

SENATE BILL No. 154

By Committee on Commerce

2-5

1 AN ACT concerning employment security law; relating to determination
2 of benefits; employer classification and rates; amending K.S.A. 2014
3 Supp. 44-704 and 44-710a and repealing the existing sections.
4

5 *Be it enacted by the Legislature of the State of Kansas:*

6 Section 1. K.S.A. 2014 Supp. 44-704 is hereby amended to read as
7 follows: 44-704. (a) *Payment of benefits.* All benefits provided herein shall
8 be payable from the fund. All benefits shall be paid through the secretary
9 of labor, in accordance with such rules and regulations as the secretary
10 may adopt. Benefits based on service in employment defined in
11 ~~subsections (i)(3)(E) and (i)(3)(F) of K.S.A. 44-703(i)(3)(E) and (i)(3)(F),~~
12 and amendments thereto, shall be payable in the same amount, on the same
13 terms and subject to the same conditions as compensation payable on the
14 basis of other service subject to this act except as provided in ~~subsection~~
15 ~~(e) of K.S.A. 44-705(e) and subsection (e)(2) of K.S.A. 44-711(e)(2),~~ and
16 amendments thereto.

17 (b) *Determined weekly benefit amount.* An individual's determined
18 weekly benefit amount shall be an amount equal to 4.25% of the
19 individual's total wages for insured work paid during that calendar quarter
20 of the individual's base period in which such total wages were highest,
21 subject to the following limitations:

22 (1) If an individual's determined weekly benefit amount is less than
23 the minimum weekly benefit amount, it shall be raised to such minimum
24 weekly benefit amount;

25 (2) if the individual's determined weekly benefit amount is more than
26 the maximum weekly benefit amount, it shall be reduced to the maximum
27 weekly benefit amount; and

28 (3) if the individual's determined weekly benefit amount is not a
29 multiple of \$1, it shall be reduced to the next lower multiple of \$1.

30 (c) *Maximum weekly benefit amount.* On July 1 of each year, the
31 secretary shall determine the maximum weekly benefit amount by
32 computing 60% of the average weekly wages paid to employees in insured
33 work during the previous calendar year and shall prior to that date
34 announce the maximum weekly benefit amount so determined, by
35 publication in the Kansas register. Such computation shall be made by
36 dividing the gross wages reported as paid for insured work during the

1 previous calendar year by the product of the average of midmonth
2 employment during such calendar year multiplied by 52. The maximum
3 weekly benefit amount so determined and announced for the twelve-month
4 period shall apply only to those claims filed in that period qualifying for
5 maximum payment under the foregoing formula. All claims qualifying for
6 payment at the maximum weekly benefit amount shall be paid at the
7 maximum weekly benefit amount in effect when the benefit year to which
8 the claim relates was first established, notwithstanding a change in the
9 maximum benefit amount for a subsequent twelve-month period. If the
10 computed maximum weekly benefit amount is not a multiple of \$1, then
11 the computed maximum weekly benefit amount shall be reduced to the
12 next lower multiple of \$1.

13 (d) ~~Minimum weekly benefit amount.~~ The minimum weekly benefit
14 amount payable to any individual shall be 25% of the maximum weekly
15 benefit calculated in accordance with subsection (c) and shall be
16 announced by the secretary in conjunction with the published
17 announcement of the maximum weekly benefit, also as provided in
18 subsection (c). The minimum weekly benefit amount so determined and
19 announced for the twelve-month period beginning July 1 of each year shall
20 apply only to those claims which establish a benefit year filed within that
21 twelve-month period and shall apply through the benefit year of such
22 claims notwithstanding a change in such amount in a subsequent twelve-
23 month period. If the minimum weekly benefit amount is not a multiple of
24 \$1 it shall be reduced to the next lower multiple of \$1. ~~For initial claims~~
25 ~~effective prior to July 1, 2015, the maximum weekly benefit amount shall~~
26 ~~be determined in accordance with subsection (c).~~

27 (e) *For initial claims effective on or after July 1, 2015, the maximum*
28 *weekly benefit amount shall be \$474. This maximum benefit rate shall be*
29 *in effect for claims effective through December 31, 2017. For initial*
30 *claims effective on or after January 1, 2018, the maximum weekly benefit*
31 *amount shall be determined in accordance with subsection (f).*

32 (f) *On or before January 1, 2017, and every three years thereafter, the*
33 *secretary of labor shall present to the speaker of the house of*
34 *representatives and president of the senate a recommendation for an*
35 *adjustment to the maximum weekly benefit amount to be effective for*
36 *claims effective for a three-year period beginning January 1, 2018. Such*
37 *recommendation shall consider the average weekly wages paid to*
38 *employees in insured work during the previous fiscal year; the average*
39 *duration of unemployment claims; and the ratio of the average weekly*
40 *benefit amount to average weekly wages. The recommendation shall be*
41 *published in the Kansas register. The legislature shall thereafter set a new*
42 *maximum weekly benefit amount to be effective the following January 1*
43 *and continuing for three years. Any future increase of the maximum weekly*

1 *benefit amount must be accompanied with a proportionate increase in the*
2 *taxable wage base.*

3 (g) *Minimum weekly benefit amount. The minimum weekly benefit*
4 *amount payable to any individual shall be 25% of the maximum weekly*
5 *benefit amount effective as of the beginning of the individual's benefit year.*
6 *If the minimum weekly benefit amount is not a multiple of \$1 it shall be*
7 *reduced to the next lower multiple of \$1. The minimum weekly benefit*
8 *amount shall apply through the benefit year, notwithstanding a change in*
9 *the minimum weekly benefit amount.*

10 (h) *All claims qualifying for payment at the maximum weekly benefit*
11 *amount shall be paid at the maximum weekly benefit amount in effect*
12 *when the benefit year to which the claim relates was first established,*
13 *notwithstanding a subsequent change in the maximum weekly benefit*
14 *amount.*

15 (e)(i) *Weekly benefit payable.* Each eligible individual who is
16 unemployed with respect to any week, except as to final payment, shall be
17 paid with respect to such week a benefit in an amount equal to such
18 individual's determined weekly benefit amount, less that part of the wage,
19 if any, payable to such individual with respect to such week which is in
20 excess of the amount which is equal to 25% of such individual's
21 determined weekly benefit amount and if the resulting amount is not a
22 multiple of \$1, it shall be reduced to the next lower multiple of \$1.

23 (1) For the purposes of this section, remuneration received under the
24 following circumstances shall be construed as wages:

25 (A) Vacation or holiday pay that was attributable to a week that the
26 individual claimed benefits; and

27 (B) severance pay, if paid as scheduled, and all other employment
28 benefits within the employer's control, as defined in subsection (e)(3), if
29 continued as though the severance had not occurred, except as set out in
30 subsection (e)(2)(C).

