

# **UNEMPLOYMENT INSURANCE**

## ***EMPLOYER GUIDE***

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AS LEGAL AUTHORITY**





# INTRODUCTION

The primary mission of the Kentucky Career Center (KCC) is to help individuals prepare for, secure and maintain employment; to assist you in locating qualified workers for your job openings; and to provide income maintenance to ease the financial burden of workers who are unemployed through no fault of their own.

To accomplish its goals, KCC offers a broad range of services. These services are available at the central office in Frankfort or field offices located across the state. In addition, full or part-time branch offices are located in most other counties.

KCC has been providing services since the passage of the Wagner-Peyser and Social Security Acts in 1933 and the Unemployment Insurance Act of 1935. With the enactment of the Workforce Investment Act (WIA) of 1998, One-Stop Comprehensive Centers have been established on a statewide basis. KCC provides several of the core services required by the Act to establish the centers.

Unemployment Insurance (UI) provides short-term financial support to people when they are unemployed through no fault of their own. You, the employer, pay for this support through unemployment taxes on your payroll. What do you get in return? Directly, UI can help you keep valuable trained workers in your area until you are able to rehire them. But the indirect returns are even more important. Every dollar you pay in state unemployment tax is used to pay benefits, and those benefit dollars are spent to purchase goods and services. Your taxes are recycled back into your local economy, which helps families and businesses alike.

UI is a joint federal-state program. Federal unemployment law places many requirements on the states concerning who must be covered and how benefits must be financed. The Kentucky General Assembly has enacted these and other laws, which govern the payment of unemployment taxes and benefits in this state. KCC's role is to see that these laws are carried out fully and fairly.

Whether you need to hire one or one thousand, KCC can help make job seekers aware of your needs. KCC has the largest, most diverse database of individuals seeking employment in the Commonwealth, and through our affiliation with the U.S. Department of Labor and its network of state employment security agencies, KCC offers access to the largest pool of potential workers in the nation.

KCC also has access to the best, most recent labor supply and demand data available. We can provide civilian labor force estimates, unemployment rates by county, affirmative action statistics, industry unemployment estimates, and average weekly wages.

For this and other information and assistance, contact your nearest KCC field office, or go to the KCC web site on the Internet at **[www.kentuckycareercenter.ky.gov](http://www.kentuckycareercenter.ky.gov)**.



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# UNEMPLOYMENT TAX

## LIABILITY

### **ARE YOU LIABLE FOR UNEMPLOYMENT INSURANCE?**

If you pay someone for services in your business or to provide domestic help in your home, you may be liable to pay unemployment insurance tax. The requirements for liability vary for different types of employment:

**FOR-PROFIT BUSINESS** (other than agriculture) - You will be liable if you pay at least \$1,500 in gross wages in a single calendar quarter or if you have at least one worker performing service in any part of 20 different weeks out of a calendar year. (It does not have to be the same workers in each week, nor do the weeks have to be consecutive.)

**AGRICULTURAL EMPLOYERS** - You will be liable if you pay at least \$20,000 in gross wages in a single calendar quarter or if you have at least ten workers performing service in any part of 20 weeks out of a calendar year. (They do not have to be the same 10 workers in each week, nor do the weeks have to be consecutive.)

**DOMESTIC EMPLOYERS** (work performed in a private home, including baby-sitting or care for the elderly or sick). You will be liable if you pay at least \$1,000 in gross wages in a single calendar quarter.

**ACQUISITION OF ALL OR PART OF AN EXISTING BUSINESS** (which is already liable for unemployment insurance). Generally, you will be automatically liable as a **SUCCESSOR** employer. See the section on "Successorship" for more information.

**501(C)(3) NOT-FOR-PROFIT ORGANIZATION** - You will be liable if you employ at least four workers in the United States in any part of 20 weeks out of a calendar year. (They do not have to be the same four workers in each week, nor do the weeks have to be consecutive.)

**STATE OR LOCAL GOVERNMENT EMPLOYER** - You are liable for any employment excluding elected officials and certain other exclusions. Contact the Tax Enforcement Branch at the number listed in the front of this book for more information.

**FEDERAL AND OUT-OF-STATE LIABILITY** - If you are liable in another state or liable for federal unemployment tax, you are automatically liable for any employment in Kentucky.

**PREVIOUS LIABILITY IN KENTUCKY** - If you did not sell your former business or otherwise terminate your account, you are automatically liable upon resuming employment.

## **ARE ALL TYPES OF EMPLOYMENT AND SERVICES COVERED FOR UNEMPLOYMENT INSURANCE PURPOSES?**

Most employment is covered and must be reported for unemployment insurance purposes, but there are exceptions. Following are some of the types of employment, both covered and uncovered, about which we are most often asked.

### Examples of COVERED EMPLOYMENT:

Both FULL-TIME and PART-TIME employment is covered. TEMPORARY or SEASONAL employment is also covered. Even if the worker knows that a job is temporary, the work is covered unless it is otherwise excluded (see below).

The service of CORPORATE OFFICERS is covered. This includes officers of Subchapter S corporations and members of Limited Liability Companies (LLCs) that have elected to be treated as corporations for federal tax purposes. (Officers of corporations may qualify for benefits if they become unemployed through no fault of their own.)

### Examples of NON-COVERED EMPLOYMENT:

**FAMILY MEMBERS:** In PROPRIETORSHIPS, service performed by the spouse, parent or child (below the age of 21) of the proprietor is non-covered. In PARTNERSHIPS, service is non-covered if the worker is a spouse, parent or child (below the age of 21) of EACH PARTNER (example, the parent of one partner and the spouse of another.) There are no family exceptions for CORPORATIONS.

CO-OP STUDENTS are exempt (non-covered) as long as they are enrolled in school and are receiving academic credit for the work performed. A co-op student who continues to work between school terms will be COVERED during those periods.

INSURANCE SALESPEOPLE are exempt if they are paid solely by commission.

CHURCH EMPLOYEES are exempt. However, independent businesses conducted on church property (such as day-care centers) may be covered if not a part of the church ministry.

Employees age 18 or younger who distribute NEWSPAPERS and SHOPPING GUIDES are exempt.

Payment for CASUAL LABOR not in the normal course of business (example, mowing grass or washing windows on business property) is non-covered if the payments are less than \$50 in a calendar quarter and the same person works in less than 24 days in a calendar quarter.

Certain other exclusions apply in schools, hospitals, not-for-profit and government employment. Contact the Tax Enforcement Branch if you have any questions regarding the coverage of a particular type of employment.

## **WHAT IF I USE INDEPENDENT CONTRACTORS (CONTRACT LABOR) AND ISSUE 1099s FOR SERVICE INSTEAD OF HIRING EMPLOYEES?**

Independent contractors are self-employed and employers do not have to report them for unemployment insurance purposes. However, there are specific requirements that a worker has to meet to be considered an independent contractor and **many covered employees are misclassified as independent contractors!** The division determines whether an individual worker is an employee or an independent contractor based on “common law” rules. For example, we may classify a worker as an independent contractor if:

He (she) is in business for himself (herself) and offers services to the public (ordinarily, advertises services in some fashion).

He (she) provides services that are not in the normal line of business for the client for whom the services are provided.

He (she) possesses a special skill or ability, and may require special tools which he (she) provides, or if he (she) performs services without additional training and supervision.

He (she) usually provides services for a limited time (a single job) and is paid for by the job rather than by the hour, etc.

These are general examples. Before the division can make a formal determination of a worker’s status, we must review his (her) particular relationship to the business for which he (she) performs service.

By law, a worker cannot contract away his (her) rights to unemployment benefits. Therefore, the division may determine a worker to be an employee even if he (she) has willingly entered into a contract to work as an independent contractor.

The division makes determinations of covered employment subject to Kentucky unemployment insurance law. Determinations by other agencies are not binding on the division. “SAFE HARBOR” exemptions DO NOT necessarily apply to determinations made by the division.

## **WHAT IF I USE LEASED EMPLOYEES OR TEMPORARY EMPLOYMENT SERVICES TO STAFF MY BUSINESS?**

Under Kentucky unemployment insurance law, a worker cannot be carried on the payroll and reported by a business other than the one for which he (she) performs services. This means workers obtained from EMPLOYEE LEASING companies must be reported by the business where the workers perform their services, NOT by the leasing company.

Workers obtained from a TEMPORARY EMPLOYMENT SERVICE to fill in for absent employees or to carry out a special project or function, are considered the employees of the temporary service and are not reportable by the business for which the services are provided. However, if the worker obtained from the temporary service performs a regular, routine job for an unspecified period of time, the business for which the service is performed may be liable for reporting and paying tax on that worker. If you expect to use temporary employees, contact the Tax Enforcement Branch for a ruling on your liability for those workers.

**IF I HAVE EMPLOYEES WORKING IN MORE THAN ONE STATE, HOW DO I DETERMINE WHERE TO REPORT THEM?**

A worker is ordinarily reported to the state in which he (she) performs the work. If a worker performs services on a regular basis for the same business in more than one state, the law allows the employer to report all service to the state in which the business is located (or the state where the worker is controlled), provided some service is performed in that state. However, if nearly all of a worker’s service for an extended period of time is performed in a single state other than the state where the business is located, you may become liable in the state where the majority of the work was performed. Contact the unemployment tax office in each state where work will be performed to verify the reporting requirements for your type of work.

**REPORTING REQUIREMENTS**

**HOW DO I APPLY FOR AN UNEMPLOYMENT INSURANCE NUMBER?**

First, do **not** apply until you have met one of the liability requirements listed on Page 1. Once you have met one of the requirements, you should apply as soon as possible. (If you need proof of compliance with the unemployment law prior to beginning employment, contact the Tax Enforcement Branch at the address in the front of this guide.)

If you are a new business, agricultural or domestic employer, or are applying to reopen an inactive account, you can apply online at <https://kewes.ky.gov/>.



You can also apply by filing form **UI-1** “Application for Unemployment Insurance Employer Reserve Account” (see example on the next two pages). If you purchased an existing business (see “Successorship” section), or are a non-profit or governmental employer, you **must** use this form. You can download the UI-1 from the “Employer Account Registration” website above, or you can request it from the Tax Enforcement Branch at the address listed in the front of this guide. Complete the sections of the form that apply to your type of employment and mail it to the address above.

Regardless of how you make the application, if you are liable for unemployment insurance tax, you will receive a “Notice of Subjectivity” by return mail assigning you a Kentucky Employer Identification Number (KEIN). This is the number of your RESERVE ACCOUNT that you will use for reporting and paying unemployment tax and should not be confused with any other numbers issued by the IRS or Kentucky Department of Revenue. Your notice will give your SUBJECTIVITY DATE, which is the date from which you must begin to report wages and pay tax. This will be the date on which you began employment, or the first day of the year in which you became liable, whichever is later. The notice will also include your tax rate and will advise you of when your first tax report and payment will be due.

COMMONWEALTH OF KENTUCKY  
 Division of Unemployment Insurance  
 P. O. Box 948  
 Frankfort, Kentucky 40602-0948  
 (502) 564-2272 FAX (502) 564-5442

**APPLICATION FOR UNEMPLOYMENT INSURANCE  
 EMPLOYER RESERVE ACCOUNT**

UI-1 (R. 3/05)

**PART I - IDENTIFICATION AND TYPE OF EMPLOYMENT:** To be completed by all employers

- Business Name & Mailing Address:
    - Legal Entity Name \_\_\_\_\_
    - Business Name \_\_\_\_\_
    - Address \_\_\_\_\_
    - Address \_\_\_\_\_
    - Address \_\_\_\_\_
    - City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_
  - Telephone Number: (\_\_\_\_) \_\_\_\_\_  
 Fax Number: (\_\_\_\_) \_\_\_\_\_  
 E-Mail: \_\_\_\_\_
  - Federal Employer Identification Number: \_\_\_\_\_
  - If you have previously been assigned a Kentucky Employer Identification Number by this Division, enter it here: \_\_\_\_\_
5. Check type of employment and complete the remainder of the form as indicated:
- |   |   |  |
|---|---|--|
| <input type="checkbox"/> New Business Employer - Parts II and III                       | <input type="checkbox"/> New 501(c)(3) Non-Profit Employer - Part I Only* | <input type="checkbox"/> Resumed Employment - Part II<br>Enter Date Employment Resumed _____ |
| <input type="checkbox"/> Domestic Employer - Parts II and IV                            | <input type="checkbox"/> Governmental Entity - Part I Only*               |  |
| <input type="checkbox"/> Agricultural Employer - Parts II and V                         | * Form UI-1S will be sent to you upon return of this form.                |  |
| <input type="checkbox"/> Acquired all or part of an existing business - Parts II and VI |   |  |

**PART II - GENERAL INFORMATION**

6. Describe MAJOR Business Activity IN KENTUCKY (BE SPECIFIC)
- |  |  |
|--|--|
| (a) <input type="checkbox"/> Retail Trade (Product) _____                        | (g) <input type="checkbox"/> Agricultural (Type) _____       |
| (b) <input type="checkbox"/> Service (Type) _____                                | (h) <input type="checkbox"/> Wholesale Trade (Product) _____ |
| (c) <input type="checkbox"/> Construction (Type) _____                           | (i) <input type="checkbox"/> Manufacturing (Product) _____   |
| <input type="checkbox"/> Residential <input type="checkbox"/> Non-residential    | (j) <input type="checkbox"/> Mining (Product) _____          |
| (d) <input type="checkbox"/> Information/Publishing/Broadcasting/Internet _____  | (k) <input type="checkbox"/> Other (Explain) _____           |
| (e) <input type="checkbox"/> Finance/Insurance/Real Estate (Product) _____       |  |
| (f) <input type="checkbox"/> Transportation/Communication/Utilities (Type) _____ |  |
7. Is this establishment primarily engaged in performing services for other units or locations for this company?  YES  NO  
 If "YES", indicate the nature of activity of this establishment:
- |   |  |
|---|--|
| (a) <input type="checkbox"/> Central Administrative Office    | (c) <input type="checkbox"/> Storage (warehouse)   |
| (b) <input type="checkbox"/> Research, development or testing | (d) <input type="checkbox"/> Other (specify) _____ |
8. Identification of Owner, Partners (General or Limited), Corporate Officers, Members, etc. (Attach additional sheet if necessary)

SOCIAL SECURITY #	FIRST NAME	M.I.	LAST NAME	TITLE	TELEPHONE #	RESIDENCE ADDRESS

- 8a. Does this business share substantially common ownership, management or control (including common parent company) with any business currently or previously operating in Kentucky?  Yes. If yes, provide name, address and Kentucky Employer ID Number (if known) below.  No
9. Name, Mailing Address and Telephone Number of person with payroll records (if different from above): \_\_\_\_\_
10. Type of Organization:  Sole Proprietorship  Partnership  Corporation  LLC\*  Other  
 \* LLCs only: Have you elected treatment as an S-corporation for federal tax purposes?  YES  NO
11. Provide the following information for each establishment or location in Kentucky:  
 Physical Location of Business in Kentucky (Street, City, Zip Code) If none, provide the worksite or home address of employee in Kentucky. An account cannot be established unless work is performed in Kentucky.
- |  | County | No. of Workers |
|--|--------|----------------|
|  |        |                |
|  |        |                |
- Check here if you wish to file a separate wage and tax report for each location.
12. Prior to beginning employment in Kentucky, were you subject in the current or preceding year under the unemployment compensation law of any other state?  YES  NO If "YES", what State: \_\_\_\_\_

**PART III - NEW BUSINESS EMPLOYMENT (Do not include agricultural or domestic employment.) (INCLUDE CORPORATE OFFICERS.)**

13. Do you have a quarterly payroll of at least \$1,500.00?  YES  NO  
 If "YES" in what month and year did this first occur? Month \_\_\_\_\_ Year \_\_\_\_\_
14. Do you employ at least one worker in 20 different calendar weeks during a calendar year?  YES  NO  
 If "YES" in what month and year did the 20th week occur? Month \_\_\_\_\_ Year \_\_\_\_\_
- If you answered "NO" to both #13 and #14, stop here. File this form only when you meet one of these requirements. If "YES" to either, proceed.
15. Date on which you first employed a worker in Kentucky (month, day, year): \_\_\_\_\_
16. Date you first paid wages in Kentucky (month, day, year): \_\_\_\_\_

Signature: \_\_\_\_\_ I hereby affirm that I am authorized to sign this report on behalf of the indicated employer, and further affirm that the information provided herein is complete and accurate to the best of my knowledge. I understand that I may be subject to the full penalty of the law for knowingly making a false statement. (KRS 341.990)

SIGNATURE

TITLE

DATE

KentuckyUnbridledSpirit.com



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**PART IV - DOMESTIC (HOUSEHOLD) EMPLOYMENT** (see below if on a farm\*)

17. Do you have a **quarterly** domestic (household) payroll of at least \$1,000.00?  YES  NO  
 If yes, in what month and year did this first occur? Month \_\_\_\_\_ Year \_\_\_\_\_

If you answered "NO" to #17, stop here. File this form only when you meet this requirement. If you answered "YES," proceed.

