

787 KAR 1:170. Value of board and lodging.

RELATES TO: KRS 341.030, 341.190, 26 U.S.C. 119

STATUTORY AUTHORITY: KRS 151B.020, 341.030(1), 341.115

NECESSITY, FUNCTION, AND CONFORMITY: KRS 341.115(1) authorizes the secretary to promulgate administrative regulations necessary to administer KRS Chapter 341. KRS 341.030(1) requires the promulgation of an administrative regulation to establish the procedures for determining the reasonable cash value of remuneration other than cash paid for employees' services. This administrative regulation establishes the value of board and lodging, which involves determining if the items are paid in lieu of wages received by the worker and not specified under the contract of hire or if they are provided for the convenience of the employer and not held to be wages.

Section 1. Except as provided in Section 2 of this administrative regulation, board, lodging, or any other payment in kind received by a worker in covered employment from his employing unit in addition to or in lieu of (rather than as a deduction from) money wages shall be:

- (1) Deemed to be wages paid by his employing unit; and
- (2) Included in the gross wages reported for that worker by his employing unit for the purpose of computing contributions due under KRS 341.190.

Section 2. Board or lodging shall not be considered wages if the board or lodging is furnished to a worker for the convenience of the employing unit in accordance with the following requirements:

- (1) The employing unit shall have a business reason for providing the board or lodging;
- (2) The board or lodging shall be provided on the employing unit's business premises or in a location where the business of the employing unit is routinely conducted;
- (3) For lodging, the worker shall be required to accept the lodging as a condition of employment with the employing unit; and
- (4) For board, if more than half of an employing unit's workers are furnished meals for the convenience of the employing unit all meals furnished by the employing unit on the employing unit's premises to any other workers shall also be considered to have been furnished for the convenience of the employing unit.

Section 3.

- (1) In determining the reasonable cash value of board or lodging furnished to a worker, an employing unit shall:
 - (a) Use the fair market value of the board or lodging in the location provided; and
 - (b) Not determine the fair market value to be less than the values established in Section 4 of this administrative regulation.
- (2) If the commissioner determines that the cash value assigned by an employing unit for board or lodging does not reflect fair market value, the commissioner shall determine the fair market value, which shall not be less than the values established in Section 4 of this administrative regulation.

Section 4.

- (1) If a money value for board or lodging or both furnished an individual in covered employment is agreed upon in a contract of hire, the amount agreed upon shall be deemed the cash value of the board and lodging if the amount exceeds the amount established in subsection (2) of this section.
- (2) The fair market value of board or lodging furnished in addition to money wages shall not be less than the following values:

Full board and room weekly \$110

Meals per week	\$50
Per day	\$10
Per meal	\$4
Lodging per week	\$60

(22 Ky.R. 476; eff. 11-6-95; 33 Ky.R. 2186; 3187; eff. 5-4-2007; Crt eff. 2-24-2020.)