

HOUSE BILL No. 2764

By Committee on Commerce, Labor and Economic Development

Requested by Representative Tarwater

2-6

1 AN ACT concerning labor and employment; relating to the employment
2 security law; prohibiting amendments, suspensions or repeals of
3 employment security law provisions through budget provisos,
4 appropriations bills or temporary fiscal measures without following
5 specified review procedures; authorizing the secretary of labor to
6 recognize and approve employer-sponsored supplemental
7 unemployment benefit plans if such plans meet specific criteria,
8 including compliance with federal guidance and being employer-
9 funded; ensuring that supplemental unemployment benefit plans do not
10 disqualify employees from state unemployment benefits; requiring the
11 secretary to maintain a registry of authorized plans and monitor the
12 impact of such plans on the employment security trust fund; updating
13 terminology to reflect modern labor arrangements; reorganizing
14 sections for improved readability and compliance; enhancing federal
15 conformity by incorporating references to federal laws and guidelines;
16 integrating supplemental unemployment benefit plans into the current
17 statutory framework; updating the criteria for determining suitable
18 work and disqualification conditions for unemployment benefits;
19 clarifying procedures for filing claims, determining eligibility and
20 handling appeals and emphasizing electronic submissions and secure
21 online portals for employer responses; specifying timelines for appeals
22 and decisions; updating the structure and responsibilities of the
23 employment security board of review; amending K.S.A. 44-701, 44-
24 702, 44-704a, 44-704b, 44-710d, 44-710e, 44-710f, 44-710i, 44-711,
25 44-712, 44-713, 44-713a, 44-714, 44-715, 44-716, 44-716a, 44-718,
26 44-719, 44-720, 44-721, 44-722, 44-723, 44-724, 44-725, 44-727, 44-
27 758, 44-759, 44-760, 44-765, 44-766, 44-767, 44-768, 44-769, 44-770,
28 44-773 and 44-777 and K.S.A. 2025 Supp. 44-703, 44-704, 44-705, 44-
29 706, 44-709, 44-709b, 44-710, 44-710a, 44-710b, 44-717, 44-757, 44-
30 772, 44-774, 44-775 and 79-3234 and repealing the existing sections;
31 also repealing K.S.A. 44-706a, 44-761, 44-762, 44-763 and 44-764.
32

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

34 New Section 1. (a) The legislature intends that all provisions of the
35 Kansas employment security law be administered with transparency,

1 consistency and fiscal integrity with an emphasis on long-term
2 perspectives. The legislature finds that, to facilitate this intent,
3 amendments by the legislature to employment security law benefit
4 eligibility, definitions, benefit duration or administrative procedures shall
5 be made only upon review and consideration by the legislature pursuant to
6 subsection (c). The legislature further finds that employment security law
7 eligibility, definitions, benefit duration or administrative procedures shall
8 not be amended, suspended or repealed by budget provisos, appropriations
9 bills or temporary fiscal measures, unless the procedures for review and
10 consideration provided by subsection (c) have been followed with respect
11 to such action by a committee responsible for labor, budget or economic
12 development policy of both chambers. Alternatively, the legislature finds
13 that the intent of this act will be met upon consideration, at a hearing and
14 prior to taking action, of the record of such a review and consideration
15 made by another committee responsible for labor, budget or economic
16 development policy of the same chamber.

17 (b) Except upon review and consideration as provided by subsections
18 (a) and (c), no provision of any budget provisos, appropriations bills or
19 temporary fiscal measures shall:

20 (1) Amend the definition of "unemployment," "employment,"
21 "employer," "employee" or any other term defined in K.S.A. 44-703, and
22 amendments thereto, for purposes of the employment security law;

23 (2) expand, limit, restrict or modify eligibility requirements for
24 unemployment insurance benefits, including, but not limited to, duration
25 of benefits, work search requirements, temporary unemployment status,
26 waivers or exemptions for specific employee groups or reemployment
27 program participation;

28 (3) create special classifications, selective exemptions or exceptions
29 to any provisions of the employment security law for specific groups of
30 employees, employers or industries, including, but not limited to, such
31 groups that are subject to collective bargaining agreements; or

32 (4) alter any provision affecting the administration, funding, solvency
33 or disbursement criteria of the employment security trust fund.

34 (c) Any proposed change to unemployment compensation eligibility,
35 benefit structure or program administration pursuant to subsection (b) shall
36 be enacted through an amendment to the employment security law made
37 upon a thorough and comprehensive legislative review, including, at a
38 minimum:

39 (1) A formal actuarial impact analysis to assess potential effects on
40 the unemployment insurance trust fund;

41 (2) opportunity for public comment, with adequate notice and
42 opportunity for stakeholder input from employers, labor representatives,
43 economists and the public;

1 (3) hearings by the standing committees of both chambers responsible
2 for labor, budget or economic development policy, with opportunity for
3 testimony by stakeholders, including employers, labor organizations,
4 workforce development representatives and employment security law
5 experts; and

6 (4) legislative debate and vote in accordance with the full customary
7 legislative process for amending statutory law.

8 (d) In the event of a conflict between a provision of the substantive
9 employment security law and any budget provision or appropriations act
10 proviso that is enacted without compliance with this section, the
11 substantive employment security law shall govern.

12 (e) This section shall be a part of and supplemental to the
13 employment security law.

14 New Sec. 2. (a) It is the intent of the legislature to support
15 responsible workforce transition strategies during periods of temporary
16 layoffs while safeguarding the fiscal integrity of the unemployment
17 insurance system. Employer-sponsored supplemental unemployment
18 benefit plans meeting the requirements of this section, as determined by
19 the secretary of labor and accordingly authorized by the secretary, shall
20 serve as a voluntary, employer-funded mechanism to supplement state
21 unemployment compensation benefits.

22 (b) Employers may establish supplemental unemployment benefit
23 plans to provide income support to employees who are involuntarily laid
24 off due to lack of work and eligible for state unemployment insurance
25 benefits. The secretary shall recognize and authorize such plans if, in the
26 secretary's judgment, such plans:

27 (1) Are properly documented in writing and filed with the secretary
28 prior to implementation;

29 (2) comply with applicable federal guidance, including United States
30 internal revenue service rulings 56-249 and 90-72, and satisfy relevant
31 requirements of 26 U.S.C. § 501(c)(17) concerning trust arrangements for
32 supplemental unemployment compensation benefits;

33 (3) are funded entirely by the employer, and the supplemental
34 unemployment benefits do not constitute wages for purposes of state
35 unemployment insurance calculations;

36 (4) do not disqualify laid-off employees from receiving state
37 unemployment insurance benefits;

38 (5) provide supplemental unemployment benefits to laid-off
39 employees in periodic payments that align with the state unemployment
40 insurance benefit schedule. Lump-sum distributions shall not qualify as
41 valid supplemental unemployment plan payments; and

42 (6) terminate supplemental unemployment benefit payments when
43 laid-off employees become reemployed, are no longer eligible for state

1 unemployment benefits or otherwise fail to meet eligibility criteria
2 established by the plan or rules and regulations adopted by the secretary
3 pursuant to subsection (g).

4 (c) (1) Notwithstanding any other provision of the employment
5 security law, laid-off employees shall not be denied unemployment
6 insurance benefits or have such benefits reduced, offset or otherwise
7 limited solely because such employees are receiving payments from
8 employer-sponsored supplemental unemployment benefit plans if, as
9 determined by the secretary, such plans:

10 (A) Meet the requirements of subsection (b), including that such
11 plans:

12 (i) Are funded entirely by the employer;

13 (ii) are provided only to employees who are unemployed due to lack
14 of work and are eligible for state benefits under the employment security
15 law;

16 (iii) supplement rather than replace state unemployment
17 compensation; and

18 (iv) are not paid in a lump sum or in lieu of wages; and

19 (B) comply with the criteria set forth in 26 U.S.C. § 3306(b)(9),
20 United States internal revenue service revenue rulings 56-249 and 90-72
21 and applicable federal guidance.

22 (2) Payments made pursuant to supplemental unemployment benefit
23 plans meeting the requirements of subsections (b) and (c), as determined
24 by the secretary, shall not be considered wages or remuneration for
25 purposes of eligibility or disqualification for state unemployment
26 insurance benefits, the waiting week or the calculation of weekly benefit
27 amounts pursuant to the employment security law.

28 (3) This subsection shall be construed to be in conformity with 26
29 U.S.C. § 3304(a)(4) and 42 U.S.C. § 503(a) and interpreted in accordance
30 with United States department of labor conformity guidance.

31 (d) The secretary shall maintain and publish a registry on the
32 secretary's website of authorized supplemental unemployment benefit
33 plans submitted by employers to the secretary and may offer technical
34 guidance to assist employers in developing compliant plans.

35 (e) (1) The secretary shall monitor the interaction between
36 supplemental unemployment benefit plans and state unemployment
37 insurance claims to ensure continued solvency of the employment security
38 trust fund.

39 (2) For the fiscal year beginning on July 1, 2025, and each fiscal year
40 thereafter, the secretary shall publish the following information for the
41 fiscal year on the secretary's website on or before December 1 following
42 the end of such fiscal year, in conjunction with the information required to
43 be published on such website by K.S.A. 44-774, and amendments thereto.

1 Additionally, the secretary shall report such information to the legislature
2 at the beginning of each next succeeding legislative session. Such
3 information shall include:

4 (A) The number of active supplemental unemployment benefit plans
5 on file;

6 (B) aggregate claimant data for laid-off employees concurrently
7 receiving supplemental unemployment benefits and state unemployment
8 insurance benefits; and

9 (C) any actuarial analysis or findings concerning the impact of
10 supplemental unemployment benefit plan usage on the employment
11 security trust fund.

12 (3) If the secretary finds that supplemental unemployment benefit
13 plan usage materially increases unemployment insurance costs that may
14 affect the employment security trust fund for all other rated employers, the
15 secretary shall advise the legislature in the report submitted pursuant to
16 paragraph (2) and recommend modifications to program regulations or
17 propose statutory amendments to mitigate adverse impacts.

18 (f) This section shall apply uniformly to all employers and
19 employees, regardless of union affiliation, industry classification or
20 business size. The secretary and the employer shall administer
21 supplemental unemployment benefit plans without discrimination and
22 shall not provide disproportionate or preferential treatment to officers,
23 executives or specific classes of employees except as may be required by
24 federal law.

25 (g) The secretary shall adopt rules and regulations as necessary to
26 implement and administer this section, including, but not limited to:

27 (1) Procedures for submission, review and approval of supplemental
28 unemployment benefit plans;

29 (2) employer reporting and documentation requirements;

30 (3) oversight and audit mechanisms to ensure plan compliance and
31 fiscal responsibility; and

32 (4) alignment with federal standards. All rules and regulations
33 adopted by the secretary pursuant to this section shall conform to the
34 requirements of 26 U.S.C. § 3304, 42 U.S.C. § 503 and any conformity
35 guidance issued by the United States department of labor that is necessary
36 to maintain state certification and eligibility for federal tax offset and
37 administrative funding.

38 (h) This section and all other provisions of the employment security
39 law relating to supplemental unemployment insurance plans shall be
40 liberally construed to promote transparency, solvency and fair access to
41 unemployment compensation. The secretary shall ensure that all policies,
42 procedures and enforcement actions related to the recognition, operation
43 and administration of supplemental unemployment benefit plans are

1 consistent with federal law and guidance issued by the United States
2 department of labor, including all conformity and compliance criteria that
3 are necessary to maintain the state's certification under 26 U.S.C. § 3304.

4 (i) This section shall be a part of and supplemental to the employment
5 security law.

6 Sec. 3. K.S.A. 44-701 is hereby amended to read as follows: 44-701.
7 ~~This act K.S.A. 44-701 through 44-777, and amendments thereto, and~~
8 ~~sections 1 and 2, and amendments thereto,~~ shall be known and may be
9 cited as the "employment security law."

10 Sec. 4. K.S.A. 44-702 is hereby amended to read as follows: 44-702.
11 (a) As a guide to the interpretation and application of ~~this act the~~
12 ~~employment security law,~~ the public policy of this state is declared to be as
13 follows:

14 (1) ~~Economic insecurity, due to caused by involuntary~~
15 ~~unemployment, is poses a serious menace threat to the health, morals,~~
16 ~~well-being and welfare of the people of this state. Involuntary~~
17 ~~unemployment is therefore a subject economic stability of individuals,~~
18 ~~families and communities throughout Kansas. Unemployment is a matter~~
19 ~~of general interest and concern that requires appropriate action by the~~
20 ~~legislature requiring proactive legislative measures to reduce its impact~~
21 ~~and prevent its spread and.~~

22 (2) (A) ~~The legislature finds that achieving economic security for~~
23 ~~Kansans includes the establishment of a compulsory unemployment~~
24 ~~insurance system. The primary goals of this system are to lighten its~~
25 ~~burden that now so often falls with crushing force upon the:~~

26 (i) ~~Provide financial stability to unemployed worker and such~~
27 ~~worker's family. The achievement of social security requires protection~~
28 ~~against this greatest hazard of our economic life. This can be provided~~
29 ~~workers;~~

30 (ii) ~~stabilize the economy during downturns by maintaining consumer~~
31 ~~purchasing power; and~~

32 (iii) ~~encourage reemployment through active job search requirements~~
33 ~~and coordinated workforce services.~~

34 (B) ~~These goals are supported by encouraging employers to provide~~
35 ~~more stable employment and by requiring the systematic accumulation of~~
36 ~~funds unemployment insurance reserves, funded through employer~~
37 ~~contributions during periods of active employment. Such reserves are used~~
38 ~~to provide benefits for temporary wage replacement for eligible~~
39 ~~individuals during periods of unemployment, thus maintaining purchasing~~
40 ~~power and limiting the serious social consequences of poor relief~~
41 ~~joblessness, helping to sustain economic activity and reduce reliance on~~
42 ~~public assistance programs. The legislature, therefore, declares that in its~~
43 ~~considered judgment the public good and the general welfare of the~~

1 ~~citizens of this state require the enactment of this measure;~~

2 (b) *The employment security law is enacted under the police powers*
3 *of the state, for to promote the compulsory setting aside general welfare of*
4 *the citizens of the state of Kansas and to ensure the responsible and*
5 *equitable administration of unemployment reserves to be used for the*
6 *benefit of persons unemployed compensation benefits.*

7 (c) *The state of Kansas is committed to maintaining and*
8 *strengthening equitable access to the unemployment compensation*
9 *insurance system, including through fair and timely processing of both*
10 *initial and continuing claims. All persons individuals and employers are*
11 *entitled to a neutral, transparent and impartial interpretation of the*
12 *employment security law.*

13 (d) *The administration of the employment security law shall align*
14 *with applicable federal standards and shall be coordinated with state*
15 *workforce development initiatives to support timely reemployment,*
16 *economic resilience and long-term public confidence in the unemployment*
17 *insurance system.*

18 (e) (1) *The administration and interpretation of the employment*
19 *security law shall remain in conformity with applicable federal laws and*
20 *guidance to ensure continued federal certification of Kansas'*
21 *unemployment compensation program, including, but not limited to:*

22 (A) *20 C.F.R. part 603, which concerns confidentiality and disclosure*
23 *of unemployment compensation information;*

24 (B) *20 C.F.R. part 625, which concerns disaster unemployment*
25 *assistance;*

26 (C) *2 C.F.R. part 200, which concerns uniform administrative*
27 *requirements for federal grants; and*

28 (D) *the edition in force of the employment and training*
29 *administration handbook No. 401, which concerns unemployment*
30 *insurance state quality service plan and reporting requirements.*

31 (2) *These references shall guide state agency implementation,*
32 *recordkeeping and benefit administration to ensure continued federal*
33 *certification and funding eligibility.*

34 Sec. 5. K.S.A. 2025 Supp. 44-703 is hereby amended to read as
35 follows: 44-703. As used in ~~this act~~ *the employment security law*, unless
36 the context clearly requires otherwise:

37 (a) (1) ~~"Annual payroll" means the total amount of wages paid or~~
38 ~~payable by an employer during the calendar year.~~

39 (2) ~~"Average annual payroll" means the average of the annual~~
40 ~~payrolls of any employer for the last three calendar years immediately~~
41 ~~preceding the computation date as hereinafter defined if the employer has~~
42 ~~been continuously subject to contributions during those three calendar~~
43 ~~years and has paid some wages for employment during each of such years.~~

1 In determining contribution rates for the calendar year, if an employer has
2 not been continuously subject to contribution for the three calendar years
3 immediately preceding the computation date but has paid wages subject to
4 contributions during only the two calendar years immediately preceding
5 the computation date, such employer's "average annual payroll" shall be
6 the average of the payrolls for those two calendar years.

7 (3) ~~"Total wages" means the total amount of wages paid or payable~~
8 ~~by an employer during the calendar year, including that part of~~
9 ~~remuneration in excess of the limitation prescribed as provided in~~
10 ~~subsection (o)(1).~~

11 (b) ~~"Base period" means the first four of the last five completed~~
12 ~~calendar quarters immediately preceding the first day of an individual's~~
13 ~~benefit year, except that the base period in respect to combined wage~~
14 ~~claims means the base period as defined in the law of the paying state.~~

15 (1) ~~If an individual lacks sufficient base period wages in order to~~
16 ~~establish a benefit year in the manner set forth above and satisfies the~~
17 ~~requirements of subsection (hh) and K.S.A. 44-705(g), and amendments~~
18 ~~thereto, the claimant shall have an alternative base period substituted for~~
19 ~~the current base period so as not to prevent establishment of a valid claim.~~
20 ~~For the purposes of this subsection, "alternative base period" means the~~
21 ~~last four completed quarters immediately preceding the date the qualifying~~
22 ~~injury occurred. In the event the wages in the alternative base period have~~
23 ~~been used on a prior claim, then they shall be excluded from the new~~
24 ~~alternative base period.~~

25 (2) ~~For the purposes of this chapter, the term "base period" includes~~
26 ~~the alternative base period.~~

27 (c) (1) ~~"Benefits" means the money payments payable to an~~
28 ~~individual, as provided in this act, with respect to such individual's~~
29 ~~unemployment.~~

30 (2) ~~"Regular benefits" means benefits payable to an individual under~~
31 ~~this act or under any other state law, including benefits payable to federal~~
32 ~~civilian employees and to ex-servicemen pursuant to 5 U.S.C. chapter 85,~~
33 ~~other than extended benefits.~~

34 (d) ~~"Benefit year" with respect to any individual, means the period~~
35 ~~beginning with the Sunday of the first week for which such individual files~~
36 ~~a valid claim for benefits, and such benefit year shall continue for one full~~
37 ~~year. In the case of a combined wage claim, the benefit year shall be the~~
38 ~~benefit year of the paying state. Following the termination of a benefit~~
39 ~~year, a subsequent benefit year shall commence on the Sunday of the first~~
40 ~~week with respect to which an individual next files a claim for benefits.~~
41 ~~Any claim for benefits made in accordance with K.S.A. 44-709(a), and~~
42 ~~amendments thereto, shall be deemed to be a "valid claim" for the~~
43 ~~purposes of this subsection if the individual has been paid wages for~~

1 insured work as required under K.S.A. 44-705(e), and amendments
2 thereto.

3 (e) "Commissioner" or "secretary" means the secretary of labor.

4 (f) (1) "Contributions" means the money payments to the state
5 employment security fund that are required to be made by employers on
6 account of employment under K.S.A. 44-710, and amendments thereto,
7 and voluntary payments made by employers pursuant to such statute.

8 (2) "Payments in lieu of contributions" means the money payments to
9 the state employment security fund from employers that are required to
10 make or that elect to make such payments under K.S.A. 44-710(e), and
11 amendments thereto.

12 (g) "Employing unit" means any individual or type of organization,
13 including any partnership, association, limited liability company, agency
14 or department of the state of Kansas and political subdivisions thereof,
15 trust, estate, joint stock company, insurance company or corporation,
16 whether domestic or foreign including nonprofit corporations, or the
17 receiver, trustee in bankruptcy, trustee or successor thereof, or the legal
18 representatives of a deceased person, that has in its employ one or more
19 individuals performing services for it within this state. All individuals
20 performing services within this state for any employing unit that maintains
21 two or more separate establishments within this state shall be deemed to be
22 employed by a single employing unit for all the purposes of this act. Each
23 individual employed to perform or to assist in performing the work of any
24 agent or employee of an employing unit shall be deemed to be employed
25 by such employing unit for all the purposes of this act, whether such
26 individual was hired or paid directly by such employing unit or by such
27 agent or employee, provided the employing unit had actual or constructive
28 knowledge of the employment.

29 (h) "Employer" means:

30 (1) (A) Any employing unit for which agricultural labor as defined in
31 subsection (w) is performed and during any calendar quarter in either the
32 current or preceding calendar year paid remuneration in cash of \$20,000 or
33 more to individuals employed in agricultural labor or for some portion of a
34 day in each of 20 different calendar weeks, whether or not such weeks
35 were consecutive, in either the current or the preceding calendar year,
36 employed in agricultural labor 10 or more individuals, regardless of
37 whether they were employed at the same moment of time.

38 (B) For the purpose of this subsection (h)(1), any individual who is a
39 member of a crew furnished by a crew leader to perform services in
40 agricultural labor for any other person shall be treated as an employee of
41 such crew leader if:

42 (i) Such crew leader holds a valid certificate of registration under the
43 federal migrant and seasonal agricultural workers protection act or

1 substantially all the members of such crew operate or maintain tractors,
2 mechanized harvesting or cropdusting equipment or any other mechanized
3 equipment, that is provided by such crew leader; and

4 (ii) such individual is not in the employment of such other person
5 within the meaning of subsection (i).

6 (C) For the purpose of this subsection (h)(1), in the case of any
7 individual who is furnished by a crew leader to perform services in
8 agricultural labor for any other person and who is not treated as an
9 employee of such crew leader:

10 (i) Such other person and not the crew leader shall be treated as the
11 employer of such individual; and

12 (ii) such other person shall be treated as having paid cash
13 remuneration to such individual in an amount equal to the amount of cash
14 remuneration paid to such individual by the crew leader, either on the crew
15 leader's own behalf or on behalf of such other person, for the services in
16 agricultural labor performed for such other person.

17 (D) For the purposes of this subsection (h)(1) "crew leader" means an
18 individual who:

19 (i) Furnishes individuals to perform services in agricultural labor for
20 any other person;

21 (ii) pays, either on such individual's own behalf or on behalf of such
22 other person, the individuals so furnished by such individual for the
23 services in agricultural labor performed by them; and

24 (iii) has not entered into a written agreement with such other person
25 under which such individual is designated as an employee of such other
26 person.

27 (2) (A) Any employing unit that for calendar year 2007 and each
28 calendar year thereafter: (i) In any calendar quarter in either the current or
29 preceding calendar year paid for services in employment wages of \$1,500
30 or more; (ii) for some portion of a day in each of 20 different calendar
31 weeks, whether or not such weeks were consecutive, in either the current
32 or preceding calendar year, had in employment at least one individual;
33 whether or not the same individual was in employment in each such day;
34 or (iii) elects to have an unemployment tax account established at the time
35 of initial registration in accordance with K.S.A. 44-711(c), and
36 amendments thereto.

37 (B) Employment of individuals to perform domestic service or
38 agricultural labor and wages paid for such service or labor shall not be
39 considered in determining whether an employing unit meets the criteria of
40 this subsection (h)(2).

41 (3) Any employing unit for which service is employment as defined
42 in subsection (i)(3)(E).

