

1 LABOR CABINET

2 Office of Unemployment

3 (Amendment)

4 787 KAR 1:260. Voluntary election of coverage.

5 RELATES TO: KRS 341.070(9), 341.250(3)

6 STATUTORY AUTHORITY: KRS 336.015, 336.050[151B.020], 341.115, 2021 Ky Acts

7 ch. 169 § 1(I)(7)

8 NECESSITY, FUNCTION, AND CONFORMITY: KRS 341.115(1) authorizes the  
9 secretary to promulgate administrative regulations necessary to administer KRS Chapter 341. KRS  
10 341.250(3) provides that an employer may voluntarily elect to cover employment not otherwise  
11 covered by the chapter, subject to approval by the secretary. This administrative regulation  
12 establishes the process for approval of voluntary election of coverage.

13 Section 1. An employing unit seeking election of coverage under KRS 341.250(3) shall  
14 include in its written election the following information:

15 (1) For the two (2) calendar years preceding the date of election, or for the total length of  
16 existence of the organization, whichever is less:

17

1 (a) A list of all funding sources, the revenues received from each, and duration of funding provided  
2 from each, accompanied by supporting documentation including grant applications, funding  
3 approval letters, and any other relevant material; and

4 (b) A list of all employees along with gross salaries paid; and

5 (2) Projections for the two (2) calendar years following the date of election, including:

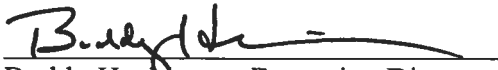
6 (a) A list of all anticipated funding sources, the revenues expected from each, and expected  
7 duration of funding from each, accompanied by any available documentation supporting these  
8 projections; and

9 (b) The number of workers anticipated, and projected salaries for each position.

10 Section 2. Except as provided in Section 3 of this administrative regulation, a voluntary  
11 election of coverage shall be approved if the information submitted in accordance with Section 1  
12 of this administrative regulation indicates that the number of employees and the total amount of  
13 funding are projected to remain the same or increase over the time period covered by the  
14 information.

15 Section 3. An employing unit shall not be granted for voluntary election in any calendar  
16 year if, in the preceding calendar year, the employer contributions deposited to the Unemployment  
17 Trust Fund were less than the total benefits paid.

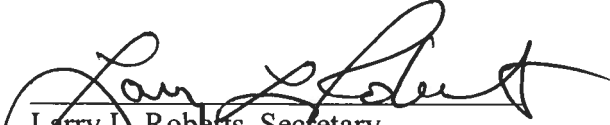
As approved by



Buddy Hoskinson, Executive Director  
Office of Unemployment Insurance

4/21/2021

Date

  
Larry L. Roberts, Secretary  
Kentucky Labor Cabinet

6/21/2021

Date

**PUBLIC HEARING AND PUBLIC COMMENT PERIOD:** A public hearing on this administrative regulation shall be held on September 27, 2021 at 2:00 (ET). This hearing will be conducted by live videoconference (ZOOM) pursuant to Senate Bill 150, Section 1, subparagraph 8(b) (R.S. 2020) and the continuing state of emergency due to the novel coronavirus pandemic. Public access to the meeting will be available at <https://us02web.zoom.us/j/88991458931?pwd=eTZYMEo0V3Qydnk0alB3MFFyYmZVUT09>, password 358248 or by telephone at 713-353-0212 or 888-822-7517 (toll free), conference code 278497.

Individuals interested in being heard at this hearing shall notify this agency in writing five (5) working days prior to the hearing of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be canceled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to attend the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through September 30, 2021. Send notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

**CONTACT PERSON:** Buddy Hoskinson, Labor Cabinet, Mayo-Underwood Building, 500 Mero Street, 4<sup>th</sup> Floor, Frankfort, Kentucky 40601, Telephone: (502) 564-2199, Facsimile: (502) 564-7850, Email: [buddy.hoskinson@ky.gov](mailto:buddy.hoskinson@ky.gov).

