

SENATE BILL No. 501

By Committee on Ways and Means

3-16

1 AN ACT concerning employment security law; relating to employer
2 contribution rates; amending K.S.A. 2019 Supp. 44-710a and repealing
3 the existing section.
4

5 *Be it enacted by the Legislature of the State of Kansas:*

6 Section 1. K.S.A. 2019 Supp. 44-710a is hereby amended to read as
7 follows: 44-710a. (a) *Classification of employers by the secretary.* The
8 term "employer" as used in this section refers to contributing employers.
9 The secretary shall classify employers in accordance with their actual
10 experience in the payment of contributions on their own behalf and with
11 respect to benefits charged against their accounts with a view of fixing
12 such contribution rates as will reflect such experience. If, as of the date
13 such classification of employers is made, the secretary finds that any
14 employing unit has failed to file any report required in connection
15 therewith, or has filed a report ~~which~~ that the secretary finds incorrect or
16 insufficient, the secretary shall make an estimate of the information
17 required from such employing unit on the basis of the best evidence
18 reasonably available to the secretary at the time, and notify the employing
19 unit thereof by mail addressed to its last known address. Unless such
20 employing unit shall file the report or a corrected or sufficient report as the
21 case may be, within 15 days after the mailing of such notice, the secretary
22 shall compute such employing unit's rate of contributions on the basis of
23 such estimates, and the rate as so determined shall be subject to increase
24 but not to reduction on the basis of subsequently ascertained information.
25 The secretary shall determine the contribution rate of each employer in
26 accordance with the requirements of this section.

27 (1) *New employers.* (A) No employer will be eligible for a rate
28 computation until there have been 24 consecutive calendar months
29 immediately preceding the computation date throughout which benefits
30 could have been charged against such employer's account.

31 (B) (i) (a) For the rate year 2014 and each rate year thereafter, each
32 employer who is not eligible for a rate contribution shall pay contributions
33 equal to 2.7% of wages paid during each calendar year with regard to
34 employment, except such employers engaged in the construction industry
35 shall pay a rate equal to 6%.

36 (b) (1) For the rate year 2015 and each rate year thereafter, an

1 employer who was not doing business in Kansas prior to July 1, 2014,
2 shall be eligible for either the new employer rate under subsection (a)(1)
3 (B)(i)(a) or the rate associated with the reserve ratio such employer
4 experienced in the state ~~which~~ *where* such employer was formerly located,
5 but in no event less than 1% if such:

6 (A) Employer has been in operation in the other state or states for at
7 least the three years immediately preceding the date such employer
8 becomes a liable employer in Kansas;

9 (B) employer provides the authenticated account history from
10 information accumulated from operations of such employer in the other
11 state or all the other states necessary to compute a current Kansas rate; and

12 (C) employer's business operations established in Kansas are of the
13 same nature, as defined by the North American industrial classification
14 system, as conducted by such employer in the other state or states.

15 (2) The election authorized in subsection (a)(1)(B)(i)(b) of this
16 section must be made in writing within 30 days after notice of Kansas
17 liability. A rate in accordance with subsection (a)(1)(B)(i)(a) will be
18 assigned unless a timely election has been made.

19 (3) If the election is made timely, the employer's account will receive
20 the rate elected for the remainder of that rate year. The rate assigned for
21 the next and subsequent years will be determined by the condition of the
22 account on the computation date.

23 (ii) For purposes of this subsection (a), employers shall be classified
24 by industrial activity in accordance with standard procedures as set forth in
25 rules and regulations adopted by the secretary. Employers engaged in more
26 than one type of industrial activity shall be classified by principal activity.
27 All rates assigned will remain in effect for a complete calendar year. If the
28 sale or acquisition of a new establishment would require reclassification of
29 the employer to a different industry sector, the employer would be
30 promptly notified, and the contribution rate applicable to the new industry
31 sector would become effective the following January 1.

32 (C) "Computation date" means June 30 of each calendar year with
33 respect to rates of contribution applicable to the calendar year beginning
34 with the following January 1. In arriving at contribution rates for each
35 calendar year, contributions paid on or before July 31 following the
36 computation date for employment occurring on or prior to the computation
37 date shall be considered for each contributing employer who has been
38 subject to this act for a sufficient period of time to have such employer's
39 rate computed under this subsection (a).

40 (2) *Eligible employers.* (A) A reserve ratio shall be computed for each
41 eligible employer by the following method: Total benefits charged to the
42 employer's account for all past years shall be deducted from all
43 contributions paid by such employer for all such years. The balance,

1 positive or negative, shall be divided by the employer's average annual
2 payroll, and the result shall constitute the employer reserve ratio.

3 (B) (i) For rate year 2015 and prior rate years, negative account
4 balance employers, as defined in subsection (d), shall pay contributions at
5 the rate of 5.4% for each calendar year.