43 (4) (A) Any employing unit, whether or not it is an employing unit

1 under subsection (g), that acquires or in any manner succeeds to: (i)
2 Substantially all of the employing enterprises, organization, trade or
3 business; or (ii) substantially all the assets, of another employing unit that
4 at the time of such acquisition was an employer subject to this act;

5 (B) ~~any employing unit that is controlled substantially, either directly~~
6 ~~or indirectly by legally enforceable means or otherwise, by the same~~
7 ~~interest or interests, whether or not such interest or interests are an~~
8 ~~employing unit under subsection (g), acquires or in any manner succeeds~~
9 ~~to a portion of an employer's annual payroll, is less than 100% of such~~
10 ~~employer's annual payroll, and intends to continue the acquired portion as~~
11 ~~a going business.~~

12 (5) Any employing unit that paid cash remuneration of \$1,000 or
13 more in any calendar quarter in the current or preceding calendar year to
14 individuals employed in domestic service as defined in subsection (aa).

15 (6) Any employing unit that having become an employer under this
16 subsection (h) has not, under K.S.A. 44-711(b), and amendments thereto,
17 ceased to be an employer subject to this act.

18 (7) Any employing unit that has elected to become fully subject to
19 this act in accordance with K.S.A. 44-711(e), and amendments thereto.

20 (8) Any employing unit not an employer by reason of any other
21 paragraph of this subsection (h), for which within either the current or
22 preceding calendar year services in employment are or were performed
23 with respect to which such employing unit is liable for any federal tax
24 against which credit may be taken for contributions required to be paid
25 into a state unemployment compensation fund; or that, as a condition for
26 approval of this act for full tax credit against the tax imposed by the
27 federal unemployment tax act, is required, pursuant to such act, to be an
28 "employer" under this act.

29 (9) Any employing unit described in section 501(c)(3) of the federal
30 internal revenue code of 1986 that is exempt from income tax under
31 section 501(a) of the code that had four or more individuals in
32 employment for some portion of a day in each of 20 different weeks,
33 whether or not such weeks were consecutive, within either the current or
34 preceding calendar year, regardless of whether they were employed at the
35 same moment of time.

36 (i) "Employment" means:

37 (1) Subject to the other provisions of this subsection, service,
38 including services in interstate commerce, performed by:

39 (A) Any active officer of a corporation;

40 (B) any individual who, under the usual common law rules applicable
41 in determining the employer-employee relationship, has the status of an
42 employee subject to the provisions of subsection (i)(3)(D); or

43 (C) any individual other than an individual who is an employee under

1 subsection (i)(1)(A) or subsection (i)(1)(B) above who performs services
2 for remuneration for any person:

3 (i) ~~As an agent driver or commission driver engaged in distributing~~
4 ~~meat products, vegetable products, fruit products, bakery products,~~
5 ~~beverages, other than milk, or laundry or dry-cleaning services, for such~~
6 ~~individual's principal; or~~

7 (ii) ~~as a traveling or city salesman, other than as an agent driver or~~
8 ~~commission driver, engaged upon a full-time basis in the solicitation on~~
9 ~~behalf of, and the transmission to, a principal, except for side-line sales~~
10 ~~activities on behalf of some other person, of orders from wholesalers,~~
11 ~~retailers, contractors, or operators of hotels, restaurants, or other similar~~
12 ~~establishments for merchandise for resale or supplies for use in their~~
13 ~~business operations.~~

14 For purposes of subsection (i)(1)(C), the term "employment" includes
15 services described in paragraphs (i) and (ii) above only if:

16 (a) The contract of service contemplates that substantially all of the
17 services are to be performed personally by such individual;

18 (b) the individual does not have a substantial investment in facilities
19 used in connection with the performance of the services, other than in
20 facilities for transportation; and

21 (c) the services are not in the nature of a single transaction that is not
22 part of a continuing relationship with the person for whom the services are
23 performed.

24 (2) The term "employment" includes ~~an individual's entire service~~
25 ~~within the United States, even though performed entirely outside this state~~
26 ~~if:~~

27 (A) ~~The service is not localized in any state;~~

28 (B) ~~the individual is one of a class of employees who are required to~~
29 ~~travel outside this state in performance of their duties; and~~

30 (C) ~~the individual's base of operations is in this state, or if there is no~~
31 ~~base of operations, then the place where service is directed or controlled is~~
32 ~~in this state.~~

33 (3) The term "employment" also includes:

34 (A) ~~Services performed within this state but not covered by the~~
35 ~~provisions of subsection (i)(1) or subsection (i)(2) shall be deemed to be~~
36 ~~employment subject to this act if contributions are not required and paid~~
37 ~~with respect to such services under an unemployment compensation law of~~
38 ~~any other state or of the federal government.~~

39 (B) ~~Services performed entirely without this state, with respect to no~~
40 ~~part of which contributions are required and paid under an unemployment~~
41 ~~compensation law of any other state or of the federal government, shall be~~
42 ~~deemed to be employment subject to this act only if the individual~~
43 ~~performing such services is a resident of this state and the secretary~~

1 approved the election of the employing unit for whom such services are
2 performed that the entire service of such individual shall be deemed to be
3 employment subject to this act.

4 (C) ~~Services covered by an arrangement pursuant to K.S.A. 44-~~
5 ~~714(j), and amendments thereto, between the secretary and the agency~~
6 ~~charged with the administration of any other state or federal~~
7 ~~unemployment compensation law, pursuant to which all services~~
8 ~~performed by an individual for an employing unit are deemed to be~~
9 ~~performed entirely within this state, shall be deemed to be employment if~~
10 ~~the secretary has approved an election of the employing unit for whom~~
11 ~~such services are performed, pursuant to which the entire service of such~~
12 ~~individual during the period covered by such election is deemed to be~~
13 ~~insured work.~~

14 (D) ~~Services performed by an individual for wages or under any~~
15 ~~contract of hire shall be deemed to be employment subject to this act if the~~
16 ~~business for which activities of the individual are performed retains not~~
17 ~~only the right to control the end result of the activities performed, but the~~
18 ~~manner and means by which the end result is accomplished.~~

19 (E) ~~Services performed by an individual in the employ of a state or~~
20 ~~any instrumentality thereof, any political subdivision of a state or any~~
21 ~~instrumentality thereof, or in the employ of an Indian tribe, as defined~~
22 ~~pursuant to section 3306(u) of the federal unemployment tax act, any~~
23 ~~instrumentality of more than one of the foregoing or any instrumentality~~
24 ~~that is jointly owned by this state or a political subdivision thereof or~~
25 ~~Indian tribes and one or more other states or political subdivisions of this~~
26 ~~or other states, provided that such service is excluded from "employment"~~
27 ~~as defined in the federal unemployment tax act by reason of section~~
28 ~~3306(e)(7) of that act and is not excluded from "employment" under~~
29 ~~subsection (i)(4)(A) of this section. For purposes of this section, the~~
30 ~~exclusions from employment in subsections (i)(4)(A) and (i)(4)(L) shall~~
31 ~~also be applicable to services performed in the employ of an Indian tribe.~~

32 (F) ~~Services performed by an individual in the employ of a religious,~~
33 ~~charitable, educational or other organization that is excluded from the term~~
34 ~~"employment" as defined in the federal unemployment tax act solely by~~
35 ~~reason of section 3306(e)(8) of that act, and is not excluded from~~
36 ~~employment under subsection (i)(4)(I) through (M).~~

37 (G) ~~The term "employment" includes the services of an individual~~
38 ~~who is a citizen of the United States, performed outside the United States~~
39 ~~except in Canada, in the employ of an American employer, other than~~
40 ~~service that is deemed "employment" under the provisions of subsection (i)~~
41 ~~(2) or subsection (i)(3) or the parallel provisions of another state's law, if:~~

42 (i) ~~The employer's principal place of business in the United States is~~
43 ~~located in this state; or~~

1 (ii) ~~the employer has no place of business in the United States, but:~~

2 (a) ~~The employer is an individual who is a resident of this state;~~

3 (b) ~~the employer is a corporation which is organized under the laws~~
4 ~~of this state; or~~

5 (c) ~~the employer is a partnership or a trust and the number of the~~
6 ~~partners or trustees who are residents of this state is greater than the~~
7 ~~number who are residents of any other state; or~~

8 (iii) ~~none of the criteria of (i)(3)(G)(i) and (ii) are met but the~~
9 ~~employer has elected coverage in this state or, the employer having failed~~
10 ~~to elect coverage in any state, the individual has filed a claim for benefits,~~
11 ~~based on such service, under the law of this state.~~

12 (H) ~~An "American employer," for purposes of subsection (i)(3)(G),~~
13 ~~means a person who is:~~

14 (i) ~~An individual who is a resident of the United States;~~

15 (ii) ~~a partnership if $\frac{2}{3}$ or more of the partners are residents of the~~
16 ~~United States;~~

17 (iii) ~~a trust, if all of the trustees are residents of the United States; or~~

18 (iv) ~~a corporation organized under the laws of the United States or of~~
19 ~~any state.~~

20 (I) ~~Notwithstanding subsection (i)(2), all services performed by an~~
21 ~~officer or member of the crew of an American vessel or American aircraft~~
22 ~~on or in connection with such vessel or aircraft, if the operating office,~~
23 ~~from which the operations of such vessel or aircraft operating within, or~~
24 ~~within and without, the United States are ordinarily and regularly~~
25 ~~supervised, managed, directed and controlled is within this state.~~

26 (J) ~~Notwithstanding any other provisions of this subsection (i),~~
27 ~~services with respect to which a tax is required to be paid under any~~
28 ~~federal law imposing a tax against which credit may be taken for~~
29 ~~contributions required to be paid into a state unemployment compensation~~
30 ~~fund or that as a condition for full tax credit against the tax imposed by the~~
31 ~~federal unemployment tax act is required to be covered under this act.~~

32 (K) ~~Domestic service in a private home, local college club or local~~
33 ~~chapter of a college fraternity or sorority performed for a person who paid~~
34 ~~cash remuneration of \$1,000 or more in any calendar quarter in the current~~
35 ~~calendar year or the preceding calendar year to individuals employed in~~
36 ~~such domestic service.~~

37 (4) ~~The term "employment" does not include: (A) Services performed~~
38 ~~in the employ of an employer specified in subsection (h)(3) if such service~~
39 ~~is performed by an individual in the exercise of duties:~~

40 (i) ~~As an elected official;~~

41 (ii) ~~as a member of a legislative body, or a member of the judiciary, of~~
42 ~~a state, political subdivision or of an Indian tribe;~~

43 (iii) ~~as a member of the state national guard or air national guard;~~

1 ~~(iv) as an employee serving on a temporary basis in case of fire,~~
2 ~~storm, snow, earthquake, flood or similar emergency;~~

3 ~~(v) in a position that, under or pursuant to the laws of this state or~~
4 ~~tribal law, is designated as a major nontenured policymaking or advisory~~
5 ~~position or as a policymaking or advisory position the performance of the~~
6 ~~duties of which ordinarily does not require more than eight hours per~~
7 ~~week;~~

8 ~~(B) services with respect to which unemployment compensation is~~
9 ~~payable under an unemployment compensation system established by an~~
10 ~~act of congress;~~

11 ~~(C) services performed by an individual in the employ of such~~
12 ~~individual's son, daughter or spouse, and services performed by a child~~
13 ~~under the age of 21 years in the employ of such individual's father or~~
14 ~~mother;~~

15 ~~(D) services performed in the employ of the United States~~
16 ~~government or an instrumentality of the United States exempt under the~~
17 ~~constitution of the United States from the contributions imposed by this~~
18 ~~act, except that to the extent that the congress of the United States shall~~
19 ~~permit states to require any instrumentality of the United States to make~~
20 ~~payments into an unemployment fund under a state unemployment~~
21 ~~compensation law, all of the provisions of this act shall be applicable to~~
22 ~~such instrumentalities, and to services performed for such~~
23 ~~instrumentalities, in the same manner, to the same extent and on the same~~
24 ~~terms as to all other employers, employing units, individuals and services.~~
25 ~~If this state shall not be certified for any year by the federal security~~
26 ~~agency under section 3304(e) of the federal internal revenue code of 1986,~~
27 ~~the payments required of such instrumentalities with respect to such year~~
28 ~~shall be refunded by the secretary from the fund in the same manner and~~
29 ~~within the same period as is provided in K.S.A. 44-717(h), and~~
30 ~~amendments thereto, with respect to contributions erroneously collected;~~

31 ~~(E) services covered by an arrangement between the secretary and the~~
32 ~~agency charged with the administration of any other state or federal~~
33 ~~unemployment compensation law pursuant to which all services performed~~
34 ~~by an individual for an employing unit during the period covered by such~~
35 ~~employing unit's duly approved election, are deemed to be performed~~
36 ~~entirely within the jurisdiction of such other state or federal agency;~~

37 ~~(F) services performed by an individual under the age of 18 in the~~
38 ~~delivery or distribution of newspapers or shopping news, not including~~
39 ~~delivery or distribution to any point for subsequent delivery or~~
40 ~~distribution;~~

41 ~~(G) services performed by an individual for an employing unit as an~~
42 ~~insurance agent or as an insurance solicitor, if all such service performed~~
43 ~~by such individual for such employing unit is performed for remuneration~~

1 solely by way of commission;

2 (H) ~~services performed in any calendar quarter in the employ of any~~
3 ~~organization exempt from income tax under section 501(a) of the federal~~
4 ~~internal revenue code of 1986, other than an organization described in~~
5 ~~section 401(a) or under section 521 of such code, if the remuneration for~~
6 ~~such service is less than \$50. In construing the application of the term~~
7 ~~"employment," if services performed during ½ or more of any pay period~~
8 ~~by an individual for the person employing such individual constitute~~
9 ~~employment, all the services of such individual for such period shall be~~
10 ~~deemed to be employment; but if the services performed during more than~~
11 ~~½ of any such pay period by an individual for the person employing such~~
12 ~~individual do not constitute employment, then none of the services of such~~
13 ~~individual for such period shall be deemed to be employment. As used in~~
14 ~~this subsection (i)(4)(H) the term "pay period" means a period, of not more~~
15 ~~than 31 consecutive days, for which a payment of remuneration is~~
16 ~~ordinarily made to the individual by the person employing such individual.~~
17 ~~This subsection (i)(4)(H) shall not be applicable with respect to services~~
18 ~~with respect to which unemployment compensation is payable under an~~
19 ~~unemployment compensation system established by an act of congress;~~

20 (I) ~~services performed in the employ of a church or convention or~~
21 ~~association of churches, or an organization which is operated primarily for~~
22 ~~religious purposes and which is operated, supervised, controlled, or~~
23 ~~principally supported by a church or convention or association of~~
24 ~~churches;~~

25 (J) ~~services performed by a duly ordained, commissioned, or licensed~~
26 ~~minister of a church in the exercise of such individual's ministry or by a~~
27 ~~member of a religious order in the exercise of duties required by such~~
28 ~~order;~~

29 (K) ~~services performed in a facility conducted for the purpose of~~
30 ~~carrying out a program of:~~

31 (i) ~~Rehabilitation for individuals whose earning capacity is impaired~~
32 ~~by age or physical or mental deficiency or injury; or~~

33 (ii) ~~providing remunerative work for individuals who because of their~~
34 ~~impaired physical or mental capacity cannot be readily absorbed in the~~
35 ~~competitive labor market, by an individual receiving such rehabilitation or~~
36 ~~remunerative work;~~

37 (L) ~~services performed as part of an employment work-relief or work-~~
38 ~~training program assisted or financed in whole or in part by any federal~~
39 ~~agency or an agency of a state or political subdivision thereof or of an~~
40 ~~Indian tribe, by an individual receiving such work relief or work training;~~

41 (M) ~~services performed by an inmate of a custodial or correctional~~
42 ~~institution;~~

43 (N) ~~services performed, in the employ of a school, college, or~~

1 university, if such service is performed by a student who is enrolled and is
2 regularly attending classes at such school, college or university;

3 ~~(O) services performed by an individual who is enrolled at a~~
4 ~~nonprofit or public educational institution that normally maintains a~~
5 ~~regular faculty and curriculum and normally has a regularly organized~~
6 ~~body of students in attendance at the place where its educational activities~~
7 ~~are carried on as a student in a full-time program, taken for credit at such~~
8 ~~institution, that combines academic instruction with work experience, if~~
9 ~~such service is an integral part of such program, and such institution has so~~
10 ~~certified to the employer, except that this subsection (i)(4)(O) shall not~~
11 ~~apply to service performed in a program established for or on behalf of an~~
12 ~~employer or group of employers;~~

13 ~~(P) services performed in the employ of a hospital licensed, certified~~
14 ~~or approved by the secretary of health and environment, if such service is~~
15 ~~performed by a patient of the hospital;~~

16 ~~(Q) services performed as a qualified real estate agent. As used in this~~
17 ~~subsection (i)(4)(Q) the term "qualified real estate agent" means any~~
18 ~~individual who is licensed by the Kansas real estate commission as a~~
19 ~~salesperson under the real estate brokers' and salespersons' license act and~~
20 ~~for whom:~~

21 ~~(i) Substantially all of the remuneration, whether or not paid in cash,~~
22 ~~for the services performed by such individual as a real estate salesperson is~~
23 ~~directly related to sales or other output, including the performance of~~
24 ~~services, rather than to the number of hours worked; and~~

25 ~~(ii) the services performed by the individual are performed pursuant~~
26 ~~to a written contract between such individual and the person for whom the~~
27 ~~services are performed and such contract provides that the individual will~~
28 ~~not be treated as an employee with respect to such services for state tax~~
29 ~~purposes;~~

30 ~~(R) services performed for an employer by an extra in connection~~
31 ~~with any phase of motion picture or television production or television~~
32 ~~commercials for less than 14 days during any calendar year. As used in this~~
33 ~~subsection, the term "extra" means an individual who pantomimes in the~~
34 ~~background, adds atmosphere to the set and performs such actions without~~
35 ~~speaking and "employer" shall not include any employer that is a~~
36 ~~governmental entity or any employer described in section 501(e)(3) of the~~
37 ~~federal internal revenue code of 1986 that is exempt from income taxation~~
38 ~~under section 501(a) of the code;~~

39 ~~(S) services performed by an oil and gas contract pumper. As used in~~
40 ~~this subsection (i)(4)(S), "oil and gas contract pumper" means a person~~
41 ~~performing pumping and other services on one or more oil or gas leases, or~~
42 ~~on both oil and gas leases, relating to the operation and maintenance of~~
43 ~~such oil and gas leases, on a contractual basis for the operators of such oil~~

1 and gas leases and "services" shall not include services performed for a
2 governmental entity or any organization described in section 501(c)(3) of
3 the federal internal revenue code of 1986 that is exempt from income
4 taxation under section 501(a) of the code;

5 (T) ~~service not in the course of the employer's trade or business~~
6 ~~performed in any calendar quarter by an employee, unless the cash~~
7 ~~remuneration paid for such service is \$200 or more and such service is~~
8 ~~performed by an individual who is regularly employed by such employer~~
9 ~~to perform such service. For purposes of this paragraph, an individual shall~~
10 ~~be deemed to be regularly employed by an employer during a calendar~~
11 ~~quarter only if:~~

12 (i) ~~On each of some 24 days during such quarter such individual~~
13 ~~performs for such employer for some portion of the day service not in the~~
14 ~~course of the employer's trade or business; or~~

15 (ii) ~~such individual was regularly employed, as determined under~~
16 ~~subparagraph (i), by such employer in the performance of such service~~
17 ~~during the preceding calendar quarter.~~

18 Such excluded service shall not include any services performed for an
19 employer that is a governmental entity or any employer described in
20 section 501(c)(3) of the federal internal revenue code of 1986 that is
21 exempt from income taxation under section 501(a) of the code;

22 (U) ~~service which is performed by any person who is a member of a~~
23 ~~limited liability company and that is performed as a member or manager of~~
24 ~~that limited liability company; and~~

25 (V) ~~services performed as a qualified direct seller. The term "direct~~
26 ~~seller" means any person if:~~

27 (i) ~~Such person:~~

28 (a) ~~Is engaged in the trade or business of selling or soliciting the sale~~
29 ~~of consumer products to any buyer on a buy-sell basis or a deposit-~~
30 ~~commission basis for resale, by the buyer or any other person, in the home~~
31 ~~or otherwise rather than in a permanent retail establishment; or~~

32 (b) ~~is engaged in the trade or business of selling or soliciting the sale~~
33 ~~of consumer products in the home or otherwise than in a permanent retail~~
34 ~~establishment;~~

35 (ii) ~~substantially all the remuneration whether or not paid in cash for~~
36 ~~the performance of the services described in subparagraph (i) is directly~~
37 ~~related to sales or other output including the performance of services rather~~
38 ~~than to the number of hours worked;~~

39 (iii) ~~the services performed by the person are performed pursuant to a~~
40 ~~written contract between such person and the person for whom the services~~
41 ~~are performed and such contract provides that the person will not be~~
42 ~~treated as an employee for federal and state tax purposes;~~

43 (iv) ~~for purposes of this act, a sale or a sale resulting exclusively from~~

1 a solicitation made by telephone, mail, or other telecommunications-
2 method, or other nonpersonal method does not satisfy the requirements of
3 this subsection;

4 (W) ~~services performed as an election official or election worker, if~~
5 ~~the amount of remuneration received by the individual during the calendar~~
6 ~~year for services as an election official or election worker is less than~~
7 ~~\$1,000;~~

8 (X) ~~services performed by agricultural workers who are aliens~~
9 ~~admitted to the United States to perform labor pursuant to section 1101(a)~~
10 ~~(15)(H)(ii)(a) of the immigration and nationality act;~~

11 (Y) ~~services performed by an owner-operator of a motor vehicle that~~
12 ~~is leased or contracted to a licensed motor carrier with the services of a~~
13 ~~driver and is not treated under the terms of the lease agreement or contract~~
14 ~~with the licensed motor carrier as an employee for purposes of the federal~~
15 ~~insurance contribution act, 26 U.S.C. § 3101 et seq., the federal social~~
16 ~~security act, 42 U.S.C. § 301 et seq., the federal unemployment tax act, 26~~
17 ~~U.S.C. § 3301 et seq., and the federal statutes prescribing income tax~~
18 ~~withholding at the source, 26 U.S.C. § 3401 et seq. Employees or agents of~~
19 ~~the owner-operator shall not be considered employees of the licensed~~
20 ~~motor carrier for purposes of employment security taxation or~~
21 ~~compensation. As used in this subsection (Y), the following definitions~~
22 ~~apply: (i) "Motor vehicle" means any automobile, truck-trailer, semitrailer,~~
23 ~~tractor, motor bus or any other self-propelled or motor-driven vehicle used~~
24 ~~upon any of the public highways of Kansas for the purpose of transporting~~
25 ~~persons or property; (ii) "licensed motor carrier" means any person, firm,~~
26 ~~corporation or other business entity that holds a certificate of convenience~~
27 ~~and necessity or a certificate of public service from the state corporation~~
28 ~~commission or is required to register motor carrier equipment pursuant to~~
29 ~~49 U.S.C. § 14504; and (iii) "owner-operator" means a person, firm,~~
30 ~~corporation or other business entity that is the owner of a single motor~~
31 ~~vehicle that is driven exclusively by the owner under a lease agreement or~~
32 ~~contract with a licensed motor carrier; and~~

33 (Z) ~~services performed by a petroleum landman on a contractual~~
34 ~~basis. As used in this subparagraph, "petroleum landman" means an~~
35 ~~individual performing services on a contractual basis who is not an~~
36 ~~individual who is an active officer of a corporation as described in~~
37 ~~subsection (i)(1)(A) that may include:~~