31 (2) For the purposes of this section, remuneration received under the
32 following circumstances shall not be construed as wages:

33 (A) Remuneration received for services performed on a public
34 assistance work project;

35 (B) severance pay, in lieu of notice, under the provisions of public
36 law 100-379, the federal worker adjustment and retraining notification act,
37 (29 U.S.C.A. §§ 2101 through 2109);

38 (C) all other severance pay, separation pay, bonuses, wages in lieu of
39 notice or remuneration of a similar nature that is payable after the
40 severance of the employment relationship, except as set out in subsection
41 (e)(1)(B); and

42 (D) moneys received as federal social security payments.

43 (3) For the purposes of this subsection (e), "employment benefits

1 within the employer's control" means benefits offered by the employer to
2 employees which are employee benefit plans as defined by section 3 of the
3 federal employee retirement income security act of 1974, as amended, (29
4 U.S.C. § 1002) and which the employer has the option to continue to
5 provide to the employee after the last day that the employee worked for
6 that employer.

7 ~~(j)~~(j) *Duration of benefits.* Any otherwise eligible individual shall be
8 entitled during any benefit year to a total amount of benefits equal to
9 whichever is the lesser of 26 times such individual's weekly benefit
10 amount, or $\frac{1}{3}$ of such individual's wages for insured work paid during such
11 individual's base period. Such total amount of benefits, if not a multiple of
12 \$1, shall be reduced to the next lower multiple of \$1.

13 ~~(k)~~(k) For the purposes of this section, wages shall be counted as
14 "wages for insured work" for benefit purposes with respect to any benefit
15 year only if such benefit year begins subsequent to the date on which the
16 employing unit by whom such wages were paid has satisfied the
17 conditions of ~~subsection (h)~~ of K.S.A. 44-703(h), and amendments thereto,
18 with respect to becoming an employer.

19 ~~(l)~~(l) Notwithstanding any other provisions of this section to the
20 contrary, any benefit otherwise payable for any week shall be reduced by
21 the amount of any separation, termination, severance or other similar
22 payment paid to a claimant at the time of or after the claimant's separation
23 from employment during the benefit year.

24 (1) If any payment pursuant to this subsection is paid with respect to a
25 month, then the amount deemed to be received with respect to any week
26 during such month shall be computed by multiplying such monthly
27 amount by 12 and dividing the product by 52. If there is no designation of
28 the period with respect to which payments to an individual are made under
29 this section, then an amount equal to such individual's normal weekly
30 wage shall be attributed to and deemed paid with respect to the first and
31 each succeeding week following the individual's separation from the
32 employment of the employer making the payment until such amount so
33 paid is exhausted.

34 (2) If benefits for any week, when reduced as provided in this
35 subsection, result in an amount not a multiple of one dollar, such benefits
36 shall be rounded to the next lower multiple of one dollar.

37 ~~(m)~~(m) For weeks commencing on and after January 1, 2014, if at the
38 beginning of the benefit year, the three month seasonally adjusted average
39 unemployment rate for the state of Kansas is: (1) Less than 4.5%, a
40 claimant shall be eligible for a maximum of 16 weeks of benefits; (2) at
41 least 4.5% but less than 6%, a claimant shall be eligible for a maximum of
42 20 weeks of benefits; or (3) at least 6%, a claimant shall be eligible for a
43 maximum of 26 weeks of benefits.

1 Sec. 2. K.S.A. 2014 Supp. 44-710a is hereby amended to read as
2 follows: 44-710a. (a) *Classification of employers by the secretary.* The
3 term "employer" as used in this section refers to contributing employers.
4 The secretary shall classify employers in accordance with their actual
5 experience in the payment of contributions on their own behalf and with
6 respect to benefits charged against their accounts with a view of fixing
7 such contribution rates as will reflect such experience. If, as of the date
8 such classification of employers is made, the secretary finds that any
9 employing unit has failed to file any report required in connection
10 therewith, or has filed a report which the secretary finds incorrect or
11 insufficient, the secretary shall make an estimate of the information
12 required from such employing unit on the basis of the best evidence
13 reasonably available to the secretary at the time, and notify the employing
14 unit thereof by mail addressed to its last known address. Unless such
15 employing unit shall file the report or a corrected or sufficient report as the
16 case may be, within 15 days after the mailing of such notice, the secretary
17 shall compute such employing unit's rate of contributions on the basis of
18 such estimates, and the rate as so determined shall be subject to increase
19 but not to reduction on the basis of subsequently ascertained information.
20 The secretary shall determine the contribution rate of each employer in
21 accordance with the requirements of this section.

22 (1) *New employers.* (A) No employer will be eligible for a rate
23 computation until there have been 24 consecutive calendar months
24 immediately preceding the computation date throughout which benefits
25 could have been charged against such employer's account.

26 (B) (i) (a) ~~For the rate years 2007 through 2013, each employer who~~
27 ~~is not eligible for a rate contribution shall pay contributions equal to 4% of~~
28 ~~wages paid during each calendar year with regard to employment except~~
29 ~~such employers engaged in the construction industry shall pay a rate equal~~
30 ~~to 6%.~~

31 ~~(b)—For the rate year 2014 and each rate year thereafter, except as~~
32 ~~provided in subclause (c), each employer who is not eligible for a rate~~
33 ~~contribution shall pay contributions equal to 4% 2.7% of wages paid~~
34 ~~during each calendar year with regard to employment, except such~~
35 ~~employers engaged in the construction industry shall pay a rate equal to~~
36 ~~6%.~~

37 ~~(c)—For the rate year 2014 and each rate year thereafter, except for the~~
38 ~~construction industry, each employer who starts a new business and who is~~
39 ~~not eligible for a rate contribution shall pay contributions equal to 2.7% of~~
40 ~~wages paid during each calendar year with regard to employment.~~

41 ~~(d)~~(b) (1) For the rate year 2015 and each rate year thereafter, an
42 employer who was not doing business in Kansas prior to July 1, 2014,
43 shall be eligible for either the new employer rate under subsection (a)(1)

1 (B)(i)(e)(a) or the rate associated with the reserve ratio such employer
2 experienced in the state which such employer was formerly located, but in
3 no event less than 1% if such:

4 (A) Employer has been in operation in the other state or states for at
5 least the three years immediately preceding the date such employer
6 becomes a liable employer in Kansas;

7 (B) employer provides the authenticated account history from
8 information accumulated from operations of such employer in the other
9 state or all the other states necessary to compute a current Kansas rate; and

10 (C) employer's business operations established in Kansas are of the
11 same nature, as defined by the North American industrial classification
12 system, as conducted by such employer in the other state or states.

