

2024 Unemployment Insurance Trust Fund Duration Report

CY 2024

KRS 341.127 & 341.125(4)

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Kentucky Unemployment Insurance Trust Fund

Annual Assessment 2024

Introduction

Pursuant to KRS 341.127, this report on the Kentucky Unemployment Insurance (UI) Trust Fund is submitted to the Governor and the Interim Joint Committee on Economic Development and Workforce Investment. This report also satisfies the requirements of KRS 341.125(4). The report provides a comprehensive review of the UI Trust Fund's financial status, including contributions, benefit disbursements, claim durations and average weekly wages for beneficiaries. The report is publicly accessible via the Kentucky Career Center website at [KCC.KY.GOV](https://kcc.ky.gov).

Unless otherwise specified, all references to years pertain to calendar years.

Kentucky's UI Trust Fund 2024 Overview

During the 2024 calendar year, employer contributions to the UI Trust Fund totaled \$339.99 million. After disbursing \$169.63 million in benefits to unemployed workers, the fund recorded a surplus of \$170.36 million. The UI Trust Fund balance at the end of the year (Q4) was \$1.02 billion, with no outstanding federal loans. Employer contributions continued under Schedule A.

Unemployment Insurance Service Capacity Upgrade Fund (SCUF)

The Service Capacity Upgrade Fund, established by the General Assembly in 2018, allocates 0.075% of employer contributions to improve UI systems and applications. The SCUF target amount is \$68 million, as specified in the 2024–26 Executive Branch budget. As of Dec. 31, 2024, the cash balance of the SCUF restricted fund was \$30,232,130.26. In addition to this balance, \$30,000,000 was moved to the Capital Fund for the Capital Project, bringing total funds for SCUF to \$60,232,130.26.

2024 Unemployment Program Highlights

Disaster Unemployment Assistance

Disaster Unemployment Assistance (DUA) helps individuals who lose their jobs as a direct result of a major disaster and who are eligible for unemployment compensation, including regular UI benefits. A major disaster is any natural catastrophe that results in a presidential declaration of a disaster. To receive DUA, claimants first must apply for regular unemployment. If the claimant does not qualify for regular benefits but meets DUA requirements, the claimant can receive DUA benefits. The DUA program is administered by UI staff.

In 2024, Kentucky had three FEMA disaster declarations. The first disaster (DR-4782-KY) was declared on May 22, 2024, for severe storms, straight-line winds, tornadoes, landslides and mudslides for the incident period of April 2, 2024. This disaster impacted 11 counties across the commonwealth. The second disaster (DR-4782-KY) was declared on July 23, 2024, for severe storms, straight-line winds, tornadoes, landslides and mudslides for the incident period from May 21-27, 2024, with 15 counties across southern Kentucky approved for individual assistance. The third disaster (DR-4848-KY) was declared on Nov., 26, 2024, for the period of Sept. 27-30, 2024, because the remnants of Hurricane Helene impacted eastern Kentucky.

Workshare Program

Kentucky's Workshare Program was established on Jan. 1, 2023, to help employers and workers during financial downturns. Businesses can use program to avoid layoffs by using unemployment benefits to temporarily supplement workers' pay when their hours have been reduced by 10% to 40%. This program offers many benefits to employers as well as their workers.

Employers benefit by reducing or eliminating layoffs, keeping skilled employees, recovering more quickly, lessening the impact on their employee reserve account, and saving hiring and training costs for new workers. Workers benefit by retaining their jobs and benefits, receiving supplement unemployment benefits during reduced work periods, avoiding financial hardship, and reducing the stress caused by layoffs and job searches.

To qualify for the Workshare Program, the employer must submit a written shared work plan for approval and meet the specific requirements in KRS 341.4161. In the 2024, 10 employer applications were approved and two were denied because they did not meet the requirements or submitted incomplete information on the application. A total of 1,353 workers received supplemental unemployment benefits through the Workshare program. The number of employees per employer ranged from five to 781 workers.

Mobile Unit

The UI Mobile Assistance Unit was purchased in November 2024 using a U.S. Department of Labor grant. The purpose of the grant was to promote equitable access to unemployment compensation programs under UI Public Law 23-21 by traveling to underserved regions of Kentucky. It assists individuals with unemployment claims, provides DUA, and supports employers during mass layoffs or temporary shutdowns. The unit assisted approximately 100 unemployed workers on Dec. 12, 2024, in Bardstown following a mass layoff at the James B. Beam Distilling Co.