38 (i) ~~Negotiating for the acquisition or divestiture of mineral rights;~~

39 (ii) ~~negotiating business agreements that provide exploration for or~~
40 ~~development of minerals;~~

41 (iii) ~~determining ownership in minerals through the research of public~~
42 ~~and private records;~~

43 (iv) ~~reviewing the status of title, curing title defects, providing title~~

1 due diligence and otherwise reducing title risk associated with ownership
2 in minerals or the acquisition and divestiture of mineral properties;

3 ~~(v) managing rights or obligations derived from ownership of~~
4 ~~interests in minerals; or~~

5 ~~(vi) unitizing or pooling of interests in minerals. For purposes of this~~
6 ~~subparagraph, "minerals" includes oil, natural gas or petroleum. "Services"~~
7 ~~does not include services performed for a governmental entity or any~~
8 ~~organization described in section 501(c)(3) of the federal internal revenue~~
9 ~~code of 1986, or a federally recognized Indian tribe that is exempt from~~
10 ~~income taxation under section 501(a) of the code.~~

11 ~~(j) "Employment office" means any office operated by this state and~~
12 ~~maintained by the secretary of labor for the purpose of assisting persons to~~
13 ~~become employed.~~

14 ~~(k) "Fund" means the employment security fund established by this~~
15 ~~act, to which all contributions and reimbursement payments required and~~
16 ~~from which all benefits provided under this act shall be paid and including~~
17 ~~all money received from the federal government as reimbursements~~
18 ~~pursuant to section 204 of the federal state extended compensation act of~~
19 ~~1970, and amendments thereto.~~

20 ~~(l) "State" includes, in addition to the states of the United States of~~
21 ~~America, any dependency of the United States, the Commonwealth of~~
22 ~~Puerto Rico, the District of Columbia and the Virgin Islands.~~

23 ~~(m) "Unemployment." An individual shall be deemed "unemployed"~~
24 ~~with respect to any week during which such individual performs no~~
25 ~~services and with respect to which no wages are payable to such~~
26 ~~individual, or with respect to any week of less than full-time work if the~~
27 ~~wages payable to such individual with respect to such week are less than~~
28 ~~such individual's weekly benefit amount.~~

29 ~~(n) "Employment security administration fund" means the fund~~
30 ~~established by this act, from which administrative expenses under this act~~
31 ~~shall be paid.~~

32 ~~(o) "Wages" means all compensation for services, including~~
33 ~~commissions, bonuses, back pay and the cash value of all remuneration,~~
34 ~~including benefits, paid in any medium other than cash. The reasonable~~
35 ~~cash value of remuneration in any medium other than cash, shall be~~
36 ~~estimated and determined in accordance with rules and regulations~~
37 ~~prescribed by the secretary. Compensation payable to an individual that~~
38 ~~has not been actually received by that individual within 21 days after the~~
39 ~~end of the pay period in which the compensation was earned shall be~~
40 ~~considered to have been paid on the 21st day after the end of that pay~~
41 ~~period. Effective January 1, 1986, gratuities, including tips received from~~
42 ~~persons other than the employing unit, shall be considered wages when~~
43 ~~reported in writing to the employer by the employee. Employees must~~

1 furnish a written statement to the employer, reporting all tips received if
2 they total \$20 or more for a calendar month whether the tips are received
3 directly from a person other than the employer or are paid over to the
4 employee by the employer. This includes amounts designated as tips by a
5 customer who uses a credit card to pay the bill. Notwithstanding the other
6 provisions of this subsection (o), wages paid in back pay awards or
7 settlements shall be allocated to the week or weeks and reported in the
8 manner as specified in the award or agreement, or, in the absence of such
9 specificity in the award or agreement, such wages shall be allocated to the
10 week or weeks in which such wages, in the judgment of the secretary,
11 would have been paid. The term "wages" shall not include:

12 (1) For calendar years 2016 through 2025, that part of the
13 remuneration that has been paid in a calendar year to an individual by an
14 employer or such employer's predecessor in excess of \$14,000, except that
15 if the definition of the term "wages" as contained in the federal
16 unemployment tax act is amended to include remuneration paid to an
17 individual by an employer under the federal act in excess of \$14,000 with
18 respect to employment during calendar years 2016 through 2025, wages
19 shall include remuneration paid in a calendar year to an individual by an
20 employer subject to this act or such employer's predecessor with respect to
21 employment during any calendar year up to an amount equal to the dollar
22 limitation specified in the federal unemployment tax act. For the purposes
23 of this subsection (o)(1), the term "employment" shall include service
24 constituting employment under any employment security law of another
25 state or of the federal government;

26 (2) (A) For the calendar year as set forth below, except as provided by
27 subparagraph (B), for contributing-rated employers assigned rate groups 0-
28 N11, that part of the remuneration that has been paid in a calendar year to
29 an individual by an employer or such employer's predecessor in excess of
30 the specified percentage of the statewide average annual wage paid to
31 employees in insured work during the previous calendar year and rounded
32 to the nearest multiple of \$100:

33 (i) Calendar years 2026 through 2027, 25%;
34 (ii) calendar year 2028, 30%;
35 (iii) calendar year 2029, 35%;
36 (iv) calendar years 2030 through 2031, 40%; and
37 (v) calendar year 2032 and all ensuing calendar years thereafter:
38 (a) 40%, except as provided in subclause (b); and
39 (b) 45% if any combination of employer rate schedules G through M,
40 as provided in K.S.A. 44-710a(a)(4)(C), and amendments thereto, is in
41 effect for any five consecutive preceding calendar years occurring after
42 calendar year 2031. The specified percentage of 45% shall then remain in
43 effect for all ensuing calendar years thereafter notwithstanding any

1 ~~changes to the employer rate schedules in effect during such ensuing~~
2 ~~calendar years.~~

3 ~~(B) If the definition of the term "wages" as contained in the federal~~
4 ~~unemployment tax act is amended to include the remuneration paid to an~~
5 ~~individual by an employer under the federal act in excess of the amount~~
6 ~~calculated pursuant to subparagraph (A), then with respect to employment~~
7 ~~during all calendar years thereafter, wages shall include the remuneration~~
8 ~~paid in a calendar year to an individual by an employer subject to this act~~
9 ~~or such employer's predecessor with respect to employment during any~~
10 ~~calendar year up to an amount equal to the dollar limitation specified in the~~
11 ~~federal unemployment tax act.~~

12 ~~(C) For purposes of subparagraphs (A) and (B):~~

13 ~~(i) "Employment" includes service constituting employment under~~
14 ~~any employment security law of another state or of the federal~~
15 ~~government; and~~

16 ~~(ii) "statewide average annual wage" means the statewide average~~
17 ~~annual wage as defined by subsection (jj) and computed by the secretary~~
18 ~~on July 1 each year, as provided by K.S.A. 44-704, and amendments~~
19 ~~thereto;~~

20 ~~(3) the amount of any payment, including any amount paid by an~~
21 ~~employing unit for insurance or annuities, or into a fund, to provide for~~
22 ~~any such payment, made to, or on behalf of, an employee or any of such~~
23 ~~employee's dependents under a plan or system established by an employer~~
24 ~~that makes provisions for employees generally, for a class or classes of~~
25 ~~employees or for such employees or a class or classes of employees and~~
26 ~~their dependents, on account of:~~

27 ~~(A) Sickness or accident disability, except in the case of any payment~~
28 ~~made to an employee or such employee's dependents, this subparagraph~~
29 ~~shall exclude from the term "wages" only payments that are received under~~
30 ~~a workers compensation law. Any third party that makes a payment~~
31 ~~included as wages by reason of this subparagraph shall be treated as the~~
32 ~~employer with respect to such wages;~~

33 ~~(B) medical and hospitalization expenses in connection with sickness~~
34 ~~or accident disability; or~~

35 ~~(C) death;~~

36 ~~(4) any payment on account of sickness or accident disability, or~~
37 ~~medical or hospitalization expenses in connection with sickness or~~
38 ~~accident disability, made by an employer to, or on behalf of, an employee~~
39 ~~after the expiration of six calendar months following the last calendar~~
40 ~~month in which the employee worked for such employer;~~

41 ~~(5) any payment made to, or on behalf of, an employee or such~~
42 ~~employee's beneficiary;~~

43 ~~(A) From or to a trust described in section 401(a) of the federal~~

1 internal revenue code of 1986 that is exempt from tax under section 501(a)
2 of the federal internal revenue code of 1986 at the time of such payment
3 unless such payment is made to an employee of the trust as remuneration
4 for services rendered as such employee and not as a beneficiary of the
5 trust;

6 (B) under or to an annuity plan that, at the time of such payment, is a
7 plan described in section 403(a) of the federal internal revenue code of
8 1986;

9 (C) under a simplified employee pension as defined in section 408(k)
10 (1) of the federal internal revenue code of 1986, other than any
11 contribution described in section 408(k)(6) of the federal internal revenue
12 code of 1986;

13 (D) under or to an annuity contract described in section 403(b) of the
14 federal internal revenue code of 1986, other than a payment for the
15 purchase of such contract that was made by reason of a salary reduction
16 agreement whether evidenced by a written instrument or otherwise;

17 (E) under or to an exempt governmental deferred compensation plan
18 as defined in section 3121(v)(3) of the federal internal revenue code of
19 1986;

20 (F) to supplement pension benefits under a plan or trust described in
21 any of the foregoing provisions of this subparagraph to take into account
22 some portion or all of the increase in the cost of living, as determined by
23 the secretary of labor, since retirement but only if such supplemental
24 payments are under a plan that is treated as a welfare plan under section
25 3(2)(B)(ii) of the federal employee retirement income security act of 1974;
26 or

27 (G) under a cafeteria plan within the meaning of section 125 of the
28 federal internal revenue code of 1986;

29 (6) the payment by an employing unit, without deduction from the
30 remuneration of the employee, of the tax imposed upon an employee under
31 section 3101 of the federal internal revenue code of 1986 with respect to
32 remuneration paid to an employee for domestic service in a private home
33 of the employer or for agricultural labor;

34 (7) remuneration paid in any medium other than cash to an employee
35 for service not in the course of the employer's trade or business;

36 (8) remuneration paid to or on behalf of an employee if and to the
37 extent that at the time of the payment of such remuneration it is reasonable
38 to believe that a corresponding deduction is allowable under section 217 of
39 the federal internal revenue code of 1986 relating to moving expenses;

40 (9) any payment or series of payments by an employer to an
41 employee or any of such employee's dependents that is paid:

42 (A) Upon or after the termination of an employee's employment
43 relationship because of (i) death or (ii) retirement for disability; and

1 (B) ~~under a plan established by the employer that makes provisions~~
2 ~~for employees generally, a class or classes of employees or for such~~
3 ~~employees or a class or classes of employees and their dependents, other~~
4 ~~than any such payment or series of payments that would have been paid if~~
5 ~~the employee's employment relationship had not been so terminated;~~

6 ~~(10) remuneration for agricultural labor paid in any medium other~~
7 ~~than cash;~~

8 ~~(11) any payment made, or benefit furnished, to or for the benefit of~~
9 ~~an employee if at the time of such payment or such furnishing it is~~
10 ~~reasonable to believe that the employee will be able to exclude such~~
11 ~~payment or benefit from income under section 129 of the federal internal~~
12 ~~revenue code of 1986 that relates to dependent care assistance programs;~~

13 ~~(12) the value of any meals or lodging furnished by or on behalf of~~
14 ~~the employer if at the time of such furnishing it is reasonable to believe~~
15 ~~that the employee will be able to exclude such items from income under~~
16 ~~section 119 of the federal internal revenue code of 1986;~~

17 ~~(13) any payment made by an employer to a survivor or the estate of~~
18 ~~a former employee after the calendar year in which such employee died;~~

19 ~~(14) any benefit provided to or on behalf of an employee if at the time~~
20 ~~such benefit is provided it is reasonable to believe that the employee will~~
21 ~~be able to exclude such benefit from income under section 74(e), 117 or~~
22 ~~132 of the federal internal revenue code of 1986;~~

23 ~~(15) any payment made, or benefit furnished, to or for the benefit of~~
24 ~~an employee, if at the time of such payment or such furnishing it is~~
25 ~~reasonable to believe that the employee will be able to exclude such~~
26 ~~payment or benefit from income under section 127 of the federal internal~~
27 ~~revenue code of 1986 relating to educational assistance to the employee; or~~

28 ~~(16) any payment made to or for the benefit of an employee if at the~~
29 ~~time of such payment it is reasonable to believe that the employee will be~~
30 ~~able to exclude such payment from income under section 106(d) of the~~
31 ~~federal internal revenue code of 1986 relating to health savings accounts.~~

32 ~~Nothing in any paragraph of subsection (o), other than paragraphs (1)~~
33 ~~and (2), shall exclude from the term "wages": (1) Any employer-~~
34 ~~contribution under a qualified cash or deferred arrangement, as defined in~~
35 ~~section 401(k) of the federal internal revenue code of 1986, to the extent~~
36 ~~that such contribution is not included in gross income by reason of section~~
37 ~~402(a)(8) of the federal internal revenue code of 1986; or (2) any amount~~
38 ~~treated as an employer contribution under section 414(h)(2) of the federal~~
39 ~~internal revenue code of 1986.~~

40 ~~Any amount deferred under a nonqualified deferred compensation plan~~
41 ~~shall be taken into account for purposes of this section as of the later of~~
42 ~~when the services are performed or when there is no substantial risk of~~
43 ~~forfeiture of the rights to such amount. Any amount taken into account as~~

1 wages by reason of this paragraph, and the income attributable thereto,
2 shall not thereafter be treated as wages for purposes of this section. For
3 purposes of this paragraph, the term "nonqualified deferred compensation
4 plan" means any plan or other arrangement for deferral of compensation
5 other than a plan described in subsection (o)(5).

6 (p) ~~"Week" means such period or periods of seven consecutive~~
7 ~~calendar days, as the secretary may by rules and regulations prescribe.~~

8 (q) ~~"Calendar quarter" means the period of three consecutive calendar~~
9 ~~months ending March 31, June 30, September 30 or December 31, or the~~
10 ~~equivalent thereof as the secretary may by rules and regulations prescribe.~~

11 (r) ~~"Insured work" means employment for employers.~~

12 (s) ~~"Approved training" means any vocational training course or~~
13 ~~course in basic education skills, including a job training program~~
14 ~~authorized under the federal workforce investment act of 1998, approved~~
15 ~~by the secretary or a person or persons designated by the secretary.~~

16 (t) ~~"American vessel" or "American aircraft" means any vessel or~~
17 ~~aircraft documented or numbered or otherwise registered under the laws of~~
18 ~~the United States; and any vessel or aircraft that is neither documented or~~
19 ~~numbered or otherwise registered under the laws of the United States nor~~
20 ~~documented under the laws of any foreign country, if its crew performs~~
21 ~~service solely for one or more citizens or residents of the United States or~~
22 ~~corporations organized under the laws of the United States or of any state.~~

23 (u) ~~"Institution of higher education," for the purposes of this section,~~
24 ~~means an educational institution that:~~

25 (1) ~~Admits as regular students only individuals having a certificate of~~
26 ~~graduation from a high school, or the recognized equivalent of such a~~
27 ~~certificate;~~

28 (2) ~~is legally authorized in this state to provide a program of~~
29 ~~education beyond high school;~~

30 (3) ~~provides an educational program for which it awards a bachelor's~~
31 ~~or higher degree, or provides a program that is acceptable for full credit~~
32 ~~toward such a degree, a program of postgraduate or postdoctoral studies,~~
33 ~~or a program of training to prepare students for gainful employment in a~~
34 ~~recognized occupation; and~~

35 (4) ~~is a public or other nonprofit institution.~~

36 Notwithstanding any of the foregoing provisions of this subsection (u),
37 all colleges and universities in this state are institutions of higher education
38 for purposes of this section, except that no college, university, junior
39 college or other postsecondary school or institution that is operated by the
40 federal government or any agency thereof shall be an institution of higher
41 education for purposes of the employment security law.

42 (v) ~~"Educational institution" means any institution of higher~~
43 ~~education, as defined in subsection (u), or any institution, except private~~

1 for-profit institutions, in which participants, trainees or students are offered
2 an organized course of study or training designed to transfer to them
3 knowledge, skills, information, doctrines, attitudes or abilities from, by or
4 under the guidance of an instructor or teacher and that is approved,
5 licensed or issued a permit to operate as a school by the state department
6 of education or other government agency that is authorized within the state
7 to approve, license or issue a permit for the operation of a school or to an
8 Indian tribe in the operation of an educational institution. The courses of
9 study or training that an educational institution offers may be academic,
10 technical, trade or preparation for gainful employment in a recognized
11 occupation.

12 (w) (1) "Agricultural labor" means any remunerated service:

13 (A) On a farm, in the employ of any person, in connection with
14 cultivating the soil, or in connection with raising or harvesting any
15 agricultural or horticultural commodity, including the raising, shearing,
16 feeding, caring for, training, and management of livestock, bees, poultry,
17 and furbearing animals and wildlife.

18 (B) In the employ of the owner or tenant or other operator of a farm,
19 in connection with the operating, management, conservation,
20 improvement, or maintenance of such farm and its tools and equipment, or
21 in salvaging timber or clearing land of brush and other debris left by a
22 hurricane, if the major part of such service is performed on a farm.

23 (C) In connection with the production or harvesting of any
24 commodity defined as an agricultural commodity in section (15)(g) of the
25 agricultural marketing act, as amended, 46 Stat. 1500, sec. 3; 12 U.S.C. §
26 1141j, or in connection with the ginning of cotton, or in connection with
27 the operation or maintenance of ditches, canals, reservoirs or waterways,
28 not owned or operated for profit, used exclusively for supplying and
29 storing water for farming purposes.

30 (D) (i) In the employ of the operator of a farm in handling, planting,
31 drying, packing, packaging, processing, freezing, grading, storing, or
32 delivering to storage or to market or to a carrier for transportation to
33 market, in its unmanufactured state, any agricultural or horticultural
34 commodity; but only if such operator produced more than ½ of the
35 commodity with respect to which such service is performed;

36 (ii) in the employ of a group of operators of farms, or a cooperative
37 organization of which such operators are members, in the performance of
38 services described in paragraph (i), but only if such operators produced
39 more than ½ of the commodity with respect to which such service is
40 performed;

41 (iii) the provisions of paragraphs (i) and (ii) shall not be deemed to be
42 applicable with respect to services performed in connection with
43 commercial canning or commercial freezing or in connection with any

1 agricultural or horticultural commodity after its delivery to a terminal
2 market for distribution for consumption.

3 (E) ~~On a farm operated for profit if such service is not in the course~~
4 ~~of the employer's trade or business.~~

5 (2) ~~"Agricultural labor" does not include services performed prior to~~
6 ~~January 1, 1980, by an individual who is an alien admitted to the United~~
7 ~~States to perform service in agricultural labor pursuant to sections 214(e)~~
8 ~~and 101(a)(15)(H) of the federal immigration and nationality act.~~

9 (3) ~~As used in this subsection, the term "farm" includes stock, dairy,~~
10 ~~poultry, fruit, fur-bearing animal, and truck farms, plantations, ranches,~~
11 ~~nurseries, ranges, greenhouses, or other similar structures used primarily~~
12 ~~for the raising of agricultural or horticultural commodities, and orchards.~~

13 (4) ~~For the purpose of this section, if an employing unit does not~~
14 ~~maintain sufficient records to separate agricultural labor from other~~
15 ~~employment, all services performed during any pay period by an~~
16 ~~individual for the person employing such individual shall be deemed to be~~
17 ~~agricultural labor if services performed during ½ or more of such pay~~
18 ~~period constitute agricultural labor; but if the services performed during~~
19 ~~more than ½ of any such pay period by an individual for the person~~
20 ~~employing such individual do not constitute agricultural labor, then none~~
21 ~~of the services of such individual for such period shall be deemed to be~~
22 ~~agricultural labor. As used in this subsection, the term "pay period" means~~
23 ~~a period of not more than 31 consecutive days for which a payment of~~
24 ~~remuneration is ordinarily made to the individual by the person employing~~
25 ~~such individual.~~

26 (x) ~~"Reimbursing employer" means any employer who makes~~
27 ~~payments in lieu of contributions to the employment security fund as~~
28 ~~provided in K.S.A. 44-710(e), and amendments thereto.~~

29 (y) ~~"Contributing employer" means any employer other than a~~
30 ~~reimbursing employer or rated governmental employer.~~

31 (z) ~~"Wage combining plan" means a uniform national arrangement~~
32 ~~approved by the United States secretary of labor in consultation with the~~
33 ~~state unemployment compensation agencies and in which this state shall~~
34 ~~participate, whereby wages earned in one or more states are transferred to~~
35 ~~another state, called the "paying state," and combined with wages in the~~
36 ~~paying state, if any, for the payment of benefits under the laws of the~~
37 ~~paying state and as provided by an arrangement so approved by the United~~
38 ~~States secretary of labor.~~

39 (aa) ~~"Domestic service" means any services for a person in the~~
40 ~~operation and maintenance of a private household, local college club or~~
41 ~~local chapter of a college fraternity or sorority, as distinguished from~~
42 ~~service as an employee in the pursuit of an employer's trade, occupation,~~
43 ~~profession, enterprise or vocation.~~

1 ~~(bb) "Rated governmental employer" means any governmental entity~~
2 ~~that elects to make payments as provided by K.S.A. 44-710d, and~~
3 ~~amendments thereto.~~

4 ~~(ee) "Benefit cost payments" means payments made to the~~
5 ~~employment security fund by a governmental entity electing to become a~~
6 ~~rated governmental employer.~~

7 ~~(dd) "Successor employer" means any employer, as described in~~
8 ~~subsection (h), that acquires or in any manner succeeds to: (1)~~
9 ~~Substantially all of the employing enterprises, organization, trade or~~
10 ~~business of another employer; or (2) substantially all the assets of another~~
11 ~~employer.~~

12 ~~(ee) "Predecessor employer" means an employer, as described in~~
13 ~~subsection (h), who has previously operated a business or portion of a~~
14 ~~business with employment to which another employer has succeeded.~~

15 ~~(ff) "Lessor employing unit" means any independently established~~
16 ~~business entity that engages in the business of providing leased employees~~
17 ~~to a client lessee.~~

18 ~~(gg) "Client lessee" means any individual, organization, partnership,~~
19 ~~corporation or other legal entity leasing employees from a lessor~~
20 ~~employing unit.~~

21 ~~(hh) "Qualifying injury" means a personal injury by accident arising~~
22 ~~out of and in the course of employment within the coverage of the Kansas~~
23 ~~workers compensation act, K.S.A. 44-501 et seq., and amendments*.~~

24 ~~(ii) "Temporary unemployment," "temporarily unemployed" or~~
25 ~~"temporary layoff" means that the individual has been laid off due to lack~~
26 ~~of work by an employing unit for which the individual has most recently~~
27 ~~worked full time and for which the individual reasonably expects to~~
28 ~~resume full-time work at a future date within eight weeks, and that the~~
29 ~~individual's employment with the employing unit, although temporarily~~
30 ~~suspended, has not been terminated. Except as otherwise provided by~~
31 ~~K.S.A. 44-775(a)(3), and amendments thereto, "temporary unemployment"~~
32 ~~shall not exceed eight consecutive weeks. An extension of additional~~
33 ~~weeks of temporary unemployment at the request of an employer for an~~
34 ~~individual may be granted by the secretary as provided by K.S.A. 44-~~
35 ~~775(a)(3), and amendments thereto. The maximum amount of temporary~~
36 ~~unemployment for an individual in a benefit year, including any extension~~
37 ~~granted by the secretary, shall be as provided by K.S.A. 44-775(a)(3), and~~
38 ~~amendments thereto.~~

39 ~~(jj) "Statewide average annual wage" or "SAAW" means the quotient,~~
40 ~~obtained by dividing gross wages by average monthly covered~~
41 ~~employment for the same determination period, rounded to the nearest~~
42 ~~cent.~~

43 ~~(kk) "Statewide average weekly wage" or "SAWW" means the~~

~~quotient, obtained by dividing the statewide average annual wage by 52, rounded to the nearest cent.~~

(a) *"Agricultural labor" means any remunerated service as defined below:*

(1) *Services performed:*

(A) *On a farm, in the employ of any person and in connection with:*

(i) *Cultivating the soil; or*

(ii) *raising or harvesting any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training and management of livestock, bees, poultry, furbearing animals and wildlife;*

(B) *in the employ of the owner, tenant or other operator of a farm, in connection with:*

(i) *The operation, management, conservation, improvement or maintenance of such farm and such farm's tools and equipment; or*

(ii) *salvaging timber or clearing land of brush and debris left by a hurricane, if the major part of such service is performed on a farm;*

(C) *in connection with:*

(i) *The production or harvesting of any agricultural commodity as defined in 12 U.S.C. § 1141j, as in effect on July 1, 2026;*

(ii) *the ginning of cotton; or*

(iii) *the operation or maintenance of ditches, canals, reservoirs or waterways not owned or operated for profit, if used exclusively for supplying and storing water for farming purposes;*

(D) (i) *in the employ of the operator of a farm, in handling, planting, drying, packing, packaging, processing, freezing, grading, storing or delivering to storage, market or a carrier for transportation to market any agricultural or horticultural commodity in such commodity's unmanufactured state, if such operator produced more than 50% of such commodity for which the service is performed;*

(ii) *in the employ of a group of farm operators or a cooperative organization of which such operators are members, in performing the services described in paragraph (i), provided that the operators collectively produced more than 50% of the commodity for which the service is performed; or*

(iii) *services under (i) and (ii) shall not include services performed in connection with commercial canning or freezing or any agricultural or horticultural commodity after its delivery to a terminal market for distribution or consumption; or*

(E) *on a farm operated for profit, where the service is not performed in the course of the employer's trade or business.*

(2) *For purposes of this subsection, "farm" includes stock, dairy, poultry, fruit, fur-bearing animal and truck farms, plantations, ranches,*

1 nurseries, ranges, greenhouses or similar structures primarily used for the
2 raising of agricultural or horticultural commodities and orchards.