13 (2) The election authorized in subsection (a)(1)(B)(i)(~~d~~)(b) of this
14 section must be made in writing within 30 days after notice of Kansas
15 liability. A rate in accordance with subsection (a)(1)(B)(i)(e)(a) will be
16 assigned unless a timely election has been made.

17 (3) If the election is made timely, the employer's account will receive
18 the rate elected for the remainder of that rate year. The rate assigned for
19 the next and subsequent years will be determined by the condition of the
20 account on the computation date.

21 (ii) ~~For rate years prior to 2007, employers who are not eligible for a~~
22 ~~rate computation shall pay contributions at an assigned rate equal to the~~
23 ~~sum of 1% plus the greater of the average rate assigned in the preceding~~
24 ~~calendar year to all employers in such industry sector or the average rate~~
25 ~~assigned to all covered employers during the preceding calendar year,~~
26 ~~except that in no instance shall any such assigned rate be less than 2%.~~
27 ~~Employers engaged in more than one type of industrial activity shall be~~
28 ~~classified by principal activity. All rates assigned will remain in effect for a~~
29 ~~complete calendar year. If the sale or acquisition of a new establishment~~
30 ~~would require reclassification of the employer to a different industry~~
31 ~~sector, the employer would be promptly notified, and the contribution rate~~
32 ~~applicable to the new industry sector would become effective the~~
33 ~~following January 1.~~

34 (iii) For purposes of this subsection (a), employers shall be classified
35 by industrial activity in accordance with standard procedures as set forth in
36 rules and regulations adopted by the secretary. *Employers engaged in more*
37 *than one type of industrial activity shall be classified by principal activity.*
38 *All rates assigned will remain in effect for a complete calendar year. If the*
39 *sale or acquisition of a new establishment would require reclassification*
40 *of the employer to a different industry sector, the employer would be*
41 *promptly notified, and the contribution rate applicable to the new industry*
42 *sector would become effective the following January 1.*

43 (C) "Computation date" means June 30 of each calendar year with

1 respect to rates of contribution applicable to the calendar year beginning
2 with the following January 1. In arriving at contribution rates for each
3 calendar year, contributions paid on or before July 31 following the
4 computation date for employment occurring on or prior to the computation
5 date shall be considered for each contributing employer who has been
6 subject to this act for a sufficient period of time to have such employer's
7 rate computed under this subsection (a).

8 (2) *Eligible employers.* (A) A reserve ratio shall be computed for each
9 eligible employer by the following method: Total benefits charged to the
10 employer's account for all past years shall be deducted from all
11 contributions paid by such employer for all such years. The balance,
12 positive or negative, shall be divided by the employer's average annual
13 payroll, and the result shall constitute the employer reserve ratio.

14 ~~(B) Negative account balance employers as defined in subsection (d)~~
15 ~~shall pay contributions at the rate of 5.4% for each calendar year. (i) For~~
16 ~~rate year 2015 and prior rate years, negative account balance employers,~~
17 ~~as defined in subsection (d), shall pay contributions at the rate of 5.4% for~~
18 ~~each calendar year.~~

19 (ii) *For rate year 2016 and rate years thereafter, negative account*
20 *balance employers, as defined in subsection (d), shall pay contributions at*
21 *the rate referenced in section (a)(4)(D)(ii)*

22 (C) Eligible employers, other than negative account balance
23 employers, who do not meet the average annual payroll requirements as
24 stated in ~~subsection (a)(2) of K.S.A. 44-703(a)(2), and amendments~~
25 ~~thereto, will be issued the maximum rate indicated in subsection (a)(3)(C)~~
26 ~~(a)(4)(D)(ii) of this section until such employer establishes a new period of~~
27 ~~24 consecutive calendar months immediately preceding the computation~~
28 ~~date throughout which benefits could have been charged against such~~
29 ~~employer's account by resuming the payment of wages. Contribution rates~~
30 ~~effective for each calendar year thereafter shall be determined as~~
31 ~~prescribed below.~~

32 (D) *For rate year 2015 and prior rate years, as of each computation*
33 *date, the total of the taxable wages paid during the 12-month period prior*
34 *to the computation date by all employers eligible for rate computation,*
35 *except negative account balance employers, shall be divided into 51*
36 *approximately equal parts designated in column A of schedule I as "rate*
37 *groups," except, with regard to a year in which the taxable wage base*
38 *changes. The taxable wages used in the calculation for such a year and the*
39 *following year shall be an estimate of what the taxable wages would have*
40 *been if the new taxable wage base had been in effect during the entire*
41 *twelve-month period prior to the computation date. The lowest numbered*
42 *of such rate groups shall consist of the employers with the most favorable*
43 *reserve ratios, as defined in this section, whose combined taxable wages*

1 paid are less than 1.96% of all taxable wages paid by all eligible
 2 employers. Each succeeding higher numbered rate group shall consist of
 3 employers with reserve ratios that are less favorable than those of
 4 employers in the preceding lower numbered rate groups and whose taxable
 5 wages when combined with the taxable wages of employers in all lower
 6 numbered rate groups equal the appropriate percentage of total taxable
 7 wages designated in column B of schedule I. Each eligible employer, other
 8 than a negative account balance employer, shall be assigned an experience
 9 factor designated under column C of schedule I in accordance with the rate
 10 group to which the employer is assigned on the basis of the employer's
 11 reserve ratio and taxable payroll. If an employer's taxable payroll falls into
 12 more than one rate group the employer shall be assigned the experience
 13 factor of the lower numbered rate group. If one or more employers have
 14 reserve ratios identical to that of the last employer included in the next
 15 lower numbered rate group, all such employers shall be assigned the
 16 experience factor designated to such last employer, notwithstanding the
 17 position of their taxable payroll in column B of schedule I.