Unemployment Insurance Key Metrics 2024

Table 1

	Calendar Year 2024			
Tax Revenue	Quarter 1	Quarter 2	Quarter 3	Quarter 4
State revenue past 12 months	\$202,612	\$300,599	\$319,799	\$345,948
Average tax rate on total wages	0.31%	0.34%	0.35%	0.36%
Average tax rate on taxable wages	1.32%	1.44%	1.52%	1.58%
Taxable wage base	\$11,400	\$11,400	\$11,400	\$11,400
Employer Contributions (Average Per Covered Employee)	\$218			
Statutory Tax Rate (Minimum/Maximum) %	.030 (\$33) / 9.00 (\$999)			
Benefits				
Total Benefits Paid (thousands)	\$49,521	\$36,945	\$39,335	\$43,833
Initial claims	26,252	21,586	26,423	34,041
Number of people receiving benefits (first payments in CY 2023)	7,758	5,161	5,607	7,190

Exhaustions rate past 12 months	39.8%	40.8%	38.1%	38.5%
Average weekly benefit (max was \$694 per week as of 7/7/24)	\$483.77	\$481.05	\$484.62	\$503.98
Average duration (in weeks)	12.5	12.9	13.7	13.5
Insured unemployment rate (IUR)	0.5%	0.4%	0.5%	0.5%
Labor Force	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Subject employers (thousands)	111	112	113	114
Insured unemployed - all programs (thousands)	10.08	8.07	8.82	9.13
Civilian labor force(thousands)	2,072	2,095	2,106	2,101
Covered employment (thousands)	1,939	1,960	1,937	1,972
Total unemployed (thousands)	107	101	112	105
Total unemployment rate (TUR)	5.1%	4.8%	5.3%	5.0%
Wage Data	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Total wages (thousands)	\$29,485,635	\$28,987,640	\$28,161,600	\$30,263,749
Taxable Wages (thousands)	\$13,570,026	\$3,597,166	\$2,316,304	\$2,005,164
Average Weekly Wage	\$1,120	\$1,132	\$1,140	\$1,152
Trust Fund	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Trust Fund Balance (thousands)	\$811,005	\$1,001,005	\$1,016,883	\$1,020,961
Trust Fund as % of Total Wages	0.89%	1.09%	1.09%	1.09%
Interest Earned (thousands)	\$30	\$33	\$28	\$28
High-Cost Multiple	0.34	0.42	0.42	0.42
Average High-Cost Multiple	44	41	42	42
Loan Data	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Title XII Loan Balance (thousands)	\$0	\$0	\$0	\$0
Non-Title XII Loan Balance (thousands)	\$0	\$0	\$0	\$0

Sources: US Department of Labor, Division of Fiscal and Actuarial Services, [Unemployment Insurance Data Summary](#); US DOL Tax Measures Report 2024; ETA 2112, UI Financial Transaction Summary Unemployment Fund. Excludes Reimbursable Employers.

UI Financial Trust Fund Activity 2024

Table 2

2024 UI Financial Trust Fund Activity	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Deposits				
Total Deposits - Net Totals	\$105,093,229.52	\$485,002,824.81	\$183,922,846.02	\$135,910,828.76
Total Deposits - Clearing Account	\$25,608,218.30	\$223,519,794.42	\$70,614,748.82	\$43,702,790.99
Total Deposits - UI Trust Fund Account	\$31,955,015.09	\$226,483,571.39	\$65,111,135.20	\$48,825,486.77
Total Deposits - Benefit Payment Account	\$47,529,996.13	\$34,999,459.00	\$48,196,962.00	\$43,382,551.00
Net UI Contributions - Net Totals/Clearing Account	\$24,675,494	\$218,785,361.19	\$55,910,093.98	\$40,628,966.30
Disbursements				
Total Disbursements - Net Totals	\$122,129,559.97	\$292,381,360.10	\$167,473,537.86	\$127,355,370.60
Total Disbursements - Clearing Accounts	\$24,948,780.31	\$221,168,913.01	\$69,008,910.44	\$40,107,942.22
Total Disbursements - UI Trust Fund Account	\$48,180,625.90	\$36,483,959.45	\$49,232,576.95	\$44,748,373.75
Total Disbursements - Benefit Payment Account	\$49,000,153.76	\$34,728,487.64	\$49,232,050.47	\$42,499,054.63
Net UI Benefits - Net Total	\$47,937,842.18	\$33,284,317.49	\$47,403,532.82	\$40,972,987.13
UCX (Military Employee) Net Payments	\$203,637.99	\$221,411.26	\$241,632.81	\$240,231.00
UCFE (Federal Employee) Net Payments	\$0.00	\$0.00	\$0.00	\$0.00
Extended Benefits (EB) State Share	\$0.00	\$0.00	\$0.00	\$0.00
Extended Benefits (EB) Federal Share	\$891.69	-\$10,029.34	-\$6,277.07	-\$4,990.26
Pandemic Emergency Unemployment Compensation (PEUC)	-\$229,900.14	-\$132,035.81	-\$219,504.69	-\$111,841.93
Federal Pandemic Unemployment Compensation (FPUC)	\$202,920.00	\$352,133.00	\$162,529.16	-\$58,505.90
Pandemic Unemployment Assistance (PUA)	\$95,738.47	\$268,754.90	\$61,481.76	-\$15,055.86

Sources: US Department of Labor ETA 2112, UI Financial Transaction Summary Unemployment Fund. Excludes Reimbursable Employers.

