

## 2025 South Dakota Legislature

**House Bill 1186****AMENDMENT 1186C  
FOR THE INTRODUCED BILL**

1 **An Act to provide for the revision and eventual repeal of the employer's investment**  
 2 **in South Dakota's future fee.**

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 **Section 1. That § 61-5-29 be AMENDED:**

5 **61-5-29.** Employers required by this title to pay contributions, except employers  
 6 pursuant to chapter 61-5A, that reimburse the unemployment compensation trust fund  
 7 for benefits paid in lieu of contributions, shall also pay an employer's investment in South  
 8 Dakota's future fee, hereinafter referred to as the investment fee, on wages as defined  
 9 by this title. The fee rate for employers not eligible for experience rating, as defined in  
 10 § 61-5-24, must be seventy hundredths percent through calendar year 2006 and fifty-five  
 11 hundredths percent on and after January 1, 2007. If an employer is eligible for experience  
 12 rating, the employer's reserve ratio must be determined pursuant to § 61-5-25.3 through  
 13 calendar year 2017, pursuant to § 61-5-25.4 for calendar years 2018 and 2019, pursuant  
 14 to § 61-5-25.5 for calendar year 2020 through calendar year 2023, and pursuant to § 61-  
 15 5-25.6 for calendar year 2024 and each year thereafter, and the employer's investment  
 16 fee rate must be the rate appearing in column "A" on the same line the employer's reserve  
 17 ratio appears in column "B" of the following rate schedule:

Column "A"	Column "B"
Investment Fee Rate	Reserve Ratio
<del>0.53%</del> <u>0.265%</u>	Less than 1.00%
<del>0.50%</del> <u>0.25%</u>	1.00%-and <del>Less to less</del> than 1.20%
<del>0.40%</del> <u>0.20%</u>	1.20%-and <del>Less to less</del> than 1.30%
<del>0.30%</del> <u>0.15%</u>	1.30%-and <del>Less to less</del> than 1.40%
<del>0.20%</del> <u>0.10%</u>	1.40%-and <del>Less to less</del> than 1.50%

1	<del>0.10%</del> <u>0.05%</u>	1.50% <del>and Less</del> <u>to less than 1.60%</u>
2	0.00%	1.60% and Over

3 The terms and conditions of this title that apply to the payment and collection of  
4 contributions also apply to the payment and collection of the investment fee. Proceeds  
5 from the investment fee must be deposited in the clearing account of the unemployment  
6 compensation fund for clearance only and may not become part of the fund. After  
7 clearance, the money derived from the investment fee payments, less refunds made  
8 pursuant to the provisions of this title, must be deposited in the employer's investment in  
9 South Dakota's future fund as provided for in § 61-5-29.1. No investment fee payment  
10 may be credited to the employer's experience-rating account nor may the payment be  
11 deducted in whole or in part by any employer from the wages of individuals in its employ.

12 The investment fee rate may not be increased over the applicable 1987 investment  
13 fee rate for any employer with a positive balance in the employer's experience-rating  
14 account on the computation date, as established in rules promulgated by the secretary of  
15 labor and regulation pursuant to chapter 1-26, for the current year and the year preceding  
16 the current year.

17 The investment rates provided in this section apply to and are retroactive to taxable  
18 wages paid on and after January 1, 1993.

19 **Section 2.** ~~Section 61-5-29 is repealed on July 1, 2026 Any money spent from South Dakota's~~  
20 ~~future fund must be approved by an affirmative vote of a majority of the board of the~~  
21 ~~Governor's Office of Economic Development.~~