



## **FROM THE SOUTH DAKOTA UNEMPLOYMENT INSURANCE DIVISION**

South Dakota employers who have established a negative balance in their unemployment insurance (UI) account during the past two years will receive a bill assessing an interest charge in March 2009. The South Dakota UI Trust Fund is held in the US Treasury and earns interest on the funds contributed by employers. In 2007, the interest rate paid was 4.82%. Some employers have negative accounts because the rate they are required to pay puts less into the UI Trust Fund than the benefits paid out to their employees. A new provision will recover those losses by assessing the Treasury interest rate to employers with negative account balances. This new interest charge is part of a comprehensive package adopted by the 2006 SD Legislature to restore solvency to the UI Trust Fund. Implementation of the 2006 change was delayed until 2009. Negative account balances prior to December 31, 2006, will not be charged. The interest charge will be calculated only on the amount by which the negative account balance increased after December 31, 2006. Impacted employers will receive notice of their interest charge in early March 2009.

Source: South Dakota Board of Accountancy, Feb. 2009 Public Information Newsletter.