SESSION OF 2008

SUPPLEMENTAL NOTE ON SENATE BILL NO. 461

As Amended by Senate Committee on Commerce

Brief*

SB 461, as amended, would make two changes to the Employment Security Law. The first amendment would allow the Department of Labor to not make refunds for contributions for less than $5. Under current law, a refund for contributions, benefit cost payments or interest of less than $1 are not required by the Department of Labor.

Second, the bill would require employers or third party administrators to file wage reports and contribution returns electronically and make payment of contributions, benefit cost payments, or reimbursing payments by electronic means as well. The requirements would be phased in over the next three years as follows:

- On July 1, 2008, employers or third party administrators with 250 or more employees, at the time filing or payment is first due;
- On July 1, 2009, employers or third party administrators with 100 or more employees, at the time filing or payment is first due;
- On July 1, 2010, third party administrators with 50 or more employees at the time filing or payment is first due.

This requirement could be waived by the Secretary of Labor if an employer demonstrates a hardship in complying with these requirements.

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*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at http://www.kslegislature.org

Background

The bill was the work of the Employment Security Advisory Council according to the Secretary of Labor, who was the only conferee.

The Senate Committee amended the bill by removing the requirement that employers of 50 or more employees (to a maximum of 100 employees) would be required to file electronically. The amended bill would require third party administrators with 50 or more employees to file electronically.

The fiscal note indicates that the Department of Labor indicates that there would be cost savings and improved efficiencies for the agency because of reductions in paper reports, processing time, mailing costs, storage, and data entry. The amount of the savings, however, is not known, and would occur over time as employers phased in electronic reporting.