6 (ii) For rate year 2016 and rate years thereafter, negative account
7 balance employers, as defined in subsection (d), shall pay contributions at
8 the rate referenced in section (a)(4)(D)(ii).

9 (C) Eligible employers, other than negative account balance
10 employers, who do not meet the average annual payroll requirements as
11 stated in K.S.A. 44-703(a)(2), and amendments thereto, will be issued the
12 maximum rate indicated in subsection (a)(4)(D)(ii) of this section until
13 such employer establishes a new period of 24 consecutive calendar months
14 immediately preceding the computation date throughout which benefits
15 could have been charged against such employer's account by resuming the
16 payment of wages. Contribution rates effective for each calendar year
17 thereafter shall be determined as prescribed below.

18 (D) For rate year 2015 and prior rate years, as of each computation
19 date, the total of the taxable wages paid during the 12-month period prior
20 to the computation date by all employers eligible for rate computation,
21 except negative account balance employers, shall be divided into 51
22 approximately equal parts designated in column A of schedule I as "rate
23 groups," except, with regard to a year in which the taxable wage base
24 changes. The taxable wages used in the calculation for such a year and the
25 following year shall be an estimate of what the taxable wages would have
26 been if the new taxable wage base had been in effect during the entire
27 twelve-month period prior to the computation date. The lowest numbered
28 of such rate groups shall consist of the employers with the most favorable
29 reserve ratios, as defined in this section, whose combined taxable wages
30 paid are less than 1.96% of all taxable wages paid by all eligible
31 employers. Each succeeding higher numbered rate group shall consist of
32 employers with reserve ratios that are less favorable than those of
33 employers in the preceding lower numbered rate groups and whose taxable
34 wages when combined with the taxable wages of employers in all lower
35 numbered rate groups equal the appropriate percentage of total taxable
36 wages designated in column B of schedule I. Each eligible employer, other
37 than a negative account balance employer, shall be assigned an experience
38 factor designated under column C of schedule I in accordance with the rate
39 group to which the employer is assigned on the basis of the employer's
40 reserve ratio and taxable payroll. If an employer's taxable payroll falls into
41 more than one rate group the employer shall be assigned the experience
42 factor of the lower numbered rate group. If one or more employers have
43 reserve ratios identical to that of the last employer included in the next

1 lower numbered rate group, all such employers shall be assigned the
 2 experience factor designated to such last employer, notwithstanding the
 3 position of their taxable payroll in column B of schedule I.

4 SCHEDULE I—Eligible Employers		
5 Column A	Column B	Column C
6 Rate	Cumulative	Experience factor
7 group	taxable payroll	(Ratio to total wages)
8 1	Less than 1.96% .....	.025%
9 2	1.96% but less than 3.92 .....	.04
10 3	3.92 but less than 5.88 .....	.08
11 4	5.88 but less than 7.84 .....	.12
12 5	7.84 but less than 9.80 .....	.16
13 6	9.80 but less than 11.76 .....	.20
14 7	11.76 but less than 13.72 .....	.24
15 8	13.72 but less than 15.68 .....	.28
16 9	15.68 but less than 17.64 .....	.32
17 10	17.64 but less than 19.60 .....	.36
18 11	19.60 but less than 21.56 .....	.40
19 12	21.56 but less than 23.52 .....	.44
20 13	23.52 but less than 25.48 .....	.48
21 14	25.48 but less than 27.44 .....	.52
22 15	27.44 but less than 29.40 .....	.56
23 16	29.40 but less than 31.36 .....	.60
24 17	31.36 but less than 33.32 .....	.64
25 18	33.32 but less than 35.28 .....	.68
26 19	35.28 but less than 37.24 .....	.72
27 20	37.24 but less than 39.20 .....	.76
28 21	39.20 but less than 41.16 .....	.80
29 22	41.16 but less than 43.12 .....	.84
30 23	43.12 but less than 45.08 .....	.88
31 24	45.08 but less than 47.04 .....	.92
32 25	47.04 but less than 49.00 .....	.96
33 26	49.00 but less than 50.96	1.00
34 27	50.96 but less than 52.92	1.04
35 28	52.92 but less than 54.88	1.08
36 29	54.88 but less than 56.84	1.12
37 30	56.84 but less than 58.80	1.16
38 31	58.80 but less than 60.76	1.20
39 32	60.76 but less than 62.72	1.24
40 33	62.72 but less than 64.68	1.28
41 34	64.68 but less than 66.64	1.32
42 35	66.64 but less than 68.60	1.36
43 36	68.60 but less than 70.56	1.40

