC Works staff and partners to design and facilitate training courses. In PY'24, the WLO created seven technical modules for SC Works Online Services and facilitated nine in-person resume classes and seven virtual SCWOS classes.

Additionally, DEW relaunched the SC Works Partner Series, branded as SC Works Information Sessions. This is a strategy to develop an effective customer-driven workforce system through the alignment of programs and policies, the use of leading-edge technology, and high-quality staff. In PY'24, DEW hosted four SC Works Information Sessions covering a range of relevant topics including serving justice-involved individuals; highlighting clean energy and transportation sectors; AI and quantum technologies; and a discussion on Priority Occupations and the CCWD Postsecondary Supply Gap Analysis. These sessions provided partners with opportunities to exchange best practices, strengthen communication, and stay informed on statewide workforce priorities and initiatives.

INDUSTRY PARTNERSHIPS

Sector Partnership Grants

Sector Partnership grants were awarded to local workforce development boards for a period of 24 months, ending in PY'24, to launch new sector partnerships and grow existing ones. A summary of current activity funded through these grants is provided below:

- The Link Upstate Region revitalized the Upstate Manufacturing Network. The grant allowed the Region to fund outreach efforts aimed at reengaging the manufacturing community, as well as funding the position of a second convener to help launch two new partnerships. Funds have been allocated to lay the groundwork for training programs and outreach efforts aimed at addressing industry-specific challenges, such as skill gaps and workforce retention.
- The Pee Dee Region advanced Diversified Manufacturing within the area. The LWDA convened employers, economic development entities, educators, and workforce development agencies to collaborate (including small breakout groups) to address the skills gap. A convener was contracted for the region. The Manufacturing Sector

Action Plan focused on boosting career and technical education awareness, strengthening school-to-career pathways, enhancing higher and adult education partnerships with manufacturers, and improving workforce readiness through training, recruitment support, and expanding transportation options across the Pee Dee Region.

- The Central Region focused their efforts on reconstructing the Sector Partnership team for Advanced Manufacturing. With the assistance of a consultant hired using the grant funds, the Region was able to assemble a Steering Committee. The Committee, comprised of employers across the region, facilitated conversation on future growth, self-sufficiency, and barriers employers are experiencing in today's hiring. A resource directory of service provider partners was created as well, to include Vocational Rehabilitation, the K-12 system, technical colleges, and workforce and economic development.
- The Trident Workforce Development Area continued its collaboration with the Charleston Metro Chamber on the Healthcare Sector Strategy Partnership. The Charleston Metro Chamber received an Economic Development Administration (EDA) grant to support Healthcare Sector Strategies, which ended on June 30, 2025. The Southcoast Region, including the Charleston Metro Chamber, is eager to build upon the work already begun in the healthcare industry as they have made significant progress in fostering trust with employers and SC Works, and have identified additional employer needs.

REGIONAL MANUFACTURING COLLABORATIVE

DEW is a partner and lead convener in the Southern Carolina Alliance (SCA) Regional Manufacturing Workforce Collaborative. The Collaborative aligns South Carolina's workforce agency, economic development agencies, local workforce boards, technical colleges, career and technical education centers, and school districts to deliver manufacturing training, apprenticeships, and credentials across seven counties: Allendale, Bamberg, Barnwell, Beaufort, Colleton, Hampton, and Jasper. Over a period of nine months, the collaborative identified several strategies to enhance the manufacturing workforce in the seven-county SCA region. Each strategy is aligned to achieve the following goals as outlined in the CCWD's Unified State Plan for Education and Workforce Development:

- Increase understanding about the top industries in South Carolina, the diverse array of occupations within them, and services available to assist employers and individuals prosper.
- Increase skills and experiences, of South Carolinians at all ages, to ensure they can progress through the career path of their choice.
- Increase options to overcome barriers South Carolinians face when attempting to access education and enter the workforce.

Members are organized into committees, each tackling related strategies. Development and initial implementation of the plan has improved communication among regional partners and increased collaboration. Initial outputs include communicating information about job fairs and hiring events, including workforce partners in economic development announcements/events, sharing information about grants and other funding opportunities, and appointing SCA leadership to the local workforce development board.

EMPLOYER SERVICES COLLABORATIVE

Following the transition of workforce development programs and activities from SC Commerce to DEW, Commerce, DEW, and the SC Manufacturing Extension Partnership formed a collaborative to improve coordination, outreach, and service delivery to small and medium-sized manufacturers. Named the Employer Services Collaborative, its partners identified several projects to create the framework and conditions from cross-agency collaboration. In PY'24, the Collaborative focused on developing a dashboard that will combine company engagement data from all three partner agencies. The dashboard will provide publicly available information about the company and historical engagement data, informing staff who directly serve employers of recent visits or engagements. This approach will reduce duplication of efforts and support more streamlined service delivery to manufacturers.



WIOA TITLE I ADULT, DISLOCATED WORKER, AND YOUTH PROGRAM PERFORMANCE FOR PY'24:

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	107.9%	88.4%	102.6%	99.6%	Employment Rate Q2	101.7%	105.2%	91.7%	99.5%
Employment Rate Q4	103.2%	98.4%	93.3%	98.3%	Employment Rate Q4	97.2%	111.5%	113.6%	107.4%
Median Earnings	108.8%	112.2%	112.3%	111.1%	Median Earnings	119.2%	93.4%	96.1%	102.9%
Credential Rate	107.9%	111.0%	92.7%	103.9%	Credential Rate	114.7%	121.2%	89.0%	108.3%
Measurable Skill Gains	100.0%	124.3%	132.3%	118.9%	Measurable Skill Gains	104.1%	138.7%	98.7%	113.8%
	105.5%	106.9%	106.7%			107.4%	114.0%	97.8%	