18. Date on which you first employed a worker in domestic employment in Kentucky (month, day, year): \_\_\_\_\_  
 19. Date on which you first paid wages in domestic employment in Kentucky (month, day, year): \_\_\_\_\_

\* Domestic employment on a farm is included in agricultural employment if you are liable as an agricultural employer. See Part V below to determine if you are covered.

**PART V - AGRICULTURAL EMPLOYMENT (INCLUDE CORPORATE OFFICERS and HOUSEHOLD EMPLOYMENT ON THE FARM)**

20. Do you have a **quarterly** agricultural payroll of at least \$20,000.00; or, do you employ at least 10 agricultural workers in 20 different weeks during a calendar year?  YES  NO  
 If yes, in what month and year did this first occur? Month \_\_\_\_\_ Year \_\_\_\_\_

If you answered "NO" to #20, stop here. File this form only when you meet one of these requirements. If "YES" to either, proceed.

21. Date on which you first employed a worker in agricultural employment in Kentucky (month, day, year): \_\_\_\_\_  
 22. Date on which you first paid wages in agricultural employment in Kentucky (month, day, year): \_\_\_\_\_

**PART VI - ACQUISITION OF EXISTING BUSINESS** - To be completed by the transferring party, and signed by both the transferring and acquiring parties.

23. ENTER DATE OF TRANSFER AND STATUS OF OWNERSHIP PRIOR TO TRANSFER

DATE OF TRANSFER \_\_\_\_\_ EMPLOYER NO. \_\_\_\_\_ FEDERAL NO. \_\_\_\_\_

Names of Owner/s or Officer/s Phone ( )	TYPE OF OWNERSHIP Proprietorship <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input type="checkbox"/> LLC <input type="checkbox"/> Other (Explain) <input type="checkbox"/>	REASON FOR CHANGE Sold..... <input type="checkbox"/> Leased..... <input type="checkbox"/> Lease Reverted..... <input type="checkbox"/> Other (Explain)..... <input type="checkbox"/>
Trade or Business Name & Address		TYPE OF CHANGE Transferred in Entirety (ALL KY OPERATIONS)... <input type="checkbox"/> (Skip to #26 - Both Parties Must Sign) Transferred in Part..... <input type="checkbox"/> (Complete #24, 25 & 26 - Both Parties Must Sign)

24. TRANSFERS IN PART ONLY - ENTER EMPLOYMENT DATA FOR TRANSFERRED PORTION & % OF RESERVE ACCOUNT TO BE TRANSFERRED

Predecessor's date of first employment for transferred portion: \_\_\_\_\_

FOR REGULAR BUSINESS EMPLOYMENT: Did the transferred portion have \$1500 in quarterly payroll or at least one worker in twenty calendar weeks in either the year of the transfer or in the preceding calendar year? YES  NO

FOR AGRICULTURAL EMPLOYMENT: Did the transferred portion have \$20,000 in quarterly payroll or at least ten workers in twenty calendar weeks in either the year of the transfer or in the preceding calendar year? YES  NO

Portion of prior owner/operator's reserve account to be transferred: \_\_\_\_\_ %

Percentage of reserve transferred must be based on payroll or number of employees transferred. Please indicate which basis has been used:

Transferred Payroll \_\_\_\_\_ ÷ Total Payroll \_\_\_\_\_ = \_\_\_\_\_ % (or)  
 Transferred Employees \_\_\_\_\_ ÷ Total Employees \_\_\_\_\_ = \_\_\_\_\_ %

25. ENTER OWNERSHIP DATA FOR RETAINED PORTION (if different from #23 or if predecessor remains in business after transferring 100 percent of reserve)

FEDERAL NO. _____	Agency Use Only	
Name, Address & S.S. # of Owner/s or Officer/s	TYPE OF OWNERSHIP Proprietorship <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input type="checkbox"/> LLC <input type="checkbox"/> Other (Explain) <input type="checkbox"/>	TRADE OR BUSINESS NAME, ADDRESS & ZIP CODE
Location of Business in Kentucky (Street, City, Zip Code) Phone ( )	Principal Activity	Principal Product

26. BOTH PARTIES MUST SIGN FORM

Signature & Title of Transferor or Disposing Employer Shown in Part 1 (Owner or Officer) \_\_\_\_\_  
 Signature & Title of Transferee or Acquiring Employer Shown in Part 2 (Owner or Officer) \_\_\_\_\_  
 Date \_\_\_\_\_

## **DO I NEED MORE THAN ONE ACCOUNT NUMBER AND TAX RATE IF I OPERATE MORE THAN ONE TYPE OF BUSINESS OR BUSINESS LOCATION?**

You will only need one KEIN if the legal ownership of the businesses is the same, for instance, if all businesses are owned by the same proprietor or corporation. However, if it would be more convenient for you, you may file separate tax reports for each location. You can request this when you file your UI-1 application, or you may contact the Tax Enforcement Branch any time after that to arrange for multiple filing. The division will assign you a single tax rate that will apply to all of your businesses and locations.

## **WHAT TYPE OF BUSINESS RECORDS DO I HAVE TO MAINTAIN?**

Generally, the division requires that you be able to provide only routine payroll records. These include the beginning, ending, and pay date of each pay period and the total amount of wages paid for covered employment in each pay period. These records must also contain each worker's name and social security number, total wages paid to each worker during the pay period, total wages paid to each worker during the calendar quarter, and the date on which each worker was hired and terminated from covered employment. You should retain these records for at least six years.

In addition, you must retain weekly records on each employee showing the amount of wages earned, the number of hours worked, the number of hours of additional work available that was not accepted, and the rate of pay for such additional work. You are required by law to retain these records for two years.

**You are required by law to make these records available for inspection by division auditors upon request.** Whenever possible, our auditors will arrange to examine your records at your place of business (or where the records are usually kept) at a time convenient for you. All information you provide to the division is strictly CONFIDENTIAL under state and federal law.

## **HOW DO I PAY MY UNEMPLOYMENT TAX?**

When you become liable, you will be required to file a report for each calendar quarter on which you list your employees and their wages and compute and pay tax based on your payroll.

**Employers who have ten or more employees must file electronically.** Employers with less than ten employees may also file electronically if they choose to do so. You can access the format specifications through our web site at <https://kewes.ky.gov>. See the next section for more details.

If you choose to file on paper, you will complete a form called a UI-3, "Employer Quarterly Unemployment Wage and Tax Report" (see next page). The UI-3 includes instructions that you should read carefully before you complete the report.

The division mails forms to all Kentucky employers with active accounts at the end of each quarter. If you file your quarterly report on-line, the division will automatically send you a payment coupon. If you are filing on paper, we will send you a preprinted report that you should receive by the middle of the month following the end of the quarter. If you lose your form or cannot locate it, contact the Tax Enforcement Branch to obtain a replacement copy. **IT IS YOUR RESPONSIBILITY TO FILE THE REPORT EVEN IF YOU DO NOT RECEIVE A FORM FROM THE DIVISION.**



## MAY I FILE MY REPORT BY INTERNET?

**Yes**, in fact this is the preferred method for quarterly tax filing because it saves processing time and cost for both you and the division. It's safe and it's easy, and as noted in the preceding section, it is **required** for employers with ten or more workers.

You will find the secure Kentucky Unemployment Insurance Self-Service Web Site at <https://kewes.ky.gov>:

The screenshot shows the website header with the title "Office of Employment & Training" and a navigation menu containing "Submit Report", "Register", "Pay", "Change Password", "Change Address", "Tax Info", "Links", and "Contact". Below the header, a blue arrow points from the "Submit Report" link to a sidebar menu where "Submit Quarterly Report" is highlighted. Another blue arrow points from this menu item to the text "Kentucky's Unemployment Insurance Self-Service Web".

**Submit Quarterly Report**  
 Account Registration  
 Pay by EFT/Credit Card  
 Change Password  
 Address Change  
 UI Tax Information  
 Links to Related Sites  
 Contact Us  
 Claim Separation Response (SIDES)  
 Wage Audit Response (UI-203)

*Kentucky's Unemployment Insurance Self-Service Web*

Employers can do the following on this site:

- Submit quarterly tax reports over the Internet through either an on-screen form or a file upload option
- Retrieve information about the Kentucky UI program
- Pay taxes by Electronic Funds Transfer (EFT)
- Establish a new UI Account

Important Compatibility Information:

- Our system is compatible with the following browsers:

Operating System	Internet Explorer 7.0 or 8.0	Internet Explorer 9.0 or higher	Mozilla Firefox version 19 or higher	Google Chrome version 25 or higher	Safari version 5 or higher
Windows XP (SP3)	Yes	No	Yes	Yes	Yes
Windows 7	Yes	Yes	Yes	Yes	Yes

• Please turn off your pop-up blockers or allow pop-ups from this website, or you may not be able to file your reports.

[Privacy and Security Information](#)

Browser address bar: <https://kewes.ky.gov/Employertax/login.aspx>

In order to file your report via our web site you will first need your pre-assigned password (PIN) which is mailed to every new employer at the time the UI account is established. If you are already an established employer and do not know your password, you can obtain it by contacting the Tax Enforcement Branch at (502) 564-2168, or by e-mail to [des.uit@ky.gov](mailto:des.uit@ky.gov). Once you have accessed the web site for the first time you will have the opportunity to change your password.

# Office of Employment & Training

[Submit Report](#) [Register](#) [Pay](#) [Change Password](#) [Change Address](#) [Tax Info](#) [Links](#) [Contact](#)

[Home](#) / [Submit Quarterly Report](#)

## Account Login

KEIN:

Password:

### Note:

Enter the 8 or 9 digit Kentucky Employer Identification Number (KEIN) is shown on your report without spaces. [KEIN examples](#)

Enter your password (mailed to you separately).

Education and Workforce Development Cabinet  
275 East Main Street, Frankfort KY 40601  
502-564-2168 | 502-564-5442 fax  
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Done

Internet

100%

Once you log into the secure portion of the site, you will choose which method of electronic filing you prefer. Employers who wish to prepare formatted files for upload will choose Option 1. Those preferring to complete the report on-line will choose Option 2. (Option 3 is for large payroll processors only.) More information about these options is available on the site.

# Office of Employment & Training

[Submit Report](#) [Register](#) [Pay](#) [Change Password](#) [Change Address](#) [Tax Info](#) [Links](#) [Contact](#)

[Home](#) / [Submit Quarterly Report](#)

## Submit Quarterly Tax Report

Employers may select from three different methods to submit their quarterly tax and wage reports over the Internet.

<p>Option 1 - File Upload</p> <p>Option 1 is for employers who create reports using the ICESA format and wish to upload their file. This includes filers wishing to submit files containing multiple employers or multiple quarters.</p>	<p>To upload your tax report from an existing file</p> <p><input type="button" value="Upload From File"/></p>
<p>Option 2 - On-Line Form</p> <p>Option 2 is for employers who wish to create (using the on-line form) and submit a report for a specific quarter. This method should not be used by employers with over 250 employees.</p>	<p>To open our online form please enter the quarter and year for which you would like to submit.</p> <p>Quarter: <input type="text" value="1"/> Year: <input type="text" value="2014"/></p> <p><input type="button" value="Go to Online Form"/></p>
<p>Option 3 - Payroll Processors</p> <p>Option 3 is for use only at the direction of the Division of Unemployment Insurance by payroll processing businesses. Please contact the Division at the number listed below if you need more information about this option.</p>	<p>To upload a report from a payroll processor</p> <p><input type="button" value="Upload Processor File"/></p>

Questions? Contact us at 502-564-2168 or email us at [des.uit@ky.gov](mailto:des.uit@ky.gov)

If you prepare your report on-line (Option 2), the system will automatically provide the names and social security numbers of the employees reported in the preceding quarter. You can add new employees to the file, and you can indicate those employees no longer working for you (simply leave the wages blank). If you enter the gross and excess wages for each worker, the on-line filing system will complete the rest of the report for you, as shown on the next page.

Please complete all fields of the form below.

Employees reported as of your most recent wage and tax report submittal are shown below. Please enter the reported quarter's gross and excess wage amounts for each employee. Add employees if necessary. Employees entered with no wages will not be submitted with the report.

**After all wage data is entered, please click here.**

Employer Name

KEIN	<input type="text" value="00123456"/>	Number Of Employees:	Employer Contact Info
FEIN	<input type="text"/>	1st Month	Name: <input type="text"/>
Quarter	1	2nd Month	Phone: <input type="text"/>
Year	2014	3rd Month	
Tax Rate	2.30		
Surcharge Rate	0.22		

- Only the first five letters of the last names are shown below.
- The system requires the 9-digit SSN, first initial, and first five letters of the last name.
- An asterisk (\*) appears where data submitted previously had a mismatched SSN and name.
- Please verify the SSN and name to facilitate processing.
- Wage data, entered on each page, is saved upon clicking the First, Previous, Next, Last or the Continue button.
- If you exit the site before submitting your report, the wage data will be saved and retrievable upon your next login for the same quarter/year.
- Wage listings can be sorted by SSN, 1st Initial, or last name. Click on the column heading to sort.
- [What are Excess Wages?](#)
- To add blank lines for employees, enter the number of employees in the box below and click Add Employee. Blank lines for these employees will appear on the last page of your wage listing.
- Excess wages may be entered individually by employee on this page or by entering one total on the following page (after clicking "Continue" at the top of this page).

Please note the taxable wage base will increase by \$300 per year through 2022.  
[\\*Click here for current taxable wage information.](#)

Please check here if zero payroll for this quarter

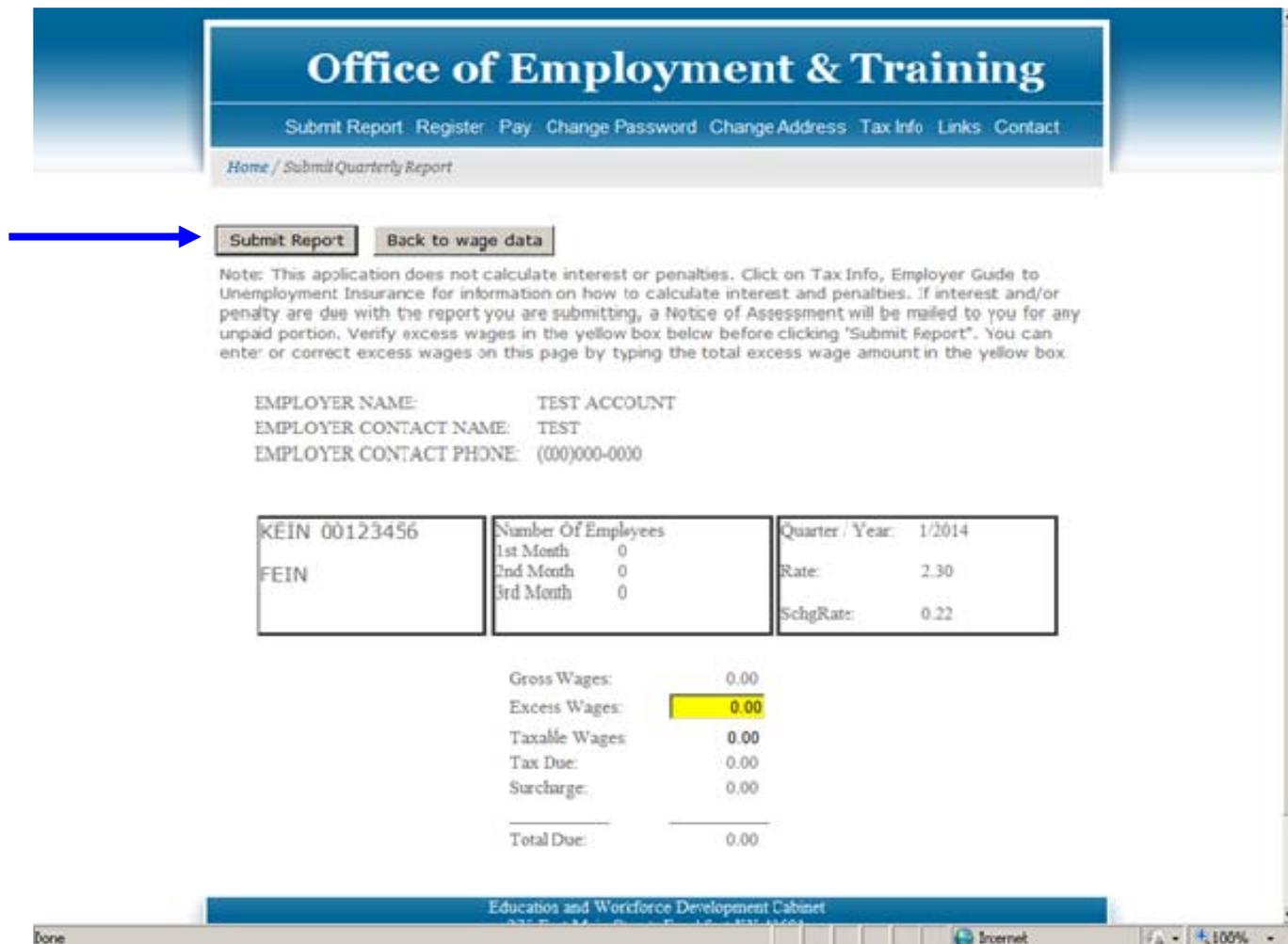
KEIN	<input type="text" value="00123456"/>	Number Of Employees:	Employer Contact Info
FEIN	<input type="text"/>	1st Month	Name: <input type="text"/>
Quarter	1	2nd Month	Phone: <input type="text"/>
Year	2014	3rd Month	
Tax Rate	2.30		
Surcharge Rate	0.22		

- Only the first five letters of the last names are shown below.
- The system requires the 9-digit SSN, first initial, and first five letters of the last name.
- An asterisk (\*) appears where data submitted previously had a mismatched SSN and name.
- Please verify the SSN and name to facilitate processing.
- Wage data, entered on each page, is saved upon clicking the First, Previous, Next, Last or the Continue button.
- If you exit the site before submitting your report, the wage data will be saved and retrievable upon your next login for the same quarter/year.
- Wage listings can be sorted by SSN, 1st Initial, or last name. Click on the column heading to sort.
- [What are Excess Wages?](#)
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- Excess wages may be entered individually by employee on this page or by entering one total on the following page (after clicking "Continue" at the top of this page).