1	37	70.56 but less than 72.52	1.44
2	38	72.52 but less than 74.48	1.48
3	39	74.48 but less than 76.44	1.52
4	40	76.44 but less than 78.40	1.56
5	41	78.40 but less than 80.36	1.60
6	42	80.36 but less than 82.32	1.64
7	43	82.32 but less than 84.28	1.68
8	44	84.28 but less than 86.24	1.72
9	45	86.24 but less than 88.20	1.76
10	46	88.20 but less than 90.16	1.80
11	47	90.16 but less than 92.12	1.84
12	48	92.12 but less than 94.08	1.88
13	49	94.08 but less than 96.04	1.92
14	50	96.04 but less than 98.00	1.96
15	51	98.00 and over	2.00

16 (E) For rate year 2015 and prior rate years, negative account balance
 17 employers shall, in addition to paying the rate provided for in subsection
 18 (a)(2)(B) of this section, pay a surcharge based on the size of the
 19 employer's negative reserve ratio, the calculation which is provided for in
 20 subsection (a)(2) of this section. The amount of the surcharge shall be
 21 determined from column B2 of schedule II of this section for calendar
 22 years 2012, 2013, 2014 and from column B4 of schedule II of this section
 23 for each calendar year after 2014. Each negative account balance employer
 24 who does not satisfy the requirements to have an average annual payroll,
 25 as defined by K.S.A. 44-703(a)(2), and amendments thereto, shall be
 26 assigned a surcharge of equal to the maximum negative ratio surcharge
 27 from column B2 of schedule II of this section for calendar years 2012,
 28 2013 and 2014. Funds from the surcharge paid according to this subsection
 29 (a)(2)(E), and amendments thereto, shall be used to pay principal and
 30 interest due on funds received from the federal unemployment account
 31 under title XII of the social security act, (42 U.S.C. §§ 1321 to 1324), in
 32 the following manner:

33 (i) For each calendar year 2012, 2013 and 2014, an additional 0.10%
 34 of the taxable wages paid by all negative account balance employers with
 35 a negative reserve ratio between 0.0% and 19.9% shall be designated an
 36 interest assessment surcharge and paid into the employment security
 37 interest assessment fund for the purpose of paying interest due and owing
 38 on funds received from the federal unemployment account under title XII
 39 of the social security act. The total surcharges assessed, including the
 40 additional 0.10% surcharge mentioned above, on such employers are listed
 41 in schedule II column B2. For the calendar year 2015, the surcharge rate
 42 for negative balance employers with a negative reserve ratio between 0.0%
 43 and 19.9% shall be as listed in schedule II column B4.

1 (ii) For the calendar years 2012, 2013 and 2014, an additional
 2 surcharge on negative balance employers with a negative reserve ratio of
 3 20.0% and higher shall be designated an interest assessment surcharge and
 4 deposited in the employment security interest assessment fund. The
 5 additional surcharge shall be used for the purposes of paying interest due
 6 and owing on funds received from the federal unemployment account
 7 under title XII of the social security act. The total surcharge including the
 8 additional surcharge on such employers is listed in schedule II column B3
 9 of this section.

10 (iii) For any succeeding year in which interest is due and owing on
 11 funds received from the federal unemployment account under title XII of
 12 the social security act, the secretary of labor may adjust the surcharge
 13 amounts necessary to pay such interest;

14 (iv) the portion of such surcharge used for the payment of such
 15 interest shall not be included in the calculation of such employers reserve
 16 ratio pursuant to subsection (a)(2). The portion of such surcharge used for
 17 the payment of principal shall be included in the calculation of such
 18 employers reserve ratio pursuant to subsection (a)(2); and

19 (v) if the amounts collected under this subsection are in excess of the
 20 amounts needed to pay interest due, the amounts in excess shall remain in
 21 the employment security interest assessment fund to be used to pay interest
 22 in future years. Whenever the secretary certifies all interest payments have
 23 been paid pursuant to this section, any excess funds remaining in the
 24 employment security interest assessment fund shall be transferred to the
 25 employment security trust fund for the purpose of paying any remaining
 26 principal amount due for advances described in this section. In the event
 27 that the amount transferred from the employment security interest
 28 assessment fund exceeds such remaining amount of principal due, the
 29 balance shall be used for the purposes of the employment security trust
 30 fund.

31 SCHEDULE II—Surcharge on Negative Accounts

32 Column A	Column B1	Column B2	Column B3	Column B4
33 Negative	Surcharge as a	Surcharge as a	Surcharge as a	Surcharge as a
34 Reserve	percent of	percent of	percent of	percent of
35 Ratiotaxable wages	taxable wages	taxable wages	taxable wages	taxable wages
36 Less than 2.0%.....	0.20%.....	0.30%.....		0.10%
37 2.0% but less than 4.0.....	0.40.....	0.50.....		0.20
38 4.0 but less than 6.0.....	0.60.....	0.70.....		0.30
39 6.0 but less than 8.0.....	0.80.....	0.90.....		0.40
40 8.0 but less than 10.0.....	1.00.....	1.10.....		0.50
41 10.0 but less than 12.0.....	1.20.....	1.30.....		0.60
42 12.0 but less than 14.0.....	1.40.....	1.50.....		0.70
43 14.0 but less than 16.0.....	1.60.....	1.70.....		0.80
44 16.0 but less than 18.0.....	1.80.....	1.90.....		0.90
45 18.0 but less than 20.0.....	2.00.....	2.10.....		1.00
46 20.0 but less than 22.0.....	2.00.....		2.20.....	1.10
47 22.0 but less than 24.0.....	2.00.....		2.40.....	1.20