Recent Unemployment Insurance Trust Fund History

Tables 3a and 3b consist of the principal components of the state UI Trust Fund. These components determine the tax rate schedule for each calendar year.

Table 3a

Table 3aComponent	2020	2021	2022	2023	2024
Contributions	\$328,412	\$1,089,635	\$583,565	\$212,497	\$339,999
Interest Earned	\$5,248	\$2,562	\$9,390	\$18,308	\$119,000
Benefits Paid	\$1,530,203	\$317,955	\$198,935	\$163,303	\$169,634
Fund Balance	\$26,358	\$338,210	\$751,415	\$827,231	\$1,020,961
Total Wages	\$88,535	\$95,615	\$104,511	\$111,544	\$116,898
Federal Loan Balance	(\$505,746)	\$0	\$0	\$0	\$0

Sources: US Department of Labor, Division of Fiscal and Actuarial Services, [Unemployment Insurance Data Summary](#) and ETA 2112, UI Financial Transaction Summary Unemployment Fund. All numbers represent thousands. *Loan paid in full in July 2021.

Table 3b

Component 2024	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Contributions	\$24,675	\$218,785	\$55,910	\$40,629
Interest Earned	\$30	\$33	\$28	\$28
Benefits Paid	\$49,521	\$36,945	\$39,335	\$43,833
Fund Balance	\$811,005	\$1,001,005	\$1,016,883	\$1,020,961
Total Wages	\$29,485,635	\$28,987,640	\$28,161,600	\$30,263,749
Federal Loan Balance	\$0	\$0	\$0	\$0

Sources: Sources: US Department of Labor, Division of Fiscal and Actuarial Services, [Unemployment Insurance Data Summary](#) and ETA 2112, UI Financial Transaction Summary Unemployment Fund. All numbers represent thousands.

Component Definitions:

- **Contributions:** Contributions received from employers as of December 31 of each year.
- **Interest Earned:** Quarterly federal treasury interest posted to each state's trust fund account.
- **Benefits Paid:** State-funded benefit payments less benefit overpayment recoveries.
- **Fund Balance:** Adjusted trust fund balance.
- **Total Wages:** Total covered payroll wages reported by all covered employers for the period of January 1 and December 31.
- **Federal Loan Balance:** Amount borrowed from the Federal Unemployment Account to help pay state unemployment benefits, reflects the balance as of December 31 of each year.

Unemployment Insurance Trust Fund Outlook

The financial condition of the UI Trust Fund is dependent upon state benefit payments, taxable wages, contributions and interest revenues.

Table 4

State UI Contributions and Benefits (millions)			
Year	Employer Contributions	State Benefit Payments	+ Surplus/ - Deficit
2019	\$342.50	\$286.40	\$56.10
2020	\$328.41	\$1,530.20	(\$1,201.79)
2021	\$1,089.64	\$317.96	\$771.68
2022	\$583.57	\$198.93	\$384.64
2023	\$212.50	\$163.30	\$49.20
2024	\$339.99	\$169.63	\$170.36

Sources: US Department of Labor, Division of Fiscal and Actuarial Services, [Unemployment Insurance Data Summary](#) and ETA 2112, UI Financial Transaction Summary Unemployment Fund.

Table 5

Taxable Wages (thousands)					
Quarter Ending	2020	2021	2022	2023	2024
31-Mar	\$11,266,566	\$11,110,178	\$12,057,865	\$13,161,876	\$13,570,026
30-Jun	\$2,937,091	\$3,704,126	\$3,808,332	\$3,623,743	\$3,597,166
30-Sep	\$2,030,588	\$2,415,945	\$2,558,848	\$2,358,281	\$2,316,304
31-Dec	\$2,073,866	\$2,354,604	\$2,281,225	\$2,122,525	\$2,005,164
Total	\$18,308,111	\$19,584,853	\$20,706,270	\$21,266,425	\$21,488,660

Sources: US Department of Labor, Division of Fiscal and Actuarial Services, [Unemployment Insurance Data Summary](#). There is a six-month lag in wages. Example: Sept. 30 and Dec. 31 taxable wages for CY2024 will be reported in the second and third quarters of CY2025 respectively.