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	95.3%	75.3%	103.2%	91.3%	Employment Rate Q2	99.6%	118.2%	104.2%	107.4%
Employment Rate Q4	89.1%	96.8%	96.9%	94.3%	Employment Rate Q4	102.5%	120.5%	110.0%	111.0%
Median Earnings	85.6%	86.3%	113.7%	95.2%	Median Earnings	131.8%	112.3%	135.1%	126.4%
Credential Rate	100.6%	102.4%	94.5%	99.2%	Credential Rate	141.5%	133.5%	108.2%	127.7%
Measurable Skill Gains	126.5%	147.7%	100.3%	124.8%	Measurable Skill Gains	130.6%	133.5%	137.4%	133.8%
	99.4%	101.7%	101.7%			121.2%	123.6%	119.0%	

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	88.4%	81.3%	105.1%	91.6%	Employment Rate Q2	96.0%	89.6%	96.9%	94.2%
Employment Rate Q4	86.8%	93.5%	105.0%	95.1%	Employment Rate Q4	100.6%	91.0%	99.0%	96.9%
Median Earnings	120.9%	122.2%	164.2%	135.7%	Median Earnings	113.1%	130.9%	140.6%	128.2%
Credential Rate	97.4%	128.7%	96.4%	107.5%	Credential Rate	125.1%	123.0%	125.2%	124.4%
Measurable Skill Gains	116.0%	110.3%	111.7%	112.7%	Measurable Skill Gains	112.8%	104.8%	126.9%	114.9%
	101.9%	107.2%	116.5%			109.5%	107.9%	117.7%	

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	101.9%	97.8%	115.1%	104.9%	Employment Rate Q2	107.2%	90.4%	90.4%	96.0%
Employment Rate Q4	95.5%	112.1%	119.0%	108.9%	Employment Rate Q4	96.4%	97.3%	87.4%	93.7%
Median Earnings	113.5%	121.5%	118.3%	117.7%	Median Earnings	112.7%	107.3%	156.7%	125.6%
Credential Rate	116.5%	100.0%	87.0%	101.2%	Credential Rate	104.7%	125.0%	93.9%	107.9%
Measurable Skill Gains	127.9%	144.7%	127.0%	133.2%	Measurable Skill Gains	130.8%	141.4%	125.1%	132.4%
	111.1%	115.2%	113.3%			110.3%	112.3%	110.7%	

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	100.5%	103.2%	108.2%	104.0%	Employment Rate Q2	99.0%	119.0%	102.7%	106.9%
Employment Rate Q4	99.5%	108.8%	100.0%	102.8%	Employment Rate Q4	103.1%	117.6%	97.5%	106.1%
Median Earnings	110.4%	126.1%	109.0%	115.2%	Median Earnings	110.5%	111.2%	114.8%	112.2%
Credential Rate	98.8%	118.2%	131.9%	116.3%	Credential Rate	113.6%	148.6%	101.1%	121.1%
Measurable Skill Gains	103.5%	95.4%	110.4%	103.1%	Measurable Skill Gains	123.8%	115.4%	121.6%	120.3%
	102.5%	110.4%	111.9%			110.0%	122.4%	107.5%	

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	98.5%	100.8%	100.7%	100.0%	Employment Rate Q2	98.7%	81.5%	113.9%	98.0%
Employment Rate Q4	98.7%	105.9%	95.9%	100.2%	Employment Rate Q4	96.8%	94.1%	119.3%	103.4%
Median Earnings	121.1%	137.9%	121.3%	126.8%	Median Earnings	128.6%	80.3%	170.8%	126.6%
Credential Rate	112.9%	135.0%	97.5%	115.1%	Credential Rate	99.9%	90.3%	148.1%	112.8%
Measurable Skill Gains	100.2%	90.0%	114.6%	101.6%	Measurable Skill Gains	112.7%	105.5%	136.9%	118.4%
	106.3%	113.9%	106.0%			107.3%	90.3%	137.8%	

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

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 lmi.sc.gov. 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:

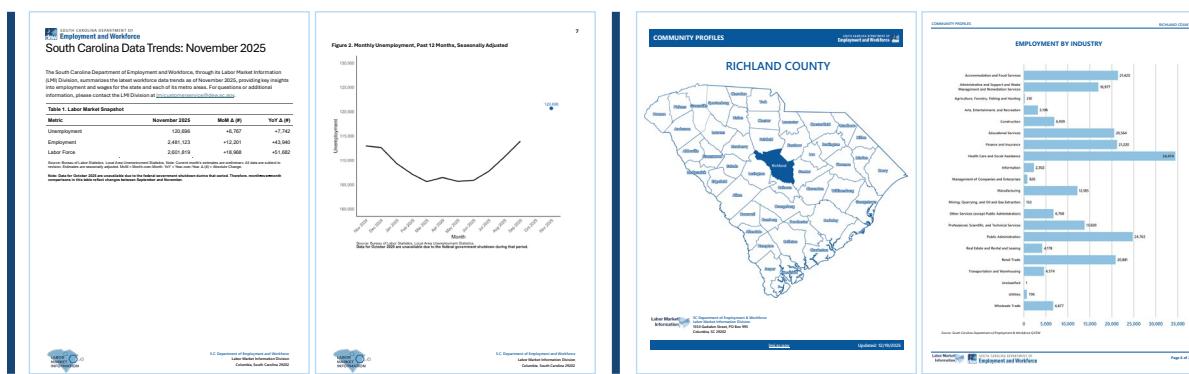
- Local Area Unemployment Statistics (LAUS) produce data on how many people are employed and how many people are unemployed, i.e., any individual who doesn't have a job and is actively looking for one. The sum of these two figures is the labor force, and the share of the labor force that is unemployed 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 AND COMMUNITY PROFILES

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 lmi.sc.gov/SC-Data-Trends-Magazine/SC-Data-Trends-Magazine. LMI also regularly updates our Community Profiles, which provide an array of information about our state, its counties and metropolitan areas, and the 12 workforce development areas. Community Profiles are available at lmi.sc.gov/Community-Profiles.



