

336.240 Requirement to maintain positive working capital or provide a bond, irrevocable letter of credit, or securities.

Except as provided in KRS 336.236, each professional employer organization or collectively each professional employer organization group shall either:

- (1) Maintain positive working capital as indicated by current assets minus current liabilities and defined by generally accepted accounting principles at registration as reflected in the financial statements submitted to the Department of Workers' Claims with the initial registration or with each annual renewal registration; or
- (2) Provide a bond, irrevocable letter of credit, or securities with a minimum market value equaling the deficiency plus one hundred thousand dollars (\$100,000) to the Department of Workers' Claims if the professional employer organization or professional employer organization group does not have positive working capital. The bond shall be held by a depository designated by the Department of Workers' Claims, securing payment by the professional employer organization of all taxes, wages, benefits, or other entitlement due to or with respect to covered employees should the professional employer organization fail to make payments when due.

Effective: June 29, 2023

History: Amended 2023 Ky. Acts ch. 88, sec. 3, effective June 29, 2023. -- Created 2022 Ky. Acts ch. 50, sec. 6, effective July 14, 2022.