Unemployment Insurance Tax Rates in Kentucky

In 2024, Kentucky employers were taxed at rates set by “Schedule A” of “Table A” as set forth by KRS 341.270(4).

Table 6

Tax Rate Schedules						
Reserve Ratio	Trust Fund Adequacy Rate	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%

Source: Kentucky Revised Statute 341.270. <https://apps.legislature.ky.gov/law/statutes/statute.aspx?id=54208>

Table 7

Comparison with Surrounding States (CY 2024)			
State	Minimum Tax Rate	Maximum Tax Rate	Taxable Wage Base
Kentucky	0.30	9.00	\$11,400
Illinois	0.30	8.10	\$13,590
Indiana	0.50	7.40	\$9,500
Missouri	0.00	5.40	\$10,000
Ohio	0.40	10.10	\$9,000
Tennessee	0.01	10.00	\$7,000
Virginia	0.10	6.20	\$8,000
West Virginia	1.50	7.50	\$9,521

Source: US Department of Labor, Division of Fiscal and Actuarial Services, Unemployment Insurance Data Summary and CY 2024 [Tax Measures Report](#).

Comparison of Revenue Sources and Expenditures

The tables below compare Kentucky's key UI variables to that of surrounding states.

Table 8

Comparison of Revenue Sources and Expenditures 2024 Q4						
State	Taxable Wage Base	Average Tax Rate on Taxable Wages (%)	Average Tax Rate on Total Wages (%)	Total Wages Taxable Employers (thousands)	Total Unemployment Rate (%)	Average Weekly Benefit
Kentucky	\$11,400	1.58	0.36	\$27	5	\$503.98
Illinois	\$13,590	2.80	0.56	\$5	4.5	\$514.27
Indiana	\$ 9,500	1.32	0.25	\$19	4.1	\$327.07
Missouri	\$10,000	1.08	0.21	\$22	3.3	\$295.32
Ohio	\$9,000	2.45	0.42	\$8	4.1	\$489.34
Tennessee	\$7,000	0.92	0.13	\$16	3.6	\$304.38
Virginia	\$8,000	0.57	0.08	\$13	2.8	\$365.31
West Virginia	\$9,521	2.37	0.50	\$43	3.5	\$459.94

Source: US Department of Labor, Division of Fiscal and Actuarial Services, [Unemployment Insurance Data Summary](#). Summary report include wages and covered employment lagged by 6 months.

Table 9

Gross Revenues (State Revenue Past 12 Months)				
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Kentucky	\$202,612	\$300,599	\$319,799	\$345,948
Illinois	\$2,056,993	\$2,102,919	\$2,107,486	\$2,111,108
Indiana	\$389,640	\$383,875	\$383,311	\$385,187
Missouri	\$367,180	\$335,589	\$325,250	\$320,195
Ohio	\$1,119,144	\$1,151,223	\$1,146,863	\$1,180,374
Tennessee	\$215,643	\$248,220	\$251,313	\$253,611
Virginia	\$250,545	\$227,038	\$223,837	\$218,487
West Virginia	\$142,930	\$145,020	\$145,271	\$144,412

Source: US Department of Labor, Division of Fiscal and Actuarial Services, [Unemployment Insurance Data Summary](#). All numbers represent thousands. *State revenues are funds deposited in state accounts in the Trust Fund. This revenue is used to pay state UI Benefits and the state share of extended benefits (EB).

Employer Protests (Disputed Claim Investigations)

In 2024, a total of 83,012 monetary determinations were issued in Kentucky, a slight increase from 79,972 in 2023. To be monetarily eligible, the claimant must have earned sufficient wages in covered employment during their base period. Of the 83,012 monetary determinations issued in 2024, a total of 74,151 met eligibility requirements.

A total of 25,582 determinations were made about why claimants left their jobs. These cases involved reasons other than layoff or lack of work, such as discharge or quitting. Of these decisions, 49% were approved and 51% were denied.

Table 10

Kentucky Unemployment Claim Data					
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2024 Total
Total Monetary Determinations	20,288	17,460	19,591	25,673	83,012
Monetarily Eligible Claims Established	18,104	15,562	17,290	23,195	74,151
Monetarily Ineligible Claims Filed	2,184	1,898	2,301	2,478	8,861
Determinations Involving Separation Issues	5,465	5,989	6,547	7,581	25,582
State UI	5,450	5,969	6,527	7,556	25,502
UCFE	15	20	20	25	80
Separation Issues- Denied Benefits (51%)	2,790	3,036	3,389	3,930	13,145
State UI	2,783	3,026	3,382	3,918	13,109
UCFE	7	10	7	12	36
Separation Issues- Benefits Approved (49%)	2,675	2,953	3,158	3,651	12,437

Source: ETA 207- Nonmonetary Determinations Activity; ETA 218- Benefits Rights and Experience

A total of 49,795 determinations were issued because of non-separation eligibility, such as availability or deductible income. Of these determinations, approximately 62% were denied and 38% were approved.