OFFICE OF STATEWIDE WORKFORCE DEVELOPMENT (OSWD)

The Office of Statewide Workforce Development (OSWD) was established under the Statewide Education and Workforce Development Act (2023 Act) to coordinate statewide workforce efforts and implement Coordinating Council for Workforce Development (CCWD) initiatives.

The CCWD was established by the General Assembly in 2016 to improve coordination of workforce development efforts across state government, education, business, and community stakeholders. Through legislation, including the 2023 Act, the council's role has expanded to align and enhance the state's education and workforce system to be accessible, effective, and easily understandable. The 38-member CCWD comprises representatives from state agencies, education and workforce training partners, as well as employers and industry associations. Collaboration among these stakeholders enables the development and implementation of shared workforce objectives.

In April 2025, Dr. Rebecca Battle-Bryant was confirmed as the first Director of the OSWD. She leads strategic planning, performance accountability, policy development, and partner engagement to strengthen alignment across the education and workforce ecosystem.

UNIFIED STATE PLAN FOR EDUCATION AND WORKFORCE DEVELOPMENT (USP)

The USP is a comprehensive strategic blueprint to unify education and workforce development efforts across South Carolina. It sets goals and strategies across three focus areas:

- Awareness** – Increase understanding of career pathways, industries, and workforce resources.
- Skills** – Expand opportunities for skill development, credentials, and work-based learning.
- Obstacles** – Reduce barriers to participation, including childcare, transportation, and access to training.

In June 2025, the CCWD adopted initial metrics for the USP.



WORKFORCE PULSE AND DATA INSIGHTS

As part of the CCWD's work in determining initial metric baselines, the CCWD commissioned a statewide survey (South Carolina Workforce Pulse) to understand awareness, perceptions, and barriers related to employment and training. Findings highlight gaps in awareness of growing sectors, structural barriers like transportation, and skill mismatches, and the need for more targeted outreach and alignment between jobseeker needs and employer expectations.

FINDYOURFUTURE.SC.GOV

Launched in February 2025, this platform serves as a centralized resource connecting jobseekers, employers, educators, and partners to career information, labor market resources, and training opportunities. It will connect to a larger Statewide Education and Workforce Portal (Find Your Future Portal) designed to simplify and personalize access to education and workforce tools and data. The Find Your Future Portal is currently in development.

LOOKING AHEAD

In the coming year, the OSWD will continue to coordinate and lead the CCWD efforts on the following:

- Updating the USP and reporting on USP metrics;
- Developing the Find Your Future Portal; and
- Enhancing stakeholder engagement to achieve education and workforce outcomes statewide.

LEGISLATIVE RECOMMENDATIONS

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

1. Amend Section 41-31-45 to adopt a new solvency standard for the UI Trust Fund.

South Carolina has adopted the most widely accepted measure of Trust Fund solvency, known as the Average High Cost Multiple (AHCM). 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. The South Carolina General Assembly has adopted the U.S. 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.

While having a Trust Fund balance that is equivalent to a single year payout at the highest cost rate during an "average" recession is the current recommendation of the U.S. Department of Labor, it may be higher than necessary based on recent experiences and changes to the unemployment insurance system over time. DEW recommends considering replacing the AHCM of 1.0 with a new standard focusing on the likely maximum cost on benefits during an average recession using the applicable maximum weekly benefit amount and maximum number of weeks of benefits.

The minimum trust fund balance required by current law will likely approach \$2 billion by the year 2030 based on the strong growth in total wages paid in the state. However, South Carolina has never paid close to \$2 billion, even during extreme economic downturns such as the Great Recession (2009) or the Pandemic (2020). The table below shows the total number of first payments in selected years as a percentage of the state's labor force. This can be thought of as the number of unique UI claimants that the state had in a given year. Using the maximum number of weeks an individual could receive benefits (20 weeks) and the maximum weekly benefit amount that an individual could receive (\$350), it is possible to estimate what the maximum annual cost would be if every claimant was paid this maximum. Note that except for 2020, no recent economic downturn would result in more than approximately \$1.57 billion paid in a 12-month period.

BENEFIT PAYMENTS IN RECENT ECONOMIC DOWNTURNS

CALENDAR YEAR	FIRST PAYMENTS ¹⁵	LABOR FORCE ¹⁶	% OF LABOR FORCE RECEIVING FIRST PAYMENT	MAXIMUM ANNUAL PAYOUT @ 20 WEEKS & \$350/WEEK
1980	170,933	1,394,098	12.3%	\$1,196,531,000
1991	148,059	1,762,572	8.4%	\$1,036,413,000
2001	161,564	1,943,755	8.3%	\$1,130,948,000
2002	145,555	1,952,296	7.5%	\$1,018,885,000
2003	148,646	1,996,734	7.4%	\$1,040,522,000
2008	157,489	2,175,274	7.2%	\$1,102,423,000
2009	224,111	2,176,789	10.3%	\$1,568,777,000
2010	149,306	2,170,408	6.9%	\$1,045,142,000
2020	371,744	2,341,703	15.9%	\$2,602,208,000

As shown in the table, in recessionary times, between seven and 12 percent of the labor force has claimed and been paid UI benefits, with eight percent as a reasonable average during "normal" downturns. Thus, a potential new statutory formula could be considered for estimating the required minimum balance to be:

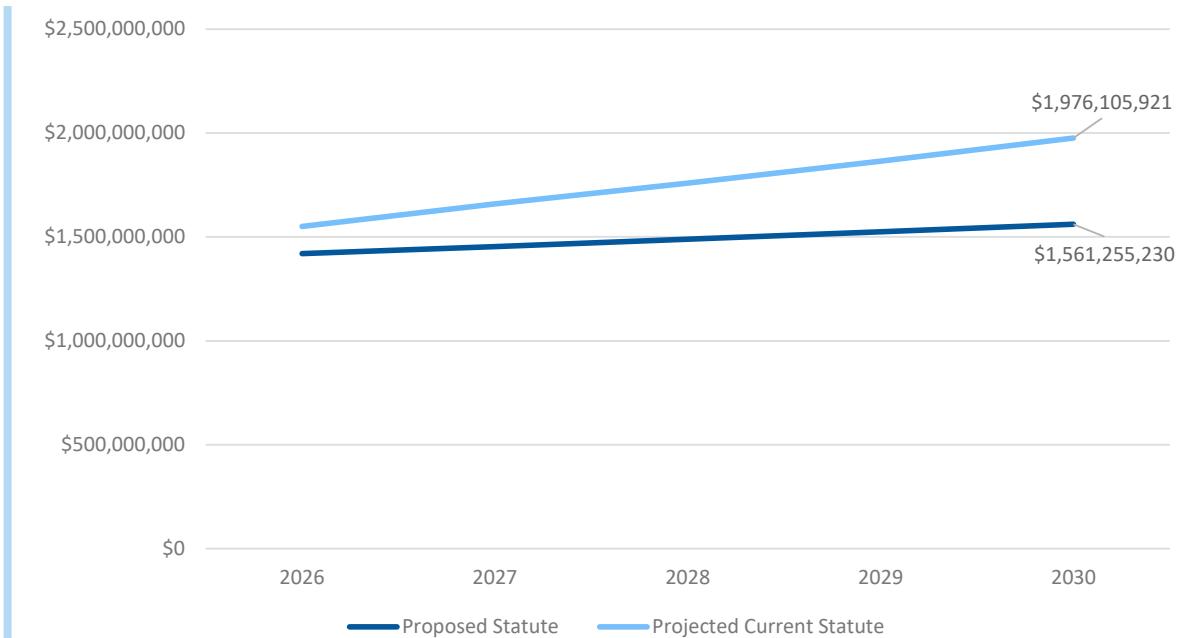
$$\text{Minimum Balance} = \text{South Carolina Labor Force} \times 8\% \times \text{MaxWeeks} \times \text{MaxWBA}$$

The South Carolina Labor Force grew approximately 2.4 percent between 2023 and 2024, and for 2024 stood at 2,535,631. Thus, an adequate minimum trust fund balance for 2026 could be \$1,419,953,360. This would likely increase to \$1,454,032,241 in 2027 if labor force growth remains consistent and there are no changes to the weekly benefit amount or the number of maximum weeks of eligibility.

The benefits of this approach include better aligning the required minimum balance with actual expected maximum benefit payments as well as allowing for potentially larger tax cuts to businesses over the next five years, assuming stable economic conditions. However, this would require a statutory change to implement. Additionally, it does not

align with the current DOL best practice and may prevent the state from being eligible for short-term, interest-free loans for UI benefits if the trust fund became insolvent (see 20 CFR §606.32). The figure below provides projections of the minimum required Trust Fund balance under the current statute with assumed 7.0 percent total wage growth vs. the potential required balance using the new formula, assuming 2.4 percent labor force growth.

REQUIRED TRUST FUND BALANCE, CURRENT VS. POTENTIAL FORMULA



2. Amend Section 41-31-60(B) to state that an employer with an active lien must pay future quarters at their calculated rate plus two 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 ten percent. In 2025, the difference between Tax Class 20 and the next highest tax class was more than 250 percent. 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 two percentage points until all liens are paid. Adding two percentage points will render the tax structure more consistent with the consequences when the tax code was changed in 2011.

3. 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 ten percent 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 ten percent cap be eliminated and all noncompliant employers be subjected to a penalty of a full ten percent of the taxes due.

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

DEW currently spends more than \$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 authorize 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 12 quarters to 20 quarters.

Currently, DEW sets employer UI tax rates by looking at the taxable wages and UI benefit charges during the 12 quarters ending on June 30. When this law was changed effective for tax year 2014, only 15.8 percent of taxable wages were placed in the lowest Tax Class 1. In 2025, however, 29.7 percent of taxable wages were in Tax Class 1 due to having had zero benefit charges during the previous 12 quarters. This means that 29.7 percent 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 2027 would be the 16 quarters ending on June 30, 2026 and the lookback period or tax year 2028 and thereafter would be 20 quarters.

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 percent in taxes to paying 5.46 percent in taxes in 2025 with the current 12-month lookback period. If the lookback period was more than 20 quarters, however, that employer's tax rate would have only gone up to 1.551 percent in 2025.

6. Amend Section 41-31-350 to create an SOC code penalty of \$5 per employee without an 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 an 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 30 days of the imposition of the penalty. This will encourage compliance with the Statewide Education and Workforce Development Act and promote South Carolina's workforce development goals.





MANAGEMENT AND
TRUST FUND REVIEW REPORT

FY JULY 1 2024 - JUNE 30, 2025



SOUTH CAROLINA
Department of Employment and Workforce



SOUTH CAROLINA
UNEMPLOYMENT INSURANCE

FY2025

**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 2025 (July 1, 2024-June 30, 2025).

CURRENT STATUS

Unemployment benefit outlays for FY2025 totaled \$171,017,427¹. Revenues generated to fund the UI programs totaled \$232,235,504².

As of June 30, 2025, the UI Trust Fund had an unadjusted balance of \$1,812,388,549³. The health of the Trust Fund has been strong over the past fiscal year.

The Trust Fund is above its statutorily required balance as of June 30, 2025, and there will be no Trust Fund rebuilding process required for CY2026.

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, 2025 exceeded the state definition of adequate funding. Thus, no solvency surcharge will be required for CY2026, 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 August 27, 2025, two states/territories (CA and VI) continued to have an outstanding balance, and one state (CA) is actively borrowing. In addition to paying back these

¹ Treasury Direct Account Statements

² *Ibid*

³ Treasury Direct Account Statements: Jun 2025

loans, these states must also now pay interest on the accumulated balances. The federal waiver on interest expired September 6, 2021. For FY2025, these states accumulated more than \$698 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 CY2026⁴.

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.