1	24.0 but less than 26.0.....	2.00.....	2.60.....	1.30
2	26.0 but less than 28.0.....	2.00.....	2.80.....	1.40
3	28.0 but less than 30.0.....	2.00.....	3.00.....	1.50
4	30.0 but less than 32.0.....	2.00.....	3.20.....	1.60
5	32.0 but less than 34.0.....	2.00.....	3.40.....	1.70
6	34.0 but less than 36.0.....	2.00.....	3.60.....	1.80
7	36.0 but less than 38.0.....	2.00.....	3.80.....	1.90
8	38.0 and over.....	2.00.....	4.00.....	2.00

9 (3) *Entering and expanding employer.* (A) The secretary, as a method
 10 of providing for a reduced rate of contributions to an employer shall verify
 11 the qualifications in this statute that bear a direct relation to unemployment
 12 risk for that employer.

13 (B) If, as of the computation date, an eligible, positive balance
 14 employer's reserve ratio is significantly affected due to an increase in the
 15 employer's taxable payroll of at least 100% and such increase is
 16 attributable to a growth in employment, and not to a change in the taxable
 17 wage base from the previous year, the secretary shall assign a reduced rate
 18 of contributions for a period of three years.

19 (i) Such reduced rate of contributions shall be the new employer rate
 20 described in subsection (a)(1)(B)(i)(a), or a rate based on the employer's
 21 demonstrated risk as reflected in the employer's reserve fund ratio history.

22 (ii) To be eligible for such reduced rate, the employer must maintain a
 23 positive account balance throughout the reduced-rate period and must have
 24 an increase in account balance for each year.

25 (4) *Planned yield.* (A) For rate year 2015 and prior rate years, the
 26 average required yield shall be determined from schedule III of this
 27 section, and the planned yield on total wages in column B of schedule III
 28 shall be determined by the reserve fund ratio in column A of schedule III.
 29 The reserve fund ratio shall be determined by dividing total assets in the
 30 employment security fund provided for in K.S.A. 44-712(a), and
 31 amendments thereto, excluding all moneys credited to the account of this
 32 state pursuant to section 903 of the federal social security act, as amended,
 33 ~~which~~ *that* have been appropriated by the state legislature, whether or not
 34 withdrawn from the trust fund, and excluding contributions not yet paid on
 35 July 31 by total payrolls for contributing employers for the preceding
 36 fiscal year ~~which~~ *that* ended June 30.

37 (B) For the rate year 2016 and rate years thereafter, the contribution
 38 schedule in effect shall be determined by the fund control table and rate
 39 schedule table of subsection (a)(4)(D).

40 SCHEDULE III—Fund Control
 41 Ratios to Total Wages

42	Column A	Column B
43	Reserve Fund Ratio	Planned Yield
44	4.500 and over	0.00
45	4.475 but less than 4.500.....	0.01

1	4.450 but less than 4.475.....	0.02
2	4.425 but less than 4.450.....	0.03
3	4.400 but less than 4.425.....	0.04
4	4.375 but less than 4.400.....	0.05
5	4.350 but less than 4.375.....	0.06
6	4.325 but less than 4.350.....	0.07
7	4.300 but less than 4.325.....	0.08
8	4.275 but less than 4.300.....	0.09
9	4.250 but less than 4.275.....	0.10
10	4.225 but less than 4.250.....	0.11
11	4.200 but less than 4.225.....	0.12
12	4.175 but less than 4.200.....	0.13
13	4.150 but less than 4.175.....	0.14
14	4.125 but less than 4.150.....	0.15
15	4.100 but less than 4.125.....	0.16
16	4.075 but less than 4.100.....	0.17
17	4.050 but less than 4.075.....	0.18
18	4.025 but less than 4.050.....	0.19
19	4.000 but less than 4.025.....	0.20
20	3.950 but less than 4.000.....	0.21
21	3.900 but less than 3.950.....	0.22
22	3.850 but less than 3.900.....	0.23
23	3.800 but less than 3.850.....	0.24
24	3.750 but less than 3.800.....	0.25
25	3.700 but less than 3.750.....	0.26
26	3.650 but less than 3.700.....	0.27
27	3.600 but less than 3.650.....	0.28
28	3.550 but less than 3.600.....	0.29
29	3.500 but less than 3.550.....	0.30
30	3.450 but less than 3.500.....	0.31
31	3.400 but less than 3.450.....	0.32
32	3.350 but less than 3.400.....	0.33
33	3.300 but less than 3.350.....	0.34
34	3.250 but less than 3.300.....	0.35
35	3.200 but less than 3.250.....	0.36
36	3.150 but less than 3.200.....	0.37
37	3.100 but less than 3.150.....	0.38
38	3.050 but less than 3.100.....	0.39
39	3.000 but less than 3.050.....	0.40
40	2.950 but less than 3.000.....	0.41
41	2.900 but less than 2.950.....	0.42
42	2.850 but less than 2.900.....	0.43
43	2.800 but less than 2.850.....	0.44

