

1 AN ACT relating to unemployment insurance.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 341 IS CREATED TO
4 READ AS FOLLOWS:

5 *(1) By December 1, 2021, and annually thereafter until December 1, 2025, the*
6 *cabinet shall report to the Governor and the Interim Joint Committee on*
7 *Economic Development and Workforce Investment:*

8 *(a) The status of the unemployment trust fund, including any federal advances*
9 *required for trust fund solvency;*

10 *(b) The average claim duration for individuals receiving unemployment*
11 *benefits; and*

12 *(c) The average weekly wage for individuals receiving unemployment benefits.*

13 *(2) By December 1, 2021, the cabinet shall report to the Governor and the Interim*
14 *Joint Committee on Economic Development and Workforce Investment a review*
15 *of the amount of wages subject to tax. The review shall include:*

16 *(a) An analysis of the equitable treatment of employers based on the amount of*
17 *wages subject to tax;*

18 *(b) A comparison of the percentage of wages subject to tax for small, medium,*
19 *and large businesses; and*

20 *(c) Examples of how changes to the amount of wages subject to tax would*
21 *impact trust fund balances and employer contributions.*

22 *(3) This section expires on January 31, 2026.*

23 ➔Section 2. KRS 341.030 is amended to read as follows:

24 (1) As used in this chapter, unless the context clearly requires otherwise, and except as
25 provided in subsections (2) to (7) of this section, "wages" means all remuneration
26 for services, including commissions, bonuses, and, except for services performed in
27 agriculture and domestic employment, the cash value of all remuneration in any

1 medium other than cash. The reasonable cash value of remuneration in any medium
2 other than cash shall be estimated and determined in accordance with rules
3 prescribed by the commission.

4 (2) Amounts paid to traveling salesmen or other workers as allowance or
5 reimbursement for traveling or other expenses, incurred on the business of the
6 employing unit, constitute wages only to the extent of the excess of the amounts
7 over the expenses actually incurred and accounted for by the worker to his
8 employer; provided, however, that the cash value of meals and lodging when
9 furnished to the worker for the convenience of the employer shall not constitute
10 wages.

11 (3) For purposes of this chapter, the term "wages" includes tips which are:

12 (a) Received while performing services which constitute employment;

13 (b) Included in a written statement furnished to the employer pursuant to Section
14 6053(a) of the Internal Revenue Code; and

15 (c) Shall be treated as having been paid by the employing unit.

16 (4) "Wages" does not include the amount of any payment made to, or on behalf of, a
17 worker under a plan or system established by an employing unit that makes
18 provision for its workers generally or for a class of its workers, including any
19 amount paid by an employing unit for insurance or annuities, or into a fund, to
20 provide for any such payment, on account of:

21 (a) Retirement;

22 (b) Sickness or accident disability but, in the case of payments made to an
23 employee or any of his dependents, this subsection shall exclude from the
24 term "wages" only payments which are received under a workers'
25 compensation law;

26 (c) Medical and hospitalization expenses in connection with accident or sickness
27 disability; or

- 1 (d) Death, if the worker has not:
- 2 1. The option to receive, instead of provision for the death benefit, any part
- 3 of the payment, or if the death benefit is insured, any part of the
- 4 premiums or contributions to premiums paid by his employing unit; and
- 5 2. The right, under the provisions of the plan or system or policy of
- 6 insurance providing for the death benefit, to assign the benefit, or to
- 7 receive a cash consideration in lieu of it either upon his withdrawal from
- 8 the plan or system providing for the benefit or upon termination of the
- 9 plan or system or policy of insurance or of his employment with his
- 10 employing unit.
- 11 (5) "Wages" does not include any payment on account of sickness or accident
- 12 disability, or medical or hospitalization expenses in connection with sickness or
- 13 accident disability, made by an employer to, or on behalf of, an employee after the
- 14 expiration of six (6) calendar months following the last calendar month in which the
- 15 employee worked for the employer.
- 16 (6) "Wages" does not include the amount of any payment made by an employing unit
- 17 without deduction from the remuneration of the worker of the tax imposed under
- 18 Section 3101 of the Internal Revenue Code or any payment required from an
- 19 employer under a state unemployment compensation law with respect to
- 20 remuneration paid to an employee for domestic service in a private home of the
- 21 employer or for agricultural labor.
- 22 (7) (a) "Wages" does not, for the purposes of KRS 341.260 to 341.310, include that
- 23 part of remuneration which, after wages equal to eight thousand dollars
- 24 (\$8,000) have been paid in a calendar year to a worker by a subject employer
- 25 or his predecessor with respect to covered employment during any calendar
- 26 year, is paid to the worker by the subject employer during the calendar year
- 27 unless that part of the wages is subject to a tax under a federal law, imposing a