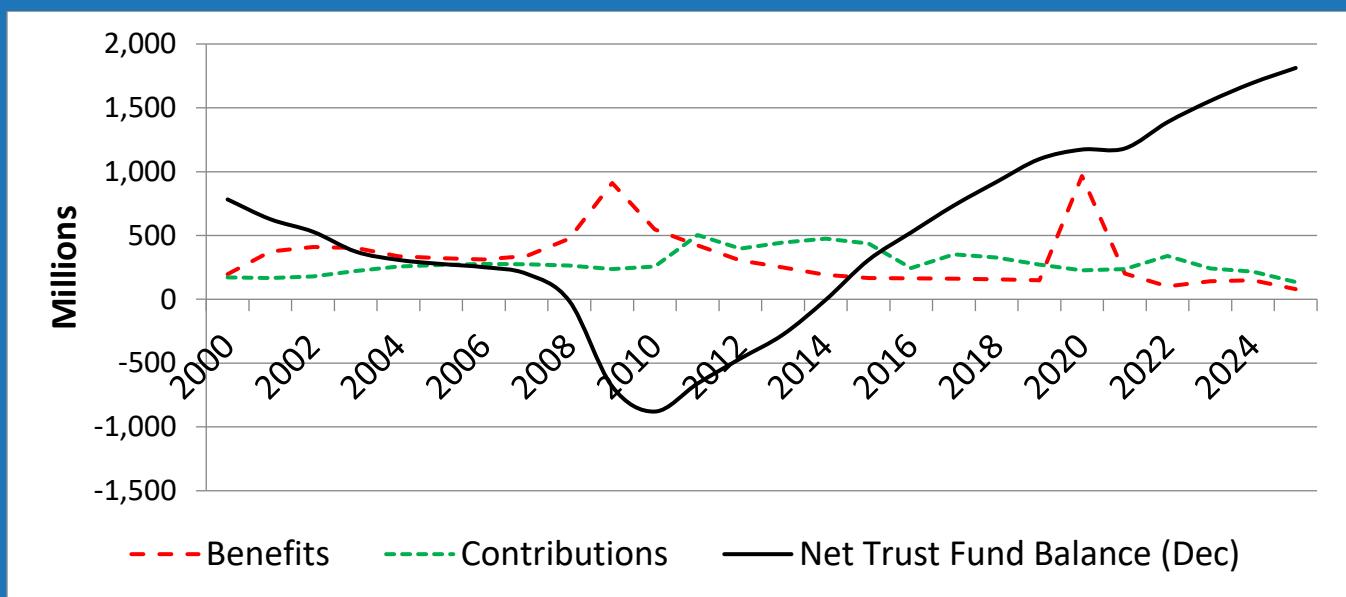
⁴ CY2025 tax rates will be mailed to all businesses the second week of November 2025.

TABLE 1: UI TRUST FUND COMPONENTS, FY2021-2025

COMPONENT	FY2021	FY2022	FY2023	FY2024	FY2025
7/1 Begin Fund Balance	\$707,250,195	\$1,181,566,146	\$1,387,797,571	\$1,554,293,460	\$1,696,336,324
Contributions	\$284,303,507	\$319,727,912	\$271,220,724	\$241,790,569	\$232,235,504
Earned Interest	\$23,473,578	\$20,037,025	\$25,872,453	\$43,195,370 ⁵	\$54,834,148
CARES Act	\$836,397,251	N/A	N/A	N/A	N/A
Benefits	\$669,858,385	\$133,533,512	\$130,597,287	\$142,943,075	\$171,017,427
6/30 End Fund Balance⁶	\$1,181,566,146	\$1,387,797,571	\$1,554,293,460	\$1,696,336,324	\$1,812,388,549
Total Wages⁷	\$83.2 billion	\$93.4 billion	\$102.7 billion	\$108.9 billion	\$115.9 billion

Note: Not equivalent to audited financial statements.

FIGURE 1: HISTORICAL CONTRIBUTIONS, BENEFITS, AND FUND BALANCE, CY2000-2025⁸



⁵ Between FY23 and FY25 the interest earned on trust fund balances increased from a low of 1.6% to a high of 3.2%.

⁶ Treasury Direct Account Statements Jul 2019-Jun 2025, Unadjusted

⁷ Internal estimates August 13, 2025

⁸ US Department of Labor: Financial Handbook 394 <http://www.oui.dolleta.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, 2026, 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 2024, the state paid \$112,414,979,132 in total wages. Multiplying the 1.38 percent by approximately \$112.4 billion provides the adequate balance for CY2026, \$1,550,602,598.

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 CY2026.

TABLE 2: SOLVENCY STANDARDS AND PROJECTIONS⁹

CALENDAR YEAR	HIGH COST YEARS	AVERAGE HIGH COST RATE	TOTAL WAGES ¹⁰ 2 YEARS PRIOR (BILLIONS)	TARGET BALANCE ¹¹ (AHCM=1.0) (MILLIONS)
2016	1991, 2009, 2010	1.30	\$60.3	\$783.9
2017	1991, 2009, 2010	1.30	\$64.0	\$832.0
2018	1991, 2009, 2010	1.30	\$67.2	\$873.6
2019	1991, 2009, 2010	1.30	\$71.1	\$924.3
2020	1991, 2009, 2010	1.30	\$75.1	\$965.9
2021	2009, 2010, 2020	1.38	\$77.2	\$1,083.3
2022	2009, 2010, 2020	1.38	\$79.6	\$1,098.5
2023	2009, 2010, 2020	1.38	\$88.2	\$1,217.2
2024	2009, 2010, 2020	1.38	\$97.6	\$1,346.9
2025	2009, 2010, 2020	1.38	\$105.5	\$1,455.9
2026	2009, 2010, 2020	1.38	\$112.4	\$1,550.6
2027	2009, 2010, 2020	1.38	\$120.3	\$1,659.2
2028	2009, 2010, 2020	1.38	\$127.5	\$1,758.7
2029	2009, 2010, 2020	1.38	\$135.1	\$1,864.3
2030	2009, 2010, 2020	1.38	\$143.3	\$1,976.1

Projections in italics

For CY2026, the fund adequacy target is projected to be \$1,550.6 million based on total wages paid in the last available full year, 2024, of \$112.4 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 \$1.97 billion by 2030.