1	2.750 but less than 2.800.....	0.45
2	2.700 but less than 2.750.....	0.46
3	2.650 but less than 2.700.....	0.47
4	2.600 but less than 2.650.....	0.48
5	2.550 but less than 2.600.....	0.49
6	2.500 but less than 2.550.....	0.50
7	2.450 but less than 2.500.....	0.51
8	2.400 but less than 2.450.....	0.52
9	2.350 but less than 2.400.....	0.53
10	2.300 but less than 2.350.....	0.54
11	2.250 but less than 2.300.....	0.55
12	2.200 but less than 2.250.....	0.56
13	2.150 but less than 2.200.....	0.57
14	2.100 but less than 2.150.....	0.58
15	2.050 but less than 2.100.....	0.59
16	2.000 but less than 2.050.....	0.60
17	1.975 but less than 2.000.....	0.61
18	1.950 but less than 1.975.....	0.62
19	1.925 but less than 1.950.....	0.63
20	1.900 but less than 1.925.....	0.64
21	1.875 but less than 1.900.....	0.65
22	1.850 but less than 1.875.....	0.66
23	1.825 but less than 1.850.....	0.67
24	1.800 but less than 1.825.....	0.68
25	1.775 but less than 1.800.....	0.69
26	1.750 but less than 1.775.....	0.70
27	1.725 but less than 1.750.....	0.71
28	1.700 but less than 1.725.....	0.72
29	1.675 but less than 1.700.....	0.73
30	1.650 but less than 1.675.....	0.74
31	1.625 but less than 1.650.....	0.75
32	1.600 but less than 1.625.....	0.76
33	1.575 but less than 1.600.....	0.77
34	1.550 but less than 1.575.....	0.78
35	1.525 but less than 1.550.....	0.79
36	1.500 but less than 1.525.....	0.80
37	1.475 but less than 1.500.....	0.81
38	1.450 but less than 1.475.....	0.82
39	1.425 but less than 1.450.....	0.83
40	1.400 but less than 1.425.....	0.84
41	1.375 but less than 1.400.....	0.85
42	1.350 but less than 1.375.....	0.86
43	1.325 but less than 1.350.....	0.87

1	1.300 but less than 1.325.....	0.88
2	1.275 but less than 1.300.....	0.89
3	1.250 but less than 1.275.....	0.90
4	1.225 but less than 1.250.....	0.91
5	1.200 but less than 1.225.....	0.92
6	1.175 but less than 1.200.....	0.93
7	1.150 but less than 1.175.....	0.94
8	1.125 but less than 1.150.....	0.95
9	1.100 but less than 1.125.....	0.96
10	1.075 but less than 1.100.....	0.97
11	1.050 but less than 1.075.....	0.98
12	1.025 but less than 1.050.....	0.99
13	1.000 but less than 1.025.....	1.00
14	0.900 but less than 1.000.....	1.01
15	0.800 but less than 0.900.....	1.02
16	0.700 but less than 0.800.....	1.03
17	0.600 but less than 0.700.....	1.04
18	0.500 but less than 0.600.....	1.05
19	0.400 but less than 0.500.....	1.06
20	0.300 but less than 0.400.....	1.07
21	0.200 but less than 0.300.....	1.08
22	0.100 but less than 0.200.....	1.09
23	Less than 0.100%.....	1.10

24 (C) *Adjustment to taxable wages.* For rate year 2015 and prior rate
 25 years, the planned yield as a percent of total wages, as determined in this
 26 subsection (a)(4), shall be adjusted to taxable wages by multiplying by the
 27 ratio of total wages to taxable wages for all contributing employers for the
 28 preceding fiscal year ending June 30, except, with regard to a year in
 29 which the taxable wage base changes. The taxable wages used in the
 30 calculation for such a year and the following year shall be an estimate of
 31 what the taxable wages would have been if the new taxable wage base had
 32 been in effect during all of the preceding fiscal year ending June 30.