18 SCHEDULE I—Eligible Employers

19 Column A	Column B	Column C
20 Rate	Cumulative	Experience factor
21 group	taxable payroll	(Ratio to total wages)
22 1	Less than 1.96% .....	.025%
23 2	1.96% but less than 3.92 .....	.04
24 3	3.92 but less than 5.88 .....	.08
25 4	5.88 but less than 7.84 .....	.12
26 5	7.84 but less than 9.80 .....	.16
27 6	9.80 but less than 11.76 .....	.20
28 7	11.76 but less than 13.72 .....	.24
29 8	13.72 but less than 15.68 .....	.28
30 9	15.68 but less than 17.64 .....	.32
31 10	17.64 but less than 19.60 .....	.36
32 11	19.60 but less than 21.56 .....	.40
33 12	21.56 but less than 23.52 .....	.44
34 13	23.52 but less than 25.48 .....	.48
35 14	25.48 but less than 27.44 .....	.52
36 15	27.44 but less than 29.40 .....	.56
37 16	29.40 but less than 31.36 .....	.60
38 17	31.36 but less than 33.32 .....	.64
39 18	33.32 but less than 35.28 .....	.68
40 19	35.28 but less than 37.24 .....	.72
41 20	37.24 but less than 39.20 .....	.76
42 21	39.20 but less than 41.16 .....	.80
43 22	41.16 but less than 43.12 .....	.84

1	23	43.12 but less than 45.08 .....	.88
2	24	45.08 but less than 47.04 .....	.92
3	25	47.04 but less than 49.00 .....	.96
4	26	49.00 but less than 50.96	1.00
5	27	50.96 but less than 52.92	1.04
6	28	52.92 but less than 54.88	1.08
7	29	54.88 but less than 56.84	1.12
8	30	56.84 but less than 58.80	1.16
9	31	58.80 but less than 60.76	1.20
10	32	60.76 but less than 62.72	1.24
11	33	62.72 but less than 64.68	1.28
12	34	64.68 but less than 66.64	1.32
13	35	66.64 but less than 68.60	1.36
14	36	68.60 but less than 70.56	1.40
15	37	70.56 but less than 72.52	1.44
16	38	72.52 but less than 74.48	1.48
17	39	74.48 but less than 76.44	1.52
18	40	76.44 but less than 78.40	1.56
19	41	78.40 but less than 80.36	1.60
20	42	80.36 but less than 82.32	1.64
21	43	82.32 but less than 84.28	1.68
22	44	84.28 but less than 86.24	1.72
23	45	86.24 but less than 88.20	1.76
24	46	88.20 but less than 90.16	1.80
25	47	90.16 but less than 92.12	1.84
26	48	92.12 but less than 94.08	1.88
27	49	94.08 but less than 96.04	1.92
28	50	96.04 but less than 98.00	1.96
29	51	98.00 and over	2.00

30 (E) *For rate year 2015 and prior rate years, negative account balance*
 31 *employers shall, in addition to paying the rate provided for in subsection*
 32 *(a)(2)(B) of this section, pay a surcharge based on the size of the*
 33 *employer's negative reserve ratio, the calculation which is provided for in*
 34 *subsection (a)(2) of this section. The amount of the surcharge shall be*
 35 *determined from column B2 of schedule II of this section for calendar*
 36 *years 2012, 2013, 2014 and from column B4 of schedule II of this section*
 37 *for each calendar year after 2014. Each negative account balance employer*
 38 *who does not satisfy the requirements to have an average annual payroll,*
 39 *as defined by subsection (a)(2) of K.S.A. 44-703(a)(2), and amendments*
 40 *thereto, shall be assigned a surcharge of equal to the maximum negative*
 41 *ratio surcharge from column B2 of schedule II of this section for calendar*
 42 *years 2012, 2013 and 2014. From calendar year 2015 forward, each*
 43 *negative account balance employer who does not satisfy the requirements*

1 ~~to have an average annual payroll, as defined by subsection (a)(2) of~~
2 ~~K.S.A. 44-703, and amendments thereto, shall be assigned a surcharge~~
3 ~~equal to the maximum negative ratio surcharge from column B4 of~~
4 ~~schedule II of this section.~~ Funds from the surcharge paid according to this
5 subsection (a)(2)(E), and amendments thereto, shall be used to pay
6 principal and interest due on funds received from the federal
7 unemployment account under title XII of the social security act, (42 U.S.C.
8 §§ 1321 to 1324), in the following manner:

9 (i) For each calendar year 2012, 2013 and 2014, an additional 0.10%
10 of the taxable wages paid by all negative account balance employers with
11 a negative reserve ratio between 0.0% and 19.9% shall be designated an
12 interest assessment surcharge and paid into the employment security
13 interest assessment fund for the purpose of paying interest due and owing
14 on funds received from the federal unemployment account under title XII
15 of the social security act. The total surcharges assessed, including the
16 additional 0.10% surcharge mentioned above, on such employers are listed
17 in schedule II column B2. For the calendar year 2015, ~~and each calendar~~
18 ~~year thereafter,~~ the surcharge rate for negative balance employers with a
19 negative reserve ratio between 0.0% and 19.9% shall be as listed in
20 schedule II column B4.

21 (ii) For the calendar years 2012, 2013 and 2014, an additional
22 surcharge on negative balance employers with a negative reserve ratio of
23 20.0% and higher shall be designated an interest assessment surcharge and
24 deposited in the employment security interest assessment fund. The
25 additional surcharge shall be used for the purposes of paying interest due
26 and owing on funds received from the federal unemployment account
27 under title XII of the social security act. The total surcharge including the
28 additional surcharge on such employers is listed in schedule II column B3
29 of this section.

30 (iii) For any succeeding year in which interest is due and owing on
31 funds received from the federal unemployment account under title XII of
32 the social security act, the secretary of labor may adjust the surcharge
33 amounts necessary to pay such interest;

34 (iv) the portion of such surcharge used for the payment of such
35 interest shall not be included in the calculation of such employers reserve
36 ratio pursuant to subsection (a)(2). The portion of such surcharge used for
37 the payment of principal shall be included in the calculation of such
38 employers reserve ratio pursuant to subsection (a)(2); and

39 (v) if the amounts collected under this subsection are in excess of the
40 amounts needed to pay interest due, the amounts in excess shall remain in
41 the employment security interest assessment fund to be used to pay interest
42 in future years. Whenever the secretary certifies all interest payments have
43 been paid pursuant to this section, any excess funds remaining in the

1 employment security interest assessment fund shall be transferred to the
 2 employment security trust fund for the purpose of paying any remaining
 3 principal amount due for advances described in this section. In the event
 4 that the amount transferred from the employment security interest
 5 assessment fund exceeds such remaining amount of principal due, the
 6 balance shall be used for the purposes of the employment security trust
 7 fund.

