

# Unemployment Insurance Updates – What You Need to Know About New Reporting Requirements

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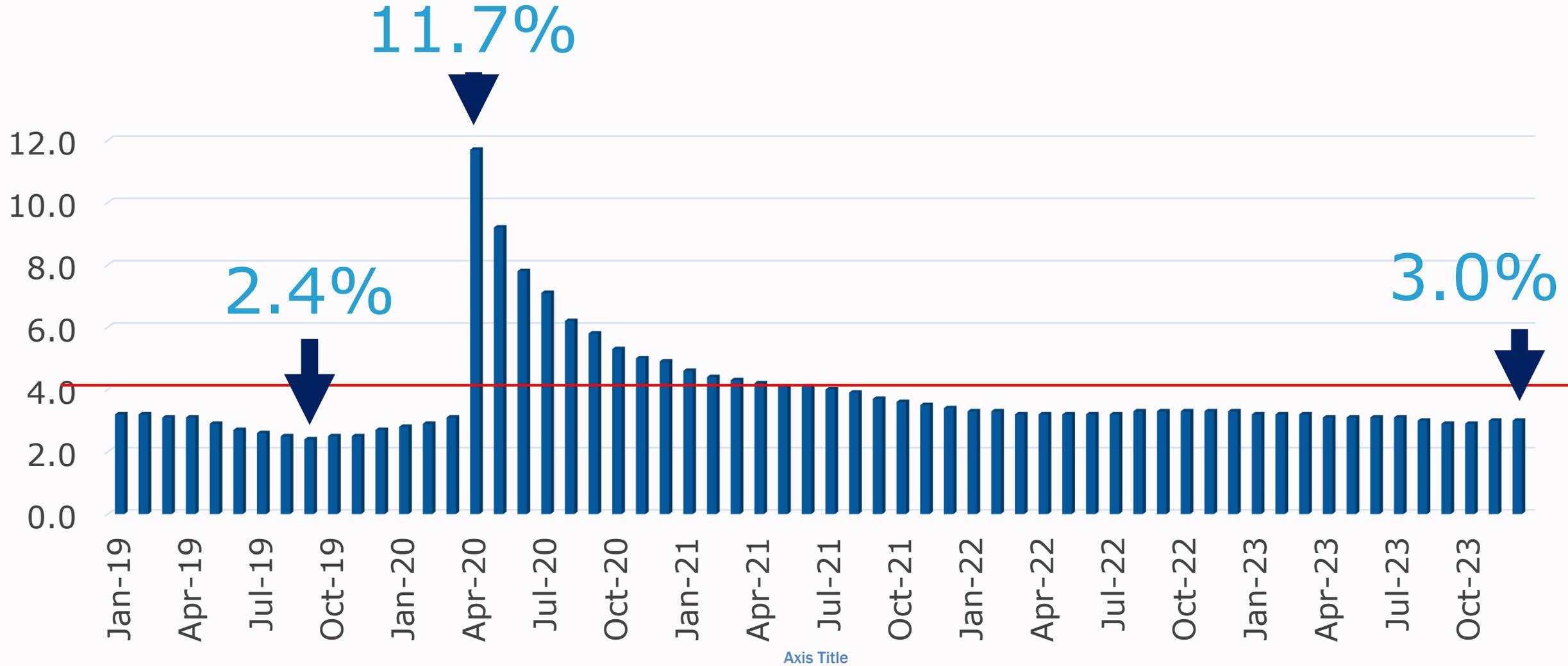
January 30, 2024

# Overview

- South Carolina Employment Data
- Statewide Education and Workforce Development Act (Act 67)
  - Overview
  - Standard Occupational Classification (SOC) Codes
  - Hours Worked
  - Electronic Filing