33 (D) *Effective rates.* (i) For rate year 2016 and ensuing rate years,
 34 employer contribution rates to be effective for the ensuing calendar year
 35 shall be determined by the fund control table contained in this section. The
 36 average high cost multiple of the trust fund as of the computation date
 37 shall determine the contribution schedule in effect for the next rate year.
 38 For purposes of subsection (a)(4)(D)(i) and (v), the average high cost
 39 multiple is the reserve fund ratio, as defined by subsection (a)(4)(A),
 40 divided by the average high benefit cost rate. The average high benefit cost
 41 rate shall be determined by averaging the three highest benefit cost rates
 42 over the last 20 years from the preceding fiscal year which ended June 30.
 43 The high benefit cost rate is defined by dividing total benefits paid in the

1 fiscal year by total payrolls for covered employers in the fiscal year.
 2 Fund Control Table

3 Lower AHCM	Upper AHCM	Solvency Adjustment
4 Threshold	Threshold	to Standard Rate
5 -1000.00000	0.19999	1.60%
6 0.20000	0.44999	1.40%
7 0.45000	0.59999	1.20%
8 0.60000	0.74999	1.00%
9 0.75000	1.14999	0.00%
10 1.15000	1000.00000 1.29999	-0.50%
11 1.30000	1.44999	-0.60%
12 1.45000	1.69999	-0.70%
13 1.70000	1000.0000	-0.80%

14 (ii) For rate year 2016 and ensuing rate years, eligible employers shall
 15 be classified according to the Standard Rate Schedule in this section,
 16 subject to any adjustment pursuant to the effective rate schedule for that
 17 rate year.

18 STANDARD RATE SCHEDULE

19 Rate	Lower Reserve	Upper Reserve	Standard
20 Group	Ratio Limit	Ratio Limit	Rate
21 1	18.590 16.900	1,000,000.000	0.20%
22 2	17.875 16.250	18.589 16.889	0.40%
23 3	17.160 15.600	17.874 16.249	0.60%
24 4	16.445 14.950	17.159 15.599	0.80%
25 5	15.730 14.300	16.444 14.949	1.00%
26 6	15.015 13.650	15.729 14.299	1.20%
27 7	14.300 13.000	15.014 13.649	1.40%
28 8	13.585 12.350	14.299 12.999	1.60%
29 9	12.870 11.700	13.584 12.349	1.80%
30 10	12.155 11.050	12.869 11.699	2.00%
31 11	11.440 10.400	12.154 11.049	2.20%
32 12	10.725 9.750	11.439 10.399	2.40%
33 13	10.010 9.100	10.724 9.749	2.60%
34 14	9.295 8.450	10.009 9.099	2.80%
35 15	8.580 7.800	9.294 8.449	3.00%
36 16	7.865 7.150	8.579 7.799	3.20%
37 17	7.150 6.500	7.864 7.149	3.40%
38 18	6.435 5.850	7.149 6.499	3.60%
39 19	5.720 5.200	6.434 5.849	3.80%
40 20	5.005 4.550	5.719 5.199	4.00%
41 21	4.290 3.900	5.004 4.549	4.20%
42 22	3.575 3.250	4.289 3.899	4.40%
43 23	2.860 2.600	3.574 3.249	4.60%

1	24	2.1451.950	2.8592.599	4.80%
2	25	1.4301.300	2.1441.949	5.00%
3	26	0.7150.650	1.4291.299	5.20%
4	27	0.000	0.7140.649	5.40%
5	N1	-0.714-0.649	-0.001	5.60%
6	N2	-1.429-1.299	-0.715-0.650	5.80%
7	N3	-2.144-1.949	-1.430-1.300	6.00%
8	N4	-2.859-2.599	-2.145-1.950	6.20%
9	N5	-3.574-3.249	-2.860-2.600	6.40%
10	N6	-4.289-3.899	-3.575-3.250	6.60%
11	N7	-5.004-4.549	-4.290-3.900	6.80%
12	N8	-5.719-5.199	-5.005-4.550	7.00%
13	N9	-6.434-5.849	-5.720-5.200	7.20%
14	N10	-7.149-6.499	-6.435-5.850	7.40%
15	N11	-1,000,000.000	-7.150-6.500	7.60%

16 (iii) For all rate years prior to 2016, except with regard to rates for
 17 negative account balance employers, employer contribution rates to be
 18 effective for the ensuing calendar year shall be computed by adjusting
 19 proportionately the experience factors from schedule I of this section to the
 20 required yield on taxable wages. For the purposes of this subsection (a)(4),
 21 all rates computed shall be rounded to the nearest .01% and for calendar
 22 year 1983 and ensuing calendar years, the maximum effective contribution
 23 rate shall not exceed 5.4%.

24 (iv) For rate years 2007 through 2015, employers who are current in
 25 filing quarterly wage reports and in payment of all contributions due and
 26 owing, shall be issued a contribution rate based upon the following
 27 reduction: For rate groups 1 through 5, the rates would be reduced to
 28 0.00%; for rate groups 6 through 28, the rates would be reduced by 50%;
 29 for rate groups 29 through 51, the rates would be reduced by 40%.