8 SCHEDULE II—Surcharge on Negative Accounts

9 Column A	Column B1	Column B2	Column B3	Column B4
10 Negative Reserve	Surcharge as a	Surcharge as a	Surcharge as a	Surcharge as a
11 ratio	percent of	percent of	percent of	percent of
12	taxable wages	taxable wages	taxable wages	taxable wages
13 taxable wages				
14 Less than 2.0%.....	0.20%.....	0.30%.....	0.10%	
15 2.0% but less than 4.0.....	0.40.....	0.50.....		0.20
16 4.0 but less than 6.0.....	0.60.....	0.70.....		0.30
17 6.0 but less than 8.0.....	0.80.....	0.90.....		0.40
18 8.0 but less than 10.0.....	1.00.....	1.10.....		0.50
19 10.0 but less than 12.0.....	1.20.....	1.30.....		0.60
20 12.0 but less than 14.0.....	1.40.....	1.50.....		0.70
21 14.0 but less than 16.0.....	1.60.....	1.70.....		0.80
22 16.0 but less than 18.0.....	1.80.....	1.90.....		0.90
23 18.0 but less than 20.0.....	2.00.....	2.10.....		1.00
24 20.0 but less than 22.0.....	2.00.....		2.20.....	1.10
25 22.0 but less than 24.0.....	2.00.....		2.40.....	1.20
26 24.0 but less than 26.0.....	2.00.....		2.60.....	1.30
27 26.0 but less than 28.0.....	2.00.....		2.80.....	1.40
28 28.0 but less than 30.0.....	2.00.....		3.00.....	1.50
29 30.0 but less than 32.0.....	2.00.....		3.20.....	1.60
30 32.0 but less than 34.0.....	2.00.....		3.40.....	1.70
31 34.0 but less than 36.0.....	2.00.....		3.60.....	1.80
32 36.0 but less than 38.0.....	2.00.....		3.80.....	1.90
33 38.0 and over.....	2.00.....		4.00.....	2.00

34 (3) *Entering and expanding employer.* (A) The secretary, as a method
 35 of providing for a reduced rate of contributions to an employer shall verify
 36 the qualifications in this statute that bear a direct relation to unemployment
 37 risk for that employer.

38 (B) If, as of the computation date, an eligible, positive balance
 39 employer's reserve ratio is significantly affected due to an increase in the
 40 employer's taxable payroll of at least 100% and such increase is
 41 attributable to a growth in employment, and not to a change in the taxable
 42 wage base from the previous year, the secretary shall assign a reduced rate
 43 of contributions for a period of ~~four~~ three years.

44 (i) Such reduced rate of contributions shall be the new employer rate
 45 described in subsection (a)(1)(B)(i)(~~e~~)(a), or a rate based on the employer's
 46 demonstrated risk as reflected in the employer's reserve fund ratio history.

47 (ii) To be eligible for such reduced rate, the employer must maintain a
 48 positive account balance throughout the reduced-rate period and must have

1 an increase in account balance for each year.

2 (4) *Planned yield.* (A) *For rate year 2015 and prior rate years, the*
 3 *average required yield shall be determined from schedule III of this*
 4 *section, and the planned yield on total wages in column B of schedule III*
 5 *shall be determined by the reserve fund ratio in column A of schedule III.*
 6 *The reserve fund ratio shall be determined by dividing total assets in the*
 7 *employment security fund provided for in ~~subsection (a)~~ of K.S.A. 44-*
 8 *712(a), and amendments thereto, excluding all moneys credited to the*
 9 *account of this state pursuant to section 903 of the federal social security*
 10 *act, as amended, which have been appropriated by the state legislature,*
 11 *whether or not withdrawn from the trust fund, and excluding contributions*
 12 *not yet paid on July 31 by total payrolls for contributing employers for the*
 13 *preceding fiscal year which ended June 30.*

14 (B) *For the rate year 2016 and rate years thereafter, the contribution*
 15 *schedule in effect shall be determined by the fund control table and rate*
 16 *schedule table of subsection (a)(4)(D).*

17 SCHEDULE III—Fund Control
 18 Ratios to Total Wages

19 Column A	20 Column B
21 Reserve Fund Ratio	22 Planned Yield
23 4.500 and over	0.00
24 4.475 but less than 4.500.....	0.01
25 4.450 but less than 4.475.....	0.02
26 4.425 but less than 4.450.....	0.03
27 4.400 but less than 4.425.....	0.04
28 4.375 but less than 4.400.....	0.05
29 4.350 but less than 4.375.....	0.06
30 4.325 but less than 4.350.....	0.07
31 4.300 but less than 4.325.....	0.08
32 4.275 but less than 4.300.....	0.09
33 4.250 but less than 4.275.....	0.10
34 4.225 but less than 4.250.....	0.11
35 4.200 but less than 4.225.....	0.12
36 4.175 but less than 4.200.....	0.13
37 4.150 but less than 4.175.....	0.14
38 4.125 but less than 4.150.....	0.15
39 4.100 but less than 4.125.....	0.16
40 4.075 but less than 4.100.....	0.17
41 4.050 but less than 4.075.....	0.18
42 4.025 but less than 4.050.....	0.19
43 4.000 but less than 4.025.....	0.20
44 3.950 but less than 4.000.....	0.21
45 3.900 but less than 3.950.....	0.22

1	3.850 but less than 3.900.....	0.23
2	3.800 but less than 3.850.....	0.24
3	3.750 but less than 3.800.....	0.25
4	3.700 but less than 3.750.....	0.26
5	3.650 but less than 3.700.....	0.27
6	3.600 but less than 3.650.....	0.28
7	3.550 but less than 3.600.....	0.29
8	3.500 but less than 3.550.....	0.30
9	3.450 but less than 3.500.....	0.31
10	3.400 but less than 3.450.....	0.32
11	3.350 but less than 3.400.....	0.33
12	3.300 but less than 3.350.....	0.34
13	3.250 but less than 3.300.....	0.35
14	3.200 but less than 3.250.....	0.36
15	3.150 but less than 3.200.....	0.37
16	3.100 but less than 3.150.....	0.38
17	3.050 but less than 3.100.....	0.39
18	3.000 but less than 3.050.....	0.40
19	2.950 but less than 3.000.....	0.41
20	2.900 but less than 2.950.....	0.42
21	2.850 but less than 2.900.....	0.43
22	2.800 but less than 2.850.....	0.44
23	2.750 but less than 2.800.....	0.45
24	2.700 but less than 2.750.....	0.46
25	2.650 but less than 2.700.....	0.47
26	2.600 but less than 2.650.....	0.48
27	2.550 but less than 2.600.....	0.49
28	2.500 but less than 2.550.....	0.50
29	2.450 but less than 2.500.....	0.51
30	2.400 but less than 2.450.....	0.52
31	2.350 but less than 2.400.....	0.53
32	2.300 but less than 2.350.....	0.54
33	2.250 but less than 2.300.....	0.55
34	2.200 but less than 2.250.....	0.56
35	2.150 but less than 2.200.....	0.57
36	2.100 but less than 2.150.....	0.58
37	2.050 but less than 2.100.....	0.59
38	2.000 but less than 2.050.....	0.60
39	1.975 but less than 2.000.....	0.61
40	1.950 but less than 1.975.....	0.62
41	1.925 but less than 1.950.....	0.63
42	1.900 but less than 1.925.....	0.64
43	1.875 but less than 1.900.....	0.65

