

1 AN ACT relating to unemployment benefits.

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

3 ➔Section 1. KRS 341.350 is amended to read as follows:

4 An unemployed worker shall, except as provided in KRS 341.360 and 341.370, be
5 eligible for benefits with respect to any week of unemployment only if:

6 (1) He or she has made a claim for benefits;

7 (2) ~~[For an initial claim made on or after January 1, 2012, he or she has served a
8 waiting period of one (1) week, during which he or she has not received benefits.~~

9 ~~The waiting week period shall be the first compensable week of an initial claim for
10 benefits for which he or she is eligible and qualified to receive benefits under this
11 chapter. A waiting week period shall be required for each benefit year, whether or
12 not consecutive. No more than one (1) waiting week period shall be required in any
13 benefit year. The waiting week shall become compensable once the remaining
14 balance on the claim is equal to or less than the compensable amount for the
15 waiting week;~~

16 ~~{(3)}~~ (a) He or she has registered for work with respect to such week in accordance
17 with administrative regulations promulgated by the secretary;

18 (b) He or she participates in reemployment services, such as job search assistance
19 services, if pursuant to a profiling system established by the secretary, he or
20 she has been determined to be likely to exhaust regular benefits unless:

21 1. The claimant has completed the services to which he or she is referred;
22 or

23 2. There is justifiable cause for the claimant's failure to participate in the
24 services. For the purpose of this section, "justifiable cause" shall be
25 interpreted to mean what a reasonable person would do in like
26 circumstances; and

27 (c) He or she engages in at least five (5) verifiable work search activities during

1 each week in which he or she claims eligibility. At least three (3) of these
2 activities each week shall consist of formally submitting an application for
3 employment or interviewing for employment. "Work search activities"
4 includes any of the following:

5 1. Formally submitting an application for employment, either in person or
6 online;

7 2. Interviewing for employment virtually, in person, or online;

8 3. Job shadowing;

9 4. Attending a job fair or networking event hosted by state or local
10 government or a business organization;

11 5. Participating in a job search skills workshop or seminar; and

12 6. Participating in official Kentucky Career Center or partner programs
13 related to employment or the search for employment;

14 (3)(4) He or she is physically and mentally able to work;

15 (4)(5) He or she is available for suitable work, and making such reasonable effort to
16 obtain work as might be expected of a prudent person under like circumstances;

17 (5)(6) His or her base-period wages in that calendar quarter of his or her base period
18 in which such wages were highest are equal to at least one thousand five hundred
19 dollars (\$1,500), and his or her total base-period wages are not less than one and
20 one-half (1-1/2) times the base-period wages paid to him or her in such quarter and
21 he or she was paid base-period wages in the last six (6) months of his or her base
22 period equal to at least eight (8) times his or her weekly benefit rate with a
23 minimum of one thousand five hundred dollars (\$1,500) earned outside the high
24 quarter. Beginning on January 1, 2020, and continuing on January 1 in even-
25 numbered years thereafter, the secretary shall adjust the minimum base-period
26 wages at a rate that is directly proportional to the average percentage change in the
27 Consumer Price Index for All Urban Consumers (CPI-U) for the two (2) previous

1 calendar years;

2 (6)(7) An otherwise eligible worker shall not be denied benefits under subsection
3 (6)(5) of this section or because of his or her failure to actively seek work under
4 subsection (2)(3) of this section, nor disqualified under paragraph (a) of
5 subsection (1) of KRS 341.370:

6 (a) With respect to any week he or she is certified as being enrolled and making
7 satisfactory progress in an approved job training or certification program; or
8 (b) If he or she has verified definite return-to-work or recall-to-work prospects
9 within a period of sixteen (16) weeks from the date of filing of the initial or
10 reopened claim.

11 (7)(8) Notwithstanding any other provisions of this chapter, no otherwise eligible
12 worker shall be denied benefits for any week because he or she is in training
13 approved under 19 U.S.C. sec. 2296 (Section 236(a)(1) of the Trade Act of 1974),
14 nor shall such worker be denied benefits by reason of leaving work to enter such
15 training provided such work is not suitable employment, or because of the
16 application to any such week in training of provisions in this law (or any applicable
17 federal unemployment compensation law) relating to availability for work, active
18 search for work, or refusal to accept work. For purpose of this subsection, the term
19 "suitable employment" shall mean employment of a substantially equal or higher
20 skill level than the worker's past adversely affected employment as defined in 19
21 U.S.C. sec. 2319 (Trade Act of 1974), and wages for such work are not less than
22 eighty percent (80%) of the workers' average weekly wage as determined for
23 purposes of the Trade Act of 1974.