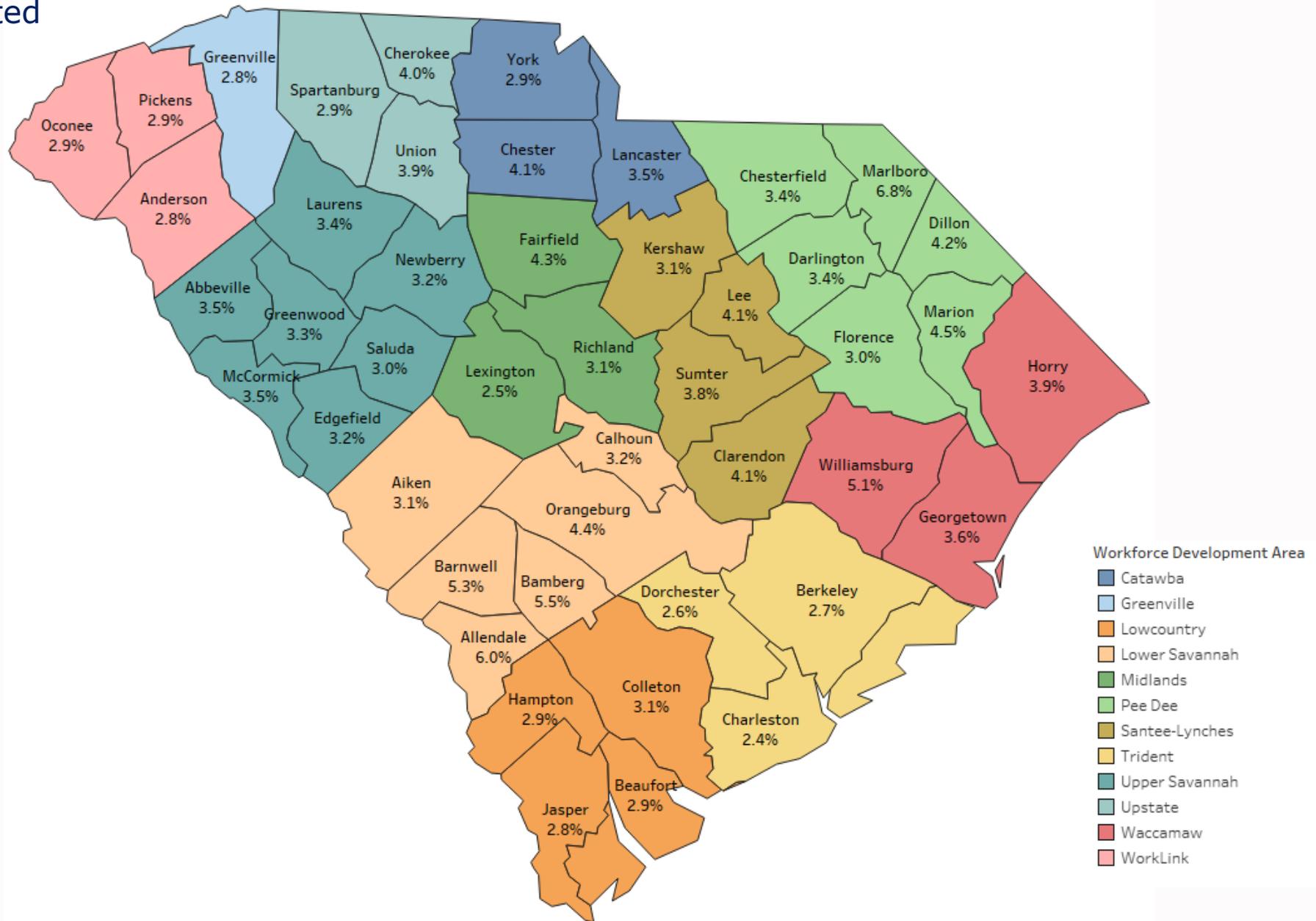
# Unemployment Rate

2019-Present Seasonally Adjusted (Pre-Pandemic, Pandemic, and Post-Pandemic)



# December Unemployment Rates by County

Non-Seasonally Adjusted



# Number of People Working

2019-Present (Pre-Pandemic, Pandemic, and Post-Pandemic)