## REGULATORY IMPACT AND TIERING STATEMENT

Regulation Number 787 KAR 1:260

Contact Person: Buddy Hoskinson, Telephone: (502) 564-2199, Facsimile: (502) 564-7850,  
Email: buddy.hoskinson@ky.gov.

- (1) Provide a brief summary of:
  - (a) What this administrative regulation does: This administrative regulation establishes the process and conditions for approval of voluntary election coverage.
  - (b) The necessity of this administrative regulation: This administrative regulation lists the steps and information required is an employer who is not covered wants to provide unemployment insurance coverage for wither a worker or business.
  - (c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 341.115(1) authorizes secretary to adopt administrative regulations to administer KRS Chapter 341. KRS 341.070(9) defines the voluntary employer as one classification of subject employer. KRS 341.250(3) provides for voluntary election coverage with the approval of the secretary.
  - (d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation defines the process by which an employer may elect to voluntarily cover wither his business or employees.
  
- (2) If this is an amendment to an existing regulation, provide a brief summary of:
  - (a) How this amendment will change this existing administrative regulation: This amendment updates statutory authority and clarifies Section 3 of the administrative regulation.
  - (b) The necessity of the amendment to this administrative regulation: This amendment is necessary to clarify statutory authority and to add omitted language in Section 3.
  - (c) How the amendment conforms to the content of the authorizing statutes: KRS 341.115(1) authorizes secretary to amend administrative regulations to administer KRS Chapter 341. KRS 341.070(9) defines the voluntary employer as one classification of subject employer. KRS 341.250(3) provides for voluntary election coverage with the approval of the secretary.
  - (d) How the amendment will assist in the effective administration of the statutes: This amendment clarifies when voluntary election will not be granted by clarifying Section 3.
  
- (3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: This administrative regulation applies to employing unit in the Commonwealth that might wish to elect unemployment insurance coverage.

- (4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:
- (a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: No additional compliance duties are required by this amendment.
  - (b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): There is no additional cost associated with this amendment.
  - (c) As a result of compliance, what benefits will accrue to the entities identified in question (3): Employing units wishing to elect unemployment insurance coverage will be able to provide the required information in order for the secretary to make a determination.
- (5) Provide an estimate of how much it will cost to implement this administrative regulation:
- (a) Initially: This administrative regulation, as amended, is not anticipated to generate any new or additional costs.
  - (b) On a continuing basis: This administrative regulation, as amended, is not anticipated to generate any new or additional costs.
- (6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: KRS 341.240 provides for the establishment of the unemployment compensation administration fund and establishes that all of the money in this fund shall be expended solely to defray the cost of the administration of KRS Chapter 341.
- (7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new or by the change if it is an amendment: This administrative regulation, as amended, is not anticipated to generate any increase in fees or funding.
- (8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: There are no fees associated with this administrative regulation.
- (9) TIERING: Is tiering applied? Tiering is not applied. All subject employers are treated equally.

## FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Regulation Number 787 KAR 1:260

Contact Person: Buddy Hoskinson, Telephone: (502) 564-2199, Facsimile: (502) 564-7850,  
Email: buddy.hoskinson@ky.gov.

1. What units, parts, or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? Most state and local governmental entities are subject to unemployment insurance coverage and thus are potentially affected by this administrative regulation.
2. Identify each state or federal statute or regulation that requires or authorizes the action taken by the administrative regulation. KRS 336.015, 336.050, 341.070(9), 341.115, KRS 341.250(3), and 2021 Ky Acts ch. 169 § 1(I)(7).
3. Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect.
  - a. How much revenue will the administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? This administrative regulation will not generate revenue.
  - b. How much revenue will the administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? This administrative regulation will not generate revenue.
  - c. How much will it cost to administer this program for the first year? There is no cost to this amendment.
  - d. How much will it cost to administer this program for subsequent years? There is no cost to this amendment.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-): Unknown

Expenditures (+/-): Unknown

Other explanations: This amendment does not impose any additional requirements or expenditures.