TRANSPARENCY OF FUNDING (PROVISO 83.3)

In accordance with FY2025-26 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.

⁹ US Department of Labor: Financial Handbook 394 and Agency calculations—small differences may be due to rounding.

¹⁰ Assumes 7% total wage growth in 2025 followed by 6% growth thereafter 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.

¹¹ Estimates are rounded

TABLE 3: CONTRIBUTIONS BY TAX RATE CLASS, 2024

TAX RATE CLASS	# OF EMPLOYER ACCOUNTS	BASE CONTRIBUTIONS	CONTINGENCY CONTRIBUTIONS	% OF TOTAL CONTRIBUTIONS
1	81,163	\$3,740	\$4,125,982	1.8%
2	755	\$1,319,903	\$634,317	0.9%
3	579	\$1,484,174	\$638,558	0.9%
4	501	\$1,628,329	\$627,145	1.0%
5	591	\$1,816,293	\$635,907	1.1%
6	508	\$1,929,804	\$560,249	1.1%
7	564	\$2,222,465	\$624,260	1.3%
8	632	\$2,408,787	\$591,217	1.3%
9	554	\$3,146,742	\$700,220	1.7%
10	327	\$3,082,842	\$643,008	1.7%
11	653	\$3,588,567	\$667,697	1.9%
12	42,484	\$10,174,248	\$1,667,291	5.3%
13	787	\$4,436,832	\$614,662	2.3%
14	952	\$9,849,326	\$648,219	4.7%
15	970	\$10,414,193	\$612,222	4.9%
16	987	\$10,333,537	\$546,334	4.9%
17	1,197	\$12,050,858	\$571,497	5.6%
18	1,642	\$13,009,058	\$561,788	6.1%
19	2,109	\$15,189,626	\$592,389	7.1%
20	16,821	\$97,946,316	\$1,224,687	44.4%
TOTAL	154,776	\$206,035,639	\$17,487,649	

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.

TAX COLLECTIONS BY TAX RATE CLASS

Tax rates are set on a calendar year basis in the fall of each year. Tax rates for CY2025 were set in November 2024.

In CY2024, a total of \$206.0 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. 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 \$17.5 million for 2024.

Table 3 shows the estimated contributions paid for CY2024 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 or a tax rate of 1%, whichever is higher. This accounts for the large volume of businesses in that category in Table 3. Any business with a

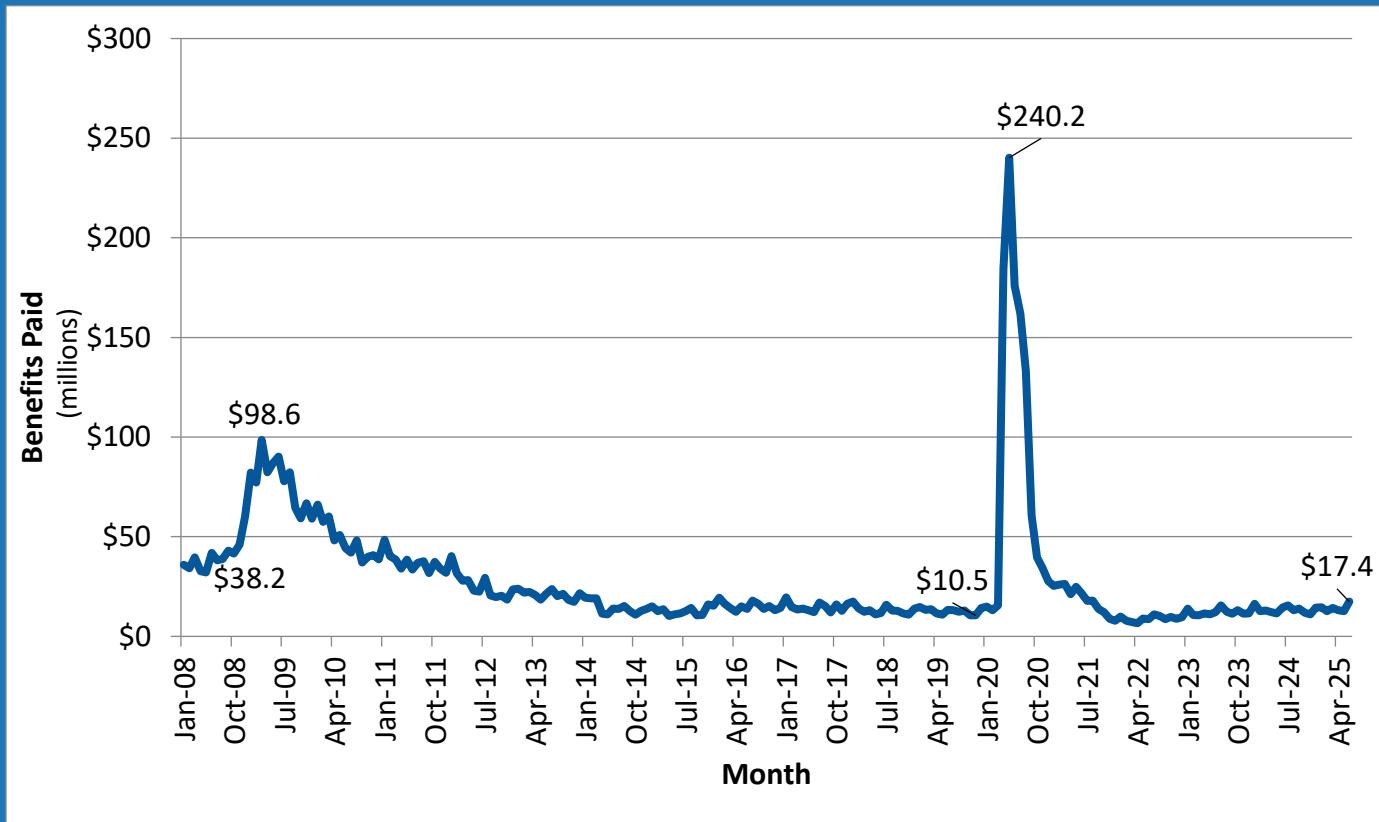
STATE UNEMPLOYMENT BENEFITS PAID

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 2025. 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 2025 that number had fallen to \$17.4 million. Figure 2 does not include any federal unemployment benefit payments.