3 (3) For determining coverage under this act, if an employing unit
4 does not maintain sufficient records to distinguish agricultural labor from
5 other employment:

6 (A) All services performed during a pay period shall be deemed
7 agricultural labor if 50% or more of the individual's services during such
8 period constitute agricultural labor; or

9 (B) no services shall be deemed agricultural labor if less than 50% of
10 such services constitute agricultural labor.

11 (b) "American vessel" or "American aircraft" means a vessel or
12 aircraft registered or documented under the laws of the United States or
13 operated by companies or citizens that are based in the United States.

14 (c) (1) "Annual payroll" means the total wages paid or payable by an
15 employer during the calendar year.

16 (2) "Average annual payroll" means the average of the annual
17 payrolls of an employer for the last three calendar years immediately
18 preceding the computation date, provided the employer has been
19 continuously subject to contributions and has paid wages during each of
20 those years. If an employer has only been subject to contributions for the
21 two most recent calendar years preceding the computation date, the
22 "average annual payroll" shall be the average for those two years.

23 (3) "Total wages" means the total amount of wages paid or payable
24 by an employer during the calendar year, including amounts exceeding the
25 taxable wage base.

26 (d) "Approved training" means any training or education program
27 approved by the secretary or the secretary's designee, including those
28 authorized under federal workforce programs.

29 (e) "Average high cost multiple" means the measure of trust fund
30 solvency calculated by dividing the trust fund balance by the average of
31 the three highest calendar year benefit cost rates in the previous 20 years.
32 An average high cost multiple of 1.0 indicates sufficient reserves to pay
33 one year of high-cost benefits without additional revenue, as
34 recommended by the United States department of labor.

35 (f) "Base period" means the first four of the last five completed
36 calendar quarters immediately preceding the start of an individual's
37 benefit year, except for combined wage claims, in which the base period is
38 defined by the paying state.

39 (1) If an individual does not have sufficient wages in the standard
40 base period to establish a claim and meets the requirements of K.S.A. 44-
41 705(e), and amendments thereto, an "alternative base period" may be
42 used, defined as the last four completed quarters immediately before the
43 date of a qualifying injury. Wages previously used for another claim shall

1 *be excluded.*

2 (2) *For the purposes of this act, the term "base period" includes both*
3 *the standard and alternative base periods.*

4 (g) *"Benefit account" means the account established within the*
5 *employment security fund for the disbursement of unemployment*
6 *insurance benefits, consisting of moneys requisitioned from this state's*
7 *account in the federal unemployment trust fund.*

8 (h) *"Benefit cost payments" means amounts paid by rated*
9 *governmental employers to fund unemployment benefits.*

10 (i) *"Benefit cost rate" means the total benefits paid during a fiscal*
11 *year divided by total covered payrolls.*

12 (j) *"Benefit liability" means the amount of unemployment insurance*
13 *benefits attributed to an employer's account or obligation, either through*
14 *experience rating, reimbursement or benefit charging, including amounts*
15 *subject to offset or relief as provided under this act.*

16 (k) *"Benefit year" means the 52-week period beginning on the Sunday*
17 *of the week in which an individual files a valid claim for benefits. A*
18 *subsequent benefit year may begin only after the preceding benefit year*
19 *ends. In combined wage claims, the benefit year is determined by the*
20 *paying state.*

21 (l) (1) *"Benefits" means money payments payable to an individual*
22 *with respect to unemployment, as provided under this act.*

23 (2) *"Regular benefits" means benefits payable under this act or under*
24 *any other state law, including federal benefits to civilian employees or ex-*
25 *service members under 5 U.S.C. Ch. 85, excluding extended benefits.*

26 (m) *"Calendar quarter" means a three-month period ending on*
27 *March 31, June 30, September 30 or December 31.*

28 (n) *"Clearing account" means the account within the employment*
29 *security fund used to temporarily hold contributions and remittances prior*
30 *to their deposit into the federal unemployment trust fund or other*
31 *authorized accounts.*

32 (o) *"Client lessee" means any individual, organization, partnership,*
33 *corporation or other legal entity that obtains the services of workers by*
34 *leasing such workers from a lessor employing unit under a contractual*
35 *arrangement.*

36 (p) (1) *"Computation date" means June 30 of the calendar year*
37 *preceding the applicable rate year, or such other date as may be*
38 *designated by rules and regulations adopted by the secretary, used for*
39 *calculating employer experience ratings and contribution rates applicable*
40 *to the following calendar year beginning on January 1.*

41 (2) *For the purpose of calculating experience ratings and*
42 *contribution rates, contributions paid on or before July 31 following the*
43 *computation date shall be considered, provided they relate to employment*

1 occurring on or before the computation date.

2 (3) *The experience ratings and contribution rates shall apply to any*
3 *contributing employer that has been subject to this act for a sufficient*
4 *period to have a rate computed pursuant to K.S.A. 44-710a(a)(2), and*
5 *amendments thereto.*

6 (q) *"Contributing employer" means any employer required to pay*
7 *regular unemployment insurance contributions, excluding reimbursing or*
8 *rated governmental employers.*

9 (r) *"Contribution receipts" means all amounts collected from subject*
10 *employers under the employment security law, including contributions,*
11 *penalties and interest, unless otherwise excluded by statute or regulation.*

12 (s) (1) *"Contributions" means required payments by employers to the*
13 *state employment security fund pursuant to K.S.A. 44-710, and*
14 *amendments thereto, including voluntary payments.*

15 (2) *"Payments in lieu of contributions" means payments made by*
16 *reimbursing employers instead of contributions pursuant to K.S.A. 44-*
17 *710(e), and amendments thereto.*

18 (t) *"Domestic service" means services performed for a person in the*
19 *operation and maintenance of a private household, local college club or*
20 *local chapter of a college fraternity or sorority. This term is distinct from*
21 *employment performed in the course of an employer's trade, occupation,*
22 *profession, enterprise or vocation.*

23 (u) *"Educational institution" means any accredited institution, except*
24 *private for-profit entities, that offers organized courses of study approved*
25 *by a relevant government authority or tribal authority.*

26 (v) *"Employer" means:*

27 (1) (A) *Any employing unit for which agricultural labor as defined in*
28 *this section is performed and, during any calendar quarter in either the*
29 *current or preceding calendar year, paid remuneration in cash in an*
30 *amount of \$20,000 or more to individuals employed in agricultural labor*
31 *or for some portion of a day in each of 20 calendar weeks, whether or not*
32 *such weeks were consecutive, in either the current or the preceding*
33 *calendar year, or employed 10 or more individuals in agricultural labor,*
34 *regardless of whether they were employed at the same time.*

35 (B) *For the purposes of this subsection, any individual who is a*
36 *member of a crew furnished by a crew leader to perform services in*
37 *agricultural labor for any other person shall be considered an employee of*
38 *such crew leader if:*

39 (i) *Such crew leader holds a valid certificate of registration under the*
40 *federal migrant and seasonal agricultural workers protection act or*
41 *substantially all the members of such crew operate or maintain tractors,*
42 *mechanized harvesting or cropdusting equipment or any other mechanized*
43 *equipment that is provided by such crew leader; and*

1 (ii) such individual is not in the employment of such other person as
2 defined in this section.

3 (C) For the purposes of this subsection, in the case of any individual
4 who is furnished by a crew leader to perform services in agricultural
5 labor for any other person and is not an employee of such crew leader:

6 (i) Such other person shall be considered the employer of such
7 individual; and

8 (ii) such other person shall be deemed to have paid cash
9 remuneration to such individual in an amount equal to the amount of cash
10 remuneration paid to such individual by the crew leader, either on the
11 crew leader's own behalf or on behalf of such other person, for the
12 services in agricultural labor performed for such other person.

13 (D) For the purposes of this subsection, "crew leader" means an
14 individual who:

15 (i) Furnishes individuals to perform services in agricultural labor for
16 any other person;

17 (ii) pays, either on such crew leader's own behalf or on behalf of such
18 other person, the individuals so furnished by such crew leader for the
19 services in agricultural labor performed by such individuals; and

20 (iii) has not entered into a written agreement with such other person
21 under which such individual is designated as an employee of such other
22 person.

23 (2) (A) Any employing unit that:

24 (i) Paid wages of \$1,500 or more in any calendar quarter during the
25 current or preceding calendar year;

26 (ii) employed at least one individual for some portion of a day in
27 each of 20 weeks during the current or preceding calendar year; or

28 (iii) elected to establish an unemployment tax account pursuant to
29 K.S.A. 44-711(c), and amendments thereto.

30 (B) Wages and employment related to domestic service or
31 agricultural labor shall be excluded when determining employer status
32 under this paragraph.

33 (3) Any employing unit for which service is deemed employment
34 under subsection (x)(3)(E);

35 (4) (A) any employing unit that acquires or succeeds to:

36 (i) Substantially all of the business, trade, organization or
37 operations; or

38 (ii) substantially all of the assets of an employer subject to this act.

39 (B) Any employing unit controlled substantially, directly or indirectly,
40 by the same interest or interests that acquires less than 100% of another
41 employer's payroll and intends to operate such acquired portion of payroll
42 as a continuing business;

43 (5) any employing unit that paid \$1,000 or more in cash wages in any

1 *calendar quarter in the current or preceding calendar year for domestic*
2 *service;*

3 (6) *any employing unit that, having become subject to this act as an*
4 *employer, has not ceased to be an employer pursuant to K.S.A. 44-711(b),*
5 *and amendments thereto;*

6 (7) *any employing unit that elects full coverage under this act and*
7 *pursuant to K.S.A. 44-711(c), and amendments thereto;*

8 (8) *any employing unit not otherwise defined as an employer under*
9 *this subsection that is subject to federal unemployment tax requirements or*
10 *must be defined as an employer for Kansas to maintain conformity with*
11 *federal law; or*

12 (9) *any organization that is tax exempt under 26 U.S.C. § 501(c)(3)*
13 *that employed four or more individuals for some portion of a day in each*
14 *of 20 weeks during the current or preceding calendar year, regardless of*
15 *whether the employees worked simultaneously.*

16 (w) (1) *"Employing unit" means any individual or legal entity,*
17 *including, but not limited to, a partnership, corporation, limited liability*
18 *company, trust, estate, association, government agency or nonprofit*
19 *organization that has employed one or more individuals in this state.*

20 (2) *All individuals working at multiple locations operated by the*
21 *same entity shall be considered employed by one employing unit for the*
22 *purposes of this act.*

23 (3) *Any individual who performs work under the direction of another*
24 *individual employed by the unit, whether hired directly or indirectly, shall*
25 *be considered employed by the employing unit if the unit had actual or*
26 *constructive knowledge of such work.*

27 (x) *"Employment" means:*

28 (1) *Subject to the provisions of this subsection, service, including*
29 *service in interstate commerce, performed by:*

30 (A) *Any active officer of a corporation;*

31 (B) *any individual who is determined to be an employee under the*
32 *common law test for employer-employee status, subject to paragraph (3)*
33 *(D); or*

34 (C) *any individual who is not included under subparagraphs (A) or*
35 *(B) but performs services for remuneration under occupational*
36 *classifications such as:*

37 (i) *An agent-driver or commission-driver distributing goods or*
38 *services for a principal; or*

39 (ii) *a traveling or city salesperson working full time soliciting orders*
40 *for merchandise or supplies for use in business operations.*

41 (D) *Employment under paragraph (1)(C) is recognized only if:*

42 (i) *The contract requires that substantially all services be performed*
43 *personally;*

1 (ii) the individual does not own a substantial investment in facilities
2 used, except transport; and

3 (iii) the work reflects a continuing business relationship.

4 (2) "Employment" includes all services performed entirely outside of
5 Kansas if:

6 (A) The work is not localized in any one state;

7 (B) the individual is part of a class of traveling employees; and

8 (C) the base of operations or supervisory control is located in
9 Kansas.

10 (3) "Employment" also includes:

11 (A) Services performed in Kansas but not covered under paragraphs
12 (1) or (2), if no other state or federal unemployment tax applies;

13 (B) services performed entirely outside of Kansas by a resident in
14 which the employer elects to cover the service under Kansas law and no
15 other state has jurisdiction;

16 (C) services subject to an interstate reciprocal arrangement pursuant
17 to K.S.A. 44-714(h), and amendments thereto, in which all services are
18 deemed to occur in Kansas and the secretary approves the election;

19 (D) services for remuneration under a contract of hire in which the
20 employer retains control over both the result and manner of performance;

21 (E) services for state, local or tribal governments and political
22 subdivisions, as well as joint instrumentalities with Indian tribes, to the
23 extent permitted under federal law and not excluded in paragraph (4)(A);

24 (F) services for religious, charitable or educational organizations
25 excluded from coverage under the federal unemployment tax act solely by
26 26 U.S.C. 3306(c)(8) but not otherwise excluded under paragraph (4)(I)–
27 (M);

28 (G) (i) out-of-country services by citizens of the United States. For
29 the purposes of the employment security law, "employment" includes
30 services performed outside of the United States, except in Canada, by an
31 individual who is a citizen of the United States and employed by an
32 American employer, as such term is defined in subclause (ii), provided
33 such service is not already deemed "employment" under paragraphs (2) or
34 (3) or the corresponding provisions of another state's law, and one of the
35 following conditions applies:

36 (a) The employer's principal place of business within the United
37 States is located in Kansas; or

38 (b) the employer has no place of business in the United States, but:

39 (1) If the employer is an individual, such individual is a resident of
40 Kansas;

41 (2) if the employer is a corporation, such corporation is organized
42 under the laws of Kansas; or

43 (3) if the employer is a partnership or a trust, the number of partners

1 *or trustees who are Kansas residents exceeds the number residing in any*
2 *other state; or*

3 *(c) if none of the above criteria are met, the employer has elected to*
4 *cover such services under the employment security law, or, in the absence*
5 *of such an election in any state, the individual has filed a claim for*
6 *benefits under the employment security law.*

7 *(ii) For the purposes of paragraph (3)(G)(i), an "American*
8 *employer" means any of the following entities:*

9 *(a) An individual who is a resident of the United States;*

10 *(b) a partnership in which two-thirds or more of the partners are*
11 *residents of the United States;*

12 *(c) a trust in which all trustees are residents of the United States; or*

13 *(d) a corporation organized under the laws of the United States or*
14 *any of its states;*

15 *(H) services performed on American vessels and aircraft.*
16 *Notwithstanding paragraph (2), services performed by an officer or crew*
17 *member aboard an American vessel or American aircraft, whether*
18 *operating solely within the United States or both within and outside of the*
19 *United States, shall be deemed employment under the employment security*
20 *law if the operating office from which the vessel's or aircraft's operations*
21 *are ordinarily and regularly supervised, managed, directed and controlled*
22 *is located within the state of Kansas;*

23 *(I) services required to be compliant under the federal unemployment*
24 *tax act. Notwithstanding any other provisions of this subsection,*
25 *"employment" includes any services for which a federal tax is required to*
26 *be paid under a law that permits a credit for contributions made to a state*
27 *unemployment compensation fund, or for which coverage is required*
28 *under the employment security law as a condition of receiving the full tax*
29 *credit allowed under the federal unemployment tax act; and*

30 *(J) domestic service performed in a private home, local college club*
31 *or local chapter of a college fraternity or sorority for any person who paid*
32 *cash wages totaling \$1,000 or more in any calendar quarter during the*
33 *current or preceding calendar year to one or more individuals employed*
34 *in such domestic service.*

35 *(4) The term "employment" does not include the following services:*

36 *(A) Services performed for an employer described in paragraph (3)*
37 *(E), if the individual performs duties:*

38 *(i) As an elected official;*

39 *(ii) as a member of a legislative body or the judiciary of a state,*
40 *political subdivision or Indian tribe;*

41 *(iii) as a member of the Kansas army or air national guard;*

42 *(iv) on a temporary basis in response to emergencies, such as fire,*
43 *storm, snow, earthquake, flood or similar events; or*

1 (v) in a position designated under state or tribal law as a major
2 nontenured policymaking or advisory role, or one that ordinarily requires
3 less than eight hours of service per week;

4 (B) services for which unemployment compensation is payable under
5 a federal unemployment compensation system established by an act of
6 congress;

7 (C) services performed by an individual in the employ of such
8 individual's spouse, son, or daughter or by a child under the age of 21 in
9 the employ of the child's parent;

10 (D) services for the United States government or the United State's
11 instrumentalities that are exempt from state contributions under the
12 constitution of the United States. However, if federal law permits such
13 instrumentalities to make payments into a state unemployment fund, all
14 provisions of this act apply. If Kansas fails to be certified for a year under
15 26 U.S.C. 3304(c), payments made by such instrumentalities shall be
16 refunded in accordance with K.S.A. 44-717(h), and amendments thereto;

17 (E) reciprocal coverage agreements. "Employment" does not include
18 services performed by an individual for an employing unit when all such
19 services during a specified period are covered under a reciprocal
20 arrangement approved pursuant to K.S.A. 44-714(h), and amendments
21 thereto, pursuant to which the secretary and the agency administering
22 another state or federal unemployment compensation law have agreed that
23 such services are deemed to be performed entirely within the jurisdiction
24 of that other state or federal agency for purposes of unemployment
25 insurance coverage;

26 (F) exempt newspaper delivery by minors. Services performed by an
27 individual under the age of 18 in the delivery or distribution of
28 newspapers or shopping news shall not be deemed employment, provided
29 such services do not include delivery or distribution to any location for
30 subsequent delivery or distribution;

31 (G) insurance agents and solicitors. Services performed by an
32 individual for an employing unit as an insurance agent or solicitor shall
33 be excluded from employment if all such services are performed for
34 remuneration solely by way of commission;

35 (H) low-paid work for certain tax-exempt organizations. Services
36 performed in any calendar quarter for an organization exempt from
37 income tax under 26 U.S.C. § 501(a), excluding organizations described
38 in 26 U.S.C. §§ 401(a) or 521, shall be excluded from employment if total
39 remuneration is less than \$50 for such quarter. For the purposes of this
40 subsection:

41 (i) If services performed during $\frac{1}{2}$ or more of any pay period
42 constitute employment, then all services performed by such individual
43 during such pay period shall be deemed employment;

1 (ii) if services performed during more than $\frac{1}{2}$ of any pay period do
2 not constitute employment, then none of the services during that period
3 shall be deemed employment; and

4 (iii) this exclusion shall not apply where unemployment
5 compensation is payable under a federal unemployment compensation
6 system;

7 (I) religious employment, including services performed in the employ
8 of a church, convention or association of churches or by an organization
9 operated primarily for religious purposes and under the supervision,
10 control or support of such church entities;

11 (J) ministers and religious order members, including services
12 performed by a duly ordained, commissioned or licensed minister of a
13 church in the exercise of their ministry or a member of a religious order in
14 the exercise of required duties;

15 (K) rehabilitation and sheltered work services, including services
16 performed in a facility operated to conduct a program of:

17 (i) Rehabilitation for individuals whose earning capacity is impaired
18 by age, physical or mental deficiency or injury; or

19 (ii) remunerative work for individuals who, due to such impairments,
20 cannot readily be absorbed into the competitive labor market;

21 (L) work-relief or work-training programs, including services
22 performed under an employment work-relief or work-training program
23 financed in whole or in part by any federal agency or agency of a state,
24 political subdivision or Indian tribe, by individuals receiving such work
25 relief or training;

26 (M) services performed by an inmate of a custodial or correctional
27 institution;

28 (N) student employees of educational institutions. Services performed
29 in the employ of a school, college or university by a student who is
30 enrolled and regularly attending classes at such institution shall be
31 excluded from employment;

32 (O) work-study programs. Services performed as part of a full-time,
33 for-credit work-study program at a nonprofit or public educational
34 institution shall be excluded from employment, provided the institution
35 certifies that:

36 (i) The service is an integral part of the student's academic program;
37 and

38 (ii) the position was not established primarily for or by the employer;

39 (P) services performed in the employ of a hospital licensed, certified
40 or approved by the secretary of health and environment, if such services
41 are performed by a patient of the hospital;

42 (Q) services performed as a qualified real estate agent. A "qualified
43 real estate agent" means any individual who:

1 (i) *Is licensed by the Kansas real estate commission as a salesperson*
2 *under the real estate brokers' and salespersons' license act;*

3 (ii) *receives substantially all remuneration, whether or not paid in*
4 *cash, for services as a real estate salesperson based directly on sales or*
5 *other output rather than hours worked; and*

6 (iii) *performs such services pursuant to a written contract with the*
7 *person for whom the services are performed, and such contract specifies*
8 *that the individual will not be considered an employee for state tax*
9 *purposes;*

10 (R) *services performed by an extra for an employer in connection*
11 *with any phase of motion picture, television production or television*
12 *commercials for fewer than 14 days in any calendar year. "Extra" means*
13 *an individual who pantomimes in the background, adds atmosphere to the*
14 *set and performs such actions without speaking. This exclusion does not*
15 *apply to services performed for a governmental entity or an organization*
16 *described in 26 U.S.C. § 501(c)(3) that is exempt under 26 U.S.C. §*
17 *501(a).*