Table 11

Benefits Approved or Denied (Non-Monetary Determinations) UI					
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	2024 Total
Valid Claims Established	18,104	15,562	17,290	23,195	74,151
Total Separation Determinations	5,450	5,969	6,527	7,556	25,502
Sep Denied Benefits (54%)	2,783	3,026	3,382	3,918	13,109
Sep Benefits Approved (46%)	2,667	2,943	3,145	3,638	12,393
Total Non-Sep Determinations	13,932	14,041	9,372	12,450	49,795
Non-Sep Denied Benefits (75%)	5,682	6,703	7,693	10,758	30,836
Non-Sep Benefits Approved (25%)	8,250	7,338	1,679	1,692	18,959
All Non-Monetary Determinations	19,382	20,010	15,899	20,006	75,297

Source: ETA 207- Nonmonetary Determinations Activity; ETA 218- Benefits Rights and Experience

Appeals Data

Lower Authority Appeals Branch

In 2024, the UI Appeals Branch received 11,423 appeals and released 15,891 referee decisions. Of the 75,297 total nonmonetary determinations issued, 15.1% were appealed to the lower authority.

Table 12

Lower Authority Appeals Data (UI)									
	Reportable Appeals Released	Filed During Month	Average Case Age (Days)	Employers			Claimants		
				Protested by Employers	Decisions in Favor of Employers	% Reversed	Protested by Claimants	Decisions in Favor of Claimants	% Reversed
Jan	1228	1000	228.6	133	33	24.81%	1095	202	18.45%
Feb	1635	1124	221.2	139	54	38.85%	1496	250	16.71%
March	1799	900	255.4	145	48	33.10%	1654	300	18.14%
April	1678	996	294.5	150	42	28.00%	1528	294	19.24%
May	1161	1120	295.4	163	39	23.93%	998	224	22.44%
June	1154	869	301.9	138	49	35.51%	1016	223	21.95%
July	1405	919	274.1	177	61	34.46%	1228	274	22.31%
Aug	1381	898	263.4	173	66	38.15%	1208	233	19.29%
Sept	1225	857	245.6	187	64	34.22%	1038	207	19.94%
Oct	1239	955	192.1	180	60	33.33%	1059	231	21.81%
Nov	836	874	129.7	96	32	33.33%	740	136	18.38%
Dec	1150	911	81.1	171	46	26.90%	979	169	17.26%
Totals	15891	11423	231.9	1852	594	32.07%	14039	2743	19.54%

Source: ETA 5130 Benefit Appeals Report; ETA 9055L Lower Authority Appeals Case Aging

Higher Authority Appeals

In 2024, the UI Commission received 1,983 appeals and released 2,105 commission decisions. Of the 15,891 lower authority referee decisions released, 12.4% were appealed to the higher authority.

Table 13

Higher Authority Appeals Data (UI)									
	Decisions During the Month	Filed During Month (Single)	Average Case Age (Days)	Employers			Claimants		
				Protested by Employer	Decisions in Favor of Employer	% Reversed	Protested by Claimant	Decisions in Favor of Claimant	% Reversed
Jan	155	108	33.4	18	2	11.11%	137	17	12.41%
Feb	218	166	25.3	17	3	17.65%	201	18	8.96%
March	119	172	23.0	14	2	14.29%	105	1	0.95%
April	119	172	25.1	1	2	200.00%	105	1	0.95%
May	273	205	22.0	32	4	12.50%	241	15	6.22%
June	217	141	26.8	39	3	7.69%	178	19	10.67%
July	132	224	23.6	18	3	16.67%	114	7	6.14%
Aug	245	208	24.3	30	5	16.67%	215	29	13.49%
Sept	183	168	27.5	15	0	0.00%	168	17	10.12%
Oct	200	178	24.1	31	6	19.35%	169	11	6.51%
Nov	158	115	31.2	21	3	14.29%	137	9	6.57%
Dec	86	126	33.6	15	0	0.00%	71	6	8.45%
Totals	2105	1983	26.7	251	33	13.15%	1841	150	8.15%

Source: ETA 5130 Benefit Appeals Report; ETA 9055H Higher Authority Appeals Case Aging

Overpayments and Recovery

UI Program Integrity, Improper Payments and Recovery Efforts

Benefit overpayments are divided into fraudulent and non-fraudulent causes. Fraud overpayments happen when a claimant knowingly gives false or misleading information to receive benefits. The UI Integrity Branch processed 11,753 fraud overpayment cases totaling \$9,014,990 in 2024. Fraud overpayments incur an additional monetary penalty, which totaled \$293,532 in 2024. The UI Integrity Branch continues to use identity verification and specialized software to combat fraud and protect the UI Trust Fund. OUI continues to use the National Association of State Workforce Associations (NASWA) Integrity Data Hub to identify fraud through its database of suspicious activity.

