

**787 KAR 1:320. Priority of deductions from benefits.**

RELATES TO: KRS 341.390, 341.392, 341.395, 341.415, 26 U.S.C. 3304

STATUTORY AUTHORITY: KRS 151B.020(6), 341.115, 341.395(4)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 341.395(4) provides that amounts shall be deducted and withheld from unemployment benefit payments in accordance with priorities established in an administrative regulation by the secretary. 26 U.S.C. 3304 requires that federal individual income tax from unemployment compensation be deducted and withheld if an individual receiving this compensation voluntarily requests the deduction and withholding. This administrative regulation establishes the priority of deductions from benefits.

Section 1. If deductions and withholding from benefit payments are required under more than one (1) statute or for more than one (1) purpose, the priority for deduction shall be as follows:

- (1) Deduction of wages, remuneration in lieu of notice, and pension compensation as required under KRS 341.390;
- (2) Deduction for recoupment of a previous overpayment as required under KRS 341.415;
- (3) Child support obligations as required under KRS 341.392;
- (4) Any other mandatory deduction imposed under a federal or Kentucky statute or administrative regulation; and
- (5) Voluntary withholding of income tax requested by a claimant as provided:
  - (a) Under KRS 341.395 for federal income tax; or
  - (b) Under 103 KAR 18:070 for state income tax.

(23 Ky.R. 2903; 3355; eff. 2-25-97; 37 Ky.R. 1051; 1433; eff. 1-3-2011; Crt eff. 2-24-2020.)