18 (S) *services performed by an oil and gas contract pumper. "Oil and*
19 *gas contract pumper" means a person performing pumping and related*
20 *services on one or more oil or gas leases on a contractual basis for the*
21 *lease operators concerning the operation and maintenance of such leases.*
22 *This exclusion does not apply to services performed for a governmental*
23 *entity or an organization described in 26 U.S.C. § 501(c)(3) that is exempt*
24 *under 26 U.S.C. § 501(a);*

25 (T) (i) *casual services not in the course of the employer's trade or*
26 *business performed in any calendar quarter, unless:*

27 (a) *Cash remuneration paid for such service is \$200 or more; and*

28 (b) *the individual is regularly employed by the employer to perform*
29 *such service;*

30 (ii) *for the purposes of this subparagraph, an individual is "regularly*
31 *employed" during a calendar quarter if:*

32 (a) *On 24 or more days in such quarter, the individual performs some*
33 *portion of such casual services; or*

34 (b) *the individual met the standard in subparagraph (a) in the*
35 *preceding calendar quarter;*

36 (iii) *this exclusion shall not apply to services performed for a*
37 *governmental entity or an organization described in 26 U.S.C. § 501(c)(3)*
38 *that is exempt under 26 U.S.C. § 501(a);*

39 (U) *services performed by a member or manager of a limited liability*
40 *company in their capacity as a member or manager of such limited*
41 *liability company.*

42 (V) *services performed as a qualified direct seller. A "qualified direct*
43 *seller" means a person who:*

1 (i) *Is engaged in selling or soliciting the sale of consumer products*
2 *without a permanent retail establishment, including through buy-sell,*
3 *deposit-commission or similar arrangements;*

4 (ii) *receives substantially all remuneration directly related to sales or*
5 *output rather than hours worked;*

6 (iii) *performs services pursuant to a written contract stating that the*
7 *individual will not be considered an employee for federal and state tax*
8 *purposes; and*

9 (iv) *does not rely exclusively on nonpersonal solicitation methods*
10 *such as telephone, mail or other telecommunication means to make sales;*

11 (W) *services performed as an election official or election worker, if*
12 *the total remuneration received in a calendar year is less than \$1,000;*

13 (X) *services performed by agricultural workers admitted to the*
14 *United States under H-2A visas in accordance with 8 U.S.C. § 1101(a)(15)*
15 *(H)(ii)(a);*

16 (Y) *services performed by an owner-operator of a motor vehicle that*
17 *is leased or contracted to a licensed motor carrier with the services of a*
18 *driver and is considered an employee under the terms of the lease*
19 *agreement or contract with the licensed motor carrier for the purposes of*
20 *the federal insurance contribution act, 26 U.S.C. § 3101 et seq., the*
21 *federal social security act, 42 U.S.C. § 301 et seq., the federal*
22 *unemployment tax act, 26 U.S.C. § 3301 et seq., and the federal statutes*
23 *prescribing income tax withholding at the source, 26 U.S.C. § 3401 et seq.*
24 *Employees or agents of the owner-operator shall not be considered*
25 *employees of the licensed motor carrier for purposes of employment*
26 *security taxation or compensation. As used in this subparagraph, the*
27 *following definitions apply:*

28 (i) *"Motor vehicle" means any automobile, truck-trailer, semitrailer,*
29 *tractor, motor bus or any other self-propelled or motor-driven vehicle used*
30 *upon any of the public highways of Kansas for the purpose of transporting*
31 *persons or property;*

32 (ii) *"licensed motor carrier" means any person, firm, corporation or*
33 *other business entity that holds a certificate of convenience and necessity*
34 *or a certificate of public service from the state corporation commission or*
35 *is required to register motor carrier equipment pursuant to 49 U.S.C. §*
36 *14504; and*

37 (iii) *"owner-operator" means a person, firm, corporation or other*
38 *business entity that is the owner of a single motor vehicle that is driven*
39 *exclusively by the owner under a lease agreement or contract with a*
40 *licensed motor carrier; and*

41 (Z) (i) *services performed by a petroleum landman under a*
42 *contractual arrangement, provided such individual is not acting as a*
43 *corporate officer. "Petroleum landman" includes a person performing one*

1 or more of the following services:

- 2 (a) Negotiating acquisition or divestiture of mineral rights;
- 3 (b) negotiating agreements for mineral exploration or development;
- 4 (c) researching public or private records to determine mineral
- 5 ownership;
- 6 (d) reviewing and curing title defects or providing due diligence;
- 7 (e) managing mineral rights or obligations derived from such rights;

8 or

- 9 (f) coordinating unitization or pooling of mineral interests;
- 10 (ii) This exclusion does not apply to services performed for a
- 11 governmental entity, a federally recognized Indian tribe or an
- 12 organization described in 26 U.S.C. § 501(c)(3) that is exempt under 26
- 13 U.S.C. § 501(a).

14 (y) "Employment office" means any office operated or authorized by

15 the department of labor or the department of commerce, as applicable, for

16 the purpose of connecting individuals with employment opportunities and

17 workforce services.

18 (z) "Employment security administration fund" means the fund from

19 which all administrative expenses for the Kansas unemployment insurance

20 program are paid.

21 (aa) "Experience rating factors" means the components used to

22 calculate an employer's contribution rate, including the employer's

23 cumulative benefit charges, contributions paid and annual taxable payroll

24 over the relevant experience period as defined in K.S.A. 44-710a, and

25 amendments thereto.

26 (bb) "Federal unemployment trust fund" means the fund established

27 under 42 U.S.C. § 1104 that is held by the secretary of the treasury of the

28 United States and where each state maintains a separate account for the

29 deposit and requisition of unemployment insurance contributions and

30 benefit payments.

31 (cc) "Fraud" means knowingly making a false statement or

32 representation or knowingly failing to disclose a material fact in order to

33 obtain or increase unemployment benefits in violation of this act or any

34 other unemployment compensation law administered by the secretary.

35 (dd) "Improper payment" means any unemployment benefit paid to a

36 claimant who was not eligible for such benefits or who failed to comply

37 with applicable eligibility conditions, including payments issued as a

38 result of administrative error, claimant error or fraud.

39 (ee) "Institution of higher education" means an accredited, nonprofit

40 or public educational institution authorized to offer programs beyond high

41 school and award degrees or training for gainful employment.

42 (ff) "Insured work" means employment for a covered employer under

43 the employment security law.

1 (gg) *"Lessor employing unit" means any individual, organization,*
2 *partnership, corporation or other legal entity that provides its employees*
3 *to one or more client lessees through a contractual arrangement and that*
4 *retains the right to hire, assign, reassign and discharge those employees.*

5 (hh) (1) *"Meritorious service award" means a non-monetary form of*
6 *recognition authorized by the secretary to honor eligible employees for*
7 *continuous or cumulative satisfactory service in the administration of the*
8 *employment security law, provided that a majority of such employee's*
9 *compensation is paid from the employment security administration fund.*

10 (2) *Such awards may include, but are not limited to, service pins,*
11 *certificates, framed commendations, engraved plaques or other modest*
12 *commemorative items.*

13 (3) *The total cost of each award, including materials and*
14 *presentation, shall not exceed \$100 per employee, unless a higher amount*
15 *is explicitly authorized in the agency's annual administrative budget and*
16 *approved in accordance with federal grant requirements.*

17 (4) *All meritorious service award expenses shall be paid from the*
18 *employment security administration fund and shall comply with applicable*
19 *federal cost principles, including 2 C.F.R. Part 200, and relevant United*
20 *States department of labor conformity requirements or guidance,*
21 *including ETA Handbook 401.*

22 (ii) *"Negative account balance" means the condition in which the*
23 *total benefit charges to an employer's account exceed the total*
24 *contributions paid and any other credits assigned to such account as of*
25 *the applicable computation date.*

26 (jj) *"Negative account balance employer" means any eligible*
27 *employer whose cumulative unemployment insurance benefit charges*
28 *exceed the total contributions that the employer has paid into the system*
29 *over all applicable years.*

30 (kk) *"Pay period" means a period of not more than 31 consecutive*
31 *days for which remuneration is ordinarily paid.*

32 (ll) (1) *"Performance of official duties" means the administration or*
33 *enforcement of federal, state or local law, including, but not limited to, the*
34 *collection of debts owed to courts and the enforcement of child support*
35 *obligations.*

36 (2) *"Performance of official duties" includes conducting research*
37 *directly related to the administration of such laws.*

38 (3) *"Performance of official duties" does not include solicitation of*
39 *contributions or expenditures to or on behalf of any candidate for public*
40 *office, political party or political action committee.*

41 (mm) *"Pooled money investment board" means the board established*
42 *pursuant to K.S.A. 75-4221a, and amendments thereto, responsible for*
43 *investing idle funds of the state and authorizing loans to the employment*

1 security fund pursuant to K.S.A. 75-4209(d), and amendments thereto.

2 (nn) "Predecessor employer" means an employer who has previously
3 operated a business or portion of a business involving employment to
4 which another employer has succeeded, whether by acquisition, merger,
5 consolidation or any other form of legal succession.

6 (oo) "Qualifying injury" means a work-related injury covered under
7 the Kansas workers compensation act, K.S.A. 44-501, and amendments
8 thereto.

9 (pp) "Rate group" means the classification assigned to an employer
10 based on the employer's reserve ratio under standard rate schedule G.

11 (qq) "Rate year" means the calendar year beginning on January 1
12 and ending on December 31 during which an employer's assigned
13 unemployment insurance contribution rate is in effect.

14 (rr) "Rated governmental employer" means any governmental entity
15 that elects to finance unemployment compensation benefits by making
16 contributions as provided pursuant to K.S.A. 44-710d, and amendments
17 thereto, through periodic payments determined by experience rating
18 rather than on a reimbursement basis.

19 (ss) (1) "Reasonable commute" means the geographic distance,
20 travel time and available transportation options that are customarily
21 accepted by workers in the individual's customary occupation and labor
22 market area.

23 (2) A commute is presumed reasonable if it does not exceed the
24 distance or time the individual traveled for prior employment, unless
25 substantially equivalent work is available closer to the individual's
26 residence.

27 (3) Reasonableness shall take into account the claimant's physical
28 capabilities, transportation limitations and labor market conditions.

29 (tt) "Reemployment services" means:

30 (1) Services provided to unemployment insurance claimants to assist
31 with rapid return to work, including, but not limited to, job search
32 assistance, job placement services, skills assessments, resume writing
33 assistance, labor market information, career counseling and referrals to
34 training or support services.

35 (2) Reemployment services may be provided by the department of
36 labor, KansasWorks or other entities authorized under federal or state
37 workforce programs.

38 (3) Failure to participate in reemployment services without good
39 cause may result in disqualification pursuant to K.S.A. 44-705, and
40 amendment thereto.

41 (uu) "Reimbursing employer" means an employer who elects to make
42 payments in lieu of contributions as allowed by law.

43 (vv) "Requisition" means the process by which the secretary formally

1 requests the transfer of funds from this state's account in the federal
2 unemployment trust fund to the benefit account for the purpose of paying
3 unemployment insurance benefits.

4 (ww) "Reserve fund ratio" means the ratio of total trust fund assets,
5 excluding federal funds not withdrawn and uncollected contributions, to
6 total contributing employer payrolls for the preceding fiscal year ending
7 on June 30.

8 (xx) "Secretary" means the secretary of labor of the state of Kansas.

9 (yy) "Section 903 funds" means moneys credited to the state's
10 account in the federal unemployment trust fund under 42 U.S.C. § 1103
11 and may include funds made available for administration of the
12 unemployment insurance program or public employment offices, subject to
13 federal and state conditions.

14 (zz) "Solvency certification" means the annual report prepared by the
15 secretary pursuant to K.S.A. 44-712(g), and amendments thereto,
16 evaluating the status of the unemployment insurance trust fund and its
17 ability to meet benefit obligations under varying economic scenarios.

18 (aaa) "Standard rate schedule" means the base contribution rate
19 schedule adopted by the secretary and published annually pursuant to
20 K.S.A. 44-710a, and amendments thereto, without application of solvency
21 or credit adjustments.

22 (bbb) "State" includes the states of the United States, the District of
23 Columbia, Puerto Rico, the Virgin Islands and any dependency of the
24 United States.

25 (ccc) "Statewide average annual wage" means the total annual
26 covered wages divided by the average number of employees, rounded to
27 the nearest cent.

28 (ddd) "Statewide average weekly wage" means the statewide average
29 annual wage divided by 52, rounded to the nearest cent.

30 (eee) "Successor employer" means any employer who acquires
31 substantially all of the operations or assets of another employer.

32 (fff) "Supplemental unemployment benefit plan" means a private,
33 employer-sponsored plan that provides additional income to an eligible
34 individual who is unemployed due to a temporary layoff, designed to
35 supplement state unemployment compensation without disqualifying the
36 recipient from benefits, consistent with federal guidance under IRS
37 revenue rulings 56-249 and 90-72 and 26 U.S.C. § 501(c)(17).
38 Supplemental unemployment benefit plans shall comply with the
39 requirements set forth in section 2, and amendments thereto.

40 (ggg) (1) "Temporary unemployment" means a period during which
41 an individual is completely separated from employment due to a short-
42 term, bona fide interruption of work with a reasonable expectation of
43 recall to the same employer, under conditions that:

1 (A) *Are attributable to temporary economic conditions, seasonal*
2 *operations, equipment maintenance, inventory adjustments, weather-*
3 *related interruptions or other similar short-term business circumstances;*

4 (B) *are designated in writing by the employer at the time of*
5 *separation, including an estimated duration of the temporary*
6 *unemployment;*

7 (C) *are not intended to be permanent, indefinite or open-ended; and*

8 (D) *except as otherwise provided by K.S.A. 44-775, and amendments*
9 *thereto, do not exceed eight weeks in duration.*

10 (2) *Temporary unemployment does not include partial reduction in*
11 *hours or partial unemployment.*

12 (3) *The employer shall affirmatively remove the designation of*
13 *temporary unemployment if the circumstances giving rise to the*
14 *designation materially change, including when the employer no longer has*
15 *a reasonable expectation of recall within a determinable period or when*
16 *the individual becomes fully unemployed without expectation of recall or*
17 *permanently separated, and shall notify the secretary in the manner*
18 *prescribed by the secretary.*

19 (4) *The secretary may require documentation sufficient to verify that*
20 *the designation of temporary unemployment is consistent with the*
21 *conditions set forth in this subsection.*

22 (5) *An extension of additional weeks of temporary unemployment at*
23 *the request of an employer for an individual may be granted by the*
24 *secretary as provided by K.S.A. 44-775, and amendments thereto.*

25 (6) *The maximum amount of temporary unemployment for an*
26 *individual in a benefit year, including any extension granted by the*
27 *secretary, shall be as provided by K.S.A. 44-775, and amendments thereto.*

28 (7) *An individual shall not be considered to be on temporary*
29 *unemployment if the employer has no reasonable expectation of recall*
30 *within a determinable period or if the designation is used to avoid*
31 *obligations otherwise applicable under this act.*

32 (hhh) *"Training program" means:*

33 (1) *A course or series of courses, classes, apprenticeships or*
34 *structured learning activities offered by an educational institution, public*
35 *agency or approved provider that is designed to enhance the claimant's*
36 *occupational skills, employability or ability to obtain suitable work.*

37 (2) *Approved training programs may include, but are not limited to,*
38 *those under:*

39 (A) *The workforce innovation and opportunity act, 29 U.S.C. Ch. 32;*

40 (B) *the trade adjustment assistance act, 19 U.S.C. §§ 2271 et seq.;*

41 (C) *community or technical colleges; and*

42 (D) *other vocational or remedial instruction approved by the*
43 *secretary.*

1 (iii) "Trust fund account" means this state's separate account within
2 the federal unemployment trust fund:

3 (1) That is used to hold all contributions collected under the
4 employment security law; and

5 (2) from which moneys are requisitioned to the benefit account for
6 the payment of unemployment insurance benefits.

7 (jjj) "Trust fund solvency standard" means the minimum financial
8 benchmark, as recommended by the United States department of labor,
9 indicating whether a state's unemployment insurance trust fund has
10 sufficient reserves to withstand a recession, typically measured using the
11 average high cost multiple.

12 (III) "Unemployment insurance benefits" or "unemployment
13 compensation benefits" means the monetary payments provided to eligible
14 claimants under the employment security law and federal law for periods
15 of unemployment, including regular benefits, extended benefits and any
16 federally funded or supplemental unemployment compensation.

17 (mmm) "Unemployment" means the status of an individual who
18 performs no services and receives no wages in a given week or performs
19 less than full-time work and earns less than such individual's weekly
20 benefit amount.

21 (nnn) (1) "Unemployment insurance" means the system established
22 under the employment security law to provide temporary income support
23 to eligible individuals who are unemployed through no fault of their own
24 and who meet the requirements set forth in the employment security law.

25 (2) "Unemployment insurance" includes all benefits, contributions,
26 eligibility criteria, administrative procedures and enforcement provisions
27 governed by the employment security law and applicable federal law.

28 (ooo) "Wage combining plan" means a uniform national
29 arrangement:

30 (1) Approved by the United States secretary of labor in consultation
31 with state unemployment compensation agencies in which the state of
32 Kansas participates;

33 (2) where wages earned in one or more participating states are
34 transferred to another state, referred to as the "paying state," and
35 combined with wages earned in the paying state, if any, for the purpose of
36 determining eligibility for and the payment of benefits under the
37 unemployment compensation laws of the paying state in accordance with
38 the arrangement approved by the secretary of labor.

39 (ppp) (1) "Wages" means all forms of compensation provided to an
40 individual in exchange for services rendered. This includes commissions,
41 bonuses, back pay and the fair cash value of any noncash remuneration or
42 benefits. The cash value of noncash compensation shall be determined in
43 accordance with rules and regulations issued by the secretary.

1 *Compensation that has not been received by the individual within 21 days*
2 *after the end of the pay period in which it was earned shall be considered*
3 *paid on the 21st day after that pay period. Effective January 1, 1986,*
4 *gratuities, including tips received from any source other than the*
5 *employing unit, shall be considered wages when reported in writing to the*
6 *employer by the employee. Employees must report in writing all tips*
7 *totaling \$20 or more in a calendar month, whether received directly or*
8 *through a credit card from the customer or passed through by the*
9 *employer. Wages paid pursuant to back pay awards or settlements shall be*
10 *allocated to the specific weeks outlined in the award or agreement. If the*
11 *award or agreement lacks such specificity, the secretary shall allocate*
12 *such wages to the weeks in which the compensation, in the secretary's*
13 *judgment, would have ordinarily been paid.*

14 (2) *"Wages" does not include the following:*

15 (A) *For calendar years 2016 through 2025, remuneration exceeding*
16 *\$14,000 paid to an individual in a calendar year by an employer or such*
17 *employer's predecessor. If the federal unemployment tax act increases this*
18 *threshold, Kansas shall conform to the higher amount;*

19 (B) (i) *for contributing rated employers assigned to rate groups 0-*
20 *N11, beginning in 2026, the following thresholds apply, based on a*
21 *percentage of the statewide average annual wage as determined by the*
22 *secretary, rounded to the nearest \$100:*

23 (a) *2026–2027: 25%;*

24 (b) *2028: 30%;*

25 (c) *2029: 35%;*

26 (d) *2030–2031: 40%; and*

27 (e) *2032 and beyond: 40%, increasing to 45% if any combination of*
28 *employer rate schedules G–M is in effect for five consecutive years*
29 *following 2031. Once increased to 45%, the threshold shall remain*
30 *regardless of future schedule changes;*

31 (ii) *if the federal unemployment tax act is amended to set a higher*
32 *threshold than provided above, Kansas shall adopt the federal threshold;*

33 (C) *payments made under an employer-established plan or system*
34 *covering employees or classes thereof, or such employee's dependents,*
35 *made for:*

36 (i) *Sickness or accident disability, excluding workers' compensation*
37 *payments;*

38 (ii) *medical or hospitalization expenses related to sickness or*
39 *disability; or*

40 (iii) *death benefits;*

41 (D) *payments related to sickness, accident or hospitalization made by*
42 *an employer after six months following the employee's last month of work;*

43 (E) *payments made to or for an employee or beneficiary from a tax-*

1 *qualified retirement plan or annuity, including, but not limited to:*

2 *(i) Plans under 26 U.S.C. §§ 401(a), 403(a), 403(b), 408(k) and*
3 *457(b);*

4 *(ii) supplemental cost-of-living pension payments under 29 U.S.C. §*
5 *1002(2)(B)(ii); and*

6 *(iii) cafeteria plans under 26 U.S.C. § 125;*

7 *(F) employer-paid social security tax for domestic or agricultural*
8 *workers, when not deducted from the employee's wages;*

9 *(G) noncash remuneration for work outside the employer's trade or*
10 *business;*

11 *(H) moving expense reimbursements that qualify as deductible under*
12 *26 U.S.C. § 217;*

13 *(I) severance or death or disability-related payments made under an*
14 *employer-established plan and conditioned on the employee's separation*
15 *due to retirement or death;*

16 *(J) noncash payments for agricultural labor;*

17 *(K) dependent care benefits excludable under 26 U.S.C. § 129;*

18 *(L) meals or lodging provided by the employer excludable under 26*
19 *U.S.C. § 119;*

20 *(M) payments made to the estate or survivors of a deceased employee*
21 *in the year following the employee's death;*

22 *(N) educational or fringe benefits excludable under 26 U.S.C. §§*
23 *74(c), 117 or 132;*

24 *(O) educational assistance benefits excludable under 26 U.S.C. §*
25 *127;*

26 *(P) health savings account contributions excludable under 26 U.S.C.*
27 *§ 106(d).*

28 *(Q) payments made under an approved employer-funded*
29 *supplemental unemployment benefit plan, provided such payments meet*
30 *the requirements of 26 U.S.C. § 3306(b)(9) revenue rulings 56-249 and*
31 *90-72, and are not paid in a lump sum or in lieu of wages. For recognition*
32 *purposes under the Kansas employment security law, such plans shall*
33 *comply with the requirements of section 2, and amendments thereto.*

34 *(3) None of the exclusions in paragraph (2), except subparagraphs*
35 *(2)(A) and (B), shall exclude:*

36 *(A) Employer contributions to qualified 401(k) plans not included in*
37 *income under 26 U.S.C. § 402(a)(8); or*

38 *(B) contributions treated as employer contributions under 26 U.S.C.*
39 *§ 414(h)(2).*

40 *(4) Deferred compensation under a nonqualified deferred*
41 *compensation plan shall be treated as wages at the later of the time that*
42 *services are performed or the right to the compensation is no longer*
43 *subject to substantial risk of forfeiture. Such deferred wages and their*

1 *attributable income shall not be treated as wages again once counted.*
2 *"Nonqualified deferred compensation plan" means any plan not described*
3 *in paragraph (2)(E).*

4 *(qqq) "Week" means a seven-day period as defined by regulation of*
5 *the secretary.*

6 Sec. 6. K.S.A. 2025 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 K.S.A. 44-
11 703(i)(3)(E) and (i)(3)(F), and amendments thereto, shall be payable in the
12 same amount, on the same terms and subject to the same conditions as
13 compensation payable on the basis of other service subject to this act
14 except as provided in K.S.A. 44-705(c) and 44-711(c), and amendments
15 thereto.

