

341.127 Reports by cabinet.

- (1) By December 1, 2021, and annually thereafter until December 1, 2025, the cabinet shall report to the Governor and the Interim Joint Committee on Economic Development and Workforce Investment:
 - (a) The status of the unemployment trust fund, including any federal advances required for trust fund solvency;
 - (b) The average claim duration for individuals receiving unemployment benefits; and
 - (c) The average weekly wage for individuals receiving unemployment benefits.
- (2) By December 1, 2021, the cabinet shall report to the Governor and the Interim Joint Committee on Economic Development and Workforce Investment a review of the amount of wages subject to tax. The review shall include:
 - (a) An analysis of the equitable treatment of employers based on the amount of wages subject to tax;
 - (b) A comparison of the percentage of wages subject to tax for small, medium, and large businesses; and
 - (c) Examples of how changes to the amount of wages subject to tax would impact trust fund balances and employer contributions.
- (3) By December 1, 2022, and annually thereafter until December 1, 2025, the cabinet shall report to the Governor and the Interim Joint Committee on Economic Development and Workforce Investment and provide analysis of the impact of the shared work benefits described in KRS 341.4161 to 341.4173, the unemployment trust fund, and unemployment insurance taxes paid by employers.
- (4) By December 1, 2023, the cabinet shall report to the Governor and the Interim Joint Committee on Economic Development and Workforce Investment a review of potential changes to the computation of employer contribution rates and how these changes could affect employer contribution rates and the unemployment insurance trust fund. Potential changes considered in the analysis shall include:
 - (a) Setting the number of consecutive calendar quarters for a new employer to receive his or her own unique experience rating at four (4) consecutive calendar quarters under KRS 341.270 and 341.272;
 - (b) Changing the computation of the "reserve ratio" formula in KRS 341.270(5)(c) to include an annual average of taxable payrolls of twelve (12) consecutive calendar quarters;
 - (c) Making any amendments to the rate schedule table in KRS 341.270 based on changes listed in paragraphs (a) and (b) of this subsection to ensure unemployment insurance trust fund sustainability;
 - (d) Charging benefits to employers in proportion to base period wages rather than that of the most recent employer;
 - (e) Indexing the unemployment insurance trust fund balance computations in KRS 341.270(3) to inflation and making annual adjustments thereafter; and
 - (f) Indexing the taxable wage base to inflation and making annual adjustments thereafter, pursuant to KRS 341.030.

(5) This section expires on January 31, 2026.

Effective: July 1, 2023

History: Amended 2023 Ky. Acts ch. 80, sec. 5, effective July 1, 2023. -- Amended 2022 Ky. Acts ch. 21, sec. 21, effective January 1, 2023. -- Created 2021 Ky. Acts ch. 177, sec. 1, effective April 1, 2021.

Legislative Research Commission Note (1/1/2023). 2022 Ky. Acts ch. 21, sec. 26, provides that the Act, which amended this statute, may be cited as the Unemployment Insurance Sustainability Act of 2022.