1 tax against which credit may be taken for contributions required to be paid
2 into a state unemployment fund. On January 1, 2012, the amount of eight
3 thousand dollars (\$8,000) in this subsection shall increase to nine thousand
4 dollars (\$9,000), which shall increase by an additional three hundred dollars
5 (\$300) on January 1 of each subsequent year, unless limited by paragraph (b)
6 or (c) of this subsection, not to exceed twelve thousand dollars (\$12,000). For
7 the purpose of this subsection, the term "covered employment" shall include
8 service constituting covered employment under any unemployment
9 compensation law of another state.

10 (b) If the trust fund balance on September 30 of a calendar year equals or exceeds
11 two hundred million dollars (\$200,000,000), the taxable wage base amount in
12 effect at that time shall not increase on January 1 of the next calendar year or
13 on January 1 of subsequent calendar years, except as provided in paragraphs
14 (c) and (e) of this subsection.

15 (c) If the trust fund balance on September 30 of a calendar year equals or exceeds
16 two hundred million dollars (\$200,000,000), but is twenty million dollars
17 (\$20,000,000) or less lower than the trust fund balance amount that would
18 trigger in a lower schedule of contribution rates under KRS 341.270, the
19 taxable wage base shall increase by three hundred dollars (\$300) on January 1
20 of the next calendar year and that taxable wage base amount shall be the
21 taxable wage base amount in effect for subsequent calendar years, subject to
22 the limitations in paragraph (d) of this subsection.

23 (d) The total number of years that the increase in the taxable wage base shall be
24 prohibited or limited under paragraph (b) or (c) of this subsection shall not
25 exceed the total number of years that contributing employers paid additional
26 federal unemployment taxes because of a reduction in the credit against the
27 federal unemployment tax established in 26 U.S.C. sec. 3302 beginning in

1 2011.

2 (e) If the taxable wage base on January 1 of the calendar year immediately
3 following the last year the increase in the taxable wage base was prohibited or
4 limited under this subsection is less than twelve thousand dollars (\$12,000),
5 the taxable wage base amount shall be increased by three hundred dollars
6 (\$300), and by an additional three hundred dollars (\$300) on January 1 of each
7 subsequent calendar year until the taxable wage base amount reaches twelve
8 thousand dollars (\$12,000).

9 (f) Notwithstanding paragraphs (b) and (c) of this subsection, if the trust fund
10 balance is less than two hundred million dollars (\$200,000,000) on September
11 30 of a calendar year, the suspension of the taxable wage base increase shall
12 not occur.

13 (g) Notwithstanding any other provision of this subsection, any increase in the
14 maximum weekly benefit rate which otherwise would have occurred except
15 for the suspension of the taxable wage base increase shall be implemented in
16 accordance with the provisions of this chapter.

17 (h) The provisions of this subsection shall apply unless the United States
18 Department of Labor notifies the secretary that implementation of this
19 subsection would result in decertification of Kentucky's unemployment
20 insurance program, impact any cap application, affect the receipt of
21 emergency unemployment compensation funds, create an ineligibility for
22 receipt of federal funds, or result in other penalties or sanctions under the
23 Social Security Act or Federal Unemployment Tax Act, 26 U.S.C. secs. 3301
24 et seq.