1	1.850 but less than 1.875.....	0.66
2	1.825 but less than 1.850.....	0.67
3	1.800 but less than 1.825.....	0.68
4	1.775 but less than 1.800.....	0.69
5	1.750 but less than 1.775.....	0.70
6	1.725 but less than 1.750.....	0.71
7	1.700 but less than 1.725.....	0.72
8	1.675 but less than 1.700.....	0.73
9	1.650 but less than 1.675.....	0.74
10	1.625 but less than 1.650.....	0.75
11	1.600 but less than 1.625.....	0.76
12	1.575 but less than 1.600.....	0.77
13	1.550 but less than 1.575.....	0.78
14	1.525 but less than 1.550.....	0.79
15	1.500 but less than 1.525.....	0.80
16	1.475 but less than 1.500.....	0.81
17	1.450 but less than 1.475.....	0.82
18	1.425 but less than 1.450.....	0.83
19	1.400 but less than 1.425.....	0.84
20	1.375 but less than 1.400.....	0.85
21	1.350 but less than 1.375.....	0.86
22	1.325 but less than 1.350.....	0.87
23	1.300 but less than 1.325.....	0.88
24	1.275 but less than 1.300.....	0.89
25	1.250 but less than 1.275.....	0.90
26	1.225 but less than 1.250.....	0.91
27	1.200 but less than 1.225.....	0.92
28	1.175 but less than 1.200.....	0.93
29	1.150 but less than 1.175.....	0.94
30	1.125 but less than 1.150.....	0.95
31	1.100 but less than 1.125.....	0.96
32	1.075 but less than 1.100.....	0.97
33	1.050 but less than 1.075.....	0.98
34	1.025 but less than 1.050.....	0.99
35	1.000 but less than 1.025.....	1.00
36	0.900 but less than 1.000.....	1.01
37	0.800 but less than 0.900.....	1.02
38	0.700 but less than 0.800.....	1.03
39	0.600 but less than 0.700.....	1.04
40	0.500 but less than 0.600.....	1.05
41	0.400 but less than 0.500.....	1.06
42	0.300 but less than 0.400.....	1.07
43	0.200 but less than 0.300.....	1.08

1 0.100 but less than 0.200.....1.09
 2 Less than 0.100%.....1.10
 3 ~~(B)~~(C) *Adjustment to taxable wages. For rate year 2015 and prior*
 4 *rate years, the planned yield as a percent of total wages, as determined in*
 5 *this subsection (a)~~(3)~~(4), shall be adjusted to taxable wages by multiplying*
 6 *by the ratio of total wages to taxable wages for all contributing employers*
 7 *for the preceding fiscal year ending June 30, except, with regard to a year*
 8 *in which the taxable wage base changes. The taxable wages used in the*
 9 *calculation for such a year and the following year shall be an estimate of*
 10 *what the taxable wages would have been if the new taxable wage base had*
 11 *been in effect during all of the preceding fiscal year ending June 30.*

12 ~~(C)~~(D) *Effective rates. (i) For rate year 2016 and ensuing rate years,*
 13 *employer contribution rates to be effective for the ensuing calendar year*
 14 *shall be determined by the fund control table contained in this section. The*
 15 *average high cost multiple of the trust fund as of the computation date*
 16 *shall determine the contribution schedule in effect for the next rate year.*
 17 *For purposes of subsection (a)(4)(D)(i) and (v), the average high cost*
 18 *multiple is the reserve fund ratio, as defined by subsection (a)(4)(A),*
 19 *divided by the average high benefit cost rate. The average high benefit*
 20 *cost rate shall be determined by averaging the three highest benefit cost*
 21 *rates over the last 20 years from the preceding fiscal year which ended*
 22 *June 30. The high benefit cost rate is defined by dividing total benefits*
 23 *paid in the fiscal year by total payrolls for covered employers in the fiscal*
 24 *year.*

	<i>Fund Control Table</i>		
<i>Lower AHCM</i>	<i>Upper AHCM</i>		<i>Solvency Adjustment</i>
<i>Threshold</i>	<i>Threshold</i>		<i>to Standard Rate</i>
28 <i>1000.00000</i>	<i>0.19999</i>		<i>1.60%</i>
29 <i>0.20000</i>	<i>0.29999</i>		<i>1.40%</i>
30 <i>0.30000</i>	<i>0.44999</i>		<i>1.20%</i>
31 <i>0.45000</i>	<i>0.59999</i>		<i>1.00%</i>
32 <i>0.60000</i>	<i>0.99999</i>		<i>0.00%</i>
33 <i>1.00000</i>	<i>1.14999</i>		<i>-0.20%</i>
34 <i>1.15000</i>	<i>1.34999</i>		<i>-0.40%</i>
35 <i>1.35000</i>	<i>1000.00000</i>		<i>-0.60%</i>

36 *(ii) For rate year 2016 and ensuing rate years, eligible employers shall*
 37 *be classified according to the Standard Rate Schedule in this section,*
 38 *subject to any adjustment pursuant to the effective rate schedule for that*
 39 *rate year.*

40 *STANDARD RATE SCHEDULE*

<i>Rate</i>	<i>Lower Reserve</i>	<i>Upper Reserve</i>	<i>Standard</i>
<i>Group</i>	<i>Ratio Limit</i>	<i>Ratio Limit</i>	<i>Rate</i>
43 <i>1</i>	<i>18.590</i>	<i>1,000,000.000</i>	<i>0.20%</i>

1	2	17.875	18.589	0.40%
2	3	17.160	17.874	0.60%
3	4	16.445	17.159	0.80%
4	5	15.730	16.444	1.00%
5	6	15.015	15.729	1.20%
6	7	14.300	15.014	1.40%
7	8	13.585	14.299	1.60%
8	9	12.870	13.584	1.80%
9	10	12.155	12.869	2.00%
10	11	11.440	12.154	2.20%
11	12	10.725	11.439	2.40%
12	13	10.010	10.724	2.60%
13	14	9.295	10.009	2.80%
14	15	8.580	9.294	3.00%
15	16	7.865	8.579	3.20%
16	17	7.150	7.864	3.40%
17	18	6.435	7.149	3.60%
18	19	5.720	6.434	3.80%
19	20	5.005	5.719	4.00%
20	21	4.290	5.004	4.20%
21	22	3.575	4.289	4.40%
22	23	2.860	3.574	4.60%
23	24	2.145	2.859	4.80%
24	25	1.430	2.144	5.00%
25	26	0.715	1.429	5.20%
26	27	0.000	0.714	5.40%
27	N1	-0.714	-0.001	5.60%
28	N2	-1.429	-0.715	5.80%
29	N3	-2.144	-1.430	6.00%
30	N4	-2.859	-2.145	6.20%
31	N5	-3.574	-2.860	6.40%
32	N6	-4.289	-3.575	6.60%
33	N7	-5.004	-4.290	6.80%
34	N8	-5.719	-5.005	7.00%
35	N9	-6.434	-5.720	7.20%
36	N10	-7.149	-6.435	7.40%
37	N11	-1,000,000.000	-7.150	7.60%