24 (8)(9) The foregoing eligibility requirements and the conditions of benefit
25 disqualifications imposed by KRS 341.370 shall be strictly construed. Nothing in
26 this section, excepting subsection (5)(6) of this section, nor in KRS 341.360 or
27 341.370 shall affect the establishment of a "benefit year."

1 ~~(9)~~~~(10)~~ The cabinet shall conduct randomized weekly audits of a number determined
2 by the secretary as sufficient to evaluate compliance with the work search activity
3 requirements of this section, and shall submit an annual report to the Governor and
4 the Interim Joint Committee on Economic Development and Workforce Investment
5 detailing:

6 (a) The percentage of audited claimants that failed to comply with the work
7 search activity requirement outlined in this section;

8 (b) The work search activities that were most commonly engaged in by audited
9 claimants;

10 (c) Recommendations to make the work search activity requirement more
11 effective in assisting claimants in finding employment;

12 (d) The number of claims audited each week and the total number of claims
13 audited during the reporting period;

14 (e) The percentage of total claims audited each week and percentage of total
15 claims audited during the reporting period; and

16 (f) A summary of the methodology used to conduct randomized auditing.

17 ~~(10)~~~~(11)~~ The secretary shall promulgate regulations and standards for the verification
18 of claimants' work search activities and the methods by which claimants shall
19 submit work search activities and any associated documentation required by the
20 secretary for verification.

21 ➔Section 2. KRS 341.090 is amended to read as follows:

22 As used in this chapter, unless the context clearly requires otherwise:

23 (1) "Base period" means the first four (4) of the last five (5) completed calendar
24 quarters immediately preceding the first day of a worker's benefit year. However, if
25 an individual lacks sufficient base-period wages because of a job-related injury, and
26 he or she has received or was eligible to receive workers' compensation, upon
27 written application by the claimant an extended base period will be substituted for

1 the current base period on a quarter-by-quarter basis as needed to establish a valid
2 claim or to increase the benefit rate of a claim if:

3 (a) The individual did not earn wages because of a job-related injury for at least
4 seven (7) weeks of each base period quarter to be substituted by an extended
5 base period quarter;

6 (b) No later than one (1) month prior to the expiration of workers' compensation
7 benefits, the employer or carrier shall inform, orally and in writing, all
8 recipients of their potential eligibility for unemployment insurance, and also
9 provide a statement verifying the individual's eligibility for workers'
10 compensation; and

11 (c) A claim for unemployment insurance compensation is filed no later than the
12 fourth week of unemployment after the end of the period of injury
13 compensated or eligible to be compensated by workers' compensation;

14 (2) "Extended base period" means the four (4) quarters prior to the claimant's base
15 period. These four (4) quarters may be substituted for base-period quarters on a
16 quarter-for-quarter basis in order to establish a valid claim or increase the benefit
17 rate of a valid claim regardless of whether the wages have been used to establish a
18 prior claim, except wages transferred to or from another state under a combined
19 wage agreement will be excluded if used in a prior claim. Benefits paid on the basis
20 of an extended base period, which would not otherwise be payable, shall be charged
21 to the pooled account if the chargeable employer is a contributing employer. If the
22 chargeable employer is a reimbursing employer, benefits shall be billed to his or
23 her reimbursing account;

24 (3) "Benefit year" for any worker means the fifty-two (52) week period beginning with
25 the first day of the week with respect to which he or she first requests a
26 determination which establishes his or her status as a fully insured worker after the
27 termination of his or her last preceding benefit year, if any, except that the last

1 preceding benefit year shall be a fifty-three (53) week period if fifty-two (52) weeks
2 would result in the overlapping of any calendar quarter of the base period of the
3 new benefit year with the same calendar quarter of the base period of the previous
4 benefit year. As used in this subsection, a worker shall be considered as having
5 insured status, without regard to any other provision of this chapter, if at the time of
6 his or her request he or she has satisfied the conditions required under KRS
7 341.350(5){(6)}; and

8 (4) "Base-period wages" means the wages paid to a worker during his or her base
9 period by subject employers for covered employment. The secretary, upon request
10 of the employee, with respect to this subsection, shall consider wages payable to
11 mean wages paid in order to prevent inequities caused by employer failure to meet a
12 regularly scheduled payday. Lump-sum payments deemed to be wages under this
13 chapter shall be reallocated to periods covered by the payments.