25 (i) *Notwithstanding any other provisions of this chapter, for the calendar years*
26 *2021 and 2022 the taxable wage base increase shall be suspended and the*
27 *taxable wage base in effect for the calendar year 2020 shall be utilized.*

1 ➔Section 3. KRS 341.270 is amended to read as follows:

- 2 (1) Except as otherwise provided in this section, each employer's contribution rate shall
3 be three percent (3%). Effective for employers who become subject to this chapter
4 on or after January 1, 1999, except as otherwise provided in this section, each
5 employer's contribution rate shall be two and seven-tenths percent (2.7%).
- 6 (2) Except as otherwise provided in this section, no subject employer's contribution rate
7 shall be less than two and seven-tenths percent (2.7%), unless he has been an
8 employer subject to the provisions of this chapter for twelve (12) consecutive
9 calendar quarters ended as of the computation date. In any calendar year in which
10 the rate schedule prescribed in paragraph (3)(a) of this section is in effect, no
11 subject employer who was assigned an entry rate of three percent (3.0%) under the
12 provisions of subsection (1) of this section prior to January 1, 1999, shall have a
13 contribution rate less than two and eight hundred fifty-seven thousandths percent
14 (2.857%), unless subject to this chapter for the minimum time period specified
15 above.
- 16 (3) For the calendar year 2001 and each calendar year thereafter, employer contribution
17 rates shall be determined in accordance with "Table A" set out in subsection (4) of
18 this section. For each calendar year, the secretary shall determine the rate schedule
19 to be in effect based upon the "trust fund balance" as of September 30 of the
20 preceding year. If the "trust fund balance":
- 21 (a) Equals or exceeds one and eighteen hundredths percent (1.18%) of the total
22 wages paid in covered employment in the state during the state fiscal year
23 ended as of June 30 of that year, the rates listed in the "Trust Fund Adequacy
24 Rates" schedule of "Table A" shall be in effect;
- 25 (b) Equals or exceeds five hundred million dollars (\$500,000,000) but is less than
26 the amount required to effectuate the "Trust Fund Adequacy Rates" schedule
27 as provided in paragraph (a) of this subsection, the rates listed in "Schedule

- 1 A" of "Table A" shall be in effect;
- 2 (c) Equals or exceeds three hundred fifty million dollars (\$350,000,000) but is
- 3 less than five hundred million dollars (\$500,000,000), the rates listed in
- 4 "Schedule B" of "Table A" shall be in effect;
- 5 (d) Equals or exceeds two hundred fifty million dollars (\$250,000,000) but is less
- 6 than three hundred fifty million dollars (\$350,000,000), the rates listed in
- 7 "Schedule C" of "Table A" shall be in effect;
- 8 (e) Equals or exceeds one hundred fifty million dollars (\$150,000,000) but is less
- 9 than two hundred fifty million dollars (\$250,000,000), the rates listed in
- 10 "Schedule D" of "Table A" shall be in effect; and
- 11 (f) Is less than one hundred fifty million dollars (\$150,000,000), the rates listed in
- 12 "Schedule E" of "Table A" shall be in effect.
- 13 (4) For the calendar year 1982 and each calendar year thereafter, contribution rates shall
- 14 be determined upon the basis of an individual employer's reserve ratio as of the
- 15 computation date and the schedule of rates established under subsection (3) of this
- 16 section. Except as otherwise provided in this section, the contribution rate for each
- 17 subject employer for the calendar year immediately following the computation date
- 18 shall be the rate in that "Schedule" of "Table A," as set out below, effective with
- 19 respect to the calendar year, which appears on the same line as his reserve ratio as
- 20 shown in the "Employer Reserve Ratio" column of the same table.

TABLE A

Rate Schedule

| | | | | | | | |
|----|----------|-------|----------|---|---|---|---|
| 23 | Employer | Trust | A | B | C | D | E |
| 24 | Reserve | Fund | | | | | |
| 25 | Ratio | | Adequacy | | | | |
| 26 | | | Rates | | | | |
| 27 | 8.0% and | | | | | | |