Please note the taxable wage base will increase by \$300 per year through 2022.  
[\\*Click here for current taxable wage information.](#)

Please check here if zero payroll for this quarter

	SSN	1st Initial	Last Name	Gross Wages	Excess Wages
	<input type="text"/>				
	<input type="text"/>				
	<input type="text"/>				
	<input type="text"/>				
	<input type="text"/>				



**HOW DO I PAY MY UI TAX IF I FILE ON-LINE?**

If you file your report electronically you can pay your taxes by Electronic Fund Transfer (EFT) or credit card. To use either of these options, go to our web site (see previous section), click on the “Pay” button at the top of the screen, and follow the directions. A non-refundable 3.5% processing fee is applied to all credit card transactions.

You also have the option of filing on-line and paying your taxes by regular remittance (check). If you received a payment coupon from the division, return that with your remittance. If you have a preprinted UI-3 report form, return the BLANK report with your payment. NOTE: We use the blank report to identify your account for payment processing. DO NOT complete the UI-3 since you have already submitted your quarterly wage and tax data on-line. If you submit a completed UI-3 with your payment, we may process your information twice and you may receive a tax bill for your on-line report.

**WHAT ARE GROSS WAGES FOR UNEMPLOYMENT REPORTING PURPOSES?**

A wage is any payment made for services performed. This includes salaries, commissions and bonuses. It also includes the cash value of any payment in manners other than cash, unless paid in agricultural or domestic employment. Gross wages are reportable prior to any deductions or withholdings for other taxes or employee benefits. There are certain exclusions, including:

TRAVEL REIMBURSEMENTS are not wages as long as they do not exceed the actual out-of-pocket cost of the worker. Any excesses over actual expenses are wages.

The cash value of ROOM AND BOARD is not a wage if furnished on the employer's property and for a legitimate business reason.

SICK PAY is ordinarily wages. HOWEVER, sick pay is **not** considered wages if the payment is received under a **workers' compensation law**, or if the payment is made more than six (6) calendar months after the last calendar month of employment.

TIPS are wages only to the extent that they are reported by the worker to the employer in accordance with section 6053 (a) of the Internal Revenue Code.

RETIREMENT BENEFITS – Payments made by an employer to, or on behalf of, a worker are not wages if paid under a plan that applies to all workers or to all of a class of workers.

Payments made by an agricultural or domestic employer of the employee's share of FICA and MEDICAID taxes are not wages.

TERMINATION or SEVERANCE PAY is not a wage if it is paid under a plan that applies to all workers or to all of a class of workers and is computed based upon length of service.

Payments made by an employer into a 401(K), CAFETERIA or DEFERRED COMPENSATION plan are wages for unemployment insurance purposes.

Use of a COMPANY CAR is considered a wage to the extent reported to the IRS.

Many exemptions allowed under other tax laws are not applicable to unemployment insurance. Therefore, if you make some payment not covered above, contact the Tax Enforcement Branch to determine whether it should be reported as wages.

## **DO I PAY TAX AND SURCHARGE ON ALL GROSS WAGES?**

No, you only pay unemployment insurance taxes and surcharge on the taxable wage amount earned by each worker in a calendar year. This is known as the taxable wage base. The amount over this taxable wage base is called EXCESS WAGES. You must report each worker's entire gross wages each quarter. However, you may deduct the excess wages on line 2 of the UI-3 so that you compute your tax and surcharge only on the taxable amount. (If you file on-line you will enter excess wages for each worker and the system will calculate your taxable wages automatically.)

Beginning with the first quarter of 2014, a SURCHARGE in the amount of 0.22% of taxable wages will be assessed. This amount will vary in percentage each year as the taxable wage base increases. A surcharge will be assessed to secure funds for interest payments due on outstanding loans as a result of the insolvency of the Unemployment Insurance Trust Fund.

The taxable wage base increased to \$9,000 in 2012, and may increase by \$300 each year until 2022.

Refer to the chart below for your correct taxable wage base amount and surcharge amount for the year you are filing.

Taxable Wage Base (TWB) and Surcharge (%)											
Year	TWB	%	Year	TWB	%	Year	TWB	%	Year	TWB	%
2011	\$8,000	0.00	2014	\$9,600	0.22	2017	\$10,500	0.20	2020	\$11,400	0.19
2012	\$9,000	0.00	2015	\$9,900	0.21	2018	\$10,800	0.20	2021	\$11,700	0.18
2013	\$9,300	0.00	2016	\$10,200	0.21	2019	\$11,100	0.19	2022	\$12,000	0.18

The following example illustrates how excess wages are calculated and reported. Assume these wages are paid:  
 Note: The 2011 taxable wage base of \$8000 is used in this illustration. It is **bolded**. For years subsequent to 2011 replace that with the taxable wage base for that year.

**GROSS WAGES**

	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
Employee A	\$10,400	\$10,400	\$11,500	\$12,000
Employee B	6,000	6,000	6,000	6,000
Employee C	<u>          </u>	<u>3,000</u>	<u>6,000</u>	<u>3,000</u>
	\$16,400	\$19,400	\$23,500	\$21,000

1st Quarter Excess Wages Would Be:

Employee A	(\$10,400- <b>\$8,000</b> )	= \$2,400 in excess
Employee B	no excess	0
Employee C	not employed	<u>0</u>
	Total	\$2,400

Your quarterly report should look like this:

2. GROSS WAGES	\$16,400
3. EXCESS WAGES	<u>\$ -2,400</u>
4. TAXABLE WAGES	\$14,000

2nd Quarter Excess Wages Would Be:

Employee A	all excess	\$10,400 in excess
Employee B	(\$6,000+\$6,000=\$ 12,000- <b>\$8,000</b> )	= \$ 4,000 in excess
Employee C	no excess	<u>0</u>
	Total	\$14,400

Your quarterly report should look like this:

2. GROSS WAGES	\$ 19,400
3. EXCESS WAGES	<u>\$ -14,400</u>
4. TAXABLE WAGES	\$ 5,000

3rd Quarter Excess Wages Would Be:

Employee A	all excess	\$11,500 in excess
Employee B	all excess	\$ 6,000 in excess
Employee C	(\$3,000+\$6,000=\$9,000- <b>\$8,000</b> )	<u>\$ 1,000</u> in excess
	Total	\$18,500

Your quarterly report should look like this:

2. GROSS WAGES	\$ <u>23,500</u>
3. EXCESS WAGES	\$ <u>-18,500</u>
4. TAXABLE WAGES	\$ 5,000

4th Quarter:

All wages are in excess and no tax or surcharge is owed, but it is still necessary to file the report to report wages.

Your quarterly report should look like this:

2. GROSS WAGES	\$ <u>21,000</u>
3. EXCESS WAGES	\$ <u>-21,000</u>
4. TAXABLE WAGES	\$ 0,000

If you have an employee who has worked for you in more than one state, taxable wages reported in the other state(s) ARE considered in the calculation of excess wages.

**PAY CAREFUL ATTENTION TO EXCESS WAGES!** Errors in calculating excess wages are the most common reason employers overpay their unemployment taxes.

**WHEN IS MY UNEMPLOYMENT REPORT AND PAYMENT DUE?**

Reports and payments are due and should reach the division by the last day of the month following the end of each quarter. For example, a report for the 1<sup>st</sup> Quarter (January – March) should reach the division by April 30<sup>th</sup>. If that day falls on a weekend or a holiday when state offices, or the post office, are closed, the due date is moved forward to the next day that offices are open.

A first-time filer is required to file reports for all quarters since the subjectivity date.

**WHAT HAPPENS IF I AM LATE REPORTING OR PAYING MY TAX?**

The division assesses INTEREST on any tax or surcharge the employer has not paid by the due date, at the rate of one and one-half (1 1/2) percent per month or any portion of a month.

The division can assess interest for up to five years from the due date. At one and one-half percent per month for 60 months, that means the division can charge up to 90 percent on late payments.

The division assesses a PENALTY if an employer fails to file the report when it is due, whether any tax or surcharge is due or not. If you file a report within 30 days after the due date, you will be assessed a penalty of \$25.00; if you file more than 30 days late, you will be assessed a penalty of \$75.00. If you are late in filing more than once during the same calendar year, you will also be charged an additional penalty of \$100.00 for each additional report which is late. The total penalty chargeable for a year if all reports are more than one month late is \$600.00.

Regardless of the size of the business or the amount of tax due, the division assesses penalties on all employers who file their reports late. Avoid penalties by filing on time, even if you cannot make the tax payment by the due date.

### **WHAT HAPPENS IF I DO NOT PAY MY UNEMPLOYMENT TAX?**

You will be notified in writing of any amount assessed against you, and you may be contacted by a field auditor who will attempt to collect the amount due along with any delinquent reports.

Your unemployment tax and surcharge and any related penalty or interest is a legal obligation imposed upon you as an employer. There is no authority in the law to reduce compromise or eliminate any portion of this obligation, and the division will make every effort to collect it. However, we recognize that you may encounter financial difficulties which may delay your ability to pay your taxes. Partial payment plans that allow you to pay your delinquent balance in installments may be arranged in some cases, though you will continue to incur interest charges on the unpaid balance.

If you fail to pay tax, surcharge, interest and penalties assessed by the division, we will proceed with legal action in an effort to recover the amount due. Several methods are used to collect taxes that are due, including:

1. Filing a tax lien on your real and personal property.
2. Issuing a temporary injunction on the operation of your business.
3. Initiating civil action for payment.
4. Placing a levy on assets, including bank accounts, wages and accounts receivable.
5. Attaching and causing the sale of real property.

### **DO I HAVE TO FILE A REPORT IF I HAVE NO PAYROLL OR OWE NO TAX?**

Yes, once you are liable you must file a report unless you have previously requested that the division inactivate your account because you no longer have a payroll to report.

You must also file a report even if all of the wages are excess and no tax is due, because the division may need the wage information to process benefit claims.

### **IF I DON'T REPORT ON-LINE, DO I HAVE TO USE FORM UI-3 TO REPORT MY EMPLOYEES' WAGES, OR ARE OTHER WAGE LISTINGS ACCEPTABLE?**

An employer may use separate wage reports if this is more convenient than filling out the individual wage report portion of the form.

Any employer with 10 or more employees **must** file online. (See page 11)

Except for reports filed electronically, **the employer must submit a form UI-3** regardless of the method he uses to report wages. The preprinted data on the form allows the division to correctly identify and process the report.

On the **wage reports** the employer must include each employee's NAME, SOCIAL SECURITY NUMBER, and GROSS QUARTERLY WAGES. If you submit a wage listing containing any other information, you must clearly label or indicate the gross wages that agree with the total listed on line 1 of the UI-3.

### **WHY DOES THE DIVISION NEED EMPLOYEE WAGE INFORMATION?**

The division maintains wage records for over one million Kentucky workers to use in calculating benefit entitlements for those who become unemployed. (See the "Benefits" section for more information on this process.)

### **WHY DOES THE DIVISION NEED THE NUMBER OF EMPLOYEES, AND HOW DO I REPORT THIS?**

The division keeps track of the total number of Kentucky workers covered by unemployment insurance as part of the labor statistics used to determine the state of the economy. You must report each quarter in the space provided on the UI-3 or on the web site. You must enter the number of employees you had on your payroll on the 12th of the month for each of the three months of the quarter.

If you do not complete this portion of the form, our Research and Statistics Branch will mail you a follow-up request. If you have employees in more than one county, you will also be asked to complete a supplemental report listing the total workers by county.

### **HOW DO I REPORT CORRECTIONS OR ADDITIONS IF I MAKE AN ERROR IN REPORTING?**

The division audits all reports and ordinarily detects any math errors on your report.

If you discover an error in your individual wage reports, DO NOT attempt to correct it on the current quarter wage listing. (Although the net amount of wages might be correct that way, for benefit purposes we must have the correct wages by quarter.) Instead, submit a separate explanation of the adjustment, listing the individual workers that you are correcting or adding (name, social security number and wages added or changed), and the change this makes in the gross, excess and taxable wages for the quarter. If the change results in additional tax or surcharge due, you must also calculate the interest due on the additional amount from the original due date of the report you are correcting up to the date that payment is made, at the rate of 1 1/2 percent per month (or fraction of a month).

Report errors in excess wages the same way and indicate the employees whose wages were improperly calculated even if individual gross wages were reported correctly.

Make the corrections as soon as you discover the error, particularly if additional tax or surcharge is due. This will reduce the amount of interest charged. Notify the Tax Enforcement Branch in writing of the correction using the address in the front of this guide. If you are making the adjustment at the same time you are submitting a UI-3, include the adjustment amount on line 8 of the report, and include the adjustment amount in your tax calculation as instructed on the report.

**HOW DO I REPORT CHANGE OF ADDRESS, BUSINESS NAME, OR OWNERSHIP?**

Your UI-3 quarterly report contains a form you may use to report most types of changes.

UI-3.2 (R.5/2011)		ACCOUNT STATUS INFORMATION
KETN	Name	
<input type="checkbox"/> Request for cancellation (date business closed) _____		<input type="checkbox"/> Change of business name - Name change only <hr/> Form UI21, Report Change in Ownership or Discontinuance of Business in Whole or Part, is available online @ <a href="http://ret.ky.gov">http://ret.ky.gov</a>
<input type="checkbox"/> Request for inactive status (date of last employment) _____		
<input type="checkbox"/> Change location address to: _____ Street _____ City _____ State _____ ZIP code _____		<input type="checkbox"/> Please mail Form UI21, Report Change in Ownership or Discontinuance of Business in Whole or Part, upon receipt of this UI3. Types of Ownership Changes Requiring Form UI-21: Individual to Partnership    Partnership to Corporation    Corporation to Corporation Individual to Corporation    Partnership to Partnership    Corporation to LLC or LLP Individual to Individual    Partnership to Individual    Corporation to Partnership Individual to LLC or LLP    Partnership to LLC or LLP    Corporation to Individual
<input type="checkbox"/> Change mailing address to: _____ Street _____ City _____ State _____ ZIP code _____		
		The statements indicated are hereby certified to be correct to the best knowledge and belief of the undersigned who is duly authorized to sign this report.  _____ Signature _____ Date _____

Submit this form along with your UI-3.

**Please do not use the UI-3 form itself to report changes of name or address, since this will delay processing of your report and payment.**

You may report changes at other times by contacting the Tax Enforcement Branch.

You may submit a change of address via the web site at <https://kewes.ky.gov>.

## RESERVE ACCOUNTS AND TAX RATES

### **WHAT DO YOU DO WITH THE MONEY I PAY IN UNEMPLOYMENT TAX?**

The division deposits all unemployment tax payments made by Kentucky employers in an UNEMPLOYMENT TRUST FUND maintained in the U.S. Treasury, where they earn interest. By federal and state law, this money can be used only to pay benefits to unemployed Kentucky workers.