FIGURE 2: MONTHLY UI BENEFIT PAYMENTS, JAN 2008 – JUN 2025¹²



¹² US Department of Labor, <https://oui.dol.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.

FY2024-FY2025

Table 4 provides information on the number of fraud and non-fraud overpayment cases detected by the unit for the period FY2024 through FY2025 as well as the dollar amounts associated with the overpayments. The higher recoupment numbers are largely the result of the recovery of overpayments made during the pandemic, a period of high benefit payments.

TABLE 4: OVERPAYMENTS, FY2024 – FY2025¹³

	Fraud		Non-Fraud		Total	
	FY24	FY25	FY24	FY25	FY24	FY25
Cases	1,040	1,096	6,585	9,330	7,625	10,426
Dollars	\$2.4m	\$2.3m	\$4.8m	\$5.0m	\$7.2m	\$7.3m
Recouped	\$5.0m	\$5.0m	\$9.6m	\$9.9m	\$14.6m	\$14.9m
NET	-\$2.6m	-\$2.6m	-\$4.8m	-\$4.9m	-\$7.4m	-\$7.5m

UNEMPLOYMENT INSURANCE LOAN PAYMENTS

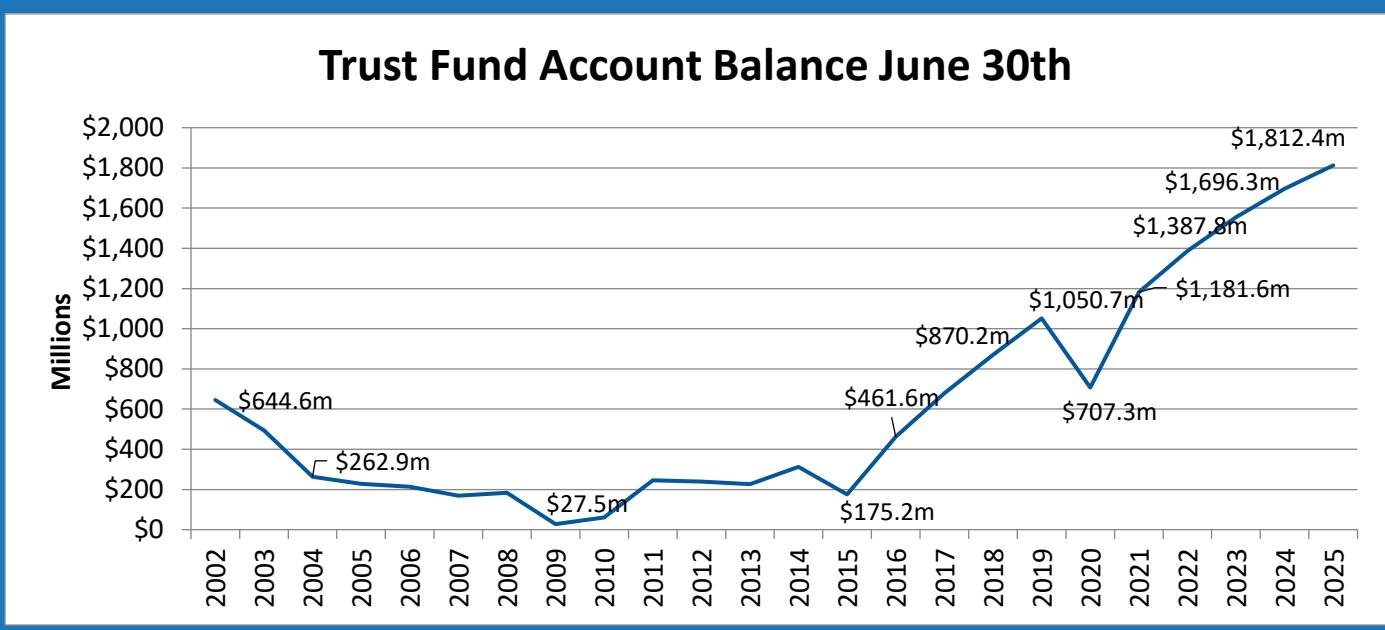
No federal loans were required or repaid during FY2025.

¹³ ETA227 overpayment detections for fraud and non-fraud

UNEMPLOYMENT INSURANCE TRUST FUND BALANCE

As of June 30, 2025, there was an unadjusted balance of \$1,812,388,549¹⁴ 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 decade. 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



AGENCY RECOMMENDATIONS

The agency recommends considering a change to the statute that sets the minimum required balance in the trust fund. The new formula would focus on the likely maximum cost on benefits during an average recession using the applicable maximum weekly benefit amount and maximum number of weeks of benefits.

While having a Trust Fund balance that is equivalent to a single year payout at the highest cost rate during an "average" recession is the current recommendation of the U.S. Department of Labor, it may be higher than necessary based on recent experiences and changes to the unemployment insurance system over time.

As shown in Table 2, the required minimum trust fund balance will likely approach \$2 billion by the year 2030 based on the strong growth in total wages paid in the state. However, South Carolina has never paid close to \$2 billion, even during extreme economic downturns such as the Great Recession (2009) or the Pandemic (2020). Table 5 shows the total number of first payments in selected years as a percentage of the state's labor force. This can be thought of as the number of unique UI claimants that the state had in a given year. Using the maximum number of weeks an individual could receive benefits (20 weeks) and the maximum weekly benefit amount that an individual could receive

¹⁴ Account Statement June 2025: <https://www.treasurydirect.gov/govt/reports/tbp/account-statement/report.html>

(\$350), it is possible to estimate what the maximum annual cost would be if every claimant was paid this maximum. Note that except for 2020, no recent economic downturn would result in more than approximately \$1.57 billion paid in a 12-month period.