The UI Integrity Branch processed 21,064 non-fraud overpayment cases with an amount totaling \$6,555,428.

Recovery Efforts

Over \$3,536,122 was recovered during 2024 from claimants, other states, and write-offs after a specified time.

Overpayment Waivers

Pursuant to KRS 341.413, claimants with an office error overpayment created between Jan. 27, 2020 - Sept. 6, 2021, are potentially eligible for a waiver. For 2024, waivers totaled \$40,182,331.

Table 14a – Unemployment Insurance (UI)

UI	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount
Overpayment Causes								
Fraud Total	2,917	\$ 2,124,477	2,935	\$ 2,217,859	2964	\$ 2,368,287	2,937	\$ 2,304,367
Nonfraud Total	5,000	\$ 1,517,939	5,306	\$ 1,648,141	5514	\$ 1,735,087	5,244	\$ 1,654,261
Reversals	14	\$ 47,486	19	\$ 42,880	41	\$ 144,827	33	\$ 61,830
State Agency Errors	370	\$ 242,672	221	\$ 244,923	148	\$ 105,889	401	\$ 232,226
Employer Errors	1	\$ 1,820	-	\$ -	136	\$ 498,226	-	\$ -
Claimant Errors	4,613	\$ 1,221,749	5,060	\$ 1,358,495	5183	\$ 984,136	4,801	\$ 1,352,243
Other Errors	2	\$ 4,212	6	\$ 1,843	6	\$ 2,009	9	\$ 7,962
Penalty		\$ 86,059		\$ 64,035		\$ 75,867		\$ 67,571
Total Overpayments	7,917	\$ 3,728,475	8,241	\$ 3,930,035	8,478	\$ 4,179,241	8,181	\$ 4,026,199
Recovery/Reconciliation	Fraud	Nonfraud	Fraud	Nonfraud	Fraud	Nonfraud	Fraud	Nonfraud
Outstanding -Beginning of Period	\$ 70,993,518	\$ 93,600,478	\$ 71,952,067	\$ 91,576,786	\$ 73,184,877	\$ 53,828,421	\$ 74,585,103	\$ 53,942,890
Recovered Total	\$ 754,493	\$ 1,045,417	\$ 572,229	\$ 813,529	\$ 553,378	\$ 950,690	\$ 524,214	\$ 726,486
Waived		\$ 2,024,807		\$ 38,039,319		\$ 118,205		\$ -
Written-Off	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables Removed -End of Period	\$ 410,809	\$ 556,959	\$ 412,394	\$ 607,346	\$ 414,428	\$ 626,433	\$ 410,988	\$ 630,227
Outstanding at End of Period	\$ 71,952,067	\$ 91,576,786	\$ 73,184,877	\$ 53,828,421	\$ 74,585,103	\$ 53,942,890	\$ 75,954,248	\$ 54,307,600
Recovered for Other States	\$ 410,809	\$ 405	\$ 412,394	\$ -	\$ 414,428	\$ -	\$ 410,988	\$ -
UI Total Accounts Receivable	\$	163,528,853	\$	127,013,298	\$	128,527,993	\$	130,261,848

Source: ETA 227 Overpayment Detection and Recovery.

Table 14b – UCFE/UXC Federal/Military

UCFE/UXC Federal Military	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount
Overpayment Causes								
Fraud Total	16	\$ 48,514	1	\$ 2,059	0	\$ -	10	\$ 49,865
Nonfraud Total	21	\$ 5,918	22	\$ 27,305	14	\$ 21,762	14	\$ 3,733
Reversals	0	\$ -	0	\$ -	0	\$ -	0	\$ -
State Agency Errors	7	\$ 4,197	6	\$ 20,188	2	\$ 3,124	6	\$ 561
Employer Errors	0	\$ -	0	\$ -	0	\$ -	0	\$ -
Claimant Errors	14	\$ 1,721	16	\$ 7,117	12	\$ 18,638	8	\$ 3,172
Other Errors	0	\$ -	0	\$ -	0	\$ -	0	\$ -
Penalty		\$ -		\$ 1,197		\$ -		\$ 828
Total Overpayments	37	\$ 54,432	23	\$ 30,561	14	\$ 21,762	24	\$ 54,426
Recovery/Reconciliation	Fraud	Nonfraud	Fraud	Nonfraud	Fraud	Nonfraud	Fraud	Nonfraud
Outstanding -Beginning of Period	\$ 6,283,113	\$ 2,646,909	\$ 6,250,640	\$ 2,585,277	\$ 6,176,319	\$ 2,551,409	\$ 6,087,521	\$ 2,512,960
Recovered Total	\$ 29,879	\$ 52,694	\$ 24,472	\$ 47,410	\$ 36,881	\$ 44,664	\$ 28,151	\$ 40,030
Waived		\$ -		\$ -		\$ -		\$ -
Written-Off	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables Removed -End of Period	\$ 51,108	\$ 14,856	\$ 51,908	\$ 14,960	\$ 51,917	\$ 15,547	\$ 52,027	\$ 15,425
Outstanding at End of Period	\$ 6,250,640	\$ 2,585,277	\$ 6,176,319	\$ 2,551,409	\$ 6,087,521	\$ 2,512,960	\$ 6,057,208	\$ 2,462,066
Recovered for Other States	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
UCFE Total Accounts Receivable	\$	8,835,917	\$	8,727,728	\$	8,600,481	\$	8,519,274