| | | | | | | | |
|----|-------------|--------|-------|-------|-------|-------|-------|
| 1 | over | 0.000% | 0.30% | 0.40% | 0.50% | 0.60% | 1.00% |
| 2 | 7.0% but | | | | | | |
| 3 | under 8.0% | 0.000% | 0.40% | 0.50% | 0.60% | 0.80% | 1.05% |
| 4 | 6.0% but | | | | | | |
| 5 | under 7.0% | 0.008% | 0.50% | 0.60% | 0.70% | 0.90% | 1.10% |
| 6 | 5.0% but | | | | | | |
| 7 | under 6.0% | 0.208% | 0.70% | 0.80% | 1.00% | 1.20% | 1.40% |
| 8 | 4.6% but | | | | | | |
| 9 | under 5.0% | 0.508% | 1.00% | 1.20% | 1.40% | 1.60% | 1.80% |
| 10 | 4.2% but | | | | | | |
| 11 | under 4.6% | 0.808% | 1.30% | 1.50% | 1.80% | 2.10% | 2.30% |
| 12 | 3.9% but | | | | | | |
| 13 | under 4.2% | 1.008% | 1.50% | 1.70% | 2.20% | 2.40% | 2.70% |
| 14 | 3.6% but | | | | | | |
| 15 | under 3.9% | 1.308% | 1.80% | 1.80% | 2.40% | 2.60% | 3.00% |
| 16 | 3.2% but | | | | | | |
| 17 | under 3.6% | 1.508% | 2.00% | 2.10% | 2.50% | 2.70% | 3.10% |
| 18 | 2.7% but | | | | | | |
| 19 | under 3.2% | 1.608% | 2.10% | 2.30% | 2.60% | 2.80% | 3.20% |
| 20 | 2.0% but | | | | | | |
| 21 | under 2.7% | 1.708% | 2.20% | 2.50% | 2.70% | 2.90% | 3.30% |
| 22 | 1.3% but | | | | | | |
| 23 | under 2.0% | 1.808% | 2.30% | 2.60% | 2.80% | 3.00% | 3.40% |
| 24 | 0.0% but | | | | | | |
| 25 | under 1.3% | 1.908% | 2.40% | 2.70% | 2.90% | 3.10% | 3.50% |
| 26 | -0.5% but | | | | | | |
| 27 | under -0.0% | 6.500% | 6.50% | 6.75% | 7.00% | 7.25% | 7.50% |

| | | | | | | | |
|----|-------------|--------|-------|-------|-------|-------|--------|
| 1 | -1.0% but | | | | | | |
| 2 | under -0.5% | 6.750% | 6.75% | 7.00% | 7.25% | 7.50% | 7.75% |
| 3 | -1.5% but | | | | | | |
| 4 | under -1.0% | 7.000% | 7.00% | 7.25% | 7.50% | 7.75% | 8.00% |
| 5 | -2.0% but | | | | | | |
| 6 | under -1.5% | 7.250% | 7.25% | 7.50% | 7.75% | 8.00% | 8.25% |
| 7 | -3.0% but | | | | | | |
| 8 | under -2.0% | 7.500% | 7.50% | 7.75% | 8.00% | 8.25% | 8.50% |
| 9 | -4.0% but | | | | | | |
| 10 | under -3.0% | 7.750% | 7.75% | 8.00% | 8.25% | 8.50% | 8.75% |
| 11 | -6.0% but | | | | | | |
| 12 | under -4.0% | 8.250% | 8.25% | 8.50% | 8.75% | 9.00% | 9.25% |
| 13 | -8.0% but | | | | | | |
| 14 | under -6.0% | 8.500% | 8.50% | 8.75% | 9.00% | 9.25% | 9.50% |
| 15 | Less | | | | | | |
| 16 | than -8.0%. | 9.000% | 9.00% | 9.25% | 9.50% | 9.75% | 10.00% |

17 (5) As used in this section and elsewhere in this chapter, unless the context clearly
 18 requires otherwise:

19 (a) "Trust fund balance" means the amount of money in the unemployment
 20 insurance fund, less any unpaid advances made to the state under Section 1201
 21 of the Social Security Act. In determining the amount in the fund as of a given
 22 date all money received by the Office of Unemployment Insurance,
 23 Department of Workforce Investment, on that date shall be considered as
 24 being in the fund on that date;

25 (b) "Total wages" means all remuneration for services, as defined in KRS
 26 341.030(1) to (7), paid by subject employers;

27 (c) An employer's "reserve ratio" means the percentage ratio of his reserve

1 account balance as of the computation date to his taxable payrolls for the
2 twelve (12) consecutive calendar quarters ended as of June 30 immediately
3 preceding the computation date;

4 (d) For the purposes of this section, an employer's "reserve account balance"
5 means the amount of contributions credited to his reserve account as of the
6 computation date, less the benefit charges through June 30 immediately
7 preceding the computation date. If benefits charged to an account exceed
8 contributions credited to the account, the account shall be considered as
9 having a debit balance and a reserve ratio of "less than zero"; and

10 (e) "Computation date" is July 31 of each calendar year prior to the effective date
11 of new rates of contributions.

