

1 LABOR CABINET

2 Office of Unemployment Insurance

3 (Amendment)

4 787 KAR 1:210. Employer contribution rates.

5 RELATES TO: KRS 341.270, 341.272

6 STATUTORY AUTHORITY: KRS 336.115, 336.050~~[151B.020]~~, 341.115, 341.270(3), to

7 2021 Ky Acts ch. 169 Part 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
10 341.270(3) requires the secretary~~[Secretary of the Education and Workforce Development~~
11 ~~Cabinet]~~ to determine the rate schedule for employer contributions. This administrative regulation
12 establishes the method by which the secretary shall publish the rate schedule in effect each year.

13 Section 1. Annual Employer Rate Notice. (1) On or before December 15 of each year, the
14 Office~~[Division]~~ of Unemployment Insurance, on behalf of the secretary, shall issue to each active
15 employer liable to pay unemployment contributions for the next calendar year a "Notice of
16 Contribution Rate".

17 (2) The notice shall:

18

1 (a) Set forth the rate schedule determined by the secretary pursuant to KRS 341.270(3) to be in
2 effect for the next calendar year;

3 (b) Inform each employer of:

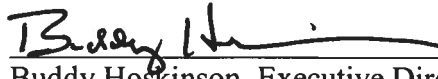
- 4 1. The rate applicable to the employer's account for the next calendar year;
- 5 2. The tax, wage, and benefit charge information regarding the employer's account; and
- 6 3. The statutory provisions used to calculate and assign the rate in accordance with KRS
7 341.270 and 341.272; and

8 (c) Be issued in either paper or electronic format.

9 Section 2. Incorporation by Reference. (1) The "Notice of Contribution Rate", UI-29,
10 September 2011, is incorporated by reference.

11 (2) This material may be inspected, copied, or obtained, subject to applicable copyright
12 law, at the Office of the Director of the Office~~[Division]~~ of Unemployment Insurance, Mayo-
13 Underwood Building, 500 Mero Street~~[275 E. Main Street, 2E]~~, Frankfort, Kentucky
14 40601~~[40621]~~, Monday through Friday, 8 a.m. to 4:30 p.m.

As approved by



Buddy Hoskinson, Executive Director
Office of Unemployment Insurance

6/21/2021

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, 4th Floor, Frankfort, Kentucky 40601, Telephone: (502) 564-2199, Facsimile: (502) 564-7850, Email: buddy.hoskinson@ky.gov.

REGULATORY IMPACT AND TIERING STATEMENT

Regulation Number 787 KAR 1:210

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 method by which the secretary shall publish the rate schedule in effect each year.
 - (b) The necessity of this administrative regulation: This administrative regulation is necessary to establish the method and timeline for notifying employers of their contribution tax rate.
 - (c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 341.115(1) authorizes the secretary to adopt administrative regulation deemed necessary or suitable for the proper administration of KRS Chapter 341. KRS 341.270(3) requires the secretary to determine the rate schedule for employer contributions.
 - (d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation ensures the office can notify all active employers of the current rate schedule for employer contributions.

- (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 the address for the office and the statutory authority.
 - (b) The necessity of the amendment to this administrative regulation: This amendment is necessary to ensure the address for the office is current and to reflect current statutory authority.
 - (c) How the amendment conforms to the content of the authorizing statutes: KRS 341.115(1) authorizes the secretary to amend administrative regulation deemed necessary or suitable for the proper administration of KRS Chapter 341. KRS 341.270(3) requires the secretary to determine the rate schedule for employer contributions.
 - (d) How the amendment will assist in the effective administration of the statutes: This amendment ensures a correct address for the office for where the material incorporated by reference may be inspected.

- (3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: This administrative regulation affects all subject employers in the Commonwealth.

- (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): Employers will receive notice of their contribution tax rate with detailed factors outlining the factors necessary to make a voluntary payment.
- (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 establishes the unemployment compensation administration fund, the funds in which are available to the secretary for administration of the UI program and are deposited to defray the cost of the administration of this chapter.
- (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 1:210

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? Only those employers who have elected to pay quarterly unemployment taxes will be impacted. Most elect to reimburse benefits paid out in lieu of paying quarterly taxes.
2. Identify each state or federal statute or regulation that requires or authorizes the action taken by the administrative regulation. KRS 336.115, 336.050, 341.115, 341.270(3), 2021 Ky Acts ch. 169 Part 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.

SUMMARY OF MATERIAL INCORPORATED BY REFERENCE

The “Notice of Contribution Rate”, Form UI-29, is the 2-page letter sent from the Office of Unemployment Insurance to active employers notifying them of the contribution rates for the following year. KRS 341.270 requires the secretary to determine the rate schedule for employer contributions.