38 (iii) For all rate years prior to 2016, except with regard to rates for
39 negative account balance employers, employer contribution rates to be
40 effective for the ensuing calendar year shall be computed by adjusting
41 proportionately the experience factors from schedule I of this section to the
42 required yield on taxable wages. For the purposes of this subsection (a)(3)
43 (4), all rates computed shall be rounded to the nearest .01% and for

1 calendar year 1983 and ensuing calendar years, the maximum effective
2 contribution rate shall not exceed 5.4%.

3 ~~(ii)(iv)~~ For rate year ~~2007~~ and subsequent rate years ~~2007 through~~
4 ~~2015~~, employers who are current in filing quarterly wage reports and in
5 payment of all contributions due and owing, shall be issued a contribution
6 rate based upon the following reduction: For rate groups 1 through 5, the
7 rates would be reduced to 0.00%; for rate groups 6 through 28, the rates
8 would be reduced by 50%; for rate groups 29 through 51, the rates would
9 be reduced by 40%.

10 ~~(iii)~~ In order to be eligible for the reduced rates for rate year 2007, the
11 employer must file all late reports and pay all contributions due and owing
12 within a 30-day period following the date of mailing of the amended rate
13 notice.

14 ~~(iv)~~ In order to be eligible for the reduced rates for rate years ~~2008~~
15 ~~through 2013~~, employers must file all reports due and pay all contributions
16 due and owing on or before January 31 of the applicable year, except that
17 the reduced rates for otherwise eligible employers shall not be effective for
18 any rate year if the average high cost multiple of the employment security
19 trust fund balance falls below 1.2 as of the computation date of that year's
20 rates. In order to be eligible for the reduced rates for rate year 2014 and
21 subsequent rate years, employers must file all reports due and pay all
22 contributions due and owing on or before January 31 of the applicable
23 year, except that the reduced rates for otherwise eligible employers shall
24 not be effective for any rate year if the average high cost multiple of the
25 employment security trust fund balance falls below 1.0 as of the
26 computation date of that year's rates. For the purposes of this provision,
27 the average high cost multiple is the reserve fund ratio, as defined by
28 subsection (a)(3)(A), divided by the average high benefit cost rate. The
29 average high benefit cost rate shall be determined by averaging the three
30 highest benefit cost rates over the last 20 years from the preceding fiscal
31 year which ended June 30. The high benefit cost rate is defined by
32 dividing total benefits paid in the fiscal year by total payrolls for covered
33 employers in the fiscal year.

34 (v) For rate year 2014 and rate years thereafter, an eligible employer
35 other than a negative account balance employer, who has filed all reports
36 due and paid all contributions due and owing on or before January 31 of
37 the applicable year is entitled to a rate discount of 15% except as provided
38 in this subsection. For rate year 2015 and rate years thereafter, an eligible
39 employer other than a negative account balance employer, who has filed
40 all reports due and paid all contributions due and owing on or before
41 January 31 of the applicable year is entitled to a rate discount of 25%
42 except as provided in this subsection. This discount shall not be in effect if
43 other reduced rates pursuant to subsections (a)(3)(C)(4)(D)(i) through (iv)

1 are in effect. This discount shall not be available for a rate year if the
2 average high cost multiple, *as defined in subsection (a)(4)(D)(i)*, of the
3 employment security trust fund balance falls below 1.0 as of the
4 computation date of that year's rates, and this discount shall thereafter
5 cease to be in effect for all subsequent rate years. ~~For the purposes of this~~
6 ~~provision, the average high cost multiple is as defined by subsection (a)(3)~~
7 ~~(C)(iv).~~

8 (b) *Successor classification.* (1) (A) For the purposes of this
9 subsection (b), whenever an employing unit, whether or not it is an
10 "employing unit" within the meaning of ~~subsection (g)~~ of K.S.A. 44-
11 703(g), and amendments thereto, becomes an employer pursuant to
12 ~~subsection (h)(4)~~ of K.S.A. 44-703(h)(4), and amendments thereto, or is an
13 employer at the time of acquisition and meets the definition of a
14 "successor employer" as defined by ~~subsection (dd)~~ of K.S.A. 44-703(dd),
15 and amendments thereto, and thereafter transfers its trade or business, or
16 any portion thereof, to another employer and, at the time of the transfer,
17 there is substantially common ownership, management or control of the
18 two employers, then the unemployment experience attributable to the
19 transferred trade or business shall be transferred to the employer to whom
20 such business is so transferred. These experience factors consist of all
21 contributions paid, benefit experience and annual payrolls of the
22 predecessor employer. The transfer of some or all of an employer's
23 workforce to another employer shall be considered a transfer of trade or
24 business when, as the result of such transfer, the transferring employer no
25 longer performs trade or business with respect to the transferred
26 workforce, and such trade or business is performed by the employer to
27 whom the workforce is transferred.

28 (B) If, following a transfer of experience under subparagraph (A), the
29 secretary determines that a substantial purpose of the transfer or business
30 was to obtain a reduced liability for contributions, then the experience
31 rating accounts of the employers involved shall be combined into a single
32 account and a single rate assigned to such account.

33 (2) A successor employer as defined by ~~subsection (h)(4) or~~
34 ~~subsection (dd)~~ of K.S.A. 44-703(h)(4) or (dd), and amendments thereto,
35 may receive the experience rating factors of the predecessor employer if an
36 application is made to the secretary or the secretary's designee in writing
37 within 120 days of the date of the transfer.

38 (3) Whenever an employing unit, whether or not it is an "employing
39 unit" within the meaning of ~~subsection (g)~~ of K.S.A. 44-703(g), and
40 amendments thereto, acquires or in any manner succeeds to a percentage
41 of an employer's annual payroll which is less than 100% and intends to
42 continue the acquired percentage as a going business, the employing unit
43 may acquire the same percentage of the predecessor's experience factors if:

1 (A) The predecessor employer and successor employing unit make an
2 application in writing on the form prescribed by the secretary; (B) the
3 application is submitted within 120 days of the date of the transfer; (C) the
4 successor employing unit is or becomes an employer subject to this act
5 immediately after the transfer; (D) the percentage of the experience rating
6 factors transferred shall not be thereafter used in computing the
7 contribution rate for the predecessor employer; and (E) the secretary finds
8 that such transfer will not tend to defeat or obstruct the object and
9 purposes of this act.