Although the division deposits all tax payments to the trust fund, and all benefits are paid out of that fund, the division keeps track of the individual tax payments of each employer. Most benefits paid are also charged to individual employers' reserve accounts; usually the most recent employer for whom the claimant worked in each of ten weeks, whether or not consecutive (see the "Benefits" chapter for more information). Your RESERVE ACCOUNT is an accounting record of your payments and charges, which is maintained for the purpose of calculating your EXPERIENCE RATING.

### **HOW IS MY TAX RATE ASSIGNED?**

The division assigns new employers (other than contract construction) a beginning rate of **2.70%**. New contract construction employers are assigned the maximum rate under the rate schedule in effect that year (see "What Will My Tax Rate Be If I Start a Construction Business" for more details). After that, the division will calculate a rate for your account each year.

All unemployment insurance programs are "experience rated," which means that the amount of tax an employer pays is directly related to their experience in the program. By "experience" we mean the amount of tax an employer has paid into their reserve account, and the amount of benefits charged against that account. In Kentucky, the system used for assigning tax rates is called the RESERVE RATIO method.

Once an employer begins to pay tax (and possibly be charged benefits), the division keeps track of the balance in his reserve account. Once each year, the balance in each reserve account is recorded for the purpose of calculating tax rates for the coming year. This takes place as of the COMPUTATION DATE, July 31st. The RESERVE ACCOUNT BALANCE is the net total of all taxes paid minus all benefits charged to an account since it was established. The balance may be positive or negative (deficit), depending upon whether tax payments have exceeded benefit charges or vice versa.

Delinquent tax payments cannot be included in the rate computation if paid after the computation date. This may cause your tax rate to be higher than it would have been if all taxes had been paid on time.

Tax rates are not based solely on the balance in a reserve account, since this would mean that larger or high-wage employers would have an advantage over smaller or lower-wage employers. Instead, a RESERVE RATIO is computed, which compares the size of the reserve balance to the size of the business and payroll. The reserve ratio is the percentage obtained by dividing the reserve account balance by the total amount of taxable wages reported by the employer during the 12 calendar quarters preceding the computation date. (This is referred to as the THREE-YEAR TAXABLE PAYROLL.)

The final step in calculating your tax rate is to find your reserve ratio in the RATE SCHEDULE (see next page):

## Rate Schedule

Reserve Ratio	Trust Fund Adequacy	A	B	C	D	E
8.0% and over	0.000%	0.30%	0.40%	0.50%	0.60%	1.00%
7.0% but under 8.0%	0.000%	0.40%	0.50%	0.60%	0.80%	1.05%
6.0% but under 7.0%	0.008%	0.50%	0.60%	0.70%	0.90%	1.10%
5.0% but under 6.0%	0.208%	0.70%	0.80%	1.00%	1.20%	1.40%
4.6% but under 5.0%	0.508%	1.00%	1.20%	1.40%	1.60%	1.80%
4.2% but under 4.6%	0.808%	1.30%	1.50%	1.80%	2.10%	2.30%
3.9% but under 4.2%	1.008%	1.50%	1.70%	2.20%	2.40%	2.70%
3.6% but under 3.9%	1.308%	1.80%	1.80%	2.40%	2.60%	3.00%
3.2% but under 3.6%	1.508%	2.00%	2.10%	2.50%	2.70%	3.10%
2.7% but under 3.2%	1.608%	2.10%	2.30%	2.60%	2.80%	3.20%
2.0% but under 2.7%	1.708%	2.20%	2.50%	2.70%	2.90%	3.30%
1.3% but under 2.0%	1.808%	2.30%	2.60%	2.80%	3.00%	3.40%
0.0% but under 1.3%	1.908%	2.40%	2.70%	2.90%	3.10%	3.50%
-0.5% but under -0.0%	6.500%	6.50%	6.75%	7.00%	7.25%	7.50%
-1.0% but under -0.5%	6.750%	6.75%	7.00%	7.25%	7.50%	7.75%
-1.5% but under -1.0%	7.000%	7.00%	7.25%	7.50%	7.75%	8.00%
-2.0% but under -1.5%	7.250%	7.25%	7.50%	7.75%	8.00%	8.25%
-3.0% but under -2.0%	7.500%	7.50%	7.75%	8.00%	8.25%	8.50%
-4.0% but under -3.0%	7.750%	7.75%	8.00%	8.25%	8.50%	8.75%
-6.0% but under -4.0%	8.250%	8.25%	8.50%	8.75%	9.00%	9.25%
-8.0% but under -6.0%	8.500%	8.50%	8.75%	9.00%	9.25%	9.50%
Less than -8.0%	9.000%	9.00%	9.25%	9.50%	9.75%	10.00%

Looking at the rate schedule, you will notice that there are six different columns of rates corresponding to the reserve ratio brackets in the first column on the left, with the “Trust Fund Adequacy” rates being the lowest and schedule “E” being the highest. The rate schedule in effect in any given year is based on the balance in Kentucky’s Unemployment Trust Fund at the end of the preceding calendar year. (For example, if the Trust Fund has a balance of at least \$350 million on September 30<sup>st</sup>, but less than \$500 million, then rate schedule “B” would be in effect for the following calendar year.) This means that high unemployment costs, which reduce the fund balance, may cause tax rates to increase even for businesses that did not directly experience benefit charges.

The example on the next page illustrates the rate computation process for a typical business. Remember, the computation date is July 31 of the year preceding the year for which a rate is being computed.

There are other factors that can affect your tax rate:

If you have been SUBJECT LESS THAN 12 CALENDAR QUARTERS as of the computation date, your rate, by law, cannot be less than 2.7%. This means you must have been subject no later than the end of the June the fourth year preceding the year for which the rate is being assigned in order to be eligible for a reduced rate (for example, subject in June 2008 to receive a reduced rate for 2012). Your rate can be higher than 2.7% after your first year of subjectivity if the ratio indicates.

If you failed to file any report for the twelve quarters preceding the computation date, the division cannot accurately calculate a rate for your account, and by default we will assign the highest positive or negative balance rate from the schedule in effect for that year. If you file the missing report(s) within twenty days of receiving your annual rate notice, we can recalculate your tax rate using the taxable wages from the missing report(s). Please contact the Employer Accounting Section at 502-564-2168 to request an Amendment to your rate notice. As stated previously, we cannot use the delinquent tax payments in the calculation.

If you are, or become, a SUCCESSOR employer by acquiring all or part of an existing business that is already covered by unemployment insurance, your rate calculation will include the experience of your predecessor. See the “Successorship” section of this guide for more details.

### Reserve Ratio and Rate Computation

**Beginning Reserve Balance (balance as of the preceding computation)** **\$41,908.03**

**Benefits** charged to the account through June 30, for the four quarters immediately preceding the computation date:

3 <sup>rd</sup> quarter	\$ 0.00	
4 <sup>th</sup> quarter	1,572.18	
1 <sup>st</sup> quarter	1,333.15	
2 <sup>nd</sup> quarter	298.00	
<hr/>		
Total	\$3,203.33	<b>-\$3,203.33</b>

**Contributions** credited to the account during the four quarters immediately preceding the computation date:

3 <sup>rd</sup> quarter	\$2,007.13	
4 <sup>th</sup> quarter	868.68	
1 <sup>st</sup> quarter	2,414.81	
2 <sup>nd</sup> quarter	2,732.73	
<hr/>		
Total	\$8,023.35	<b>+\$8,023.35</b>

**Ending Reserve Balance as of July 31** **\$46,728.05**

**Three Year Taxable Payroll** (the total of taxable wages paid during the preceding three fiscal years, that is, the 1<sup>st</sup> through the 3<sup>rd</sup> quarters of the year preceding that for which a rate is being computed, all four quarters of the second & third preceding years, and the 4<sup>th</sup> quarter of the fourth preceding year):

3 <sup>rd</sup> quarter	\$80,285.24	
4 <sup>th</sup> quarter	60,221.76	
1 <sup>st</sup> quarter	77,856.04	
2 <sup>nd</sup> quarter	78,770.25	
3 <sup>rd</sup> quarter	97,150.25	
4 <sup>th</sup> quarter	61,217.88	
1 <sup>st</sup> quarter	90,526.56	
2 <sup>nd</sup> quarter	108,331.30	
3 <sup>rd</sup> quarter	70,947.42	
4 <sup>th</sup> quarter	62,048.47	
1 <sup>st</sup> quarter	96,592.53	
2 <sup>nd</sup> quarter	109,311.41	
<hr/>		
Total	\$993,259.11	<b>\$993,259.11</b>

$$\frac{\text{Reserve Balance}}{\$46,728.05} \div \frac{\text{3 year Taxable Payroll}}{\$993,259.11} = \frac{\text{Reserve Ratio}}{004.704}$$

Using Schedule C for example, the corresponding rate would be **1.40%**.

The division issues a “**Notice of Contribution Rate**” annually to each active employer indicating the new rate and containing the information used in calculating it. These notices are normally issued during the middle of December.

UI-29 (Rev. 6/2011)

Commonwealth of Kentucky  
 DIVISION OF UNEMPLOYMENT INSURANCE  
 Frankfort, Kentucky 40602

Date of  
 Notice:

NOTICE OF CONTRIBUTION RATE  
**For Calendar Year**

This notice has been issued to advise you of the contribution rate assigned to your Kentucky Unemployment Insurance Employer Reserve Account for the year indicated above. The figures provided on this form are taken from the account records maintained by the Division, and furnished to assist you in understanding how your contribution rate was calculated.

ACCOUNT #

UI RATE:

**THIS IS NOT A BILL**

PREDECESSOR #	CODE	BENEFIT CHARGES	CODE	CONTRIBUTIONS	CODE	EMPLOYER RESERVE	CODE	THREE(3) FISCAL YEARS/TAXABLE WAGES
TOTALS								
CONTRIBUTIONS PAID								RATING FACTORS:
BENEFIT CHARGES								RESERVE RATIO:
NET RESERVE BALANCE AS OF								
KRS 341.430 PROVIDES AN APPEAL FROM THIS DETERMINATION MUST BE FILED WITHIN 20 DAYS FROM THE DATE OF THIS NOTICE								
RATE SCHEDULE		EXPLANATION			VOLUNTARY PAYMENT			
If your reserve ratio is: Your UI rate is:					CHECK YOUR RATING FACTORS FOR ELIGIBILITY AND USE RATE SCHEDULE FOR COMPUTATION.			
8.0% and over 1.00%		10 TRANSFERRED FROM PREDECESSOR			VOLUNTARY PAYMENT MADE TO REDUCE			
7.0% but under 8.0% 1.05%		15 BALANCE FROM LAST COMPUTATION			DETERMINED RATE FROM _____% TO _____%			
6.0% but under 7.0% 1.10%		28 TRANSFERRED FROM PREDECESSOR			ATTACH REMITTANCE FOR \$ _____			
5.0% but under 6.0% 1.40%		29 BENEFIT CHARGES			MAKE PAYABLE TO:			
4.6% but under 5.0% 1.80%		30 VOLUNTARY CONTRIBUTION			TREASURER, KY UNEMPLOYMENT INSURANCE FUND			
4.2% but under 4.6% 2.30%		58 TRANSFERRED FROM PREDECESSOR			MAIL TO:			
3.9% but under 4.2% 2.70%		59 TAXABLE WAGES			OFFICE OF EMPLOYMENT AND TRAINING			
3.6% but under 3.9% 3.00%		60 TRANSFERRED FROM PREDECESSOR			DIVISION OF UNEMPLOYMENT INSURANCE			
3.2% but under 3.6% 3.10%		98 TRANSFERRED FROM PREDECESSOR			TAX ENFORCEMENT BRANCH			
2.7% but under 3.2% 3.20%		99 PAID SINCE LAST COMPUTATION			P.O. BOX 948			
2.0% but under 2.7% 3.30%					FRANKFORT, KENTUCKY 40602-0948			
1.3% but under 2.0% 3.40%					<b>NOT ACCEPTABLE UNLESS POSTMARKED WITHIN 20 DAYS OF THIS NOTICE</b>			
0.0% but under 1.3% 3.50%					ACCOUNTING (502)564-2168 STATUS (502)564-2272			
-0.5% but under 0.0% 7.50%								
-1.0% but under -0.5% 7.75%								
-1.5% but under -1.0% 8.00%								
-2.0% but under -1.5% 8.25%								
-3.0% but under -2.0% 8.50%								
-4.0% but under -3.0% 8.75%								
-6.0% but under -4.0% 9.25%								
-8.0% but under -6.0% 9.50%								
less than -8.0% 10.00%								
		RATING FACTORS						
		A SUBJECT 12 QUARTERS						
		B NOT SUBJECT 12 QUARTERS						
		C DELINQUENT IN FILING REPORTS						
		D DEFICIT BALANCE & RATIO						
		U CONTRACT CONSTRUCTION						

SEE BACK FOR EXPLANATION OF RATE DETERMINATION, RATIO, CODES, RATING FACTORS AND VOLUNTARY PAYMENT

## **IF MORE IS PAID OUT IN BENEFITS THAN I HAVE PAID IN, DO I HAVE TO PAY THE DIFFERENCE?**

You do not have to pay the difference directly, however, you may want to because a deficit balance in your employer reserve account will cause your tax rate to increase. See the section on “Voluntary Payment” below.

## **WHAT WILL MY TAX RATE BE IF I START A CONSTRUCTION BUSINESS?**

The division assigns a new employer who is determined to be in the contract construction business the MAXIMUM TAX RATE in effect for the year in which he becomes liable, ranging from 9.0% to 10.0%. If you are a new construction employer, you will not be eligible for an experience rating less than the maximum rate until you have employed workers in Kentucky for at least 12 CONSECUTIVE CALENDAR QUARTERS preceding the computation date. (Your rate may go up or down during this period if the tax rate schedule in effect changes from year to year.) Once you have met the requirement, your rate for the following year will be based on your reserve ratio as described on previous pages.

The law pertaining to contract construction tax rates was enacted as the request of the construction industry in order to prevent new companies from receiving a lower rate than the average for the industry.

## **WHAT IS A “VOLUNTARY PAYMENT”?**

In addition to the unemployment tax that you are required to pay, you may make additional payments into your reserve account to reduce or eliminate a deficit balance. Since tax rates are based on reserve account balance, changing your balance can lower your next year’s tax rate. Sometimes a relatively small voluntary payment will lower your tax rate and allow you to save a larger amount of money in the coming year.

Paying off a deficit balance is the most common form of voluntary payment, since this will result in the greatest reduction in tax rate, and therefore, the greatest tax savings.

Beginning January 1, 2012, voluntary payments are only permitted for employers with negative reserve balances. Those voluntary payments will only be permitted up to the amount of the negative reserve balance. Also beginning January 1, 2012, you are not permitted to make a voluntary payment in two consecutive years.

## **HOW DO I MAKE A VOLUNTARY PAYMENT?**

Voluntary payments are usually made at the time that annual notices of contribution rates are issued. Your “Notice of Contribution Rate” contains instructions for determining whether a voluntary payment will reduce your tax rate for the new year. If it would, you may make a payment within 20 days from the mailing date of the notice, and it will be credited to your account as of the preceding computation date and used to recalculate your current year rate. Make a copy of the rate notice, complete the voluntary payment portion to indicate the amount of your payment and the intended new rate, and send it to the Tax Enforcement Branch at the address on the notice. Include **a check made payable to the “Treasurer, Kentucky Unemployment Insurance Fund.”** The check should be labeled as a “voluntary payment” and must include your reserve account number (KEIN). The Tax Enforcement Branch will verify your payment to make sure it will reduce your rate as desired; if not, it will be returned to you.

You will not be allowed to make a voluntary payment if you owe the division any tax, surcharge, interest or penalty. You may pay off your delinquency and make a voluntary payment at the same time, but only the amount of your voluntary payment over the amount of your delinquency will be used in recalculating your rate.

Construction employers who are subject to the maximum tax rate may make voluntary payment to pay off a deficit balance. However, this will not affect your tax rate unless you have satisfied the minimum length of employment described in the construction rates section.

Employers may make voluntary payments at any time of the year by sending a check made out as previously described to the Unemployment Tax Enforcement Branch, P.O. Box 948, Frankfort, KY 40602. It should be accompanied by a brief explanatory letter. However, voluntary payments made at any time other than the 20 days after the issuance of rate notices will not affect your current year rate. They will be used in calculating your following year rate if made by the computation date (July 31).

Beginning January 1, 2012, voluntary payments are only permitted for employers with negative reserve balances. Those voluntary payments are only permitted up to the amount of the negative reserve balance. Also beginning January 1, 2012, you are not permitted to make a voluntary payment in two consecutive years.

### **HOW DO I FIGURE A VOLUNTARY PAYMENT, AND HOW CAN I TELL IF IT WILL SAVE ME MONEY?**

You may first want to review the section on how rates are computed, since this will make it easier to understand how voluntary payments are calculated.

