

1 LABOR CABINET

2 Office of Unemployment Insurance

3 (Amendment)

4 787 KAR 1:140. Unemployment insurance fund payments.

5 RELATES TO: 341.500, 341.510

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

7 ch. 169 Part 1(I)(7), 2021 Ky Acts ch. 3

8 NECESSITY, FUNCTION, AND CONFORMITY: KRS 341.115(1) authorizes the  
9 secretary to promulgate administrative regulations necessary to administer KRS Chapter 341. This  
10 administrative regulation establishes the procedure to be used between the Office[~~Division~~] of  
11 Unemployment Insurance, the treasurer of the unemployment insurance fund, the Finance and  
12 Administration Cabinet and the Secretary of the Labor[~~Education~~] Cabinet for the certification of  
13 checks to be written and paid for benefits under the program.

14 Section 1. All transfers to the state's account in the Unemployment Trust Fund or refund  
15 payments made from the clearing account shall be made by the treasurer of the unemployment  
16 insurance fund immediately upon receipt of a written order for the action signed by the Director  
17 of the Office[~~Division~~] of Unemployment Insurance or a person designated by the commissioner  
18 and approved by the Secretary of the Labor[~~Education~~] Cabinet.

1 Section 2. Requisitions from the state's account in the Unemployment Trust Fund for  
2 claimant benefits or employer refunds shall be made by the treasurer within twenty-four (24) hours  
3 after the receipt of a written order for the requisition signed by the Director of the Office[~~Division~~]  
4 of Unemployment Insurance or a person designated by the commissioner and approved by the  
5 Secretary of the Labor[~~Education~~] Cabinet. Withdrawals for benefits, shall immediately be  
6 deposited in the benefit account. Withdrawals for employer refunds shall immediately be deposited  
7 in the clearing account.

8 Section 3. (1) A benefit payment register for the payment of benefits shall be prepared and  
9 presented to the treasurer and certified as correct to the Finance and Administration Cabinet by the  
10 Director of the Office[~~Division~~] of Unemployment Insurance or a person designated by the  
11 commissioner and approved by the Secretary of the Labor[~~Education~~] Cabinet. The benefit  
12 payment register shall show:

13 (a) The claimant's name;

14 (b) The claimant's Social Security account number;

15 (c) The amount of payment to be made;

16 (d) The compensable period for which payment is made;

17 (e) The date of issuance and check number or transaction number[~~The check number~~  
18 ~~and the date of issuance~~];


19 (f) The program type; and

20 (g) The claimant's earnings.

21 (2) After approval by the Secretary of the Finance and Administration Cabinet, the  
22 secretary shall present to the treasurer of the unemployment insurance fund a warrant for the  
23 issuance of benefit payment vouchers. Upon presentation, the treasurer shall issue benefit payment

- 1 vouchers with his signature affixed thereto and they shall become a demand upon the depository
- 2 bank for payment of the amounts specified on the vouchers.

As approved by



Buddy Hoskinson, Executive Director  
Office of Unemployment Insurance

6/21/2021

Date



Larry D. 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 1:140

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 procedure to be used between the office, the unemployment insurance fund, the Finance and Administration Cabinet and the Labor Cabinet for certifying checks to be written and paid for benefits under the program.
- (b) The necessity of this administrative regulation: This administrative regulation is necessary to establish the system by which funds are requested, benefits and refunds paid and the fiscal integrity maintained.
- (c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 341.500 designates the State Treasurer as the treasurer and custodian of the unemployment insurance fund with authority to administer the fund in accordance with the direction of the secretary to pay all vouchers approved by the Finance and Administration Cabinet and drawn upon the fund in accordance with regulations prescribed by the secretary. KRS 341.510 stipulates the appropriate use of funds in the unemployment insurance trust fund account as for the payment of benefits.
- (d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation establishes the system by which funds are requested, benefits and refunds are paid, and the fiscal integrity maintained.

(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 language currently utilized by the office and updates language to include direct deposit information to be on the benefit payment register.
- (b) The necessity of the amendment to this administrative regulation: This amendment is necessary to update statutory authority and to add direct deposit information that is required on the benefit payment register.
- (c) How the amendment conforms to the content of the authorizing statutes: KRS 341.115 authorizes the secretary to amend regulations deemed necessary or suitable for the proper administration of KRS Chapter 341.
- (d) How the amendment will assist in the effective administration of the statutes: This amendment ensures that all appropriate information is included on the benefit payment register.

- (3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: Unemployed workers are indirectly affected annually by the administrative regulation in that it prescribes the method by which funds are drawn for payment of their unemployment insurance benefits. Similarly, contributory employers are potentially and indirectly affected by the provision for drawing down funds for payment of refunds. This administrative regulation also affects the Labor Cabinet, Office of Unemployment and the Finance and Administration Cabinet.
- (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): Compliance clarifies the availability of funds to pay employer refunds when due and benefits when due and further, it ensures that fiscal integrity is maintained.
- (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 affected agencies, employers and unemployed insurance claimants are treated equally.



## FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Regulation Number 787 KAR 1:140

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 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, 341.115(1), KRS 341.500, KRS 341.510, and 2021 Ky Acts ch. 169 § 1(I)(7), and 2021 Ky Acts ch. 3.
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.