



**Andy Beshear**  
GOVERNOR

## EDUCATION AND LABOR CABINET

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Frankfort, Kentucky 40601  
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**Jamie Link**  
SECRETARY

July 2, 2024

Jay Hartz, Director  
Legislative Research Commission  
700 Capital Ave  
Frankfort, Kentucky 40601

### **Re: Unemployment Insurance Report – Third Quarter 2024**

Dear Mr. Hartz:

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 remained solvent since July 22, 2021, when the Title XII advances in the amount of \$505,731,673.91 were repaid utilizing funds set aside in Kentucky House Bill 382 passed during the 2021 legislative session. No federal advances are projected to be needed during the remainder of calendar year 2024.

#### **B. Status of Unemployment Insurance Fund**

The Kentucky Unemployment Insurance Trust Fund is currently at an all-time high, exceeding \$1 billion in May 2024. Quarterly employer contribution payments during calendar year 2024 are expected to exceed \$305 million, with an average employer contribution rate of 1.49% paid on a worker's first \$11,400 of wages. Benefit payments to claimants are estimated to be just under \$165 million during 2024, with the expected average weekly benefit paid to claimants at \$487.62.

The employer contribution rate schedule will remain on schedule A, which is the lowest rate schedule, if the trust fund balance exceeds \$500 million as of September 30 of each year. The current maximum weekly benefit amount will be reviewed in June 2024 as per KRS 341.380(3). The current maximum weekly benefit amount is \$665 and is anticipated to increase to \$685 on July 7, 2024.


### **C. Surcharge**

KRS 341.614 requires a surcharge be paid by subject contributing employers for any year there are insufficient funds in the unemployment compensation administrative fund for the payment of interest on advances under Title XII of the Social Security Act or for the repayment of money, including interest thereon, received from any source related to the payment of interest on such advances. The surcharge was last assessed on Kentucky employers during the 2<sup>nd</sup> 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 2023. Since there are no current federal Title XII advances, no credit reductions will occur during calendar year 2024. If eligible under federal law, KRS 341.595(2) requires an application to obtain a cap on the federal unemployment tax credit reduction. No application for cap efforts is needed at this time.

Respectfully,

A handwritten signature in black ink, appearing to read "J. Link", is positioned above the typed name.

Jamie Link, Secretary  
Kentucky Education and Labor Cabinet