



## EDUCATION AND LABOR CABINET

**Andy Beshear**  
Governor

**Jacqueline Coleman**  
Lieutenant Governor

Mayo-Underwood Building  
500 Mero Street, 3<sup>rd</sup> Floor  
Frankfort, KY 40601  
Telephone: (502) 564-3070  
Fax: (502) 564-5387

**Jamie Link**  
Secretary

**Sam Flynn**  
Chief of Staff

April 5, 2023

*Via Electronic Mail*

Hon. Jason Petrie, Co-Chair  
Hon. Chris McDaniel, Co-Chair  
Interim Joint Committee on Appropriations and Revenue  
Hon. Russell Webber, Co-Chair  
Interim Joint Committee on Economic Development and Workforce Investment  
Legislature Research Commission  
Frankfort, Kentucky 40601

*Courtesy of*

Jennifer Hays

[Jennifer.Hays@lrc.ky.gov](mailto:Jennifer.Hays@lrc.ky.gov)

Janine Coy

[Janine.Coy@lrc.ky.gov](mailto:Janine.Coy@lrc.ky.gov)

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

Dear Representatives:

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 paid off, 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 2023.

**B. Status of Unemployment Insurance Fund**

The Kentucky Unemployment Insurance Trust Fund ended the fourth quarter of 2022 with a balance of \$751,415,055.75. Quarterly employer contribution payments made

during calendar year 2022, in addition to the \$242 million set aside in Kentucky House Bill 144 during the 2022 legislative session, returned the Trust Fund back to pre-COVID funding levels. The current Trust Fund balance sustained the unemployment system throughout 2022 calendar year and the near future, barring any significant economic downturn. In addition, per KRS 341.270(3), the trust fund balance as of September 30 of the preceding year determines the employer contribution rate schedule for the following year.

**C. Surcharge**

No surcharge assessment was due because there was no outstanding federal advance. A surcharge was last assessed to Kentucky employers during the 2nd quarter of 2016.

**D. Cap Efforts**

During 2021, Kentucky employers were not assessed any Federal Unemployment Tax Act (FUTA) credit reductions on their IRS form 940. Since there are no current federal Title XII advances, no credit reductions will occur during calendar year 2023. 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,



Jamie Link, Secretary  
Kentucky Education and Labor Cabinet