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

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

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

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

29 ~~(c) Maximum weekly benefit amount.~~ For initial claims effective on or
30 after July 1, 2024, the maximum weekly benefit amount shall be
31 determined as follows: On July 1 of each year, the secretary shall
32 determine the maximum weekly benefit amount by computing 55% of the
33 statewide average weekly wages paid to employees in insured work during
34 the previous calendar year and shall, prior to that date, announce the
35 maximum weekly benefit amount so determined by publication in the
36 Kansas register. Such computation of the statewide average weekly wage
37 shall be made by dividing the statewide average annual wage, as defined in
38 K.S.A. 44-703(jj), and amendments thereto, determined for the period of
39 the previous calendar year, by 52, as set forth by K.S.A. 44-703(kk), and
40 amendments thereto. The maximum weekly benefit amount so determined
41 and announced for the 12-month period shall apply only to those claims
42 filed in that period qualifying for maximum payment under the foregoing
43 formula. All claims qualifying for payment at the maximum weekly

1 benefit amount shall be paid at the maximum weekly benefit amount in
2 effect when the benefit year to which the claim relates was first
3 established, notwithstanding a change in the maximum benefit amount for
4 a subsequent 12-month period. If the computed maximum weekly benefit
5 amount is not a multiple of \$1, then the computed maximum weekly
6 benefit amount shall be reduced to the next lower multiple of \$1.

7 (d) ~~Minimum weekly benefit amount.~~ The minimum weekly benefit
8 amount payable to any individual shall be 25% of the maximum weekly
9 benefit amount effective as of the beginning of the individual's benefit
10 year. If the minimum weekly benefit amount is not a multiple of \$1 it shall
11 be reduced to the next lower multiple of \$1. The minimum weekly benefit
12 amount shall apply through the benefit year, notwithstanding a change in
13 the minimum weekly benefit amount.

14 (e) ~~All claims qualifying for payment at the maximum weekly benefit~~
15 ~~amount shall be paid at the maximum weekly benefit amount in effect~~
16 ~~when the benefit year to which the claim relates was first established,~~
17 ~~notwithstanding a subsequent change in the maximum weekly benefit~~
18 ~~amount.~~

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

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

29 (A) ~~Vacation or holiday pay that was attributable to a week that the~~
30 ~~individual claimed benefits; and~~

31 (B) ~~severance pay, if paid as scheduled, and all other employment~~
32 ~~benefits within the employer's control, as defined in subsection (f)(3), if~~
33 ~~continued as though the severance had not occurred, except as set out in~~
34 ~~subsection (f)(2)(C).~~

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

37 (A) ~~Remuneration received for services performed on a public~~
38 ~~assistance work project;~~

39 (B) ~~severance pay, in lieu of notice, under the provisions of public~~
40 ~~law 100-379, the federal worker adjustment and retraining notification act,~~
41 ~~29 U.S.C. §§ 2101 through 2109;~~

42 (C) ~~all other severance pay, separation pay, bonuses, wages in lieu of~~
43 ~~notice or remuneration of a similar nature that is payable after the~~

1 severance of the employment relationship, except as set out in subsection
2 (f)(1)(B); and

3 (D) ~~moneys received as federal social security payments.~~

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

11 (g) ~~*Duration of benefits.* Any otherwise eligible individual shall be~~
12 ~~entitled during any benefit year to a total amount of benefits equal to~~
13 ~~whichever is the lesser of 26 times such individual's weekly benefit~~
14 ~~amount, or $\frac{1}{3}$ of such individual's wages for insured work paid during such~~
15 ~~individual's base period. Such total amount of benefits, if not a multiple of~~
16 ~~\$1, shall be reduced to the next lower multiple of \$1.~~

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

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

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

37 (2) ~~If benefits for any week, when reduced as provided in this~~
38 ~~subsection, result in an amount that is not a multiple of \$1, such benefits~~
39 ~~shall be rounded to the next lower multiple of \$1.~~

40 (3) ~~Notwithstanding the reemployment provisions of K.S.A. 44-~~
41 ~~705(e), and amendments thereto, any individual whose benefit amount is~~
42 ~~completely reduced under this subsection for 52 or more weeks shall, upon~~
43 ~~exhaustion of the separation pay, be entitled to a new benefit year based~~

1 upon entitlement from the base period of the claim that was reduced.

2 (j) ~~(1) For weeks commencing on and after September 5, 2021, if at~~
3 ~~the beginning of the benefit year, the three-month seasonally adjusted~~
4 ~~average unemployment rate for the state of Kansas is: (1) Less than 5%, a~~
5 ~~claimant shall be eligible for a maximum of 16 weeks of benefits; (2) at~~
6 ~~least 5% but less than 6%, a claimant shall be eligible for a maximum of~~
7 ~~20 weeks of benefits; or (3) at least 6%, a claimant shall be eligible for a~~
8 ~~maximum of 26 weeks of benefits.~~

9 (2) The maximum number of weeks of benefits allowed in a benefit
10 year pursuant to paragraph (1) shall apply to the combined total of any
11 weeks of traditional and temporary unemployment in such benefit year.

12 ~~(k) Upon the secretary of labor's receipt of notification that the~~
13 ~~claimant has become employed, the secretary shall notify the secretary of~~
14 ~~the department for children and families in order that the secretary for~~
15 ~~children and families may determine the claimant's eligibility for state or~~
16 ~~federal benefits provided or facilitated by the department for children and~~
17 ~~families. The department of labor and the department for children and~~
18 ~~families shall enter into a memorandum of understanding that shall~~
19 ~~provide for the transfer of information as provided in this subsection. (a)~~
20 ~~Benefit payments.~~

21 (1) *All unemployment insurance benefits shall be paid from the*
22 *unemployment insurance trust fund and administered by the secretary of*
23 *labor in accordance with applicable rules and regulations.*

24 (2) *All benefit payments made under the employment security law*
25 *shall be issued with the greatest promptness that is administratively*
26 *feasible and in accordance with the standards of promptness established*
27 *under 42 U.S.C. § 503(a)(1) and (5) and applicable federal regulations.*

28 (3) *The following services shall be paid on equal terms and*
29 *conditions as other covered services, except as modified under K.S.A. 44-*
30 *705(e) and 44-711(e), and amendments thereto:*

31 (A) *Services for state, local or tribal governments and political*
32 *subdivisions, as well as joint instrumentalities with Indian tribes that are*
33 *deemed "employment" pursuant to K.S.A. 44-703, and amendments*
34 *thereto; and*

35 (B) *services for religious, charitable or educational organizations*
36 *that are deemed "employment" pursuant to K.S.A. 44-703, and*
37 *amendments thereto.*

38 (b) *Weekly benefit amount. An individual's weekly benefit amount*
39 *shall equal 4.25% of the total wages paid during the highest-earning*
40 *calendar quarter in the individual's base period. The weekly benefit*
41 *amount is subject to the following:*

42 (1) *If the calculated weekly benefit amount is less than the minimum*
43 *weekly amount, the calculated weekly benefit amount shall be increased to*

1 *such minimum.*

2 (2) *If the calculated weekly benefit amount exceeds the maximum*
3 *allowed, the calculated weekly benefit amount shall be reduced to the*
4 *maximum.*

5 (3) *If not a whole dollar, the calculated weekly benefit amount shall*
6 *be rounded down to the next lower dollar.*

7 (c) *Maximum weekly benefit amount. (1) Beginning July 1, 2024, the*
8 *maximum weekly benefit amount shall be 55% of the statewide average*
9 *weekly wage from the previous calendar year. The maximum weekly*
10 *benefit amount shall remain fixed for the duration of each benefit year. If*
11 *the computed amount is not a whole dollar, the maximum weekly benefit*
12 *amount shall be rounded down.*

13 (2) *Prior to July 1 each year, the secretary shall announce the*
14 *maximum weekly benefit amount so determined by publication in the*
15 *Kansas register.*

16 (d) *Minimum weekly benefit amount. (1) The minimum weekly benefit*
17 *amount shall:*

18 (A) *Be 25% of the maximum weekly benefit amount that is effective at*
19 *the start of the individual's benefit year;*

20 (B) *remain fixed for that benefit year; and*

21 (C) *be rounded down to the nearest whole dollar.*

22 (2) *Prior to July 1 each year, the secretary shall announce the*
23 *minimum weekly benefit amount so determined by publication in the*
24 *Kansas register.*

25 (e) *Weekly benefits for partial unemployment. (1) Eligible individuals*
26 *shall receive a weekly benefit amount reduced by any wages earned*
27 *during the benefit week that exceed 25% of such individual's weekly*
28 *benefit amount.*

29 (2) *The result shall be rounded down to the nearest dollar.*

30 (f) *Treatment of other payments. (1) Payments treated as wages*
31 *include:*

32 (A) *Vacation or holiday pay that is attributable to the claimed week;*
33 *and*

34 (B) *severance or employer-provided benefits that continue post-*
35 *separation, unless excluded below.*

36 (2) *Payments not treated as wages include:*

37 (A) *Public assistance work program earnings;*

38 (B) *severance in lieu of notice under 29 U.S.C. Ch. 23;*

39 (C) *lump-sum severance or bonuses unrelated to ongoing benefits;*

40 (D) *social security payments; and*

41 (E) *payments made under an approved employer-funded*
42 *supplemental unemployment benefit plan for the purposes of benefit offset,*
43 *provided the plan meets the requirements of 26 U.S.C. § 3306(b)(9), IRS*

1 revenue rulings 56-249 and 90-72 and section 2, and amendments thereto.

2 (g) Total benefit entitlement during benefit year. (1) (A) Any
3 otherwise eligible individual shall be entitled to a maximum total amount
4 of benefits during any benefit year equal to the lesser of:

5 (i) The individual's determined weekly benefit amount multiplied by
6 the maximum number of weeks of benefits for which the individual is
7 eligible during the benefit year as determined pursuant to subsection (h)
8 of this section; or

9 (ii) one-third of the individual's wages for insured work paid during
10 the individual's base period.

11 (B) Such total amount of benefits, if not a multiple of \$1, shall be
12 reduced to the next lower multiple of \$1.

13 (2) (A) Notwithstanding the provisions of paragraph (1), if an
14 individual is designated by the individual's employer as being on
15 temporary unemployment as defined in K.S.A. 44-703, and amendments
16 thereto, the individual's total benefit entitlement during the benefit year
17 shall be limited to an amount equal to the individual's determined weekly
18 benefit amount multiplied by not more than eight weeks, regardless of the
19 maximum number of weeks otherwise applicable under subsection (h) of
20 this section.

21 (B) Such limitation shall apply only during the period in which the
22 individual is designated as being on temporary unemployment and shall
23 not diminish the individual's remaining balance of benefit entitlement
24 otherwise payable during the benefit year if the individual subsequently
25 becomes fully unemployed.

26 (3) Upon designation of an individual as being on temporary
27 unemployment, the secretary shall issue a monetary determination to the
28 employer that submitted the designation. Such determination shall clearly
29 state that:

30 (A) Benefits payable during the period of temporary unemployment
31 are limited to not more than eight weeks; and

32 (B) benefit exhaustion for purposes of temporary unemployment shall
33 occur upon payment of eight weeks of benefits, unless an extension is
34 approved pursuant to K.S.A. 44-775, and amendments thereto.

35 (4) Benefits paid during a period of temporary unemployment,
36 including any extension approved pursuant to K.S.A. 44-775, and
37 amendments thereto, shall be charged in the same manner and to the same
38 extent as other unemployment insurance benefits paid during the benefit
39 year and shall not be treated as a separate or nonchargeable category of
40 benefits.

41 (5) Upon designation of an individual as being on temporary
42 unemployment, the secretary shall issue a written notice to the individual.
43 Such notice shall clearly state that:

1 (A) Benefits payable during the period of temporary unemployment
2 are limited to not more than eight weeks;

3 (B) benefit exhaustion for purposes of temporary unemployment shall
4 occur upon payment of eight weeks of benefits, unless an extension is
5 approved pursuant to K.S.A. 44-775, and amendments thereto; and

6 (C) such limitation applies only during the period of temporary
7 unemployment and does not reduce the individual's remaining entitlement
8 to benefits otherwise payable during the benefit year if the individual
9 subsequently becomes fully unemployed.

10 (6) Nothing in this subsection shall be construed to alter the
11 treatment of supplemental unemployment benefit payments made pursuant
12 to a bona fide supplemental unemployment benefit plan under applicable
13 state or federal law.

14 (h) Variable duration based on state unemployment rate. (1) For
15 weeks commencing on or after September 5, 2021, the maximum total
16 number of weeks an individual may receive unemployment insurance
17 benefits during a benefit year, including weeks of traditional
18 unemployment and temporary unemployment, shall be determined by the
19 three-month seasonally adjusted average unemployment rate for the state
20 of Kansas at the beginning of the benefit year, as follows. If the seasonally
21 adjusted average employment rate is:

22 (A) Less than 5%, the claimant shall be eligible for up to 16 weeks of
23 benefits;

24 (B) at least 5% but less than 6%, the claimant shall be eligible for up
25 to 20 weeks of benefits; and

26 (C) 6% or higher, the claimant shall be eligible for up to 26 weeks of
27 benefits.

28 (i) Qualifying wages. Only wages from employers shall count toward
29 benefit eligibility.

30 (j) Reduction for separation payments. Benefits shall be reduced by
31 any separation pay, termination pay or similar compensation received
32 after separation.

33 (1) Monthly payments shall be prorated weekly as follows: Monthly
34 amount $\times 12 \div 52$.

35 (2) If no period is specified, the claimant's normal weekly wage shall
36 be assigned until the amount is exhausted.

37 (3) If benefits are fully offset for 52 or more weeks due to separation
38 pay, the individual may establish a new benefit year using the same base
39 period.

40 (k) Interagency employment notification. When the secretary of labor
41 receives notice of a claimant's return to work, the secretary shall notify the
42 secretary for children and families to assess eligibility for other state or
43 federal assistance. A memorandum of understanding shall govern secure

1 and timely data exchange between the agencies.

2 (l) For the purposes of this section, any payments received by a
3 claimant under an employer-sponsored supplemental unemployment
4 benefit plan recognized under section 2, and amendments thereto, shall
5 not be considered wages, earnings or disqualifying income, provided such
6 plan meets the conditions set forth in subsection (h) of that section.

7 Sec. 7. K.S.A. 44-704a is hereby amended to read as follows: 44-
8 704a. (a) *Definitions.* As used in this section, unless the context clearly
9 requires otherwise:

10 (1) "Extended benefit period" means a period which:

11 (A) Begins with the third week after a week for which there is an
12 "on" indicator; and

13 (B) ends with either of the following weeks, whichever occurs later:
14 (i) The third week after the first week for which there is an "off" indicator;
15 or (ii) the 13th consecutive week of such period, except that no extended
16 benefit period may begin by reason of an "on" indicator before the 14th
17 week following the end of a prior extended benefit period which was in
18 effect with respect to this state.

19 (2) For the purposes of this section:

20 (A) There is an "on" indicator for this state for a week if the secretary
21 of labor determines, in accordance with the regulations of the United
22 States secretary of labor, that, for the period consisting of such week and
23 the immediately preceding 12 weeks, the rate of insured unemployment
24 (not seasonally adjusted) under this act: (i) Equalled or exceeded 5% and
25 equalled or exceeded 120% of the average of such rates for the
26 corresponding 13-week period ending in each of the preceding two
27 calendar years and the state of Kansas pays a portion of such benefits in
28 accordance with the provisions of K.S.A. 44-710(c)(2)(C) and 44-710(c),
29 and amendments thereto; or (ii) equalled or exceeded 5% and equalled or
30 exceeded 120% of the average of such rates for the corresponding 13-week
31 period ending in each of the preceding three calendar years and until on or
32 before the earlier of the latest date permitted under federal law or the end
33 of the fourth week prior to the last week for which federal sharing is
34 provided as authorized by section 2005(a) of public law 111-5 without
35 regard to section 2005(c) of public law 111-5; or (iii) equalled or exceeded
36 6%; or (iv) with respect to benefits for weeks of unemployment beginning
37 after March 6, 1993, (a) the average rate of total unemployment
38 (seasonally adjusted), as determined by the United States secretary of
39 labor, for the period consisting of the most recent three months for which
40 data for all states are published before the close of such week equals or
41 exceeds 6.5%, and (b) the average rate of total unemployment for this state
42 (seasonally adjusted), as determined by the United States secretary of
43 labor, for the three-month period referred to in clause (iv)(a)(1), equals or

1 exceeds 110% of such average for either or both of the corresponding
2 three-month periods ending in the two preceding calendar years; or (2)
3 equals or exceeds 110% of such average for any or all of the
4 corresponding three-month periods ending in each of the three preceding
5 calendar years and until on or before the earlier of the latest date permitted
6 under federal law or the end of the fourth week prior to the last week for
7 which federal sharing is provided as authorized by section 2005(a) of
8 public law 111-5 without regard to section 2005(c) of public law 111-5.

9 (B) (i) ~~There is an "off" indicator for this state for a week if the~~
10 ~~secretary of labor determines, in accordance with the regulations of the~~
11 ~~United States secretary of labor, that for the period consisting of such week~~
12 ~~and the immediately preceding 12 weeks, the rate of insured~~
13 ~~unemployment (not seasonally adjusted) under this act: (a) (1) Was less~~
14 ~~than 5% or less than 120% of the average of such rates for the~~
15 ~~corresponding 13-week period ending in each of the preceding two~~
16 ~~calendar years; or (2) was less than 5% or less than 120% of the average of~~
17 ~~such rates for the corresponding 13-week period ending in any or all of the~~
18 ~~three preceding calendar years and until on or before the earlier of the~~
19 ~~latest date permitted under federal law or the end of the fourth week prior~~
20 ~~to the last week for which federal sharing is provided as authorized by~~
21 ~~section 2005(a) of public law 111-5 without regard to section 2005(c) of~~
22 ~~public law 111-5; and (b) was less than 5%.~~

23 (ii) ~~There is an "off" indicator for this state for a week only if, for the~~
24 ~~period consisting of such week and the immediately preceding 12 weeks,~~
25 ~~none of the conditions specified in subsection (a)(2)(A) of this section~~
26 ~~result in an "on" indicator.~~

27 (3) ~~"Rate of insured unemployment," for purposes of paragraphs (2)~~
28 ~~(A) and (2)(B) of this subsection, means the percentage derived by~~
29 ~~dividing:~~

30 (A) ~~The average weekly number of individuals filing claims for~~
31 ~~regular benefits in this state for weeks of unemployment with respect to~~
32 ~~the most recent 13-consecutive-week period, as determined by the~~
33 ~~secretary of labor on the basis of reports to the United States secretary of~~
34 ~~labor; by~~

35 (B) ~~the average monthly employment covered under this act for the~~
36 ~~first four of the most recent six completed calendar quarters ending before~~
37 ~~the end of such 13-week period.~~

38 (4) ~~"Extended entitlement period" of an individual means the period~~
39 ~~consisting of the weeks of the individual's benefit year which begin in an~~
40 ~~extended benefit period and, if the individual's benefit year ends within~~
41 ~~such extended benefit period, any weeks thereafter which begin in such~~
42 ~~period.~~

43 (5) ~~"Extended benefits" means benefits (including benefits payable to~~

1 federal civilian employees and to ex-service personnel pursuant to 5-
2 U.S.C.A. chapter 85) payable to an individual under the provisions of the
3 act for weeks of unemployment in the individual's extended entitlement
4 period.

5 (6) "Exhaustee" means an individual who, with respect to any week
6 of unemployment in the individual's extended entitlement period:

7 (A) Has received, prior to such week, all of the regular benefits that
8 were available to the individual under this act or any other state law
9 (including dependents' allowances and benefits payable to federal civilian
10 employees and ex-service personnel under 5 U.S.C.A. chapter 85) in the
11 individual's current benefit year that includes such week, provided that, for
12 the purposes of this paragraph (6)(A), an individual shall be deemed to
13 have received all of the regular benefits that were available to the
14 individual although the individual may subsequently be determined to be
15 entitled to added regular benefits as a result of a pending appeal with
16 respect to wages that were not considered in the original monetary
17 determination of the individual's benefit year; or

18 (B) the individual's benefit year having expired prior to such week;
19 has no, or insufficient, wages on the basis of which the individual could
20 establish a new benefit year that would include such week; and

21 (C) (i) has no right to unemployment benefits or allowances, as the
22 case may be, under the federal railroad unemployment insurance act and
23 such other federal laws as are specified in regulations issued by the United
24 States secretary of labor; and (ii) has not received and is not seeking
25 unemployment benefits under the unemployment compensation law of
26 Canada; but if the individual is seeking such benefits and the appropriate
27 agency finally determines that the individual is not entitled to benefits
28 under such law the individual is considered an exhaustee.

29 (7) "State law" means the unemployment compensation law of any
30 state, approved by the United States secretary of labor under section 3304
31 of the federal internal revenue code of 1986.

32 (b) *Payment of extended benefits.* Extended benefits shall be payable
33 to eligible individuals with respect to weeks of unemployment in their
34 extended entitlement periods. The extended benefits provided by this
35 section and K.S.A. 44-704b, and amendments thereto, shall be payable
36 from the fund. All extended benefits shall be paid through the employment
37 offices, in accordance with such rules and regulations as the secretary of
38 labor may adopt.

39 (c) *Beginning and termination of extended benefit period.* (1)-
40 Whenever an extended benefit period is to become effective in this state as
41 a result of an "on" indicator, or an extended benefit period is to be
42 terminated in this state as a result of an "off" indicator, the secretary of
43 labor shall make an appropriate public announcement.

1 (2) ~~Computations required by the provisions of subsection (a)(3) of~~
2 ~~this section shall be made by the secretary of labor, in accordance with~~
3 ~~regulations prescribed by the United States secretary of labor.~~

4 ~~(d) *Weekly extended benefit amount.* The weekly extended benefit~~
5 ~~amount payable to an individual for a week of total unemployment in the~~
6 ~~individual's extended entitlement period shall be an amount equal to the~~
7 ~~regular weekly benefit amount payable to the individual during the~~
8 ~~individual's applicable benefit year, except that for any week during a~~
9 ~~period in which federal payments to states under section 204 of the~~
10 ~~federal-state extended unemployment compensation act of 1970 are~~
11 ~~reduced pursuant to an order issued under section 252 of the federal~~
12 ~~balanced budget and emergency deficit control act of 1985, the weekly~~
13 ~~extended benefit amount payable to an individual for a week of total~~
14 ~~unemployment in the individual's eligibility period shall be reduced by a~~
15 ~~percentage amount which is equivalent to the reduction in the federal~~
16 ~~payment. If such reduced weekly extended benefit amount is not a~~
17 ~~multiple of \$1, it shall be reduced to the next lower multiple of \$1.~~

18 ~~(e) *Total extended benefit amount.* (1) Except as otherwise provided~~
19 ~~in subsection (c)(2) or (c)(3) of this section, the total extended benefit~~
20 ~~amount payable to any eligible individual with respect to the individual's~~
21 ~~applicable benefit year shall be the least of the following amounts:~~

22 ~~(A) Fifty percent of the total amount of regular benefits which were~~
23 ~~payable to the individual under this act in the individual's applicable~~
24 ~~benefit year; or~~

25 ~~(B) thirteen times the individual's weekly benefit amount which was~~
26 ~~payable to the individual under this act for a week of total unemployment~~
27 ~~in the applicable benefit year.~~

28 ~~(2) Effective with respect to weeks beginning in a high~~
29 ~~unemployment period, the provisions of subsection (c)(1) of this section~~
30 ~~shall be applied by substituting "80%" for "50%" in subparagraph (A) of~~
31 ~~that subsection (c)(1), and by substituting "20" for "13" in subparagraph~~
32 ~~(B) of that subsection (c)(1). For purposes of this subsection (c)(2), the~~
33 ~~term "high unemployment period" means any period during which an~~
34 ~~extended benefit period would be in effect if the provisions of subsection~~
35 ~~(a)(2)(A)(iii) of this section were applied after substituting "8%" for~~
36 ~~"6.5%" in clause (a) of that subsection (a)(2)(A)(iii).~~

37 ~~(3) During any fiscal year in which federal payments to states under~~
38 ~~section 204 of the federal-state extended unemployment compensation act~~
39 ~~of 1970 are reduced pursuant to an order issued under section 252 of the~~
40 ~~federal balanced budget and emergency deficit control act of 1985, the~~
41 ~~total extended benefit amount payable to an individual with respect to the~~
42 ~~individual's applicable benefit year shall be reduced by an amount equal to~~
43 ~~the total of all of the reductions under subsection (d) of this section in the~~

1 weekly extended benefit amounts paid to the individual.