Remember that rates are assigned based on your RESERVE RATIO, which is the percentage your reserve balance is of your three-year taxable payroll. In order to change your tax rate, you have to change that percentage.

For example, assume your three-year taxable payroll totals \$100,000.00 and your reserve balance totals -\$510.00. Your reserve ratio would be:

$$-\$510.00 \div \$100,000.00 = -0.510\%$$

Next, refer to the rate schedule in effect. For this example, assume it is Schedule E. The rate assigned for a -0.510% reserve ratio on this schedule would be 7.75%.

The next lower rate on this schedule is 7.50%. To reduce your rate to this, your reserve ratio would need to be at least -0.5%, the minimum ratio for this bracket.

Multiply your taxable payroll total by the minimum reserve ratio you need to achieve:

$$-0.50\% \times \$100,000.00 = -\$500.00$$

This is the minimum reserve balance you would need to reduce your rate by one bracket. Subtract your existing balance from the required balance to determine your voluntary payment:

$$-\$510.00 - (-\$500.00) = \$10.00$$

**We recommend you add ONE CENT to this amount, to ensure that any rounding of percentages will be to your advantage.** Your voluntary payment to reduce your rate from 7.75% to 7.50% would therefore be **\$10.01**.

Next, to see whether this will save you money, divide your voluntary payment by the difference in the tax rate you would achieve. In this example you would reduce your rate by 0.25% (7.75% - 7.50%), therefore:

$$\$10.01 \div 0.25\% = \$4,004.00$$

If you expect that your taxable payroll for the coming year will exceed this amount, you will save money if you make a voluntary payment. In this example, this is likely since the average taxable wages for the past three years have exceeded \$33,000.00. For the sake of illustration, assume that the taxable wages will continue at this level for another year. See the difference a voluntary payment will make in total payments for the year:

$$\$33,000.00 \times 7.75\% = \$2,557.50, \text{ versus}$$

$$\begin{aligned} \$33,000.00 \times 7.5\% &= \$2,475.00 \\ +\$ \underline{10.01} &\text{ Voluntary Payment} \\ & \$2,485.01 \text{ Total Payments} \end{aligned}$$

$$\text{NET SAVINGS} = \$72.49$$

If a small voluntary payment results in a large potential savings, you may want to calculate the voluntary payment required for the next lower bracket.

The division will be happy to assist you in calculating a voluntary payment and estimating whether it will save you money. However, you must estimate your taxable payroll for the year ahead. If you overestimate, this may reduce or eliminate your savings. In such a case, your voluntary payment CANNOT be refunded.

Remember, the greatest savings can be realized by paying off a DEFICIT BALANCE, since this results in the greatest reduction in rate. However, no voluntary payment may exceed the amount of your negative reserve balance.

## SUCCESSORSHIP

### WHAT HAPPENS IF I BUY (OR SELL) A BUSINESS?

Ordinarily, if a liable business changes ownership, the reserve account assigned to the business is transferred to the new owner. This process is referred to as SUCCESSIONSHIP. A successor employer inherits the reserve account balance from the previous owner (the “predecessor”), whether positive or negative, and thus the successor’s tax rate is affected by the predecessor’s experience rating. The successor may also inherit liability for delinquent tax reports and unpaid tax, surcharge and interest.

If the tests described below apply, successorship is not voluntary for either the predecessor or the successor. An employer who transfers all of his business will lose his reserve account and cease to be a liable employer. He cannot retain his reserve balance, nor can we refund it to him. This applies even in cases where the previous owner is a corporation, and the corporation itself is not sold.

### HOW IS SUCCESSIONSHIP DETERMINED?

If a business is sold or otherwise transferred in whole or part and there is substantially common ownership, management or control of the business before and after the transfer (that is, one or more individual or individuals owns or exercises pervasive management of the business before and after the transfer), then by law the acquiring employer is a successor to the original owner's employer reserve account.

If a business is transferred and the ownership is not common, for successorship to apply to a business transfer, both the previous and the new owners must have been involved in **negotiations** to bring about the transfer. These negotiations need not be direct and a third party may be involved. Also for successorship to apply, at least two of the following five conditions must exist:

- A. The business was a going concern at the time that negotiations to transfer began.
- B. The new owner continued to operate (or resumed) basically the same type of business in the same location as the previous owner.
- C. At least half of the employees of the previous business continued to work for the new owner.
- D. At least half of the new owner’s employees worked for the previous owner.
- E. The new owner acquired work contracts or commitments from the previous owner.

NOTE: If only the conditions in C & D are met, successorship will **not** apply.

## **WHAT IF I ONLY BUY (OR SELL) PART OF A BUSINESS?**

SUCCESSORSHIP IN PART occurs when only a portion of the total business owned or operated by the predecessor is transferred. The same rules described above apply in determining whether successorship has occurred. If so, a further determination must be made as to whether and how much of the reserve account of the predecessor is to be divided with the successor.

In cases of partial transfer, reserve accounts are divided on a percentage basis. This percentage is subject to the approval of the division, and must reflect the approximate percentage of the business operation transferred. This must be based on percentage of payroll or number of employees transferred. Contact the Tax Enforcement Branch or a tax auditor through your nearest local office if you require assistance. The percentage proposed to the division must be accompanied by sufficient explanation for us to determine whether it reasonably reflects the business transfer.

If the parties to the transfer cannot agree on a percentage to transfer, or the division cannot approve the proposed percentage, a percentage will be determined by the division based on the percentage of the gross payroll reported by the previous owner which is attributable to employees transferred to the new owner.

When a reserve account is transferred in part, and the previous owner continues to operate the remainder of his business, a new reserve account number (KEIN) is assigned for the retained business. This is necessary for accounting purposes in order to keep track of the amount of tax paid and benefits charged before and after the transfer. If the transfer takes place within a calendar quarter, separate reports will be required for the periods before and after the date of transfer and filed under the previous and new account numbers, respectively.

## **WHAT EFFECT DOES SUCCESSORSHIP HAVE ON MY TAX RATE?**

An employer who becomes liable as a result of acquiring all or part of an existing business will receive the tax rate already assigned to the business for the year in which the transfer takes place. This rate may be higher or lower than the normal new employer rate (2.7%), based on the balance of the reserve account acquired. Note that this includes partial transfers in which no portion of the predecessor reserve account is transferred to the successor.

After the first year, your rate will be based on a combination of your predecessor's reserve and taxable payroll, and your own payroll, tax payments and benefit charges. You may also be charged with benefits paid to former employees of your predecessor for two years or more after the date of transfer. Your predecessor's experience will count toward the minimum twelve quarters of subjectivity required to receive a reduced tax rate. However, if your predecessor was delinquent in filing any reports during the twelve quarters preceding the computation date, this will result in a higher default rate. If this occurs, contact the Tax Enforcement Branch and we will assist you in estimating and filing the missing reports, based upon whatever information you may have acquired from your predecessor.

Your annual "Notice of Contribution Rate" will indicate both your own and your predecessor's payroll, tax and benefit information. The rate computation process is the same as that described in the rate section of this guide.

If you are a successor to part of a reserve, the amount of predecessor payroll, tax, and benefits used in determining your rate will be based on the percentage of reserve transferred. If you did not receive any portion of the predecessor's reserve, the transfer will not affect your rate after the first year.

If you are already liable and then acquire all or part of an existing business *that did not have common ownership*, the transfer will have no effect on your assigned rate for the year in which the transfer occurs. For following years, your rate will be computed by combining your payroll and reserve totals with those of your predecessor. In the case of an acquisition of all or part of a commonly owned or controlled accounts, your rate for the remainder of the year will be recalculated as of the first quarter following the date of the transfer using the combined experience of the predecessor and successor accounts. In either case, the division will provide you with this information on your annual "Notice of Contribution Rate."

### **IS A SUCCESSOR EMPLOYER ENTITLED TO CLAIM WAGES PAID BY THE PREDECESSOR PRIOR TO THE TRANSFER IN CALCULATING EXCESS WAGES?**

Yes. If you are a successor (even if no reserve is transferred), you may take credit for the wages paid to your employees by your predecessor prior to the date of transfer in determining the excess wages for those employees.

### **WHAT ARE MY LIABILITIES AS A SUCCESSOR EMPLOYER?**

In addition to the potential for predecessor benefit charges described above, you may also be held liable for unpaid tax, and interest owed by your predecessor, but only if the division notifies you of the predecessor debt within six months after we first learn about the transfer. That is not the same as six months from the transfer, because we frequently do not learn about transfers until some time after they occurred.

The division will make every reasonable effort to collect the delinquent tax and interest from your predecessor. However, if we are unable to make a full collection, you will be liable. This is considered a legal debt of the business you acquired and is not affected by any contract you may have with the predecessor holding you free of debt.

A successor to part of a business can only be held responsible for a percentage of the predecessor debt, based upon the percentage of reserve acquired.

## REIMBURSING EMPLOYERS

### **WHAT ARE REIMBURSING ACCOUNTS, AND WHO IS ELIGIBLE?**

**Governmental employers** and **501(c)(3) nonprofit organizations** are eligible to report as REIMBURSING accounts. Reimbursing employers do not pay quarterly unemployment tax. Instead, they reimburse the division for the cost of any benefits which are chargeable to them. Reimbursing employers must still file quarterly reports for wage information purposes.

Upon becoming liable, an eligible employer may choose to either reimburse or to become a taxpaying account. If the reimbursement option is chosen, you must remain in this status for at least two calendar years. If the taxpaying option is selected, you may switch to the reimbursement method after one calendar year. To change options, you must advise the division in writing no later than December 1, prior to the start of the year for which you want the new option to be effective.

There are both advantages and disadvantages to the reimbursement method. Although it can save money for organizations with stable employment, it can also result in large and unexpected benefit costs. Reimbursing employers also have fewer rights to relief from benefit charges than do taxpayers. Eligible employers are encouraged to contact the Tax Enforcement Branch to discuss the reimbursement option prior to making any decision.

As a result of legislation enacted by the Kentucky General Assembly (House Bill 5), employers who have elected to reimburse the state in lieu of paying contributions will become subject to interest on any benefits charged to their account on or after August 28, 2010. The statement of benefit charges will contain a line item indicated as "Trust Fund Interest". Payment of the Trust Fund Interest is due at the same time as the benefit charges. The interest rate is based on the average rate of earnings in the unemployment trust fund for the prior calendar year and will be adjusted annually.

## FEDERAL UNEMPLOYMENT TAX ACT (FUTA)

NOTE: The Internal Revenue Service collects federal unemployment tax, and questions concerning federal tax reporting and payment should be addressed to your nearest IRS office. What follows is a brief discussion of some basic information.

### **WHAT IS FEDERAL UNEMPLOYMENT TAX?**

In addition to your state unemployment tax, federal law requires that you pay Federal Unemployment Tax (FUT). The liability requirements are basically the same as for state coverage; however, non-profit and governmental employers are exempt from federal coverage. Federal unemployment taxes are used primarily for two purposes: paying for the cost of administering the UI program by the state and the federal governments; and paying for federal benefits programs, such as the federal share of extended benefits.

FUT is payable on the first \$7,000.00 you pay each worker annually. The tax rate is 6.0%; however, as explained below, you are allowed up to a 5.4% offset credit for state tax payments on the same wages. Therefore, the normal net tax rate is 0.8%.

The FUTA offset credit is subject to reduction if the Kentucky Unemployment Insurance Trust Fund is indebted to the federal government. Please check our website (<https://kewes.ky.gov/Contact/contacts.aspx?strid=1>) for the most up to date information on any FUTA offset reductions.

### **HOW DOES PAYING MY STATE UNEMPLOYMENT TAX AFFECT MY FEDERAL TAX?**

You are allowed to claim a credit reducing your federal unemployment tax rate if you paid state unemployment tax on the same wages. If you made the state tax payments on time, you may claim the maximum allowable offset credit of 5.4%. This credit applies even if you paid state tax at a rate lower than 5.4%. However, you cannot claim more than this rate if your state tax rate was higher.

Each year the division certifies to the IRS all tax payments made by Kentucky employers. If you are notified by the IRS that your federal tax credit claimed does not agree with the amount certified, contact the Tax Enforcement Branch at the number listed on the front inside cover, and we will assist you in verifying the proper credit.

### **CAN I CLAIM A CREDIT AGAINST STATE UNEMPLOYMENT TAX FOR THE FEDERAL UNEMPLOYMENT TAX THAT I PAY?**

No. You can only claim credit on your federal rate for state payments.

## CLOSING AND TERMINATING ACCOUNTS

### **WHAT HAPPENS TO MY RESERVE ACCOUNT IF I CLOSE MY BUSINESS?**

If you close your business, contact the Tax Enforcement Branch and we will send you the necessary form to place your account in inactive status. (You can also notify us by completing the business change questionnaire portion of your quarterly report package.)

As an inactive employer you will not be required to file quarterly reports after the quarter in which you last had employment. However, you will remain liable under the unemployment insurance law for any future employment you have, regardless of the size or duration of your future payroll.

Once you have had at least one complete calendar year with no employment or with employment that does not meet the liability requirements, you will be eligible to terminate your account as described below.

### **WILL THE BALANCE IN MY RESERVE ACCOUNT BE REFUNDED TO ME WHEN I CLOSE MY BUSINESS?**

**No.** All tax is paid into the Kentucky Unemployment Trust Fund and can only be used to pay benefits. Your reserve account balance total is used solely to calculate tax rate. It cannot be refunded.

### **WILL I HAVE TO PAY OFF ANY DEFICIT BALANCE IN MY ACCOUNT WHEN I CLOSE MY BUSINESS?**

**No.** However, if you resume employment in the future and have not terminated your reserve account as described below, your future rate will be based on your deficit balance.

### **CAN I DRAW BENEFITS IF I CLOSE MY BUSINESS?**

If you are a proprietor or partner you are not eligible to draw unemployment insurance. Unemployment insurance coverage only applies to employees, not to the owners of businesses.

If your business was incorporated and you drew a salary, you may be able to draw benefits if it is determined that you are unemployed through no fault of your own, just as is true for any other claimant.

### **DO I HAVE TO FILE REPORTS IF I NO LONGER HAVE EMPLOYEES?**

If you have ceased to have employees but are continuing to operate your business, you may contact the Tax Enforcement Branch and request to have your account placed in inactive status. The same conditions apply as for closing your business, which is described at the top of this page.

NOTE: If you continue to operate your business using workers obtained from a temporary service or contract labor, you may be determined liable for reporting these workers as your employees. See the "Liability" section for more information.

## **WHAT IS “TERMINATION OF A RESERVE ACCOUNT,” AND HOW DO I APPLY TO HAVE MY ACCOUNT TERMINATED?**

TERMINATION of a reserve account means that the employer to whom the account is assigned has ceased to be liable under the unemployment insurance law. If your account is terminated, you will have to meet the liability requirements again to be liable for any further payroll reporting or tax payments.

You are eligible to terminate your reserve account if you had no employment for at least one full calendar year, or if your payroll during a full calendar year was less than the liability requirements (see page 1 of this guide). Note that you may terminate your account even if you have employment, as long as the employment is below the liability limits.

You must request termination IN WRITING no later than April 15 of the year in which it is to be effective. Write to the Employer Status Section, Unemployment Tax Enforcement Branch, at the address listed on the front inside cover.

You should consider whether termination of your account would be advantageous, which will depend on your reserve account balance and whether you ever expect to resume employment in the future. Any balance in a reserve account at the time it is terminated will be transferred to the POOLED ACCOUNT, which is used to pay benefits which are not chargeable to any individual employer reserve account.

If you have a positive reserve balance and anticipate resuming employment, it may be advantageous to retain your account since the balance you have built up in the account may entitle you to a lower tax rate than the entry rate for a new employer.

However, if you have a deficit (negative) balance, terminating your account will eliminate the deficit. If you resume employment, you will begin at a new employer rate.

The division may also terminate an account if at least three years have passed with no employment reported. The division will do this only after sending written notice of our “intent to terminate” to the last known address of the employer. If you receive such a notice and do not wish to have your account terminated, you must reply in writing to retain the account.

## **IF I CLOSE OR TERMINATE MY RESERVE ACCOUNT, WILL I STILL BE LIABLE FOR ANY UNPAID TAX, INTEREST OR PENALTIES?**

Yes.

# BENEFITS

## WHEN IS A WORKER ELIGIBLE TO RECEIVE UNEMPLOYMENT INSURANCE BENEFITS AND HOW MUCH WILL HE BE ELIGIBLE TO RECEIVE?

The worker must be unemployed through no fault of his own and must file a claim for benefits. The **EFFECTIVE DATE** of his claim will be the Sunday of the week in which he files. This will establish his **BASE PERIOD**, which is the first four of the last five completed calendar quarters preceding the effective date of the claim. For example:

If the claim was filed on April 25, 2014, the effective date would be April 20, 2014 (the Sunday of that week). Since this falls in the second quarter of 2014, the five completed quarters preceding the effective date of the claim would be the first quarter 2014 and the four quarters of 2013. The first four of these quarters - the four quarters of 2013 - would be the base period.