Source: ETA 227 Overpayment Detection and Recovery.

Table 14c – Extended Benefits (EB)

Extended Benefits (EB)	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
Overpayment Causes	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount
Fraud Total	0	\$ -	0	\$ -	0	\$ -	0	\$ -
Nonfraud Total	0	\$ -	0	\$ -	0	\$ -	0	\$ -
Reversals	0	\$ -	0	\$ -	0	\$ -	0	\$ -
State Agency Errors	0	\$ -	0	\$ -	0	\$ -	0	\$ -
Employer Errors	0	\$ -	0	\$ -	0	\$ -	0	\$ -
Claimant Errors	0	\$ -	0	\$ -	0	\$ -	0	\$ -
Other Errors	0	\$ -	0	\$ -	0	\$ -	0	\$ -
Penalty		\$ -		\$ -		\$ -		\$ -
Total Overpayments	0	\$ -	0	\$ -	0	\$ -	0	\$ -
Recovery/Reconciliation	Fraud	Nonfraud	Fraud	Nonfraud	Fraud	Nonfraud	Fraud	Nonfraud
Outstanding -Beginning of Period	\$ 270,165	\$ 344,391	\$ 265,830	\$ 336,338	\$ 259,663	\$ 328,805	\$ 255,815	\$ 321,365
Recovered Total	\$ 607	\$ 822	\$ 2,492	\$ -	\$ 200	\$ -	\$ 350	\$ -
Waived		\$ -		\$ -		\$ -		\$ -
Written-Off	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables Removed -End of Period	\$ 3,728	\$ 7,231	\$ 3,675	\$ 7,533	\$ 3,648	\$ 7,440	\$ 3,628	\$ 7,385
Outstanding at End of Period	\$ 265,830	\$ 336,338	\$ 259,663	\$ 328,805	\$ 255,815	\$ 321,365	\$ 251,837	\$ 313,980
Recovered for Other States	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EB Total Accounts Receivable	\$ 602,168		\$ 588,468		\$ 577,180		\$ 565,817	

Source: ETA 227 Overpayment Detection and Recovery.

Glossary

Average Duration

The number of weeks compensated for the year divided by the number of first payments. (ETA 5159)

Average High-Cost Rate

The average of the three highest calendar year benefit cost rates in the last 20 years (or a period including three recessions, if longer). Benefit cost rates are paid (including the state's share of extended benefits but excluding reimbursable benefits) as a percentage of total wages in taxable employment.

Average High-Cost Multiple

Calendar year reserve ratio (or "TF as % of total wages"); divided by the average high-cost rate.

Average Tax Rate (Taxable Wages)

Total employer contributions for a 12-month period divided by the total taxable wages for the same period. (ES 202)

Average Weekly Benefit Amount

Benefits paid for total unemployment divided by weeks compensated for total unemployment. (ETA 5159)

Average Weekly Wage

Total wages for the four quarters ending with the report quarter divided by covered employment for the same period, divided by 52 weeks (QCEW). (US DOL UI Data Summary)

Benefits Paid

The unemployment benefits paid to individuals under a state program, usually the first 26 weeks of benefits, for all weeks compensated including partial payments.

Calendar Year (CY)

The calendar year covers a one-year period from January 1 through December 31.

Covered Employment

The number of employees covered by unemployment insurance reported to the state by employers. (ETA 202)

Duration of Benefits

The maximum period of time a claimant may receive unemployment compensation.

EB

Extended benefits (EB) provide an additional 13 weeks of benefits to workers who have exhausted regular unemployment compensation. EB compensation is triggered if a state has an insured unemployment rate for the previous 13 weeks of at least 5% and is 120% of the average rate for the same 13-week period in the two previous years. After the initial 13 weeks, EB compensation ends if they no longer meet the above criteria.