10 (4) (A) The rate of both employers in a full or partial successorship
11 under paragraph (1) of this subsection shall be recalculated and made
12 effective on the first day of the next calendar quarter following the date of
13 transfer of trade or business.

14 (B) If a successor employer is determined to be qualified under
15 paragraph (2) or (3) of this subsection to receive the experience rating
16 factors of the predecessor employer, the rate assigned to the successor
17 employer for the remainder of the contributions year shall be determined
18 by the following:

19 (i) If the acquiring employing unit was an employer subject to this act
20 prior to the date of the transfer, the rate of contribution shall be the same as
21 the contribution rate of the acquiring employer on the date of the transfer.

22 (ii) If the acquiring employing unit was not an employer subject to
23 this act prior to the date of the transfer, the successor employer shall have
24 a newly computed rate for the remainder of the contribution year which
25 shall be based on the transferred experience rating factors as they existed
26 on the most recent computation date immediately preceding the date of
27 acquisition. These experience rating factors consist of all contributions
28 paid, benefit experience and annual payrolls.

29 (5) Whenever an employing unit is not an employer at the time it
30 acquires the trade or business of an employer, the unemployment
31 experience factors of the acquired business shall not be transferred to such
32 employing unit if the secretary finds that such employing unit acquired the
33 business solely or primarily for the purpose of obtaining a lower rate of
34 contributions. Instead, such employing unit shall be assigned the
35 applicable industry rate for a "new employer" as described in subsection
36 (a)(1) of this section. In determining whether the business was acquired
37 solely or primarily for the purpose of obtaining a lower rate of
38 contributions, the secretary shall use objective factors which may include
39 the cost of acquiring the business, whether the employer continued the
40 business enterprise of the acquired business, how long such business
41 enterprise was continued, or whether a substantial number of new
42 employees were hired for performance of duties unrelated to the business
43 activity conducted prior to acquisition.

1 (6) Whenever an employer's account has been terminated as provided
2 in ~~subsections (d) and (e) of K.S.A. 44-711(d) and (e), and amendments~~
3 ~~thereto, and the employer continues with employment to liquidate the~~
4 ~~business operations, that employer shall continue to be an "employer"~~
5 ~~subject to the employment security law as provided in subsection (h)(8) of~~
6 ~~K.S.A. 44-703(h)(8), and amendments thereto. The rate of contribution~~
7 ~~from the date of transfer to the end of the then current calendar year shall~~
8 ~~be the same as the contribution rate prior to the date of the transfer. At the~~
9 ~~completion of the then current calendar year, the rate of contribution shall~~
10 ~~be that of a "new employer" as described in subsection (a)(1) of this~~
11 ~~section.~~

12 (7) No rate computation will be permitted an employing unit
13 succeeding to the experience of another employing unit pursuant to this
14 section for any period subsequent to such succession except in accordance
15 with rules and regulations adopted by the secretary. Any such regulations
16 shall be consistent with federal requirements for additional credit
17 allowance in section 3303 of the federal internal revenue code of 1986,
18 and consistent with the provisions of this act.

19 (c) *Voluntary contributions.* Notwithstanding any other provision of
20 the employment security law, any employer may make voluntary payments
21 for the purpose of reducing or maintaining a reduced rate in addition to the
22 contributions required under this section. Such voluntary payments may be
23 made only during the thirty-day period immediately following the date of
24 mailing of experience rating notices for a calendar year. All such voluntary
25 contribution payments shall be paid prior to the expiration of 120 days
26 after the beginning of the year for which such rates are effective. The
27 amount of voluntary contributions shall be credited to the employer's
28 account as of the next preceding computation date and the employer's rate
29 shall be computed accordingly. Under no circumstances shall voluntary
30 payments be refunded in whole or in part.

31 (d) As used in this section, "negative account balance employer"
32 means an eligible employer whose total benefits charged to such
33 employer's account for all past years have exceeded all contributions paid
34 by such employer for all such years.

35 (e) There is hereby established in the state treasury, separate and apart
36 from all public moneys or funds of this state, an employment security
37 interest assessment fund, which shall be administered by the secretary as
38 provided in this act. Moneys in the employment security fund established
39 by K.S.A 44-712, and amendments thereto, and employment security
40 interest assessment fund established by K.S.A. 44-710, and amendments
41 thereto, shall not be invested in the pooled money investment portfolio
42 established under K.S.A 75-4234, and amendments thereto.
43 Notwithstanding the provisions of ~~subsection (a) of K.S.A. 44-712(a),~~

1 K.S.A. 44-716, K.S.A. 44-717 and K.S.A. 75-4234, and amendments
2 thereto, or any like provision the secretary shall remit all moneys received
3 from employers pursuant to the interest payment assessment established in
4 subsection (a)(2)(E), to the state treasurer in accordance with the
5 provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of
6 each such remittance, the state treasurer shall deposit the entire amount in
7 the employment security interest assessment fund. All moneys in this fund
8 which are received from employers pursuant to the interest payment
9 assessment established in subsection (a)(2)(E), shall be expended solely
10 for the purposes and in the amounts found by the secretary necessary to
11 pay any principal and interest due and owing the United States department
12 of labor resulting from any advancements made to the Kansas employment
13 security fund pursuant to the provisions of title XII of the social security
14 act (42 U.S.C. §§ 1321 to 1324) except as may be otherwise provided
15 under subsection (a)(2)(E). Notwithstanding any provision of this section,
16 all moneys received and credited to this fund pursuant to subsection (a)(2)
17 (E), shall remain part of the employment security interest assessment fund
18 and shall be used only in accordance with the conditions specified in
19 subsection (a)(2)(E).

20 (f) The secretary of labor shall annually prepare and submit a
21 certification as to the solvency and adequacy of the amount credited to the
22 state of Kansas' account in the federal employment security trust fund to
23 the governor and the legislative coordinating council. The certification
24 shall be submitted on or before December 1 of each calendar year and
25 shall be for the 12-month period ending on June 30 of that calendar year.
26 In arriving at the certification contributions paid on or before July 31
27 following the 12-month period ending date of June 30 shall be considered.
28 Each certification shall be used to determine the need for any adjustment
29 to schedule III in subsection (a)(~~3~~)(A)(4)(B) and to assist in preparing
30 legislation to accomplish any such adjustment.

31 Sec. 3. K.S.A. 2014 Supp. 44-704 and 44-710a are hereby repealed.

32 Sec. 4. This act shall take effect and be in force from and after its
33 publication in the statute book.