Next, this agency will consult the wage record file (made up of the wage information employers submit on their quarterly wage and tax report) to see what wages were reported for the claimant during the four quarters of his base period. Assume the following wages were reported:

1st Quarter 2013 (January - March)	\$5,500.00
2nd Quarter 2013 (April - June)	6,000.00
3rd Quarter 2013 (July - September)	5,500.00
4th Quarter 2013 (October - December)	<u>5,000.00</u>
 Total Base Period Wages	 \$22,000.00

The claimant's **WEEKLY BENEFIT AMOUNT (WBA)** is then calculated by multiplying his total base period wages by 1.1923% and rounding to the nearest dollar:

EXAMPLE:  $\$22,000.00 \times .011923 = \$262.31$ , the WBA would be \$262.00

A weekly benefit amount can neither be lower than \$39.00 nor more than the maximum weekly benefit amount allowed in Kentucky at that time. The maximum WBA is established annually on July 1st. It is ordinarily set at 62% of the average weekly wage for all workers in covered employment during the preceding year but may be less depending upon the trust fund balance as of the end of that year. (For reference, the maximum weekly benefit amount from July 1, 2013, through June 30, 2014 is \$415.00.)

To be **monetarily eligible**, the claimant must have performed enough work in covered employment during his base period to meet ALL four of the following requirements:

1. He must have earned at least \$750.00 in wages during the quarter in which his wages were highest.
2. His wages for the other three quarters of the base period must have been at least \$750.00.
3. His total base period wages must be at least one-and-a-half (1½) times the amount he made in the quarter in which his wages were highest.
4. His wages in the last two quarters of the base period must be at least eight times his weekly benefit amount.

The **MAXIMUM BENEFIT AMOUNT (MBA)**, the total amount a claimant can receive in regular benefits on a single claim, must be the lesser of the following:

- a. Twenty-six times his weekly benefit amount.
- b. One-third of the total base period wages (**except** no MBA can be less than 15 times the weekly benefit amount).

To illustrate:

(Weekly benefit amount)  $\$262.00 \times 26 = \$6,812.00$

One-third of \$22,000.00 (total base period wages) = \$7333.33

The maximum benefit amount is \$6,812.00, the lesser of the two.

A claimant may receive less than the maximum benefit amount if he returns to work before his claim is paid out. In some cases he may work part-time while receiving benefits; however, 80% of his gross earnings for the week will be deducted from his weekly benefit amount. Also, if the claimant is receiving a pension from a plan into which a base period or chargeable employer was the sole contributor, the amount of his pension will be deducted from his weekly benefit amount. If the worker contributed to the pension, none of the pension will be deducted.

In addition to the monetary requirements, the claimant must also meet five **NONMONETARY REQUIREMENTS** each week:

1. Be physically and mentally able to work.
2. Be either totally unemployed or performing less than full-time work and earning less than one-and-one-quarter (1¼) times his weekly benefit rate (a claimant earning less than this amount and working less than full-time may qualify for partial benefits, with 80% of his earnings deducted from his weekly benefits).
3. Be available for suitable work and making a reasonable effort to find employment.
4. Register for work with the Kentucky Career Center, unless he is out of state, at which point he is required to register with the state in which he resides.
5. Claim benefits for each week of unemployment.

## **WHAT WILL DISQUALIFY A WORKER FROM RECEIVING BENEFITS?**

**VOLUNTARY QUIT** - A claimant may be disqualified from receiving benefits for the duration of his unemployment if he voluntarily quit his most recent or next most recent suitable work without good cause attributable to the employment. He must then work at least 10 weeks and earn 10 times his weekly benefit amount in covered employment to remove the disqualification. However, there are exceptions to the “voluntary quit” disqualification. A claimant who quits a job to accept a bona fide job offer with a reasonable expectation of continued work, or who quits a job more than 100 miles from his home to accept closer employment, will not be automatically disqualified. If otherwise eligible, the claimant will receive benefits, but the employer’s reserve account is not chargeable in such situations.

**WORK REFUSAL** - A claimant will be disqualified for the duration of his unemployment if he refuses, without good cause, to accept an offer of suitable work or to apply for available work when so directed by the Kentucky Career Center.

**LABOR DISPUTE** - A claimant will not receive benefits for any week of unemployment that is due to or is the result of a strike or other bona fide labor dispute in the establishment in which he is or was last employed. For the purpose of this disqualification, however, a lockout is **not** deemed to be a strike or labor dispute.

**FRAUD** - A claimant will be disqualified for not less than 12 or more than 52 weeks if it is found that he knowingly made a false statement or failed to disclose a material fact to obtain or increase his benefits. Fraud cases may also be criminally prosecuted as a Class D felony. Conviction in court may result in a fine or jail sentence or both.

**MISCONDUCT** - A claimant who has been discharged for misconduct from his most recent or next most recent work may be disqualified for the duration of his unemployment. KRS 341.370(6) states “discharge for misconduct” shall include, but not be limited to:

- Separation initiated by an employer for falsification of any employment application to obtain employment through subterfuge;
- Known violation of a reasonable and uniformly enforced rule of an employer;
- Unsatisfactory attendance if the worker cannot show good cause for the absences or tardiness;
- Damaging the employer’s property through gross negligence;
- Refusing to obey reasonable instructions;
- Reporting to work under the influence of alcohol or drugs or consuming alcohol or drugs on employer’s premises during working hours;
- Conduct endangering safety of self or coworkers; and,
- Incarceration in jail following conviction of a misdemeanor or felony by a court of competent jurisdiction, which results in missing at least five (5) days of work.

### **GUIDELINES FOR DRUG TESTING**

A worker may be disqualified from benefits for failing or refusing to take a drug test under certain circumstances:

In general, the worker must have agreed of his own free will to submit to a drug test; the employer must have a reasonable suspicion of illegal drug use; the employer must have a legitimate need to know based on safety or

security reasons. (Note: This does not apply if the test is required by federal regulations; the division may only determine if the federal regulation has been complied with by the employer.) The test used must be reliable and reasonable, both in itself and in the manner in which it is conducted. It must be the least intrusive method of testing available. The confidentiality and integrity of the test must be ensured. Also, the worker must be informed in advance of the testing policy.

The following questions should be answered in writing, or you should be prepared to answer them at the fact-finding interview.

1. If you have a drug testing policy or a bargaining agreement that addresses drug testing, or as a government employer or its agent (such as employers in the river transport, railroad and interstate trucking industries) you are required by federal regulations to test for drug use: describe the pertinent factors; attach a copy of the policy, agreement, or federal regulations to your response. We will need the date of the policy, the implementation date, as well as how and when workers were made aware of the policy, agreement or regulation.
2. If there is a written policy or agreement: did this worker agree of his own free will to submit to the drug test?
3. Did you have reason to suspect that the worker was using illegal drugs? If yes, describe the reason for your suspicion.
4. If suspicion of drug use was not present, how was the worker selected for testing?
5. Do you believe you had a legitimate need to know for safety or security reasons if this worker was using illegal drugs? If yes, describe the basis of your belief.
6. When and how was the worker informed of the need for the test? Date tested?
7. Describe the test, including why this particular test was chosen and how it was conducted. If a test other than GCIMS (gas chromatography/mass spectrometry), EMIT (enzyme multiplied immunoassay technique), or RIA (radio immunoassay) was used, a detailed description is required.
8. Describe, in depth, the chain of custody of the sample (including both the circumstances under which the sample was taken and the measures taken to ensure the chain of custody was not broken). Give the name of the person responsible for the integrity of the tested material and the chain of custody. This person must be available to testify, if required.
9. How was the confidentiality of the test result ensured?

### **WHAT IF I DO NOT THINK A WORKER SHOULD RECEIVE BENEFITS?**

If the worker left your employ for any reason other than lack of work, you should protest the payment of benefits by responding to the notice you have received within 15 days of the mail date. If you are the chargeable employer and do not file a timely protest, your reserve account, by law, must be charged. You may respond, by faxing your protest to 502-564-9333 or electronically at our website [www.kentuckycareercenter.ky.gov](http://www.kentuckycareercenter.ky.gov). To respond electronically, follow the links to SIDES.

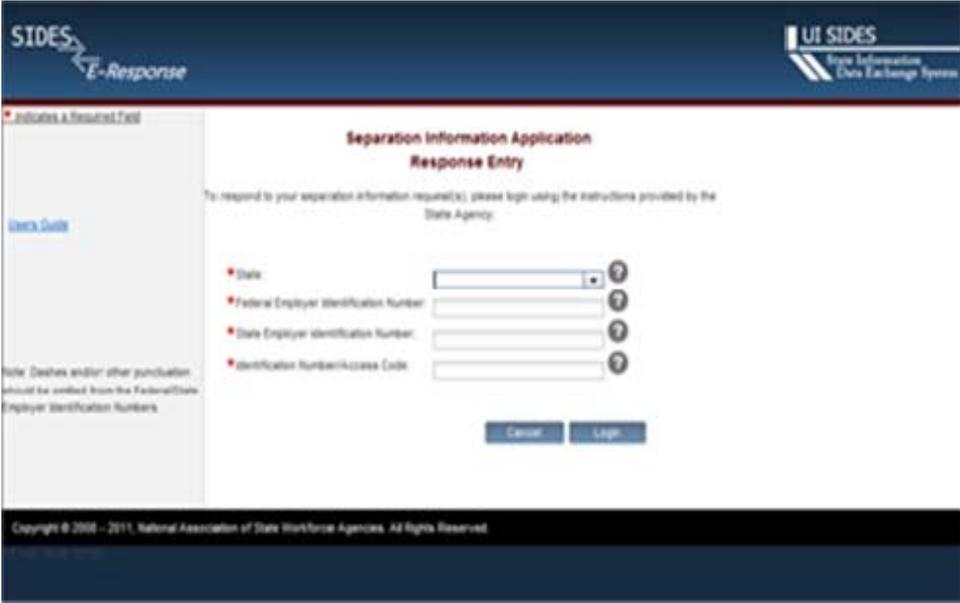
## STATE INFORMATION DATA EXCHANGE SYSTEM (SIDES)

Responding to paper-based unemployment insurance (UI) information requests fully and within tight deadlines creates a significant and costly administrative burden on companies today, putting a strain on the bottom line. This problem is compounded for employers and third-party administrators (TPAs) with operations in multiple states, since – until recently – no single national standard existed to help states and employers easily and electronically exchange key information about UI claims.

Developed through a strategic partnership between the U.S. Department of Labor (USDOL) and state UI agencies, the State Information Data Exchange System (SIDES) and SIDES E-Response offer employers and TPAs – free of charge – a secure, electronic and nationally-standardized format in which they can easily respond to UI information requests, attach documentation when needed and receive a date-stamped confirmation of receipt. Now, employers and TPAs in states implementing the SIDES and SIDES E-Response systems can adopt an electronic standardized format to better anticipate and supply the data needed for UI information requests, reduce follow-up phone calls and streamline their UI response processes, reducing paper work while saving time and money.

For employers with a limited number of UI claims throughout the year, the SIDES E-Response website provides an easy and efficient portal for electronically posting responses to information requests from state agencies. SIDES E-Response is available in participating states to any employer or TPA with internet access.

SIDES provide a more automated data-sharing and file-tracking interface between employers' IT systems and state agency networks. SIDES is an integrated computer-to-computer interface designed for employers and TPAs that typically deal with a large volume of UI information requests. SIDES is especially helpful to those that operate in multiple states.



The screenshot displays the SIDES E-Response website interface. At the top left, the logo reads "SIDES E-Response". At the top right, it says "UI SIDES State Information Data Exchange System". The main heading is "Separation Information Application Response Entry". Below this, a message states: "To respond to your separation information request(s), please login using the instructions provided by the State Agency." The form contains four input fields, each with a red asterisk and a help icon: "State", "Federal Employer Identification Number", "State Employer Identification Number", and "Identification Number/Access Code". At the bottom of the form are "Cancel" and "Login" buttons. A footer at the bottom of the page reads: "Copyright © 2008 – 2011, National Association of State Workforce Agencies. All Rights Reserved."

Both options are completely free of charge for employers and TPAs, although there will be internal IT system development costs to integrate SIDES. In addition, both options have multiple layers of security that are implemented to the highest standard, given the sensitive data exchanged between state UI agencies and employers and TPAs.

Both systems offer an impressive array of benefits and have the potential to significantly improve the UI information exchange process. SIDES and SIDES E-Response give employers and TPAs an electronic way to simplify and streamline responses to UI information requests, saving time and money by:

- eliminating delays related to paper mail delivery, and allowing more time to gather information and respond;
- ensuring more complete information is provided through standard edits, validations and business rules, reducing time-consuming follow up phone calls;
- reducing paper handling, staff time and postage costs; and
- keeping UI tax rates lower by reducing improper payments.

In addition to the significant administrative cost savings offered by SIDES and SIDES E-Response, both options address two of the largest causes of UI overpayments: incorrect initial eligibility decisions (job separation issues) and working while receiving UI benefits.

Many UI overpayments, which could be prevented by receiving timely and accurate information, negatively impact employers' bottom lines. In fiscal year 2011, the UI system paid \$117 billion in federal and state UI benefits to 18.7 million beneficiaries. The USDOL estimates that 12 percent of these benefits were paid improperly.

With this in mind, using SIDES or SIDES E-Response will help employers keep UI rates as low as possible by providing accurate, quality and timely information to state UI agencies.

## HOW WILL I KNOW IF A FORMER EMPLOYEE HAS FILED A CLAIM?

When an unemployed worker files an initial claim, the Employer's Notice of Initial Claim (Form UI-412A, shown below), is sent to you as notification that a claim has been filed. **If the worker left your employ for any reason other than lack of work, you should complete the Employer's Notice of Initial Claim (UI-412A) and return it within 15 days of the form mailing date.**

Form #412A, Revision (08/2004)	OFFICE OF EMPLOYMENT AND TRAINING DIVISION OF UNEMPLOYMENT INSURANCE 275 E MAIN ST. - MAIL STOP 2CF P.O. BOX 452 FRANKFORT, KY 40602-0452 FAX (502) 564-9333	
<b>EMPLOYER NAME</b> 2112 ANYSTREET BLVD TOWNSVILLE KY 90210	<b>Employer Notification</b> Date Processed: 12/11/2007 Employer Phone No : (270) 354 – 6515 Mail Date : 12/12/2007	
<p><b>Carefully read the information below supplied by your former employee. If the employee was separated for any reason other than lack of work, complete the 'employer's statement' below and return this form to the above address within 10 days of 12/12/2007.</b></p> <p>This is notice that a claim for unemployment benefits has been filed by <b>THE AFFECTED EMPLOYEE NAME AND SSN, 123456789</b>, listing you as the <b>Most Recent</b> employer. The claimant has indicated he/she worked for you from <b>07/10/1999</b> through <b>10/28/2007</b>, and is no longer working due to <b>Lay Off with Definite Recall</b>. You may also receive a "fact-finding report" from this agency in a separate mailing. It is important that you complete and return it as instructed. The claimant has provided the following explanation regarding the separation.</p> <p><b>SEASONAL</b></p> <p>If the claimant left your employ for any reason other than "Lack of Work" or "Lay-off with definite recall", under 787 KAR 1:070 you, as an employer, are required to return this form within 10 days of the mail date to qualify for potential relief of charges to your reserve account.</p>		
<p style="text-align: center;"><b>Employer's Statement</b></p> <p>On the day this claimant was separated from your employment, what was the primary reason for separation?</p> <p>_____</p> <p>_____</p> <p>_____</p>		
_____	Dates of Employment: From _____	To _____
Last day worked		
_____	Date _____	Employer KEIN
Employer Signature		
_____	Employer Fax _____	
Employer Phone		
  		
 501	12/06/2008  UI	
Z246449 : 22709969	Equal Education and Employment Opportunities M/F/D	Program code 01 BYE: 12/06/2008

In addition to the UI-412A, you may also receive a Fact-Finding Report, Employer Statement (UI-408). This form contains general questions regarding the worker's employment as well as specific questions regarding the reason the worker is no longer employed. The UI-408 should be completed and returned to the division along with the UI-412A.