2 ~~(f) Eligibility requirements for extended benefits. An individual shall~~
3 ~~be eligible to receive extended benefits with respect to any week of~~
4 ~~unemployment in the individual's extended entitlement period only if the~~
5 ~~secretary of labor, or a person or persons designated by the secretary, finds~~
6 ~~that with respect to such week:~~

7 ~~(1) The individual is an "exhaustee" as defined in subsection (a)(6) of~~
8 ~~this section;~~

9 ~~(2) the individual is qualified and eligible for extended benefits~~
10 ~~pursuant to K.S.A. 44-704b, and amendments thereto;~~

11 ~~(3) the individual is entitled to benefits pursuant to the provisions of~~
12 ~~this act which apply to claims for, or the payment of regular benefits which~~
13 ~~are not inconsistent with the provisions of K.S.A. 44-704b, and~~
14 ~~amendments thereto; and~~

15 ~~(4) the individual, during the base period, (A) was paid wages for~~
16 ~~insured work equal to or greater than 1½ times the amount of total wages~~
17 ~~paid for the quarter in which such wages were highest during the~~
18 ~~individual's base period; or (B) has been paid an amount equal to or~~
19 ~~exceeding 40 times the individual's most recent weekly benefit amount in~~
20 ~~the individual's base period.~~

21 ~~(g) Limitation on amount of combined regular, extended and trade-~~
22 ~~readjustment act benefits received. Notwithstanding any other provisions~~
23 ~~of this section or K.S.A. 44-704b, and amendments thereto, if the benefit~~
24 ~~year of any individual ends within an extended entitlement period, the~~
25 ~~remaining balance of extended benefits that the individual would, but for~~
26 ~~this section, be entitled to receive in that extended entitlement period, with~~
27 ~~respect to weeks of unemployment beginning after the end of the benefit~~
28 ~~year, shall be reduced (but not below zero) by the product of the number of~~
29 ~~weeks for which the individual received any amounts as trade-~~
30 ~~readjustment allowances within that benefit year, multiplied by the~~
31 ~~individual's weekly benefit amount for extended benefits.~~

32 ~~(a) Definitions. For the purposes of this section, unless otherwise~~
33 ~~indicated:~~

34 ~~(1) "Exhaustee" means an individual who, for a given week in the~~
35 ~~extended entitlement period:~~

36 ~~(A) Has received all regular benefits available under this or another~~
37 ~~state's law;~~

38 ~~(B) cannot establish a new benefit year due to insufficient wages;~~

39 ~~(C) is not eligible for unemployment benefits under 45 U.S.C. Ch. 11;~~
40 ~~or~~

41 ~~(D) has not received or is not seeking benefits under Canadian law~~
42 ~~or has been found ineligible for such benefits.~~

43 ~~(2) "Extended benefits" means additional benefits payable under this~~

1 *act, including for federal employees and ex-service personnel under 5*
2 *U.S.C. Ch. 85, during an extended entitlement period.*

3 (3) (A) *"Extended benefit period" means a period that begins in the*
4 *third week following a week for which there is an "on" indicator and ends*
5 *in the later of:*

6 (i) *The third week after the first week for which there is an "off"*
7 *indicator; or*

8 (ii) *the 13th consecutive week of the extended benefit period.*

9 (B) *An extended benefit period shall not begin because of an "on"*
10 *indicator until at least 14 weeks have passed since the preceding extended*
11 *benefit period ended.*

12 (4) *"Extended entitlement period" means the weeks within an*
13 *individual's benefit year that fall within an extended benefit period and*
14 *any weeks beyond such year that fall within the extended benefit period.*

15 (5) *"High unemployment period" means a period when the United*
16 *States unemployment rate exceeds 8% and Kansas meets federal*
17 *thresholds.*

18 (6) *"On indicator" means:*

19 (A) *An "on" indicator exists for a given week in Kansas if the*
20 *secretary of labor determines, in accordance with United States*
21 *department of labor regulations, that:*

22 (i) *The rate of insured unemployment, not seasonally adjusted, for the*
23 *most recent 13-week period:*

24 (a) *Equals or exceeds 5%;*

25 (b) *is at least 120% of the average for the corresponding 13-week*
26 *periods in the two preceding calendar years;*

27 (c) *Kansas shares in funding extended benefits as provided pursuant*
28 *to K.S.A. 44-710, and amendments thereto;*

29 (ii) *the insured unemployment rate equals or exceeds 6%; or*

30 (iii) *on March 6, 1993:*

31 (a) *The United States' seasonally adjusted total unemployment rate*
32 *for the most recent 3-month period is at least 6.5%; and*

33 (b) *Kansas' 3-month average unemployment rate is at least 110% of*
34 *the same period in one or both of the two preceding years.*

35 (B) *The secretary shall conduct calculations under subparagraph (A)*
36 *(iii) in accordance with federal regulations.*

37 (7) *"Off indicator" means an "off indicator" exists if:*

38 (A) *None of the "on" indicator conditions are met for a given 13-*
39 *week period; or*

40 (B) *the insured unemployment rate falls below 5% or below 120% of*
41 *the corresponding periods in prior years.*

42 (8) *"Rate of insured unemployment" means the rate that is calculated*
43 *as the average weekly number of claims filed during the most recent 13*

1 weeks, divided by the average monthly covered employment for the first
2 four of the last six completed calendar quarters.

3 (9) "State law" means the unemployment compensation law of any
4 state of the United States approved under 26 U.S.C. § 3304.

5 (b) Payment of extended benefits. Extended benefits shall be paid to
6 eligible individuals during an extended entitlement period. Payments shall
7 be made in accordance with rules and regulations adopted by the
8 secretary of labor. Such benefits shall be paid from the unemployment
9 insurance trust fund.

10 (c) Supplemental unemployment benefit plans. Notwithstanding any
11 other provision of this section, payments made under a supplemental
12 unemployment benefit plan shall not be included in the computation of
13 earnings or used to reduce the amount of partial unemployment benefits
14 otherwise payable under this section.

15 (d) Notice. When an extended benefit period begins or ends, the
16 secretary of labor shall issue a public announcement.

17 (e) Weekly extended benefit amount. The weekly extended benefit
18 amount equals the individual's regular weekly benefit amount. If federal
19 reimbursement to states is reduced, benefits shall be reduced
20 proportionally. If not a multiple of \$1, the amount shall be rounded down.

21 (f) Maximum duration of extended benefits. (1) The maximum
22 extended benefit amount in a benefit year is the lesser of:

23 (A) 50% of regular benefits paid; or

24 (B) the individual's weekly benefit amount multiplied by 13.

25 (2) During a high unemployment period, the limits shall be increased
26 to 80% and 20 weeks, respectively.

27 (3) If federal extended benefit funding is reduced, the maximum
28 payable benefit shall be reduced by the total reductions in weekly benefit
29 amounts under subsection (e).

30 (g) Eligibility for extended benefits. To be eligible for extended
31 benefits, an individual must:

32 (1) Be an exhaustee;

33 (2) meet eligibility pursuant to K.S.A. 44-704b, and amendments
34 thereto;

35 (3) satisfy all regular unemployment insurance eligibility criteria
36 consistent with K.S.A. 44-704b, and amendments thereto; and

37 (4) during the base period, have earned, at a minimum, such
38 individual's:

39 (A) Highest quarter wages multiplied by 1.5; or

40 (B) most recent weekly benefit amount multiplied by 40.

41 (h) Coordination with trade readjustment allowances. If an individual
42 received trade readjustment allowances during the benefit year, the
43 remaining extended benefit balance shall be reduced by the product of:

1 (1) *The number of weeks of trade readjustment allowance received;*
2 *and*

3 (2) *the individual's weekly extended benefit amount.*

4 Sec. 8. K.S.A. 44-704b is hereby amended to read as follows: 44-
5 704b. ~~(a) Cessation of extended benefits when paid under an interstate~~
6 ~~claim in a state where an extended benefit period is not in effect:~~

7 (1) Except as provided in subsection (a)(2), an individual shall not be
8 eligible for extended benefits for any week if:

9 (A) Extended benefits are payable for such week pursuant to an
10 interstate claim filed in any state under the interstate benefit payment plan;
11 and

12 (B) no extended benefit period is in effect for such week in the state
13 where the claim for extended benefits was filed.

14 (2) Subsection (a)(1) shall not apply with respect to the first two
15 weeks for which extended benefits are payable, determined without regard
16 to this subsection, pursuant to an interstate claim filed under the interstate
17 benefit payment plan to the individual from the extended benefit account
18 established for the individual with respect to the benefit year.

19 (b) *Disqualification conditions.* (1) An individual shall be disqualified
20 for payment of extended benefits for any week of unemployment in the
21 individual's extended entitlement period and until the individual has been
22 employed in each of four subsequent weeks, whether or not consecutive,
23 and has had earnings of at least four times the weekly extended benefit
24 amount if the secretary of labor finds that during such period:

25 (A) The individual failed to accept any offer of suitable work, as
26 defined under subsection (b)(2), or failed to apply for any suitable work as
27 defined in subsection (b)(2) to which the individual was referred by the
28 secretary of labor; or

29 (B) the individual failed to actively engage in seeking work as
30 prescribed under subsection (b)(4).

31 (2) For purposes of this subsection (b), the term "suitable work"
32 means, with respect to any individual, any work which is within such
33 individual's capabilities, provided, however, that the gross average weekly
34 remuneration payable for the work must exceed the sum of:

35 (A) The individual's weekly extended benefit amount, plus the
36 amount, if any, of supplemental unemployment benefits, as defined in
37 section 501(c)(17)(D) of the internal revenue code of 1954, payable to
38 such individual for such week; and further,

39 (B) pays wages not less than the higher of:

40 (i) The minimum wage provided by section 6(a)(1) of the fair labor
41 standards act of 1938, without regard to any exemption; or

42 (ii) the applicable state or local minimum wage;

43 (C) except that no individual shall be denied extended benefits for

1 failure to accept an offer of or apply for any job which meets the definition
2 of suitability as described above if:

3 (i) ~~The position was not offered to such individual in writing by an~~
4 ~~employing unit or was not listed with the employment service; or~~

5 (ii) ~~such failure could not result in a denial of benefits under the~~
6 ~~definition of suitable work for regular benefit claimants in subsection (c)~~
7 ~~of K.S.A. 44-706, and amendments thereto, to the extent that the criteria of~~
8 ~~suitability in that section are not inconsistent with the provisions of this~~
9 ~~subsection (b)(2); or~~

10 (iii) ~~the individual furnishes satisfactory evidence to the secretary of~~
11 ~~labor that the individual's prospects for obtaining work in the individual's~~
12 ~~customary occupation within a reasonably short period are good. If such~~
13 ~~evidence is deemed satisfactory for this purpose, the determination of~~
14 ~~whether any work is suitable with respect to such individual shall be made~~
15 ~~in accordance with the definition of suitable work for regular benefit~~
16 ~~claimants in subsection (c) of K.S.A. 44-706, and amendments thereto,~~
17 ~~without regard to the definition specified by this subsection (b)(2).~~

18 (3) ~~No work shall be determined suitable work for an individual~~
19 ~~which does not accord with the labor standard provisions required by~~
20 ~~section 3304(a)(5) of the internal revenue code of 1954. Notwithstanding~~
21 ~~any other provisions of this act, an otherwise eligible individual shall not~~
22 ~~be disqualified for refusing an offer of suitable employment, or failing to~~
23 ~~apply for suitable employment when notified by an employment office, or~~
24 ~~for leaving such individual's most recent work accepted during approved~~
25 ~~training, if the acceptance of or applying for suitable employment or~~
26 ~~continuing such work would require the individual to terminate approved~~
27 ~~training and no work shall be deemed suitable and benefits shall not be~~
28 ~~denied under this act to any otherwise eligible individual for refusing to~~
29 ~~accept new work under any of the following conditions:~~

30 (A) ~~If the position offered is vacant due directly to a strike, lockout or~~
31 ~~other labor dispute;~~

32 (B) ~~if the remuneration, hours or other conditions of the work offered~~
33 ~~are substantially less favorable to the individual than those prevailing for~~
34 ~~similar work in the locality; or~~

35 (C) ~~if as a condition of being employed, the individual would be~~
36 ~~required to join or to resign from or refrain from joining any labor~~
37 ~~organization.~~

38 (4) ~~For the purposes of subsection (b)(1)(B), an individual shall be~~
39 ~~treated as actively engaged in seeking work during any week if:~~

40 (A) ~~The individual has engaged in a systematic and sustained effort to~~
41 ~~obtain work during such week; and~~

42 (B) ~~the individual furnishes tangible evidence that the individual has~~
43 ~~engaged in such effort during such week.~~

~~(5) The employment service shall refer any individual entitled to extended benefits under this act to any suitable work which meets the criteria prescribed in subsection (b)(2).~~ (a) *Extended benefits paid through interstate claims. (1) General disqualification. Except as provided in paragraph (2), an individual shall not be eligible to receive extended benefits for any week if:*

(A) Such benefits are payable for that week under an interstate claim filed pursuant to the interstate benefit payment plan; and

(B) no extended benefit period is in effect in the state where the individual's claim was filed.

(2) Two-week exception. The disqualification under paragraph (1) shall not apply to the first two weeks of extended benefits payable under an interstate claim, without regard to this subsection, from the individual's extended benefit account for the applicable benefit year.

(b) Disqualification from extended benefits. (1) An individual shall be disqualified from receiving extended benefits for any week of unemployment during such individual's extended entitlement period and shall remain disqualified until the individual:

(A) Has been employed for at least four subsequent weeks, whether consecutive or not; and

(B) has earned wages in an amount equal to or greater than four times such individual's weekly extended benefit amount, if the secretary of labor finds that, during the extended entitlement period, the individual:

(i) Failed to accept an offer of suitable work as defined in paragraph (2), or apply for such work when referred by the secretary; or

(ii) failed to actively engage in a search for work as required under subsection (d).

(2) For the purposes of this subsection, "suitable work" means any employment that:

(A) Is within the individual's physical and mental capabilities;

(B) provides a gross average weekly remuneration that exceeds the sum of:

(i) The individual's weekly extended benefit amount; and

(ii) any supplemental unemployment benefits payable for the week under a recognized employer-sponsored supplemental unemployment benefits plan that complies with 26 U.S.C. § 501(c)(17)(D) and section 2, and amendments thereto; and

(C) pays wages that are not less than the greater of:

(i) The federal minimum wage as prescribed in 29 U.S.C. § 206(a)(1); or

(ii) the applicable state or local minimum wage.

(3) No disqualification shall apply for failure to accept or apply for work that otherwise meets the criteria in subsection (b)(2) if:

1 (A) *The job offer was not made in writing by an employing unit or*
2 *was not listed with the state employment service;*

3 (B) *the individual's refusal would not constitute disqualification*
4 *pursuant to K.S.A. 44-706(c), and amendments thereto, to the extent such*
5 *criteria are not inconsistent with this subsection;*

6 (C) *the individual provides satisfactory evidence to the secretary of*
7 *labor showing a strong likelihood of reemployment in such individual's*
8 *customary occupation within a reasonably short period. In such cases,*
9 *suitability shall be determined in accordance with K.S.A. 44-706(c), and*
10 *amendments thereto; or*

11 (D) *the individual is enrolled in or has been accepted to an approved*
12 *training program or is subject to a pending determination under 42 U.S.C.*
13 *§ 503(a)(12). In such cases, disqualification for refusal of suitable work*
14 *shall not apply during periods of verified participation or pending*
15 *eligibility determination.*

16 (c) *Labor standards and training protections. No work shall be*
17 *considered suitable and no disqualification shall result if:*

18 (1) *The position is vacant due to a strike, lockout or other labor*
19 *dispute;*

20 (2) *the wages, hours or other working conditions are substantially*
21 *less favorable than those prevailing for similar work in the locality;*

22 (3) *acceptance of the position would require the individual to join,*
23 *resign from or refrain from joining a labor organization; or*

24 (4) *acceptance of or application for the job would require the*
25 *individual to terminate or interrupt participation in approved training.*

26 (d) *Active work search requirement. An individual shall be deemed to*
27 *be actively seeking work during any week if:*

28 (1) *The individual has engaged in a systematic and sustained effort to*
29 *obtain employment; and*

30 (2) *the individual provides tangible, verifiable evidence of job search*
31 *activity, including, but not limited to, applications submitted, interviews*
32 *attended, contacts with potential employers, use of job boards or*
33 *participation in employment services.*

34 (e) *Referrals by employment service. The employment service shall*
35 *refer individuals receiving extended benefits to any job that meets the*
36 *definition of suitable work under subsection (b)(2).*

37 Sec. 9. K.S.A. 2025 Supp. 44-705 is hereby amended to read as
38 follows: 44-705. ~~Except as provided by K.S.A. 44-757, and amendments~~
39 ~~thereto, an unemployed individual shall be eligible to receive benefits with~~
40 ~~respect to any week only if the secretary, or a person or persons designated~~
41 ~~by the secretary, finds that:~~

42 ~~(a) The claimant has registered for work at and thereafter continued~~
43 ~~to report at an employment office in accordance with rules and regulations~~

1 adopted by the secretary, except that, subject to the provisions of K.S.A.
2 44-704(a), and amendments thereto, the secretary may adopt rules and
3 regulations that waive or alter either or both of the requirements of this
4 subsection.

5 (b) The claimant has made a claim for benefits with respect to such
6 week in accordance with rules and regulations adopted by the secretary.

7 (e) (1) The claimant is able to perform the duties of such claimant's
8 customary occupation or the duties of other occupations that the claimant
9 is reasonably fitted by training or experience, and is available for work, as
10 demonstrated by the claimant's pursuit of the full course of action most
11 reasonably calculated to result in the claimant's reemployment except that,
12 notwithstanding any other provisions of this section, an unemployed
13 claimant otherwise eligible for benefits shall not become ineligible for
14 benefits:

15 (A) Because of the claimant's enrollment in and satisfactory pursuit
16 of approved training, including training approved under section 236(a)(1)
17 of the trade act of 1974;

18 (B) solely because such individual is seeking only part-time
19 employment if the individual is available for a number of hours per week
20 that are comparable to the individual's part-time work experience in the
21 base period; or

22 (C) because a claimant is not actively seeking work:

23 (i) During a state of disaster emergency proclaimed by the governor
24 pursuant to K.S.A. 48-924 and 48-925, and amendments thereto;

25 (ii) in response to the spread of the public health emergency of
26 COVID-19; and

27 (iii) the state's temporary waiver of the work search requirement
28 under the employment security law for such claimant is in compliance
29 with the families first coronavirus response act, public law 116-127.

30 (2) The secretary shall develop and implement procedures to address
31 claimants who refuse to return to suitable work or refuse to accept an offer
32 of suitable work without good cause. Such procedures shall include the
33 receipt and processing of job refusal reports from employers, the
34 evaluation of such reports in consideration of the claimant's work history
35 and skills and suitability of the offered employment and guidelines for a
36 determination of whether the claimant shall remain eligible for
37 unemployment benefits or has failed to meet the work search requirements
38 of this subsection or the requirements of K.S.A. 44-706(c), and
39 amendments thereto. In determining whether the employment offered is
40 suitable, the secretary's considerations shall include whether the
41 employment offers wages comparable to the claimant's recent employment
42 and work duties that correspond to the claimant's education level and
43 previous work experience. The secretary shall also consider whether the

1 employment offers wages of at least the amount of the claimant's
2 maximum weekly benefits.

3 (3) ~~To facilitate the requirements of paragraph (2), the secretary shall~~
4 ~~provide readily accessible means for employers to notify the department~~
5 ~~when a claimant refuses to return to work or refuses an offer of~~
6 ~~employment, including by telephone, email or an online web portal. The~~
7 ~~secretary shall create or cause to be created in the new unemployment~~
8 ~~insurance information technology system as provided by K.S.A. 44-772,~~
9 ~~and amendments thereto, an audit process for employers to submit reports~~
10 ~~regarding activities related to the work search requirement or to the my-~~
11 ~~reemployment plan, established by K.S.A. 44-775, and amendments~~
12 ~~thereto, and applicants that accept interview appointments but do not~~
13 ~~participate or notify the interviewing employer of their inability to~~
14 ~~participate in the scheduled interview. The secretary shall not be required~~
15 ~~to implement such audit process prior to January 1, 2026. Nothing in this~~
16 ~~subsection shall be construed as to require an employer to notify the~~
17 ~~department of such job refusals or such failures to appear for a scheduled~~
18 ~~interview without notifying the interviewing employer to the department.~~

19 (4) ~~At the time of receipt of notice from an employer pursuant to~~
20 ~~paragraph (3), the secretary shall, within 10 business days of receipt of~~
21 ~~such notice from the employer, provide a notice to the claimant who has~~
22 ~~refused to return to work or to accept an offer of suitable work without~~
23 ~~good cause. The method of providing the notice to the claimant shall be~~
24 ~~consistent with other correspondence from the department to the claimant~~
25 ~~and may include mail, telephone, email or through an online web portal.~~
26 ~~The notice shall, at minimum, include the following information:~~

27 (A) ~~A summary of state employment security law regarding a~~
28 ~~claimant's duties to return to work or accept suitable work;~~

29 (B) ~~a statement that the claimant has been or may be disqualified and~~
30 ~~the claimant's right to collect benefits has been or may be terminated for~~
31 ~~refusal to return to work or accept suitable work without good cause, as~~
32 ~~provided by this subsection and K.S.A. 44-706(c), and amendments~~
33 ~~thereto;~~

34 (C) ~~an explanation of what constitutes suitable work under the~~
35 ~~employment security law; and~~

36 (D) ~~instructions for contesting a denial of a claim if the denial is~~
37 ~~based upon a report by an employer that the claimant has refused to return~~
38 ~~to work or has refused to accept an offer of suitable work.~~

39 (5) ~~The secretary shall include notices to all active employers~~
40 ~~regarding work search noncompliance reporting options provided in~~
41 ~~paragraph (3) in the department of labor's annual summary of benefit~~
42 ~~charges pursuant to K.S.A. 44-710b(d), and amendments thereto, and in~~
43 ~~the rate notices to employers pursuant to K.S.A. 44-710b(a), and~~

1 amendments thereto. The secretary shall not be required to implement such
2 notice requirements prior to the completion of the new unemployment
3 insurance information technology system, as provided by K.S.A. 44-772,
4 and amendments thereto.

5 (6) For the purposes of this subsection, an inmate of a custodial or
6 correctional institution shall be deemed to be unavailable for work and not
7 eligible to receive unemployment compensation while incarcerated.

