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SECRETARY

October 29, 2024

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

Re: Unemployment Insurance Report – Fourth Quarter Ending June 30, 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 is solvent and has remained so since July 22, 2021. The most recent Title XII advance in the amount of \$505,731,673.91 was repaid using the funds set aside for that purpose by House Bill 382 enacted during the 2021 legislative session. As previously reported, no federal advances are projected to be needed during the remaining months of the 2024 calendar year.

B. Status of Unemployment Insurance Trust Fund

The Kentucky Unemployment Insurance Trust Fund cash balance stood at \$1,001,004,888 at the close of the fourth quarter of 2024, after a beginning balance of \$810,638,146. The maximum weekly benefit amount was \$665 during this period, increasing to \$694 effective July 7, 2024, in accordance with KRS 341.380(3). The average weekly benefit amount was \$483.77 at the start of the quarter and the average number of benefit weeks claimed was 10.

The average employer contribution rate for the quarter was 1.55%. The employer contribution rate is currently on Schedule A in accordance with KRS 341.270. The civilian labor force surpassed two million employed within the fourth quarter.

C. Surcharge

The surcharge was last assessed on Kentucky employers in 2016 and there were no changes during the fourth quarter of 2024. KRS 341.614 requires a surcharge be paid by employers that are subject to unemployment insurance contributions for any year there are insufficient funds in the unemployment compensation administrative fund for the payment of interest on advances in accordance with 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.

D. Cap Efforts

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. There are no federal Title XII advances currently, therefore, no credit reductions will occur for the 2024 calendar year.