12 **(6) Notwithstanding any other provisions of this chapter, for the calendar years 2021**
13 **and 2022, the employer contribution rates shall be determined using the rates**
14 **listed in Schedule A of Table A.**

15 ➔Section 4. KRS 341.530 is amended to read as follows:

16 (1) The Office of Unemployment Insurance, Department of Workforce Investment,
17 shall maintain a reserve account for each subject employer making contributions to
18 the fund and a reimbursing employer account for each subject employer making
19 payment in lieu of contributions, and shall, except as provided in KRS 341.590,
20 credit to such account the total amount of all contributions or benefit reimbursement
21 paid by the employer on his own behalf. Nothing in this section or elsewhere in this
22 chapter shall be construed to grant any employer or individual who is or was in his
23 employ prior claims or rights to the amounts paid by him into the fund.

24 (2) Except as provided in subsection (3) of this section, all regular benefits paid to an
25 eligible worker in accordance with KRS 341.380 plus the extended benefits paid in
26 accordance with KRS 341.700 to 341.740, subject to the provisions of paragraphs
27 (a) and (b) of this subsection, shall be charged against the reserve account or

1 reimbursing employer account of his most recent employer. No employer shall be
2 deemed to be the most recent employer unless the eligible worker to whom benefits
3 are payable shall have worked for such employer in each of ten (10) weeks whether
4 or not consecutive back to the beginning of the worker's base period.

5 (a) Subject employers, which are not governmental entities as defined in KRS
6 341.069, shall be charged one-half (1/2) of the extended benefits paid in
7 accordance with KRS 341.700 to 341.740; and

8 (b) Subject employers which are governmental entities, as defined in KRS
9 341.069, shall be charged for all extended benefits paid in accordance with
10 KRS 341.700 to 341.740 for compensable weeks occurring on or after January
11 1, 1979, and for one-half (1/2) of the extended benefits paid for compensable
12 weeks occurring prior to such date.

13 (3) Notwithstanding the provisions of subsection (2) of this section, benefits paid to an
14 eligible worker and chargeable to a contributing employer's reserve account under
15 such subsection shall be charged against the pooled account if such worker was
16 discharged by such employer for misconduct connected with his most recent work
17 for such employer, voluntarily left his most recent work with such employer without
18 good cause attributable to the employment, or the employer has continued to
19 provide part-time employment and wages, without interruption, to the same extent
20 that was provided from the date of hire, and the employer within a reasonable time,
21 as prescribed by regulation of the secretary, notifies the office, in writing, of the
22 alleged voluntary quitting, discharge for misconduct or continuing part-time
23 employment; provided, however, that no employer making payments to the fund in
24 lieu of contributions shall be relieved of charges by reason of this subsection.

25 (4) Notwithstanding the provisions of subsection (3) of this section, no contributing
26 employer's reserve account shall be relieved of any charges for benefits relating to
27 an improper benefit payment to a worker established after October 21, 2013, if:

- 1 (a) The improper benefit payment was made because the employer, or an agent of
2 the employer, was at fault for failing to respond timely or adequately to the
3 request of the secretary for information relating to a claim for benefits; and
- 4 (b) The employer, or an agent of the employer, has a pattern of failing to respond
5 timely or adequately to requests under paragraph (a) of this subsection. For
6 purposes of this paragraph, a "pattern of failing" means at least six (6) failures
7 occur in a calendar year or the failure to respond to two percent (2%) of such
8 requests in a calendar year, whichever is greater.
- 9 (5) Any determination under subsection (4) of this section shall be transmitted to the
10 last known physical or electronic address provided by the employer and may be
11 appealed in accordance with the provisions of KRS 341.420(2).
- 12 (6) Each subject employer's reserve account or reimbursing account shall, unless
13 terminated as of the computation date (as defined in subsection (5) of KRS
14 341.270), be charged with all benefits paid to eligible workers which are chargeable
15 to such reserve account or reimbursing account under subsection (2) of this section.
16 A subject employer's reserve account or reimbursing account shall be deemed to be
17 terminated if he has ceased to be subject to this chapter, and his account has been
18 closed and any balance remaining therein has been transferred to the fund's pooled
19 account or to a successor's account as provided in KRS 341.540 or has been
20 refunded if the employer is a reimbursing employer.
- 21 (7) Notwithstanding subsection (1) of this section, two (2) or more nonprofit Internal
22 Revenue Code sec. 501(c)(3) organizations may jointly request the secretary to
23 establish a group reserve account or reimbursing account for such nonprofit
24 organizations. Two (2) or more governmental entities may jointly request the
25 secretary to establish a group reserve account or reimbursing account, and once
26 established, such account shall remain in effect at least two (2) calendar years and
27 thereafter until either dissolved at the discretion of the secretary or upon filing