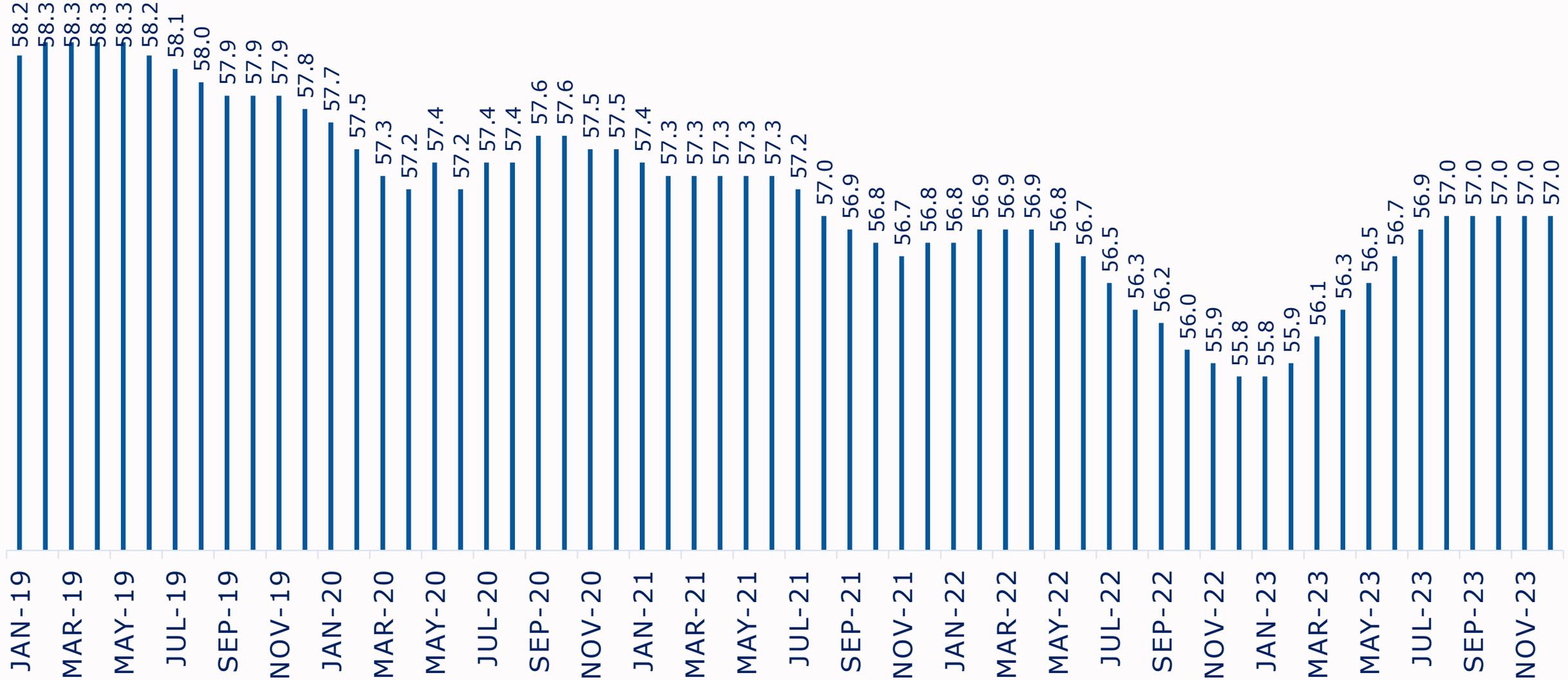
In April 2020, employment fell to 2,046,298. That means that 199,493 South Carolinians lost their jobs from March to April due to the pandemic.



There are 2,401,953 individuals working as of December 2023. That means that there are more people working today in South Carolina than ever before.

# Labor Force Participation Rate

2019-Present (Pre-Pandemic, Pandemic, and Post-Pandemic)



# Statewide Education and Workforce Development Act (Act 67)

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- Coordinate and align state's workforce development efforts.
- Improve oversight for greater accountability and transparency.
- Address obstacles unique to rural areas.
- Enhance responsiveness to industry needs.



