**787 KAR 1:270. Covered employment.**

RELATES TO: KRS 341.050, 341.055
STATUTORY AUTHORITY: KRS 151B.020, 341.115
NECESSITY, FUNCTION, AND CONFORMITY: KRS 341.115(1) authorizes the secretary to promulgate administrative regulations necessary to administer KRS Chapter 341. KRS 341.050 and 341.055 define covered and noncovered employment. This administrative regulation establishes conditions affecting covered or noncovered employment in corporations or within families.

Section 1. Service by Officers, Directors, or Stockholders of Corporations.
(1) An officer of a corporation shall be presumed to be in covered employment if, under the corporation's charter, bylaws, or minutes, he is required to perform some service, whether or not the service is actually performed.
(2) Any stockholder, director, or officer who received remuneration in the form of a salary or wages shall be presumed to be in covered employment whether or not services are actually performed if the salary or wages are carried on the corporation payroll records or provided for in its bylaws or minutes.
(3) Any director of a corporation who perform no other service for the corporation other than to attend a directors' meeting shall not be in covered employment.

Section 2. Family Exempt Employment. (1) In a partnership, noncoverage shall occur if there is an exempt relationship as defined in KRS 341.055(7) between the worker and each partner.
(2) A stepchild under age twenty-one (21) who is employed by his stepparent shall bear the same family exempt relationship as that of a natural or adopted child, if the stepparent claims him as an exemption on federal and state income tax returns. (22 Ky.R. 490; Am. 911; eff. 11-6-95; 33 Ky.R. 2198; 3191; eff. 5-4-2007; Crt eff. 2-24-2020.)