OFFICE OF EMPLOYMENT AND TRAINING  
DIVISION OF UNEMPLOYMENT INSURANCE  
275 E MAIN ST. - MAIL STOP 2CF  
P.O. BOX 452  
FRANKFORT, KY 40602-0452  
FAX (502) 564-9333

**Employer, please complete and return this form to the address above within 10 days of Date Mailed.**

Date Mailed:  
Date Filed:  
**UI -408 Fact-Finding Report  
Employer Statement**  
  
Issue

Claimant's Name: \_\_\_\_\_ Social Security #: \_\_\_\_\_  
Benefit Year End: \_\_\_\_\_ Program Code : \_\_\_\_\_

Claimant's Job Duties: \_\_\_\_\_  
\_\_\_\_\_

Claimant's Rate of Pay: \$ \_\_\_\_\_ Per: \_\_\_\_\_

Date Hired: \_\_\_\_\_ Hours Worked Per Day: \_\_\_\_\_

Hours Worked Per Week: \_\_\_\_\_ Last Date Worked: \_\_\_\_\_

Immediate Supervisor: \_\_\_\_\_

I hereby make the following statements of my own free will and accord.

If you do not provide information about this matter, we will be required to make a decision based on the information we have. The decision could result in charges to your employer reserve account.

On what date did you discharge/suspend the claimant? \_\_\_\_\_

What reason did you give the claimant for the discharge/suspension? \_\_\_\_\_  
\_\_\_\_\_

Explain the final incident that led to the discharge/suspension. \_\_\_\_\_  
\_\_\_\_\_



**Equal Education and Employment Opportunities M/F/D**

1282465: 17865281 Program code: 01 BYE:

If a claimant has a monetarily valid claim, and you are the chargeable employer, you will receive a Notice of Potential Benefit Charges (Form UI-412). Upon receipt of this form, you will know the claim's potential effect on your reserve account. **This form is not a notice that the claimant has been or will be paid benefits.** It only means that the claimant has satisfied the particular requirement relating to qualifying wages. If you received Form UI-412A, Employer's Notice of Initial Claim, and responded, you do not need to protest upon receipt of FORM UI-412. **If the Notice of Potential Benefit Charges (UI-412) is your first notice, however, you have 15 DAYS from its mailing date to file your protest.**

NOTICE OF POTENTIAL BENEFIT CHARGES									
WORKER'S NAME	SOCIAL SECURITY NUMBER	DATE OF CLAIM MO DAY YR	WKLY RATE	MAXIMUM BENEFITS	% OF CHARGES	LOCAL OFFICE	PRE-FIX	EMPLOYER NUMBER	MAILING DATE MO DAY YR

**WORKFORCE DEVELOPMENT CABINET  
 DEPARTMENT FOR EMPLOYMENT SERVICES  
 DIVISION OF UNEMPLOYMENT INSURANCE  
 P.O. BOX 452  
 FRANKFORT, KENTUCKY 40602-0452**

**IMPORTANT**

THIS IS NOT A DETERMINATION OF THE CLAIMANTS ELIGIBILITY TO RECEIVE BENEFITS. PLEASE READ THE DETAILED INFORMATION BELOW REGARDING THIS CLAIM AND YOUR RIGHT TO PROTEST.

THIS "NOTICE OF POTENTIAL BENEFIT CHARGES" IS TO PROVIDE YOU WITH INFORMATION AS TO THIS CLAIMS POTENTIAL EFFECT UPON YOUR RESERVE ACCOUNT AND YOUR RIGHT TO PROTEST SUCH POTENTIAL CHARGES.

IF UNABLE TO IDENTIFY BY NAME AS A FORMER EMPLOYEE, CHECK SOCIAL SECURITY NUMBER AS NAME CHANGES OCCUR. THE TOTAL AMOUNT OF BENEFITS ARE POTENTIALLY CHARGEABLE AGAINST THE RESERVE ACCOUNT OF THE MOST RECENT EMPLOYER FOR WHOM THE CLAIMANT WORKED IN EACH OF TEN (10) WEEKS, WHETHER OR NOT CONSECUTIVE. BENEFITS ARE CHARGED PROPORTIONALLY IF THE FORMER EMPLOYEE ALSO EARNED WAGES IN HIS BASE PERIOD FROM EMPLOYMENT IN FEDERAL CIVILIAN OR MILITARY SERVICE OR IN OTHER STATES, IN RELATION TO WAGES EARNED FROM EACH.

NON-PROFIT ORGANIZATIONS OR EMPLOYERS WHO HAVE ELECTED REIMBURSEMENT IN LIEU OF PAYMENT OF CONTRIBUTIONS MAY NOT PROTEST CLAIMS WITH RESPECT TO CHARGEABILITY. HOWEVER, IF YOU FEEL YOU HAVE BEEN INCORRECTLY IDENTIFIED AS THE CHARGEABLE (LAST TEN WEEKS) EMPLOYER, YOU MAY WRITE THE DIVISION AT THE ADDRESS SHOWN ABOVE TO QUESTION YOUR CHARGEABILITY.

THIS IS NOT A NOTICE THAT THE CLAIMANT HAS BEEN OR WILL BE PAID BENEFITS. IT MEANS ONLY THAT THE CLAIMANT HAS SATISFIED THAT PARTICULAR REQUIREMENT OF THE SEVERAL ELIGIBILITY REQUIREMENTS TO BE MET WHICH RELATES TO QUALIFYING WAGES.

THIS NOTICE CARRIES WITH IT THE RIGHT OF PROTEST ONLY IF IT CONSTITUTES FIRST NOTICE TO YOU OF THE FILING OF A CLAIM BY A FORMER EMPLOYEE. IF YOU HAVE PREVIOUSLY RECEIVED (AS THE MOST RECENT EMPLOYER FOR WHOM THE CLAIMANT WORKED IN EACH OF TEN (10) WEEKS, WHETHER OR NOT CONSECUTIVE), FORM UI-412A, EMPLOYERS NOTICE OF INITIAL CLAIM, AND DID NOT RESPOND TO THAT NOTICE WITHIN THE 10-DAY PERIOD PRESCRIBED, YOUR RESERVE ACCOUNT, UNDER LAW, MUST BE CHARGED. IF YOU DID SO RESPOND, NO FURTHER PROTEST IS REQUIRED.)

IF THIS NOTICE DOES CONSTITUTE FIRST NOTICE, YOU HAVE 15 DAYS FROM ITS MAILING DATE TO FILE YOUR PROTEST. IF THIS CLAIMANTS SEPARATION FROM YOUR EMPLOYMENT WAS FOR ANY REASON OTHER THAN LACK OF WORK, PLEASE CHECK THE APPLICABLE BLOCK(S) BELOW AND RETURN THIS NOTICE TO THE CENTRAL OFFICE ADDRESS SHOWN ABOVE WITHIN 15 DAYS OF THIS NOTICE.

USE CODE NUMBER SHOWN ABOVE FOR LOCAL OFFICE TO IDENTIFY LOCAL OFFICE OF CLAIM ORIGIN.

00 CENTRAL OFFICE	65 DANVILLE
FRANKFORT	66 HARLAN
50 PADUCAH	67 MOREHEAD
51 MAYFIELD	68 HAZARD
52 HOPKINSVILLE	69 ASHLAND
53 HENDERSON	70 PRESTONSBURG
54 OWENSBORO	71 PIKEVILLE
55 BOWLING GREEN	72 MADISONVILLE
56 DOWNTOWN-LOUISVILLE	73 GLASGOW
	74 MIDDLESBORO
57 COVINGTON	75 ELIZABETHTOWN
59 FRANKFORT	76 JACKSON
60 LEXINGTON	77 WHITESBURG
61 SOMERSET	78 CAMPBELLSVILLE
62 MAYSVILLE	88 BARDSTOWN
63 WINCHESTER	99 SOUTH-LOUISVILLE
64 CORBIN	

DATES OF EMPLOYMENT FROM \_\_\_\_\_ TO \_\_\_\_\_

VOLUNTARY QUIT     
  LABOR DISPUTE (STRIKE)     
  ON VACATION OR OTHER PAID LEAVE

DISCHARGE FOR MISCONDUCT     
  UNABLE TO OR UNAVAILABLE FOR WORK     
  OTHER (SPECIFY) \_\_\_\_\_

\_\_\_\_\_ (SIGNATURE EMPLOYER REPRESENTATIVE)     
 \_\_\_\_\_ (TITLE)

COMMENTS:

If the division conducts an investigation of a potentially disqualifying issue, and you are the employer affected, you will receive a Notice of Determination (UI-492) indicating the division's decision, which may relate to benefit rights, chargeability or both. **The claimant or employer may appeal this decision (instructions on bottom of form) within 15 DAYS of the date the determination is mailed.**

NOTICE OF DETERMINATION

UI-492  
(REV. 12/94)  
PAGE 1 OF 2

COMMONWEALTH OF KY  
EDUCATION CABINET  
OFFICE OF EMPLOYMENT AND TRAINING  
DIVISION OF UNEMPLOYMENT INSURANCE  
PO BOX  
HOPKINSVILLE KY 44444-4444

SSN: 000-00-0000 0  
COPY  
EFFECTIVE DATE: MM/DD/YYYY  
BYE: MM/DD/YYYY  
LOCAL OFFICE: 52  
DATE MAILED: MM/DD/YYYY

CLAIM: UI  
1

XYZ COMPANY  
POST OFFICE BOX  
LYTTLESVILLE KY 44444-4444

ISSUE(S): DISCHARGE  
DATE (S): (04/04/07)

STATUTORY REFERENCES (S) WHICH APPLY TO THE ABOVE ISSUE(S): KRS 341.xxx  
(THESE REFERENCES VARY WITH THE ISSUE)

FINDINGS:  
(THE FINDING VARY WITH THE DETERMINATION)

RULINGS:  
(THE RULINGS VARY WITH THE DETERMINATION)

APPEAL RIGHTS

THE CLAIMANT AND EMPLOYER HAVE THE RIGHT TO FILE A WRITTEN APPEAL OF THIS DECISION. INCLUDE THE REASON FOR APPEALING, YOUR NAME AND THE CLAIMANT'S SOCIAL SECURITY NUMBER. THE APPEAL MAY BE FILED BY FAX AT (502-564-7850). THE APPEAL MAY ALSO BE DELIVERED OR MAILED TO THE ADDRESS ABOVE, OR DIRECTLY TO THE UI APPEALS BRANCE, 275 E MAIN ST., 2ND FLOOR EAST, FRANKFORT, KY 40621. THE APPEAL REQUEST MUST BE RECEIVED BY, OR IF MAILED, POSTMARKED BY MM/DD/YYYY. PRIVATE POSTAGE METERS MAY NOT BE USED TO DETERMINE THE POSTAGE DATE. IF OUR OFFICE IS CLOSED ON THE DUE DATE, YOU HAVE UNTIL THE NEXT DAY THE OFFICE IS OPEN TO FILE (KRS 341.420 (2), 787 KAR 1:110 AND 787 KAR 1:230). FOR ASSISTANCE, CONTACT THE LOCAL OFFICE AT THE ADDRESS ABOVE. CLAIMANTS: CONTINUE TO CLAIM BENEFITS WHILE YOUR CLAIM IS UNDER APPEAL. IF THE DECISION IS IN YOUR FAVOR, BENEFITS MAY BE PAID ONLY FOR THE WEEKS PROPERLY CLAIMED.

WFDI##

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**WHEN WILL I BE CHARGED FOR BENEFITS, AND HOW WILL I KNOW?**

The chargeable employer is the last employer the claimant worked for in each of 10 weeks whether or not consecutive back to the beginning of the worker's base period.

A Statement of Benefit Charges to Employer's Reserve Account (UI-448-SM) is mailed to the employer at the end of the quarter. This statement lists all claimants that were paid benefits during that quarter which were charged to the employer's reserve account. If no claimant received benefits chargeable to the employer's reserve account then a Statement of Benefit Charges is not mailed to that employer for the quarter involved.

UI-448-SM (R. 12/00)		COMMONWEALTH OF KENTUCKY WORKFORCE DEVELOPMENT CABINET DEPARTMENT FOR EMPLOYMENT SERVICES DIVISION OF UNEMPLOYMENT INSURANCE FRANKFORT, KENTUCKY 40621-0001											
STATEMENT OF BENEFIT CHARGES TO EMPLOYER'S UI RESERVE ACCOUNT													
				<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">ACCOUNT NO.</td> <td style="width: 50%;">VOID CODE</td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td>FOR QTR. ENDED</td> <td>MAILING DATE</td> </tr> <tr> <td> </td> <td> </td> </tr> </table>		ACCOUNT NO.	VOID CODE			FOR QTR. ENDED	MAILING DATE		
ACCOUNT NO.	VOID CODE												
FOR QTR. ENDED	MAILING DATE												
SOCIAL SECURITY NO.	NAME OF CLAIMANT	S U F I X	NO. WEEKS PAID THIS QUARTER	BENEFITS PAID THIS QUARTER	YOUR RATE OF CHARGE(%)	*ADJUSTMENTS TO PRIOR QUARTER	CHARGED TO RESERVE ACCOUNT						
*THE CREDIT SYMBOL (CR) INDICATES A REVERSAL OF A PREVIOUS INCORRECT CHARGE													
IMPORTANT: SEE OTHER SIDE OF STATEMENT FOR INFORMATION													

## **WHEN CAN I BE RELIEVED OF CHARGES?**

A tax-paying employer's reserve account may be relieved of charges if the employer notifies the division, in writing, of the alleged voluntary quit or discharge or of continuing employment within the specified time limit.

## **WHAT IF A CLAIMANT GOES BACK TO WORK BUT CONTINUES TO RECEIVE BENEFITS?**

The division attempts to ensure that all benefits are paid properly, and as part of our review you may receive a "crossmatch" audit form UI-203:

Internet Response Module for Employers (IRME) provides employers the opportunity to receive and respond to the numerous quarterly Wage Audit Notices (WAN) they receive in the mail electronically via Internet. Wage Audit Notices are sent to employers to obtain information from employers regarding earnings which have been unreported or underreported by claimants. IRME is accessible via the Kentucky Employers Portal website at which the wages may be posted directly into our audit, reporting and tracking system. Non-compliant (bi-weekly, monthly, etc.) wages can be automatically prorated into compliant (Saturday week end date) format for review and validation by the employer. In addition, employers have the ability to electronically create a copy of the completed Wage Audit Notice for their records. As an employer, you may now respond to WAN via the employer website by accessing the tab titled "Wage Audit Response".



## **DO YOU FOLLOW UP ON CLAIMS TO SEE IF THEY WERE PROPERLY PAID?**

Yes. Although it is not possible to thoroughly investigate every claim, our quality control program conducts random audits of claims and uses the results to detect incorrect payments and improve the overall quality of the benefit process. Investigations are conducted involving wage audits and work search verification. Your cooperation with these audits assists us in verifying that claims are properly paid and that wages are accurately reported.

## **WHAT DO I DO IF I THINK A CLAIMANT IS RECEIVING BENEFITS FRAUDULENTLY?**

Investigations are performed on all fraud tips. If you have information that someone is improperly receiving benefits, report this to the Fraud Section at (502) 564-2387 or you can submit an anonymous tip at [www.kentuckycareercenter.ky.gov](http://www.kentuckycareercenter.ky.gov).

## **INTERNAL SECURITY**

In addition to quality control and fraud detection efforts, the integrity of the UI Program is further protected by internal security measures designed to provide the maximum security against internal fraud and ensure computer security.

## **WHAT HAPPENS TO THE CLAIMANT IF BENEFITS ARE OVERPAID?**

We expect the claimant to repay the improperly paid benefits. We use several methods to collect overpayments, including:

1. Kentucky income tax refunds, federal income tax refunds and vendor payments are intercepted annually on individuals with outstanding overpayments;
2. Criminal charges may be filed and pursued in court. Unemployment fraud is a Class D felony if found guilty.
3. Liens may be filed against real and personal property;
4. Civil action may be initiated for collection of unpaid overpayments;
5. Future benefits may be reduced and the balance applied to the overpayment;
6. Interest is imposed monthly on the balance of benefits paid as a result of false statements, misrepresentation, or concealment of a material fact, if not repaid within one year from the date that the claimant is notified of the overpayment;
7. We may enter into agreements with other states and the U.S. Department of Labor for the purpose of intercepting benefits paid on claims in other states or federal unemployment programs.

Employer reserve accounts are credited for the amount of benefits that are overpaid.

## **WHAT HAPPENS IF A WORKER IS AWARDED BACK PAY FOR A PERIOD WHEN HE HAS ALSO RECEIVED BENEFITS?**

A worker is not eligible for benefits for the period of time covered by the back pay award. Therefore, his claim will be treated as overpaid and the division will recover the overpayment from the award.

# APPEALS

## IF I DISAGREE WITH A DECISION OF THE DIVISION, CAN I APPEAL?

Yes. Practically every action of the division affecting an employer or a worker may be appealed for review by an impartial referee or hearing officer. Appeals from **benefit determinations** may be made by either the employer or the claimant and are heard by an Appeals Branch referee. If either party is dissatisfied with the decision of the referee, a further appeal may be filed with the Unemployment Insurance Commission, and thereafter, through the courts.