# Some Act 67 Projects

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- Real-time Labor Market Information
  - Make-up of the workforce
- Education and Workforce Portal
  - Career pathways
  - Supply gap analysis
- Analysis on ROI
  - Education and training



# What Are SOC Codes?

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- SOC codes are the federal statistical standard used to classify workers into the specific category that best matches their job.



# What's the New Requirement?

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- Every employer will be required to include on their quarterly unemployment insurance wage reports a SOC code for each employee and the number of hours that employee worked.



# When Do We Have to Report?

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- The requirement to provide SOC codes and hours worked for employees is effective with the 1<sup>st</sup> quarter 2024 wage reports, which are due by April 30, 2024.





# Why Is This Important?

Vital information to achieve the goals of the Statewide  
Education and Workforce Development Act.

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**Better Data. Better Decisions. Better Outcomes.**

# Better Workforce Data

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- Difference between knowing 100 people work in “auto manufacturing” versus knowing what each of those 100 people do.



# Better Workforce Decisions

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- Improve new business recruitment.
- Promote more effective investment in workforce training and development.
- Improve competitive employee recruitment and retention.



# Better Workforce Outcomes

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- It's all about prosperity.
- New businesses = new jobs and new clients.
- Higher paying jobs = more money flowing into our economy.



# The Business Case

- Adding SOC codes to state wage records are essential to meet the legislative objectives outlined in Act 67. But DEW plans to make it beneficial for employers as well.
- Once the data collection process has been perfected, DEW will begin producing quarterly reports that provide a deep dive on the state's workforce without revealing data about any one employer.
- This will have four effects ...

# 1. Better Planning

- You can be more confident in workforce planning decisions by making them data driven.
- With SOC codes, it will be possible to spot emerging occupations resulting from new technology or other evolutions in your industry.
- Meanwhile, the data can be linked to population demographics that will provide awareness of any predicted labor scarcity.

## 2. Better Hiring

- Uniform definitions for job titles make it easier to describe what you're seeking in a job opening.
- You can draw on the collective knowledge of the industry and labor market experts to identify skills, expertise, and duties.
- This allows for a highly targeted search, minimizing the time and resources spent on recruitment.

# 3. Better Training

- Understanding skills associated with job titles in your organization and industry is also useful in designing training and professional development programs.
- Optimized training decisions will lead to higher productivity and stronger employee engagement and retention.