FPUC

Federal Pandemic Unemployment Compensation (FPUC) provides an additional \$600 per week to individuals collecting unemployment insurance benefits. Enacted as part of the CARES Act.

High-Cost Multiple

Trust fund balance as a percent of total wages divided by the high-cost rate. The high-cost rate is the highest historical ratio of benefits to wages for a 12-month period.

Initial Claims

Any notice of unemployment filed (1) to request a determination of entitlement to and eligibility for compensation or (2) to begin a second or subsequent period of eligibility within a benefit year or period of eligibility. Interstate claims count in the paying state. (ETA 5159)

Insured Unemployment Rate

The rate computed by dividing insured unemployed for the current quarter by covered employment for the first four of the last six completed quarters. (ETA 539)

Interest Earned

The amount of interest earned on the UI Trust Fund account. (Unpublished US Treasury reports)

Higher Authority Appeals

In Kentucky, the UI Commission is the higher authority appeals entity. The higher authority receives appeals based on referee decisions and is the second level of the appeals process.

Lower Authority Appeals

In Kentucky, the UI Appeals Branch is the lower authority appeals entity. The lower authority receives appeals based on initial or continued claims determinations and is the first level of the appeals process.

LWA

Lost Wage Assistance is part of an executive order to extend enhanced federal unemployment benefits. Funding for LWA comes from the Federal Emergency Management Administration's (FEMA) Disaster Relief Fund. Eligible claimants in Kentucky received an additional \$400 for each of six weeks from August – Sept. 5, 2020. To receive LWA, workers must have a weekly benefit amount of at least \$100 and have certified that they are unemployed because of the COVID-19 pandemic.

Outstanding Loan Balance

Balance, as of the end of the quarter, of advances acquired by the state under Title XII of the Social Security Act. (Unpublished US Treasury reports)

PEUC

Pandemic Emergency Unemployment Compensation provides an extension of unemployment benefits to workers who have exhausted regular unemployment compensation under the CARES Act.

PIN

Personal identification number used to access or log in to an unemployment claim.

PUA

Pandemic Unemployment Assistance provides up to 79 weeks of unemployment benefits to workers impacted by COVID-19 who would not otherwise be eligible for regular unemployment compensation. PUA benefits provide flexibility to include individuals who are self-employed, work in non-covered employment, or do not have sufficient base-period wages to qualify for a claim.

Quarter (or Calendar Quarter)

The year is comprised of four three-month periods. These three-month periods are called a quarter. Calendar quarters are as follows: January to March, April to June, July to September, October to December.

Rank

Rankings are from highest to lowest for a particular item. Ties receive the same rank.

Reciency Rate

The insured unemployed in regular programs as a percent of total unemployed.

SCUF

The Service Capacity Upgrade Fund was enacted by the Kentucky General Assembly in 2018. Contribution rates are reduced by .075%. That reduction diverts contributions that would have been applied to employer reserve accounts to SCUF. It is effective for five years or until the fund reaches \$60 million.

State Average Unemployment Rate*

The seasonal adjusted statewide unemployment rate that applies to a six-month period (January 1st and July 1st). Those lookback dates provides the average rate for the preceding months. *United States Department of Labor, Bureau of Labor Statistics

State Revenue

Funds deposited in state accounts in the Unemployment Trust Fund. These revenues pay state UI benefits and the state share of EB. (ETA 2112)

Subject Employers

The number of employers subject to UI taxes. (ETA 581)

Tax Year

The 12-month period in which a state's tax rate schedules and taxable wage base remain constant.

Taxable Wages

Wages paid to covered employees that are subject to state UI taxes. (ES 202)

Taxable Wage Base

For each state, the maximum amount of wages paid to an employee by an employer during a tax year, which are subject to UI taxes. Wages above this amount are not subject to tax.

Total Unemployed

The average number of individuals, 16 years of age or older, who do not have a job but are available for work and actively seeking work in the week of the 12th for the three months of the quarter. This includes individuals on layoff and waiting to report to a new job within 30 days.

Total Unemployment Rate

The rate computed by dividing total unemployed (TUR) by the civilian labor force. (Bureau of Labor Statistics)

Total Wages

All wages or remuneration paid to workers on all payrolls covered by unemployment insurance. (ES 202)

Total Wages (Taxable Employers)

All wages or remuneration paid to workers by all taxable employers. (ES 202)

Trust Fund Balance

The balance in the individual state account in the UI Trust Fund. (Unpublished US Treasury reports)

UCFE

Unemployment compensation for federal civilian employees.

UCX

Unemployment compensation for ex-service members.