



**Andy Beshear**  
GOVERNOR

## **EDUCATION AND LABOR CABINET**

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**Jamie Link**  
SECRETARY

October 5, 2022

*Via Electronic Mail*

Hon. Jason Petrie, Chair  
House Appropriations and Revenue Committee  
Legislature Research Commission  
Room 300, Capitol  
Frankfort, Kentucky 40601

*Courtesy of*  
Jennifer Hays  
Jennifer.Hays@lrc.ky.gov

**Re: Unemployment Insurance Report-Second Quarter of 2022**

Dear Representative Petrie,

The following quarterly Unemployment Insurance report is submitted in accordance with KRS 341.240(3)(d).

**A. Financing**

The Kentucky Unemployment Insurance Trust Fund has been solvent since July 22, 2021. On July 22, 2021, the Governor authorized the allocation of \$505,731,673.91 to pay off Kentucky's Title XII loan.

**B. Status of Unemployment Insurance Fund**

The Kentucky unemployment insurance trust fund is at a current balance of \$738,033,954.33. Quarterly employer contribution payments made during 2022, in addition to the current trust fund balance are expected to sustain the trust fund throughout the remaining of the 2022 calendar year.

**C. Surcharge**

As a result of legislation enacted by the Kentucky General Assembly in 2021 (HB 413), the surcharge assessment under KRS 341.614 was suspended for calendar year 2021. In addition, no interest was assessed during 2020 or 2021 on Kentucky's Title XII advances. Kentucky's Title XII advances have now been paid in full and satisfied, therefore no surcharge assessment is needed. Surcharge was last assessed to Kentucky employers during the 2nd quarter of 2016.

**D. Cap Efforts**

Kentucky employers were not assessed any federal unemployment tax act ("FUTA") credit reductions on their IRS form 940, during 2021 and does not expect any credit reductions for 2022. If eligible under federal law, KRS 341.595(2) requires an application to obtain a cap on the federal unemployment tax credit reduction. As the original Title XII advances have been paid in full, the cap on credit reduction is no longer needed.

Respectfully,

*/s/Jamie Link*

Jamie Link, Secretary  
Kentucky Education and Labor Cabinet