



News Release

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S.C. Approved for Additional \$97 Million in Unemployment Modernization Funding

For Immediate Release

August 10, 2010

The S.C. Department of Employment and Workforce announced today that it had received \$97,459,490 in unemployment insurance (UI) modernization incentive funds from the U.S. Department of Labor.

The funding came about after the agency made changes to state Unemployment Insurance law that will make benefits applicable to more people, including part-time workers and those who quit work for compelling family reasons.

South Carolina qualified for the funds available under the American Recovery and Reinvestment Act (ARRA).

"Putting these changes into law helps more people who have been adversely affected by the current economy, and allows them some measure of relief as they continue to search for work," said SCDEW Executive Director John L. Finan. "This money not only helps families with reduced means of support due to job loss, but also helps boost the local economy."

To qualify for the UI Modernization Act (UIMA) incentive payments the state had to adopt three new provisions in state unemployment insurance law as well as apply to the U.S. Department of Labor for certification of those new provisions. In the spring of 2010, as part of the legislative overhaul of the former Employment Security Commission, the South Carolina General Assembly adopted the changes necessary to qualify for the incentive money. These new provisions become effective January 1, 2011.

To qualify for the first one-third of the incentive money, the state had to adopt an alternate base period for monetary eligibility. Beginning January 1, 2011, unemployment insurance claimants in the state will be able to use their earnings in the most recently completed calendar quarter to meet monetary eligibility, if they fail to qualify under the "traditional base period." The traditional base period consists of the first four of the last five completed calendar quarters. This change will aid low-wage workers and new entrants into the labor force who qualify for UI benefits.



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To qualify for the remaining two-thirds of the \$97 million the state chose to expand benefit eligibility to two previously under-served populations—part-time workers and those who quit for compelling family reasons. Beginning January 1, 2011, claimants who worked a majority of their weeks in part-time employment during their base period will only be required to look for part-time work during their unemployment spell. Additionally, those individuals who voluntarily quit work for a compelling family reason will not be automatically disqualified for benefits if they continue to meet the able and available work search requirements.

All of the UI Modernization funds will be placed in the state's Unemployment Insurance Trust fund to be used to pay benefits. This additional funding will help the state to avoid additional borrowing from the federal government during this period of elevated unemployment.

For more information about the Recovery Act or to view South Carolina's approved application, please visit <http://www.doleta.gov/recovery>.