## 4. Lower Costs

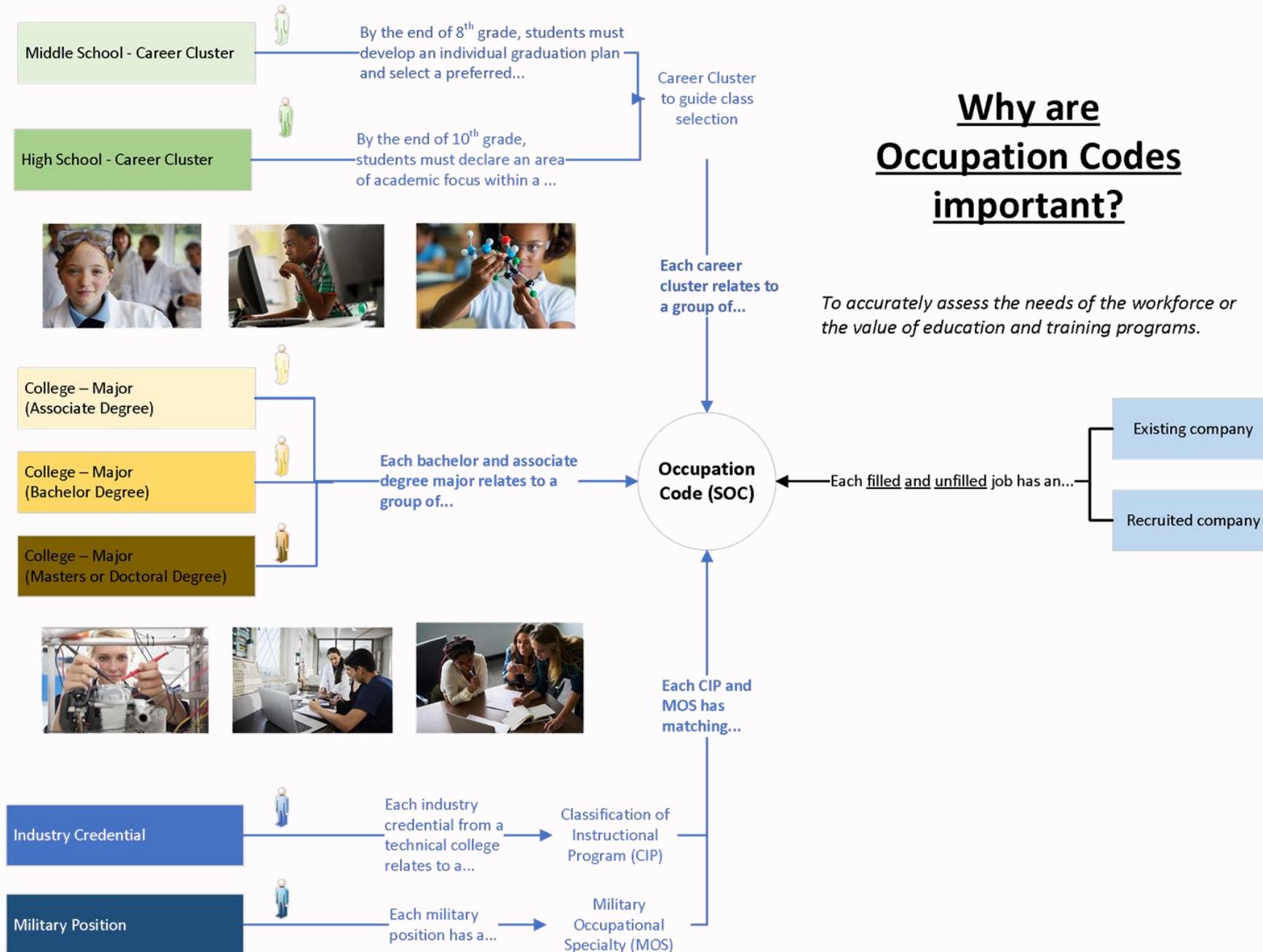
- SOC code reporting, in conjunction with hours worked, will create a clearer picture of what it costs your competition to attract a quality employee.
- Your compensation packages can be based on real-world data, ensuring you are always offering competitive salaries and wages.

# Okay, so what are we going to do with them?

- “Good data undergirds sound policy and can provide our current and emerging workforce with information that will accelerate their path to economic mobility.” – Hank Hyatt
- Fundamentally, SOC codes will allow us to measure the supply of labor with much more accuracy, which is essential for determining proper short- and long-term workforce development strategies.

# Why are Occupation Codes important?

*To accurately assess the needs of the workforce or the value of education and training programs.*



# Measuring Labor Supply

- Adding SOC codes to wage records will allow us to have a far more granular awareness of the local workforce.
- As the graphic shows, this can be used to generate projections of future labor supply to match those for demand.
- It will also be possible to enhance the forthcoming supply gap analysis by considering both new and existing potential workers.

# Program Evaluation

- To determine whether an education or training program works, there are two essential questions:
  1. Did people end up working in the field that they trained for?
  2. Did people end up making more money after the program?
- Adding SOC codes to wage records will answer the first question.
- The return on investment study will answer the second question.

# SOC Code Resources

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- **DEW website additions**
  - Guides, FAQs, Tutorials
  - Robust SOC code lookup
  - Reserve assistance
- **SUITS tax system enhancements**
  - SOC code lookup



# New Electronic Filing Requirements

- **Quarterly wage reports**
  - Starting with first quarter 2024 wage reports, every employer with ten or more employees must file their quarterly wage reports electronically.

# How to File Electronically

- **Quarterly wage reports**
  - Employers can enter wage reports directly into SUITS.
  - Employers can upload wage report file into SUITS.

# Questions?

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