1 application for dissolution by the group members. Each member of a group shall be
2 jointly and severally liable for all payments due under this chapter from each or all
3 of such group members. The secretary shall prescribe such procedures as he deems
4 necessary for the establishment, maintenance, and dissolution of a group reserve
5 account or reimbursing account.

6 (8) Any subject contributing employer may at any time on or before December 31,
7 2011, make voluntary payments to the fund, additional to the contributions required
8 under KRS 341.260 and 341.270. Effective January 1, 2012, any subject
9 contributing employer with a negative reserve account balance may make voluntary
10 payments to the fund every other calendar year, in addition to the contributions
11 required under KRS 341.260 and 341.270. Notwithstanding any other provision of
12 this chapter, contributions paid on or before the computation date and voluntary
13 payments made within twenty (20) days following the mailing of notices of new
14 rates shall be credited to an employer's reserve account as of the computation date,
15 provided no voluntary payments shall be used in computing an employer's rate
16 unless the payment is made prior to the expiration of one hundred and twenty (120)
17 days after the beginning of the year for which the rate is effective. Voluntary
18 payments by any employer shall not exceed any negative balance they may have in
19 their reserve account as of the computation date. Any employer who is delinquent in
20 the payment of contributions, penalties, or interest as of the computation date shall
21 be entitled to make voluntary payments only after the amount of the delinquency is
22 paid in full.

23 **(9) Notwithstanding any other provisions of this chapter, any benefits paid to an**
24 **eligible worker for reasons related to a state or federal state of emergency or**
25 **disaster declaration shall be paid from the pooled account provided in KRS**
26 **341.550 and not from the reserve account of the employer of that individual. The**
27 **reserve account shall not be charged for benefits related to a state of emergency**

1 or disaster declaration. Payments shall be accounted for separately to allow the
2 secretary to seek reimbursement from the federal government.

3 ➔Section 5. KRS 341.614 is amended to read as follows:

4 (1) Effective January 1, 2014, there shall be a surcharge upon all subject contributing
5 employers for any year there are insufficient funds in the unemployment
6 compensation administration fund for the payment of interest on advances under
7 Title XII of the Social Security Act or for the repayment of money, including any
8 interest thereon, received from any source related to the payment of interest on such
9 advances.

10 (2) (a) The surcharge shall be twenty-two hundredths of one percent (0.22%) of the
11 first nine thousand six hundred dollars (\$9,600) in wages paid to each worker
12 by a subject contributing employer or his predecessor with respect to covered
13 employment during any calendar year.

14 (b) Effective January 1, 2015, and each calendar year thereafter, the secretary
15 shall adjust the surcharge percentage rate based on any increase to the taxable
16 wage base for that calendar year as provided in KRS 341.030(7). The purpose
17 of the adjustment shall be to maintain costs per worker comparable to the
18 original surcharge. Any reduction in the surcharge percentage rate shall
19 correspond to the increase to the taxable wage base for that calendar year and
20 shall be rounded up to the nearest one-hundredth of one percent (0.01%).

21 (c) Notwithstanding paragraph (b) of this subsection, the secretary may reduce the
22 surcharge percentage rate or suspend the surcharge for any calendar year based
23 on the balance of the unemployment insurance interest payment fund and the
24 projected amount due for interest on advances under Title XII of the Social
25 Security Act and for repayment of money, including any interest thereon,
26 received from any source related to the payment of interest on such advances.

27 (3) The surcharge established in this section shall be due and payable at the same time

1 and in the same manner as employer contributions. Any surcharge collected shall be
2 deposited in the unemployment insurance interest payment fund.