TABLE 5: BENEFIT PAYMENTS RECENT ECONOMIC DOWNTURNS

CALENDAR YEAR	FIRST PAYMENTS ¹⁵	LABOR FORCE ¹⁶	% OF LABOR FORCE RECEIVING FIRST PAYMENT	MAXIMUM ANNUAL PAYOUT @ 20 WEEKS & \$350/WEEK
1980	170,933	1,394,098	12.3%	\$1,196,531,000
1991	148,059	1,762,572	8.4%	\$1,036,413,000
2001	161,564	1,943,755	8.3%	\$1,130,948,000
2002	145,555	1,952,296	7.5%	\$1,018,885,000
2003	148,646	1,996,734	7.4%	\$1,040,522,000
2008	157,489	2,175,274	7.2%	\$1,102,423,000
2009	224,111	2,176,789	10.3%	\$1,568,777,000
2010	149,306	2,170,408	6.9%	\$1,045,142,000
2020	371,744	2,341,703	15.9%	\$2,602,208,000

Table 5 shows that in recessionary times, between 7 percent and 12 percent of the labor force has claimed and been paid UI benefits, with 8 percent as a reasonable average during “normal” downturns. Thus, a potential new statutory formula could be considered for estimating the required minimum balance to be:

$$\text{Minimum Balance} = SCLaborForce * 8\% * MaxWeeks * MaxWBA$$

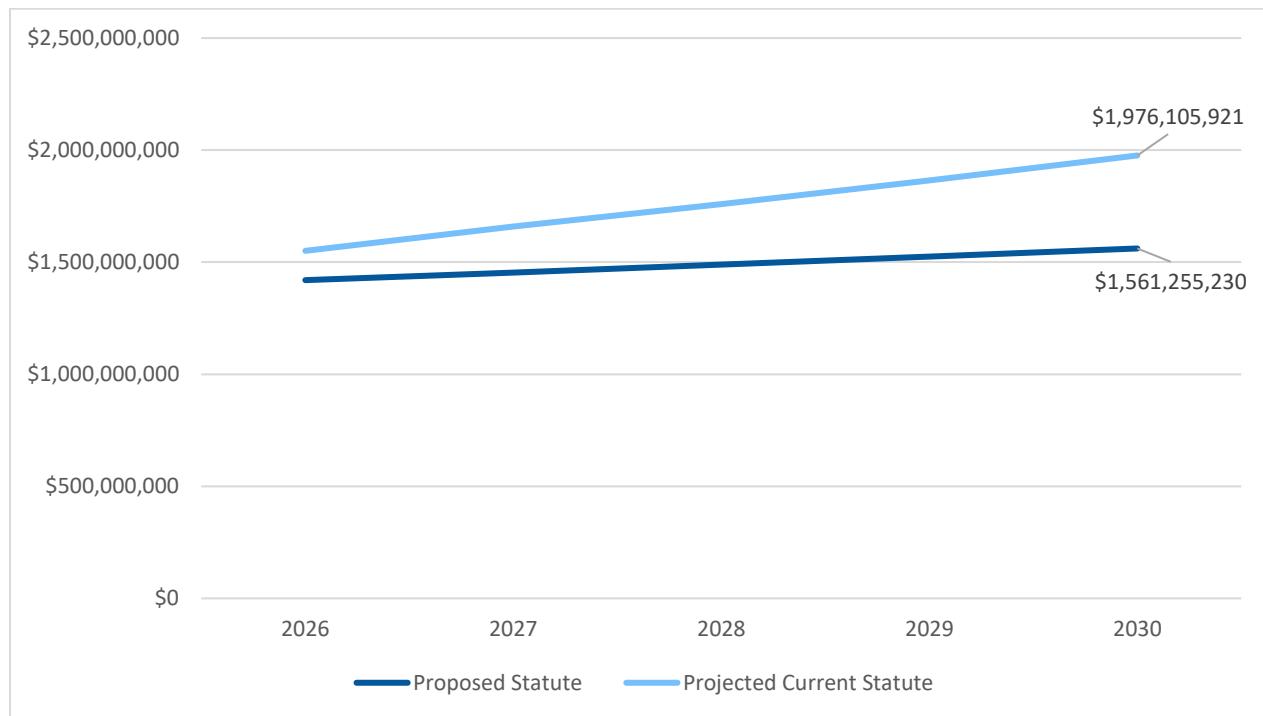
The South Carolina Labor Force grew approximately 2.4% between 2023 and 2024, and for 2024 stood at 2,535,631. Thus, an adequate minimum trust fund balance for 2026 could be \$1,419,953,360. This would likely increase to \$1,454,032,241 in 2027 if labor force growth remains consistent and there are no changes to the weekly benefit amount or the number of maximum weeks of eligibility.

The benefits of this approach include better aligning the required minimum balance with actual expected maximum benefit payments as well as allowing for potentially larger tax cuts to businesses over the next five years, assuming stable economic conditions. However, this would require a statutory change to implement. Additionally, it does not align with the current DOL best practice and may prevent the state from being eligible for short-term, interest-free loans for UI benefits if the trust fund became insolvent (see 20 CFR §606.32). Figure 4 provides projections of the minimum required Trust Fund balance under the current statute with assumed 7% total wage growth vs. the potential required balance using the new formula, assuming 2.4% labor force growth.

¹⁵ ETA5159 Reports

¹⁶ USDOL, LAUS, Annual Average

FIGURE 4: REQUIRED TRUST FUND BALANCE, CURRENT VS. POTENTIAL FORMULA



CONCLUSION

The state's Trust Fund remains fully funded at the end of FY2025. This funding allows 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). However, given historical economic experiences and significant projected growth in the required balance through 2030, it may be time to consider a statutory change to the solvency formula.



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