30 (v) For rate year 2014 and rate years thereafter, an eligible employer
 31 other than a negative account balance employer, who has filed all reports
 32 due and paid all contributions due and owing on or before January 31 of
 33 the applicable year is entitled to a rate discount of 15% except as provided
 34 in this subsection. For rate year 2015 and rate years thereafter, an eligible
 35 employer other than a negative account balance employer, who has filed
 36 all reports due and paid all contributions due and owing on or before
 37 January 31 of the applicable year is entitled to a rate discount of 25%
 38 except as provided in this subsection. This discount shall not be in effect if
 39 other reduced rates pursuant to subsections (a)(4)(D)(i) through (iv) are in
 40 effect. This discount shall not be available for a rate year if the average
 41 high cost multiple, as defined in subsection (a)(4)(D)(i), of the
 42 employment security trust fund balance falls below ~~1.0~~ 1.14999 as of the
 43 computation date of that year's rates, and this discount shall thereafter

1 cease to be in effect for all subsequent rate years.

2 (b) *Successor classification.* (1) (A) For the purposes of this
3 subsection (b), whenever an employing unit, whether or not it is an
4 "employing unit" within the meaning of of K.S.A. 44-703(g), and
5 amendments thereto, becomes an employer pursuant to K.S.A. 44-703(h)
6 (4), and amendments thereto, or is an employer at the time of acquisition
7 and meets the definition of a "successor employer" as defined by K.S.A.
8 44-703(dd), and amendments thereto, and thereafter transfers its trade or
9 business, or any portion thereof, to another employer and, at the time of
10 the transfer, there is substantially common ownership, management or
11 control of the two employers, then the unemployment experience
12 attributable to the transferred trade or business shall be transferred to the
13 employer to whom such business is so transferred. These experience
14 factors consist of all contributions paid, benefit experience and annual
15 payrolls of the predecessor employer. The transfer of some or all of an
16 employer's workforce to another employer shall be considered a transfer of
17 trade or business when, as the result of such transfer, the transferring
18 employer no longer performs trade or business with respect to the
19 transferred workforce, and such trade or business is performed by the
20 employer to whom the workforce is transferred.

21 (B) If, following a transfer of experience under subparagraph (A), the
22 secretary determines that a substantial purpose of the transfer or business
23 was to obtain a reduced liability for contributions, then the experience
24 rating accounts of the employers involved shall be combined into a single
25 account and a single rate assigned to such account.

26 (2) A successor employer as defined by K.S.A. 44-703(h)(4) or (dd),
27 and amendments thereto, may receive the experience rating factors of the
28 predecessor employer if an application is made to the secretary or the
29 secretary's designee in writing within 120 days of the date of the transfer.

30 (3) Whenever an employing unit, whether or not it is an "employing
31 unit" within the meaning of K.S.A. 44-703(g), and amendments thereto,
32 acquires or in any manner succeeds to a percentage of an employer's
33 annual payroll which is less than 100% and intends to continue the
34 acquired percentage as a going business, the employing unit may acquire
35 the same percentage of the predecessor's experience factors if: (A) The
36 predecessor employer and successor employing unit make an application
37 in writing on the form prescribed by the secretary; (B) the application is
38 submitted within 120 days of the date of the transfer; (C) the successor
39 employing unit is or becomes an employer subject to this act immediately
40 after the transfer; (D) the percentage of the experience rating factors
41 transferred shall not be thereafter used in computing the contribution rate
42 for the predecessor employer; and (E) the secretary finds that such transfer
43 will not tend to defeat or obstruct the object and purposes of this act.

1 (4) (A) The rate of both employers in a full or partial successorship
2 under paragraph (1) of this subsection shall be recalculated and made
3 effective on the first day of the next calendar quarter following the date of
4 transfer of trade or business.

5 (B) If a successor employer is determined to be qualified under
6 paragraph (2) or (3) of this subsection to receive the experience rating
7 factors of the predecessor employer, the rate assigned to the successor
8 employer for the remainder of the contributions year shall be determined
9 by the following:

10 (i) If the acquiring employing unit was an employer subject to this act
11 prior to the date of the transfer, the rate of contribution shall be the same as
12 the contribution rate of the acquiring employer on the date of the transfer.

13 (ii) If the acquiring employing unit was not an employer subject to
14 this act prior to the date of the transfer, the successor employer shall have a
15 newly computed rate for the remainder of the contribution year which shall
16 be based on the transferred experience rating factors as they existed on the
17 most recent computation date immediately preceding the date of
18 acquisition. These experience rating factors consist of all contributions
19 paid, benefit experience and annual payrolls.

20 (5) Whenever an employing unit is not an employer at the time it
21 acquires the trade or business of an employer, the unemployment
22 experience factors of the acquired business shall not be transferred to such
23 employing unit if the secretary finds that such employing unit acquired the
24 business solely or primarily for the purpose of obtaining a lower rate of
25 contributions. Instead, such employing unit shall be assigned the
26 applicable industry rate for a "new employer" as described in subsection
27 (a)(1). In determining whether the business was acquired solely or
28 primarily for the purpose of obtaining a lower rate of contributions, the
29 secretary shall use objective factors which may include the cost of
30 acquiring the business, whether the employer continued the business
31 enterprise of the acquired business, how long such business enterprise was
32 continued, or whether a substantial number of new employees were hired
33 for performance of duties unrelated to the business activity conducted
34 prior to acquisition.