3 (4) Any surcharge unpaid on the date on which it is due and payable, pursuant to
4 subsection (3) of this section, shall be subject to interest at the rate of one and one-
5 half percent (1.5%) per month or fraction thereof, not to exceed ninety percent
6 (90%) of the amount of such surcharge, from and after such date until payment is
7 received by the cabinet, regardless of whether such delinquency has been reduced to
8 a judgment or not as provided in subsection (6) of this section or is the subject of an
9 administrative appeal or court action. The interest collected shall be deposited in the
10 unemployment insurance interest payment fund.

11 (5) A lien of the same nature and having the same force, effect, and priority as provided
12 in KRS 341.310 shall commence on all property of a subject contributing employer
13 delinquent in the payment of any surcharge or interest thereon.

14 (6) If, after due notice, any subject contributing employer defaults in payment of any
15 surcharge or interest thereon, the amount due may be collected by a civil action
16 instituted in the Franklin Circuit Court or the Franklin District Court depending on
17 the jurisdictional amount in controversy, including interest and penalties, in the
18 name of the state, and the subject contributing employer adjudged in default shall
19 pay the costs of the action. Civil actions brought under this section shall be heard by
20 the court, without the intervention of a jury, at the earliest possible date and shall be
21 entitled to preference on the calendar of the court over all other civil actions, except
22 petitions for judicial review under this chapter and cases arising under the Kentucky
23 workers' compensation law.

24 (7) At or after the commencement of an action under subsection (6) of this section,
25 attachment may be had against the property of the liable subject contributing
26 employer for such surcharge and interest without execution of a bond, or, after
27 judgment has been entered, an execution may be issued against the property of such

1 employer without the execution of a bond.

2 (8) An action for the recovery of a surcharge or interest thereon under this section shall
3 be barred, and any lien therefor shall be canceled and extinguished, unless collected
4 or suit for collection has been filed within ten (10) years from the due date of such
5 surcharge.

6 (9) Notwithstanding subsection (6) of this section, any delinquent surcharge or interest
7 thereon may be collected in accordance with the levy and distraint provisions of this
8 chapter.

9 (10) Any delinquent surcharge or interest collected after July 31, 2017, shall not be
10 subject to the credit provisions contained in KRS 341.612 and shall be deposited
11 into the penalty and interest account.

12 **(11) Notwithstanding any other provisions of this chapter, for the calendar years 2021**
13 **and 2022 there shall be no surcharge assessment.**

14 ➔Section 6. (1) The Legislative Research Commission shall establish the
15 Unemployment Insurance Reform Task Force that shall:

- 16 (a) Review the current unemployment insurance system;
- 17 (b) Evaluate and discuss possible long term changes to the unemployment
18 insurance system that would address the fiscal well-being and stability of the
19 unemployment insurance system;
- 20 (c) Solicit recommendations from stakeholders and interested parties; and
- 21 (d) Develop a list of recommendations for the General Assembly to consider
22 related to reform of the unemployment insurance system.

23 (2) The task force shall be composed of members with final membership of the task
24 force being subject to consideration and approval of the Legislative Research
25 Commission:

- 26 (a) Four members of the House of Representatives appointed by the Speaker of
27 the House of Representatives, one of whom shall be a member of the minority

1 party, and one of whom shall be designated by the Speaker of the House of
2 Representatives as a co-chair of the task force; and

3 (b) Four members of the Senate appointed by the President of the Senate, one of
4 whom shall be a member of the minority party, and one of whom shall be
5 designated by the President of the Senate as a co-chair of the task force.

6 (3) The Unemployment Insurance Reform Task Force shall meet monthly during the
7 2021 Interim of the General Assembly. The task force shall submit findings and
8 recommendations to the Legislative Research Commission for referral to the
9 appropriate committee or committees by December 1, 2021.

10 (4) Provisions of this section to the contrary notwithstanding, the Legislative Research
11 Commission shall have the authority to alternatively assign issues identified herein
12 to an interim joint committee or subcommittee thereof and to designate a study
13 completion date.

14 (5) This section of this Act shall have the same legal status as a House Concurrent
15 Resolution.

16 ➔Section 7. Sections 2 to 5 of this Act are retroactive to March 6, 2020.

17 ➔Section 8. Whereas the economic impact of the state of emergency declared in
18 response to COVID-19 on Kentucky's citizens and businesses is of the utmost
19 importance, an emergency is declared to exist, and this Act takes effect upon its passage
20 and approval by the Governor or upon its otherwise becoming a law.