Appeals for **tax determinations** (employer-employee relationship, liability determinations, tax rate, notices of assessments, etc.) are filed directly with the Unemployment Insurance Commission. Parties who are dissatisfied with a decision of the Commission may continue their appeals through the Franklin County Circuit Court.

The chart below summarizes the steps in the appeals process. Please pay particular attention to the number of days specified for each type of appeal - **FILING YOUR APPEAL ON TIME IS ESSENTIAL FOR PROTECTING YOUR APPEAL RIGHTS**. Remember that appeals from claims must be filed from the very first notice you receive.

## YOUR RIGHTS OF PROTEST AND APPEAL

### BENEFITS

Employer's Notice of Initial Claim  
UI-412A  
\*Return within 15 days of mailing date\*

Notice of Potential Benefit Charges  
(UI-412)  
\*Return within 15 days of mailing date\*  
(if first notice received)

Notice of Adjusted Determination  
(UI-492)  
Appeal to Referee  
\*File within 15 days of mailing date of  
determination\*

Referee's Decision  
Appeal to UI Commission: send letter  
stating intent to appeal  
\*File within 15 days of mailing date  
of referee decision\*

Commission Order  
Appeal to Circuit Court: in county  
where claimant was employed  
(labor disputes filed in Franklin Circuit)  
\*File within 20 days of mailing date of UI  
Commission Order\*

### TAX

Notice of Tax Determination  
(Liability, Tax Rate, Assessment  
Employer-Employee Relationship, etc.)

Appeal to UI Commission: send letter  
stating intent to appeal  
\*File within 20 days of mailing date  
of Tax Determination\*

Commission Order  
Appeal to Franklin Circuit Court  
\*File within 20 days of mailing date  
of UI Commission Order\*

## **HOW DO I FILE AN APPEAL?**

The party filing the appeal must do so within the number of days specified on the Appeals Rights Chart (see previous page) from the mailing date of the decision being appealed. **APPEALS MUST BE MADE IN WRITING AND MUST INCLUDE THE SOCIAL SECURITY NUMBER OF THE CLAIMANT (if applicable) or employer KEIN if a tax determination.** A letter to the Appeals Branch or to the UI Commission stating the intent to appeal is sufficient. Appeals may be addressed as below:

### Appeals Branch

275 East Main St., 2E  
Frankfort, KY 40621

FAX (502) 564-7850

### UI Commission

275 East Main St., 2W  
Frankfort, KY 40621

FAX (502) 564-3562

The appealing party **may withdraw an appeal** by informing the Appeals Branch or UI Commission, in writing.

## **IMPORTANCE OF THE HEARING**

(NOTE: The comments below refer to appeal hearings involving both an employer and claimant; however, the process for appeals to the UI Commission on tax-related issues is essentially the same.)

The referee will decide the appeal solely on the testimony and documents submitted at the hearing. A recording of the proceeding will be kept by the Appeals Branch (or UI Commission) for future proceedings. However, the hearing will not be kept indefinitely; it will only be kept until the time limits for appeal have lapsed. Therefore, you should be fully prepared to present your case at the hearing, and to present all your evidence in an orderly manner.

Be on time, as the referee has other cases to hear, and a delay may cause your case to be rescheduled or to be submitted on the facts already presented. Continuance will be granted only in cases of emergency or other compelling reasons.

## **WHO SHOULD ATTEND THE HEARING?**

The employer and the claimant (when applicable) should attend the hearing. Any witness who testifies on behalf of the claimant or employer should have personal knowledge of the events in question.

Hearings may be scheduled in person, but most are by teleconference in order to provide the earliest hearing date. If a hearing is scheduled by teleconference, and you have any documents or written materials which you want the referee to consider in this hearing, send them immediately to the Appeals Branch at the address on the top of the "Notice of Hearing." You must also send a copy of these documents to the other party (if applicable). Failure to send a copy to the other party could result in the referee denying entry of the material, or in the case being continued to a later date. Be sure to keep a copy of these documents for your own use at the hearing. Be sure to include the social security number of the claimant when sending any documentation or any communication.

The claimant and the employer may be represented by attorneys or other duly authorized agents of their own choosing, but this is not required. The referee will assist both parties at all times to bring out facts that will be helpful in properly presenting their cases.

An officer who regularly performs in a managerial capacity for a corporation or partnership who is a party to an appeal may represent the corporation or partnership at the hearing. He may testify, ask questions to all witnesses, object, make motions, inspect exhibits and summarize his case.

### **WHAT INFORMATION SHOULD YOU GIVE AT THE HEARING?**

The claimant or employer should bring all reports and records that might prove his case, such as records of absences, doctor's statements, information concerning pay rate, previous warnings, etc. Witnesses should be prepared to answer all questions. Subpoenas for witnesses or records may be issued prior to the hearings, if necessary. Requests for subpoenas must be sworn statements setting forth the name and address of the party to be subpoenaed, the information the party may present at the hearing, and the need for the information.

### **YOUR RIGHTS AT THE HEARING**

Each party (claimant and employer) has these rights:

1. To testify in his own behalf.
2. To be represented by an individual of his own choosing.
3. To present documents and records regarding the case.
4. To have his own witnesses testify.
5. To question opposing parties and witnesses.
6. To explain or rebut evidence against him.
7. To make a statement at the end of the hearing as to how the evidence and the law supports his position.

### **CONDUCT OF HEARING**

The referee has the sole authority for the conduct of the hearing and will swear in all parties and witnesses before they begin to give testimony. In conducting the hearing, the appeals referee will:

1. Explain the issues and the meaning of terms the parties do not understand.
2. Explain the order in which persons will testify. (As a general rule, in voluntary quit cases the claimant testifies first. When the case concerns the discharge of a claimant or a labor dispute, the employer generally testifies first.)
3. Assist parties in asking questions of other witnesses.
4. Question parties and witnesses to obtain necessary facts.
5. Determine on his own motion or the request of a party whether testimony and documents being offered should be received and considered.
6. Require parties to give a proper background or foundation for secondary evidence, documents and opinion testimony.

Following the close of the hearing, the referee is not allowed to discuss any matter with either party. The written decision is based solely on testimony and evidence presented at the hearing.



If you appeal a tax related determination, or if you appeal a referee decision to the UI Commission, you will receive a Commission Order:

CO#	AD#	MAILED
SS#	REC'D	COUNTY
LO#		
COMMONWEALTH OF KENTUCKY KENTUCKY UNEMPLOYMENT INSURANCE COMMISSION FRANKFORT		
APPELLANT		APPELLEE
ORDER		
The full commission concurs.		
_____ Chairman	_____ Associate Commissioner	_____ Associate Commissioner
APPEAL RIGHTS		
An order of the Kentucky Unemployment Insurance Commission may, within twenty (20) days of the mailing date of the order, be appealed, to the appropriate Circuit Court, under the provisions of KRS 341.450 (1), which provides:		
“(1) Except as provided in KRS 341.460, within twenty (20) days after the date of the decision of the Commission, any party aggrieved thereby may, after exhausting his remedies before the Commission, secure judicial review thereof by filing a complaint against the Commission in the Circuit Court of the county in which the claimant was last employed by a subject employer whose reserve account is affected by such claims. Any other party to the proceeding before the Commission shall be made a defendant in such action. The complaint shall state fully the grounds upon which review is sought, assign all errors relied on, and shall be verified by the plaintiff or his attorney. The plaintiff shall furnish copies thereof for each defendant to the Commission, which shall deliver one (1) copy to each defendant”.		
If benefits are denied by this Order, and further appeal to Circuit Court is initiated, claimants should continue to report to the local office and claim benefits. UI-446 (rev/96)		

# UNEMPLOYMENT INSURANCE LOCAL OFFICE DIRECTORY

Please call your nearest local office whenever you need information or assistance with unemployment insurance matters. Offices with resident tax auditors are indicated by an asterisk (\*).

OFFICE	TELEPHONE	FAX NUMBER	STREET ADDRESS
Albany	(606) 387-0620	(606) 387-0352	100 South Cross Street
*Ashland	(606) 920-2024	(606) 920-2026	1844 Carter Avenue
Tax Auditor	(606) 920-2004	(606) 920-2026	1844 Carter Avenue
Bardstown	(502) 348-2709	(502) 349-6608	860 W. Stephen Foster Blvd.
*Bowling Green	(270) 746-7425	(270) 746-7825	803 Chestnut Street
Tax Auditor	(270) 746-7440	(270) 746-7864	803 Chestnut Street
Brandenburg	(270) 422-4228	(270) 422-1194	520 Bypass Rd., River Ridge Plz
*Campbellsville	(270) 789-1352	(270) 789-4082	1311 E. Broadway, Suite C
Tax Auditor	(270) 789-1352	(270) 789-4082	1311 E. Broadway, Suite C
Carrollton	(502) 732-4602	(502) 732-5825	400A 4 <sup>th</sup> Street
Central City	(270) 338-3654	(270) 338-4891	50 Career Way
*Columbia	(270) 384-6335	(270) 384-0415	969 Campbellsville Rd.
Tax Auditor	(270) 385-9106	(270) 384-0415	969 Campbellsville Rd.
*Corbin	(606) 528-3460	(606) 523-5642	310 Roy Kidd Avenue
Tax Auditor	(606) 528-8429	(606) 528-5317	310 Roy Kidd Avenue
*Covington	(859) 292-6670	(859) 292-6675	320 Garrard Street
Tax Auditor	(859) 292-6797	(859) 292-6777	320 Garrard Street
*Danville	(859) 239-7411	(859) 239-7541	121 East Broadway
Tax Auditor	(859) 239-7115	(859) 239-7541	121 East Broadway
*Elizabethtown	(270) 766-5110	(270) 766-5112	916 North Mulberry Street
Tax Auditor	(270) 766-5018	(270) 766-5154	916 North Mulberry Street
*Florence	(859) 371-0808	(859) 371-1539	8020 Veterans Memorial Dr.
Tax Auditor	(859) 372-8419	(859) 371-0901	8020 Veterans Memorial Dr.
Fort Campbell	(270) 889-6509	(931) 431-9402	5661 Scraming Eagle Blvd.
*Frankfort	(502) 564-7046	(502) 564-7794	1121 Louisville Rd, Suite 6
Tax Auditor	(502) 564-2272	(502) 564-5442	275 E. Main St., 2 <sup>nd</sup> Floor E.
*Georgetown	(502) 863-2402	(502) 863-1966	1000 W. Main Street, Suite 5
Tax Auditor	(502) 863-3055	(502) 863-1966	1000 W. Main Street, Suite 5
*Glasgow	(270) 651-2111	(270) 651-8916	445 North Green Street
Tax Auditor	(270) 651-2112	(270) 651-8916	445 North Green Street
*Harlan	(606) 573-3160	(606) 573-5903	124 S. Cumberland Avenue
Tax Auditor	(606) 573-9239	(606) 573-1066	124 S. Cumberland Avenue
*Hazard	(606) 435-6102	(606) 435-6039	742 High Street
Tax Auditor	(606) 435-6038	(606) 435-6039	742 High Street
*Henderson	(270) 826-2746	(270) 831-2717	212 North Water Street
Tax Auditor	(270) 826-9393	(270) 831-2717	212 North Water Street
*Hopkinsville	(270) 889-6509	(270) 889-6599	110 Riverfront Drive
Tax Auditor	(270) 889-6586	(270) 889-6584	110 Riverfront Drive
Jackson	(606) 436-3161		355 Broadway/State Office Bldg
*Leitchfield	(270) 259-4912	(270) 259-8502	125 East Market St. STE 21
Tax Auditor	(270) 230-0264	(270) 259-8502	125 East Market St. STE 21
*Lexington	(859) 425-2180	(859) 225-5106	1055 Industry Dr.
Tax Auditor	(859) 246-2287	(859) 246-2291	300 South Upper Street
Lebanon	(270) 692-6870	(270) 692-0811	145 Cemetery Dr. Suite 4
*London	(606) 330-2115	(606) 330-2122	85 State Police Rd. Room 133
Tax Auditor	(606) 330-2179	(606) 330-2180	85 State Police Rd. Room 420
*Louisville (Preston Hwy)	(502) 595-4188	(502) 595-4349	6201-G Preston Highway
Tax Auditor	(502) 964-9103	(502) 595-4349	6201-G Preston Highway
*Louisville (Downtown)	(502) 595-3164	(502) 595-4623	600 West Cedar Street
Tax Auditor	(502) 595-4892	(502) 595-4436	600 West Cedar Street
*Madisonville	(270) 824-7562	(270) 824-7589	56 Federal Street
Tax Auditor	(270) 824-7079	(270) 824-7033	56 Federal Street

Manchester .....	(606) 598-5127.....	(606) 598-4380.....	1535 Shamrock Road
*Mayfield .....	(270) 247-8125.....	(270) 247-8902.....	319 South Seventh Street
Tax Auditor.....	(270) 247-3896.....	(270) 247-8902.....	319 South Seventh Street
*Maysville.....	(606) 564-3347.....	(606) 564-3829.....	201 Government St. Suite 101
Tax Auditor .....	(606) 564-3347.....	(606) 564-3829.....	201 Government St. Suite 101
McKee .....	(606) 287-3573.....	(606) 287-3574.....	1100 Education Mountain Drive
Middlesboro .....	(606) 248-2792.....	(606) 248-8483.....	725 North 19 <sup>th</sup> Street
Monticello .....	(606) 348-6050.....	(606) 348-0965.....	1500 North Main St. Suite 168
*Morehead .....	(606) 783-8525.....	(606) 783-8529.....	126 Bradley Avenue
Tax Auditor .....	(606) 783-8525.....	(606) 783-8529.....	126 Bradley Avenue
Mount Sterling .....	(859) 498-4418.....	(859) 498-4782.....	108 East Locust Street
*Murray .....	(270) 761-3903.....	(270) 761-3907.....	208 South Fifth Street
Tax Auditor .....	(270) 753-2620.....	(270) 761-3907.....	208 South Fifth Street
*Owensboro .....	(270) 687-7297.....	(270) 687-7268.....	121 East Second Street
Tax Auditor .....	(270) 687-7215.....	(270) 687-7268.....	121 East Second Street
*Paducah .....	(270) 575-7000.....	(270) 575-7008.....	416 South Sixth Street
Tax Auditor .....	(270) 575-7060.....	(270) 575-7008.....	416 South Sixth Street
*Pikeville .....	(606) 433-7721.....	(606) 433-7698.....	138 College Street
Tax Auditor .....	(606) 433-7035.....	(606) 433-7698.....	138 College Street
*Prestonsburg.....	(606) 889-1772.....	(606) 889-1775.....	686 North Lake Drive
Tax Auditor .....	(606) 889-1754.....	(606) 889-1775.....	686 North Lake Drive
Richmond.....	(859) 624-2564.....	(859) 624-1075.....	595 South Keeneland Drive
Russell Springs.....	(270) 866-6733.....	(606) 866-6780.....	848 W. Steve Wairner Drive
*Shelbyville .....	(502) 633-5045.....	(502) 633-1453.....	88 Brunerstown Road
Tax Auditor .....	(502) 633-4270.....	(502) 633-1453.....	88 Brunerstown Road
*Somerset.....	(606) 677-4125.....	(606) 677-4119.....	410 East Mt Vernon Street
Tax Auditor .....	(606) 677-4124.....	(606) 677-4119.....	410 East Mt Vernon Street
Springfield.....	(859) 336-3281.....	(859) 336-3289.....	11 North Cross Main Street
Whitesburg .....	(606) 633-3154.....	(606) 633-3156.....	65 North Webb Street
*Winchester .....	(859) 737-7793.....	(859) 737-7310.....	15 West Lexington Avenue
Tax Auditor .....	(859) 737-7046.....	(859) 737-7310.....	15 West Lexington Avenue
Interstate.....	(502) 564-2384.....	(502) 564-5412.....	275 E. Main St., 2 <sup>nd</sup> Floor

## MORE INFORMATION

As an employer, you need to understand your rights and responsibilities. Please contact us at any of the appropriate addresses and telephone numbers in the front of this publication. We will also be happy to provide you with a copy of the Unemployment Insurance Laws and Regulations. If you would like a copy, please write or call the UI Director's Office:

Director's Office  
Division of Unemployment Insurance  
275 East Main Street  
Frankfort, Kentucky 40621-0001  
(502) 564-2900

The Kentucky Career Center provides many job placement services and other programs to help employers save money and time. For information regarding these various services, contact your local office or visit us on the internet at [www.kentuckycareercenter.ky.gov](http://www.kentuckycareercenter.ky.gov).





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Equal Opportunity Employer/Program.  
Auxiliary aids and services are available upon request to individuals with disabilities.

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