35 (6) Whenever an employer's account has been terminated as provided
36 in K.S.A. 44-711(d) and (e), and amendments thereto, and the employer
37 continues with employment to liquidate the business operations, that
38 employer shall continue to be an "employer" subject to the employment
39 security law as provided in K.S.A. 44-703(h)(8), and amendments thereto.
40 The rate of contribution from the date of transfer to the end of the then
41 current calendar year shall be the same as the contribution rate prior to the
42 date of the transfer. At the completion of the then current calendar year, the
43 rate of contribution shall be that of a "new employer" as described in

1 subsection (a)(1).

2 (7) No rate computation will be permitted an employing unit
3 succeeding to the experience of another employing unit pursuant to this
4 section for any period subsequent to such succession except in accordance
5 with rules and regulations adopted by the secretary. Any such regulations
6 shall be consistent with federal requirements for additional credit
7 allowance in section 3303 of the federal internal revenue code of 1986,
8 and consistent with the provisions of this act.

9 (c) *Voluntary contributions.* Notwithstanding any other provision of
10 the employment security law, any employer may make voluntary payments
11 for the purpose of reducing or maintaining a reduced rate in addition to the
12 contributions required under this section. Such voluntary payments may be
13 made only during the thirty-day period immediately following the date of
14 mailing of experience rating notices for a calendar year. All such voluntary
15 contribution payments shall be paid prior to the expiration of 120 days
16 after the beginning of the year for which such rates are effective. The
17 amount of voluntary contributions shall be credited to the employer's
18 account as of the next preceding computation date and the employer's rate
19 shall be computed accordingly. Under no circumstances shall voluntary
20 payments be refunded in whole or in part.

21 (d) As used in this section, "negative account balance employer"
22 means an eligible employer whose total benefits charged to such
23 employer's account for all past years have exceeded all contributions paid
24 by such employer for all such years.

25 (e) There is hereby established in the state treasury, separate and apart
26 from all public moneys or funds of this state, an employment security
27 interest assessment fund, which shall be administered by the secretary as
28 provided in this act. Moneys in the employment security fund established
29 by K.S.A. 44-712, and amendments thereto, and employment security
30 interest assessment fund established by K.S.A. 44-710, and amendments
31 thereto, shall not be invested in the pooled money investment portfolio
32 established under K.S.A. 75-4234, and amendments thereto.
33 Notwithstanding the provisions of K.S.A. 44-712(a), K.S.A. 44-716,
34 K.S.A. 44-717 and K.S.A. 75-4234, and amendments thereto, or any like
35 provision the secretary shall remit all moneys received from employers
36 pursuant to the interest payment assessment established in subsection (a)
37 (2)(E), to the state treasurer in accordance with the provisions of K.S.A.
38 75-4215, and amendments thereto. Upon receipt of each such remittance,
39 the state treasurer shall deposit the entire amount in the employment
40 security interest assessment fund. All moneys in this fund which are
41 received from employers pursuant to the interest payment assessment
42 established in subsection (a)(2)(E), shall be expended solely for the
43 purposes and in the amounts found by the secretary necessary to pay any

1 principal and interest due and owing the United States department of labor
2 resulting from any advancements made to the Kansas employment security
3 fund pursuant to the provisions of title XII of the social security act (42
4 U.S.C. §§ 1321 to 1324) except as may be otherwise provided under
5 subsection (a)(2)(E). Notwithstanding any provision of this section, all
6 moneys received and credited to this fund pursuant to subsection (a)(2)(E),
7 shall remain part of the employment security interest assessment fund and
8 shall be used only in accordance with the conditions specified in
9 subsection (a)(2)(E).

10 (f) The secretary of labor shall annually prepare and submit a
11 certification as to the solvency and adequacy of the amount credited to the
12 state of Kansas' account in the federal employment security trust fund to
13 the governor and the legislative coordinating council. The certification
14 shall be submitted on or before December 1 of each calendar year and
15 shall be for the 12-month period ending on June 30 of that calendar year.
16 In arriving at the certification contributions paid on or before July 31
17 following the 12-month period ending date of June 30 shall be considered.
18 ~~Each certification shall be used to determine the need for any adjustment~~
19 ~~to schedule III in subsection (a)(4)(B) and to assist in preparing legislation~~
20 ~~to accomplish any such adjustment.~~

21 Sec. 2. K.S.A. 2019 Supp. 44-710a is hereby repealed.

22 Sec. 3. This act shall take effect and be in force from and after its
23 publication in the statute book.