8 (d) (1) Except as provided further, the claimant has been unemployed
9 for a waiting period of one week or the claimant is unemployed and has
10 satisfied the requirement for a waiting period of one week under the shared
11 work unemployment compensation program as provided in K.S.A. 44-
12 757(k)(4), and amendments thereto, and that period of one week, in either
13 case, occurs within the benefit year that includes the week for which the
14 claimant is claiming benefits. No week shall be counted as a week of
15 unemployment for the purposes of this subsection:

16 (A) If benefits have been paid for such week;

17 (B) if the individual fails to meet with the other eligibility
18 requirements of this section; or

19 (C) if an individual is seeking unemployment benefits under the
20 unemployment compensation law of any other state or of the United
21 States, except that if the appropriate agency of such state or of the United
22 States finally determines that the claimant is not entitled to unemployment
23 benefits under such other law, this subparagraph shall not apply.

24 (2) (A) The waiting week requirement of paragraph (1) shall not
25 apply to:

26 (i) New claims by claimants who become unemployed as a result of
27 an employer terminating business operations within this state, declaring
28 bankruptcy or initiating a work force reduction pursuant to public law 100-
29 379, the federal worker adjustment and retraining notification act, 29
30 U.S.C. §§ 2101 through 2109, as amended; or

31 (ii) new claims filed on or after April 5, 2020, through December 26,
32 2020, in accordance with the families first coronavirus response act, public
33 law 116-127 and the federal CARES act, public law 116-136.

34 (B) The secretary shall adopt rules and regulations to administer the
35 provisions of this paragraph.

36 (3) If the waiting week requirement of paragraph (1) applies, a
37 claimant shall become eligible to receive compensation for the waiting
38 period of one week, pursuant to paragraph (1), upon completion of three
39 weeks of unemployment consecutive to such waiting period. This
40 paragraph shall not apply to initial claims effective on and after April 1,
41 2021.

42 (e) For benefit years established on and after the effective date of this
43 act, the claimant has been paid total wages for insured work in the

1 claimant's base period of not less than 30 times the claimant's weekly
2 benefit amount and has been paid wages in more than one quarter of the
3 claimant's base period, except that the wage credits of an individual earned
4 during the period commencing with the end of a prior base period and
5 ending on the date that such individual filed a valid initial claim shall not
6 be available for benefit purposes in a subsequent benefit year unless, in
7 addition thereto, such individual has returned to work and subsequently
8 earned wages for insured work in an amount equal to at least eight times
9 the claimant's current weekly benefit amount.

10 (f) ~~The claimant participates in reemployment services, such as job~~
11 ~~search assistance services, if the individual has been determined to be~~
12 ~~likely to exhaust regular benefits and needs reemployment services~~
13 ~~pursuant to a profiling system established by the secretary, unless the~~
14 ~~secretary determines that: (1) The individual has completed such services;~~
15 ~~or (2) there is justifiable cause for the claimant's failure to participate in~~
16 ~~such services.~~

17 (g) ~~The claimant is returning to work after a qualifying injury and has~~
18 ~~been paid total wages for insured work in the claimant's alternative base~~
19 ~~period of not less than 30 times the claimant's weekly benefit amount and~~
20 ~~has been paid wages in more than one quarter of the claimant's alternative~~
21 ~~base period if:~~

22 (1) ~~The claimant has filed for benefits within four weeks of being~~
23 ~~released to return to work by a licensed and practicing health care~~
24 ~~provider;~~

25 (2) ~~the claimant files for benefits within 24 months of the date the~~
26 ~~qualifying injury occurred; and~~

27 (3) ~~the claimant attempted to return to work with the employer where~~
28 ~~the qualifying injury occurred, but the individual's regular work or~~
29 ~~comparable and suitable work was not available. Except as provided by~~
30 ~~K.S.A. 44-757, and amendments thereto, an unemployed individual is~~
31 ~~eligible to receive benefits for any week only if the secretary of labor or a~~
32 ~~designated representative determines that all of the following conditions~~
33 ~~are met:~~

34 (a) *Work registration. (1) The claimant has registered for work and*
35 *continues to report to an authorized employment office in accordance with*
36 *regulations adopted by the secretary.*

37 (2) *The secretary may waive or modify this requirement by rule,*
38 *including for individuals participating in approved reemployment or*
39 *training programs pursuant to K.S.A. 44-704(a), and amendments thereto.*

40 (3) *All eligibility and availability requirements under the employment*
41 *security law shall be construed and administered in accordance with 20*
42 *C.F.R. part 604 and any successor regulations issued by the United States*
43 *department of labor to ensure conformity with 42 U.S.C. § 503(a)(12).*

1 (b) *Weekly claim filing.* (1) *The claimant has filed a claim for benefits*
2 *for the applicable week, following the procedures established by the*
3 *secretary.*

4 (2) (A) *All claims, forms, notices and documents required or*
5 *permitted under the employment security law may be filed, submitted or*
6 *issued by electronic means, including through secure online systems, email*
7 *or other electronic platforms, provided such methods are consistent with*
8 *federal law, including 20 C.F.R. part 640 and related United States*
9 *department of labor guidance.*

10 (B) *Electronic transmission and signatures shall carry the same legal*
11 *effect as paper-based methods in accordance with K.S.A. 16-1601 et seq.,*
12 *and amendments thereto, unless otherwise prohibited by federal law.*

13 (c) *Availability for work and work refusal.* (1) *The claimant shall be*
14 *able and available to work, as demonstrated by actively pursuing*
15 *reemployment in the claimant's customary occupation or another field for*
16 *which the claimant is reasonably qualified by experience or training. The*
17 *claimant shall not be disqualified solely because such claimant:*

18 (A) *Is enrolled in and satisfactorily pursuing approved training,*
19 *including training under 19 U.S.C. § 2296(a)(1);*

20 (B) *is seeking part-time work consistent with such claimant's base*
21 *period experience and is available for a comparable number of hours per*
22 *week;*

23 (C) *is temporarily excused from active work search under a declared*
24 *state of disaster emergency or public health emergency, such as COVID-*
25 *19, in compliance with applicable federal law.*

26 (2) (A) *Claimants may be disqualified for refusing an offer of suitable*
27 *work or failing to apply for suitable work, unless good cause is shown.*
28 *The secretary shall consider:*

29 (i) *The claimant's work history, skills and past wages;*

30 (ii) *whether the offer involves comparable duties, conditions and*
31 *wages; and*

32 (iii) *whether the offer meets or exceeds the claimant's weekly benefit*
33 *amount.*

34 (B) *Work shall not be deemed suitable and shall not disqualify the*
35 *claimant if:*

36 (i) *The job was not formally offered or listed with the employment*
37 *service;*

38 (ii) *the job would not qualify as suitable work pursuant to K.S.A. 44-*
39 *706(c), and amendments thereto; or*

40 (iii) *the claimant can demonstrate a reasonable expectation of*
41 *returning to such claimant's own customary occupation in a short period.*

42 (3) *The secretary shall provide a telephone, email and online web*
43 *portal for employers to optionally report:*

- 1 (A) Claimant refusals to return to work or accept a job offer;
2 (B) failures to appear for scheduled interviews; and
3 (C) noncompliance with the my reemployment plan, K.S.A. 44-775,
4 and amendments thereto, or work search requirements. An automated
5 audit process for such reports shall be implemented and maintained under
6 the unemployment insurance system.
- 7 (4) (A) Upon receiving an employer's report under paragraph (3), the
8 secretary shall notify the claimant within 10 business days. The notice
9 shall include:
- 10 (i) A summary of relevant legal obligations;
11 (ii) a statement that eligibility may be denied due to refusal of
12 suitable work;
13 (iii) an explanation of what constitutes suitable work; and
14 (iv) instructions for contesting a potential denial.
- 15 (B) The claimant shall have 10 business days from the date of such
16 notice to respond or submit evidence contesting the potential
17 disqualification. Failure to respond within the time period may result in
18 denial of benefits, subject to appeal rights provided pursuant to K.S.A. 44-
19 709, and amendments thereto.
- 20 (5) Information about work search noncompliance reporting options
21 shall be included in annual benefit charge summaries and rate notices sent
22 to employers pursuant to K.S.A. 44-710b(a) and (d), and amendments
23 thereto.
- 24 (6) An individual who is incarcerated in a correctional or custodial
25 institution shall be deemed unavailable for work and ineligible for benefits
26 during the period of confinement.
- 27 (7) No individual shall be denied unemployment compensation under
28 the employment security law solely on the basis of such individual's
29 immigration status if such individual is lawfully present and authorized to
30 work in the United States, in accordance with 42 U.S.C. § 503(a)(10).
- 31 (d) Waiting week requirement. (1) The claimant shall be unemployed
32 for a waiting period of one week within the benefit year. No compensation
33 shall be paid for the waiting week and it shall not count if:
- 34 (A) Benefits were paid for the week;
35 (B) other eligibility conditions were not met; or
36 (C) the claimant is seeking benefits under another state or federal
37 law, unless ultimately denied under that law.
- 38 (2) (A) The waiting week requirement does not apply to new claims
39 arising from business closures, bankruptcy or mass layoffs subject to 29
40 U.S.C. Ch. 23.
- 41 (B) The secretary shall adopt rules and regulations to implement this
42 subsection. The waiting week requirement may be waived for claims
43 resulting from employer closures, mass layoffs covered by 29 U.S.C. Ch.

1 23 or during periods of declared public emergency or disaster, as
2 authorized by federal waivers or conformity guidance issued under 42
3 U.S.C. § 503 or applicable United States department of labor rules.

4 (e) Base period earnings. (1) To qualify for benefits, the claimant
5 shall have:

6 (A) Earned total wages for insured work equal to at least 30 times the
7 weekly benefit amount during the base period; and

8 (B) earned wages in more than one calendar quarter of the base
9 period.

10 (2) Wages earned after the end of the base period may not be used
11 again unless the claimant has returned to work and earned at least eight
12 times the current weekly benefit amount in new wages for insured work.

13 (f) Reemployment services participation. A claimant identified
14 through the secretary's profiling system as likely to exhaust regular
15 benefits shall participate in reemployment services, such as job search
16 assistance, unless:

17 (1) The claimant has already completed such services; or

18 (2) the claimant has justifiable cause for nonparticipation.

19 (g) Qualifying injury and alternative base period. Claimants
20 returning from a qualifying injury may establish benefit eligibility using an
21 alternative base period if:

22 (1) The claim is filed within four weeks of medical clearance to
23 return to work;

24 (2) the injury occurred within the past 24 months; and

25 (3) the claimant attempted to return to such claimant's former
26 employer, but no suitable position was available.

27 (h) Supplemental unemployment benefit plan payments. Payments
28 received under a supplemental unemployment benefit plan recognized in
29 accordance with section 2, and amendments thereto, shall not affect a
30 claimant's eligibility determination, availability for work status or job
31 search requirements, provided such payments meet the conditions
32 described in subsection (h) of that section.

33 Sec. 10. K.S.A. 2025 Supp. 44-706 is hereby amended to read as
34 follows: 44-706. ~~The secretary shall examine whether an individual has~~
35 ~~separated from employment for each week claimed. The secretary shall~~
36 ~~apply the provisions of this section to the individual's most recent~~
37 ~~employment prior to the week claimed. An individual shall be disqualified~~
38 ~~for benefits:~~

39 ~~(a) If the individual left work voluntarily without good cause~~
40 ~~attributable to the work or the employer, subject to the other provisions of~~
41 ~~this subsection. For purposes of this subsection, "good cause" is cause of~~
42 ~~such gravity that would impel a reasonable, not supersensitive, individual~~
43 ~~exercising ordinary common sense to leave employment. Good cause~~

1 requires a showing of good faith of the individual leaving work, including
2 the presence of a genuine desire to work. Failure to return to work after
3 expiration of approved personal or medical leave, or both, shall be
4 considered a voluntary resignation. After a temporary job assignment,
5 failure of an individual to affirmatively request an additional assignment
6 on the next succeeding workday, if required by the employment
7 agreement, after completion of a given work assignment, shall constitute
8 leaving work voluntarily. The disqualification shall begin the day
9 following the separation and shall continue until after the individual has
10 become reemployed and has had earnings from insured work of at least
11 three times the individual's weekly benefit amount. An individual shall not
12 be disqualified under this subsection if:

13 (1) The individual was forced to leave work because of illness or
14 injury upon the advice of a licensed and practicing healthcare provider
15 and, upon learning of the necessity for absence, immediately notified the
16 employer thereof, or the employer consented to the absence, and after
17 recovery from the illness or injury, when recovery was certified by a
18 practicing health care provider, the individual returned to the employer and
19 offered to perform services and the individual's regular work or
20 comparable and suitable work was not available. As used in this paragraph
21 "healthcare provider" means any person licensed by the proper licensing
22 authority of any state to engage in the practice of medicine and surgery,
23 osteopathy, chiropractic, dentistry, optometry, podiatry or psychology;

24 (2) the individual left temporary work to return to the regular
25 employer;

26 (3) the individual left work to enter active service in the armed forces
27 of the United States but was rejected or delayed from entry;

28 (4) The spouse of an individual who is a member of the armed forces
29 of the United States who left work because of the voluntary or involuntary
30 transfer of the individual's spouse from one job to another job that is for
31 the same employer or for a different employer, at a geographic location
32 that makes it unreasonable for the individual to continue work at the
33 individual's job. For the purposes of this provision "member of the armed
34 forces" means a person performing active service in the army, navy,
35 marine corps, air force, space force, coast guard or any component of the
36 military reserves of the United States;

37 (5) the individual left work because of hazardous working conditions;
38 in determining whether or not working conditions are hazardous for an
39 individual, the degree of risk involved to the individual's health, safety and
40 morals, the individual's physical fitness and prior training and the working
41 conditions of workers engaged in the same or similar work for the same
42 and other employers in the locality shall be considered; as used in this
43 paragraph, "hazardous working conditions" means working conditions that

1 could result in a danger to the physical or mental well-being of the
2 individual; each determination as to whether hazardous working
3 conditions exist shall include, but shall not be limited to, a consideration
4 of: (A) The safety measures used or the lack thereof; and (B) the condition
5 of equipment or lack of proper equipment; no work shall be considered
6 hazardous if the working conditions surrounding the individual's work are
7 the same or substantially the same as the working conditions generally
8 prevailing among individuals performing the same or similar work for
9 other employers engaged in the same or similar type of activity;

10 (6) the individual left work to enter training approved under section
11 236(a)(1) of the federal trade act of 1974, provided the work left is not of a
12 substantially equal or higher skill level than the individual's past adversely
13 affected employment, as defined for purposes of the federal trade act of
14 1974, and wages for such work are not less than 80% of the individual's
15 average weekly wage as determined for the purposes of the federal trade
16 act of 1974;

17 (7) the individual left work because of unwelcome harassment of the
18 individual by the employer or another employee of which the employing
19 unit had knowledge and that would impel the average worker to give up
20 such worker's employment;

21 (8) the individual left work to accept better work; each determination
22 as to whether or not the work accepted is better work shall include, but
23 shall not be limited to, consideration of: (A) The rate of pay, the hours of
24 work and the probable permanency of the work left as compared to the
25 work accepted; (B) the cost to the individual of getting to the work left in
26 comparison to the cost of getting to the work accepted; and (C) the
27 distance from the individual's place of residence to the work accepted in
28 comparison to the distance from the individual's residence to the work left;

29 (9) the individual left work as a result of being instructed or requested
30 by the employer, a supervisor or a fellow employee to perform a service or
31 commit an act in the scope of official job duties that is in violation of an
32 ordinance or statute;

33 (10) the individual left work because of a substantial violation of the
34 work agreement by the employing unit and, before the individual left, the
35 individual had exhausted all remedies provided in such agreement for the
36 settlement of disputes before terminating. For the purposes of this
37 paragraph, a demotion based on performance does not constitute a
38 violation of the work agreement;

39 (11) after making reasonable efforts to preserve the work, the
40 individual left work due to a personal emergency of such nature and
41 compelling urgency that it would be contrary to good conscience to
42 impose a disqualification; or

43 (12) (A) the individual left work due to circumstances resulting from

1 domestic violence, including:

2 (i) ~~The individual's reasonable fear of future domestic violence at or~~
3 ~~en-route to or from the individual's place of employment;~~

4 (ii) ~~the individual's need to relocate to another geographic area in~~
5 ~~order to avoid future domestic violence;~~

6 (iii) ~~the individual's need to address the physical, psychological and~~
7 ~~legal impacts of domestic violence;~~

8 (iv) ~~the individual's need to leave employment as a condition of~~
9 ~~receiving services or shelter from an agency that provides support services~~
10 ~~or shelter to victims of domestic violence; or~~

11 (v) ~~the individual's reasonable belief that termination of employment~~
12 ~~is necessary to avoid other situations that may cause domestic violence and~~
13 ~~to provide for the future safety of the individual or the individual's family.~~

14 (B) ~~An individual may prove the existence of domestic violence by~~
15 ~~providing one of the following:~~

16 (i) ~~A restraining order or other documentation of equitable relief by a~~
17 ~~court of competent jurisdiction;~~

18 (ii) ~~a police record documenting the abuse;~~

19 (iii) ~~documentation that the abuser has been convicted of one or more~~
20 ~~of the offenses enumerated in articles 34 and 35 of chapter 21 of the~~
21 ~~Kansas Statutes Annotated, prior to their repeal, or articles 54 or 55 of~~
22 ~~chapter 21 of the Kansas Statutes Annotated, or K.S.A. 21-6104, 21-6325,~~
23 ~~21-6326 or 21-6418 through 21-6422, and amendments thereto, where the~~
24 ~~victim was a family or household member;~~

25 (iv) ~~medical documentation of the abuse;~~

26 (v) ~~a statement provided by a counselor, social worker, health care~~
27 ~~provider, clergy, shelter worker, legal advocate, domestic violence or~~
28 ~~sexual assault advocate or other professional who has assisted the~~
29 ~~individual in dealing with the effects of abuse on the individual or the~~
30 ~~individual's family; or~~

31 (vi) ~~a sworn statement from the individual attesting to the abuse.~~

32 (C) ~~No evidence of domestic violence experienced by an individual,~~
33 ~~including the individual's statement and corroborating evidence, shall be~~
34 ~~disclosed by the department of labor unless consent for disclosure is given~~
35 ~~by the individual.~~

36 (b) ~~If the individual has been discharged or suspended for misconduct~~
37 ~~connected with the individual's work. The disqualification shall begin the~~
38 ~~day following the separation and shall continue until after the individual~~
39 ~~becomes reemployed and in cases where the disqualification is due to~~
40 ~~discharge for misconduct has had earnings from insured work of at least~~
41 ~~three times the individual's determined weekly benefit amount, except that~~
42 ~~if an individual is discharged for gross misconduct connected with the~~
43 ~~individual's work, such individual shall be disqualified for benefits until~~

1 such individual again becomes employed and has had earnings from
2 insured work of at least eight times such individual's determined weekly
3 benefit amount. In addition, all wage credits attributable to the
4 employment from which the individual was discharged for gross
5 misconduct connected with the individual's work shall be canceled. No
6 such cancellation of wage credits shall affect prior payments made as a
7 result of a prior separation.

8 (1) As used in this subsection, "misconduct" means a violation of a
9 duty or obligation reasonably owed the employer as a condition of
10 employment including, but not limited to, a violation of a company rule,
11 including a safety rule, if: (A) The individual knew or should have known
12 about the rule; (B) the rule was lawful and reasonably related to the job;
13 and (C) the rule was fairly and consistently enforced.

14 (2) (A) Failure of the employee to notify the employer of an absence
15 and an individual's leaving work prior to the end of such individual's
16 assigned work period without permission shall be considered prima facie
17 evidence of a violation of a duty or obligation reasonably owed the
18 employer as a condition of employment.

19 (B) For the purposes of this subsection, misconduct shall include, but
20 not be limited to, violation of the employer's reasonable attendance
21 expectations if the facts show:

22 (i) The individual was absent or tardy without good cause;

23 (ii) the individual had knowledge of the employer's attendance
24 expectation; and

25 (iii) the employer gave notice to the individual that future absence or
26 tardiness may or will result in discharge.

27 (C) For the purposes of this subsection, if an employee disputes being
28 absent or tardy without good cause, the employee shall present evidence
29 that a majority of the employee's absences or tardiness were for good
30 cause. If the employee alleges that the employee's repeated absences or
31 tardiness were the result of health related issues, such evidence shall
32 include documentation from a licensed and practicing healthcare provider
33 as defined in subsection (a)(1).

34 (3) (A) The term "gross misconduct" as used in this subsection shall
35 be construed to mean conduct evincing extreme, willful or wanton
36 misconduct as defined by this subsection. Gross misconduct shall include,
37 but not be limited to: (i) Theft; (ii) fraud; (iii) intentional damage to
38 property; (iv) intentional infliction of personal injury; or (v) any conduct
39 that constitutes a felony.

40 (B) For the purposes of this subsection, the following shall be
41 conclusive evidence of gross misconduct:

42 (i) The use of alcoholic liquor, cereal malt beverage or a
43 nonprescribed controlled substance by an individual while working;

1 (ii) ~~the impairment caused by alcoholic liquor, cereal malt beverage~~
2 ~~or a nonprescribed controlled substance by an individual while working;~~

3 (iii) ~~a positive breath alcohol test or a positive chemical test, if:~~

4 (a) ~~The test was either:~~

5 (1) ~~Required by law and was administered pursuant to the drug free~~
6 ~~workplace act, 41 U.S.C. § 701 et seq.;~~

7 (2) ~~administered as part of an employee assistance program or other~~
8 ~~drug or alcohol treatment program in which the employee was~~
9 ~~participating voluntarily or as a condition of further employment;~~

10 (3) ~~requested pursuant to a written policy of the employer of which~~
11 ~~the employee had knowledge and was a required condition of~~
12 ~~employment;~~

13 (4) ~~required by law and the test constituted a required condition of~~
14 ~~employment for the individual's job; or~~

15 (5) ~~there was reasonable suspicion to believe that the individual used,~~
16 ~~had possession of, or was impaired by alcoholic liquor, cereal malt~~
17 ~~beverage or a nonprescribed controlled substance while working;~~

18 (b) ~~the test sample was collected either:~~

19 (1) ~~As prescribed by the drug free workplace act, 41 U.S.C. § 701 et~~
20 ~~seq.;~~

21 (2) ~~as prescribed by an employee assistance program or other drug or~~
22 ~~alcohol treatment program in which the employee was participating~~
23 ~~voluntarily or as a condition of further employment;~~

24 (3) ~~as prescribed by the written policy of the employer of which the~~
25 ~~employee had knowledge and that constituted a required condition of~~
26 ~~employment;~~

27 (4) ~~as prescribed by a test that was required by law and which~~
28 ~~constituted a required condition of employment for the individual's job; or~~

29 (5) ~~at a time contemporaneous with the events establishing probable~~
30 ~~cause;~~

31 (c) ~~the collecting and labeling of a chemical test sample was~~
32 ~~performed by a licensed health care professional or any other individual~~
33 ~~certified pursuant to paragraph (b)(3)(A)(iii)(f) or authorized to collect or~~
34 ~~label test samples by federal or state law, or a federal or state rule or~~
35 ~~regulation having the force or effect of law, including law enforcement~~
36 ~~personnel;~~

37 (d) ~~the chemical test was performed by a laboratory approved by the~~
38 ~~United States department of health and human services or licensed by the~~
39 ~~department of health and environment, except that a blood sample may be~~
40 ~~tested for alcohol content by a laboratory commonly used for that purpose~~
41 ~~by state law enforcement agencies;~~

42 (e) ~~the chemical test was confirmed by gas chromatography, gas~~
43 ~~chromatography-mass spectroscopy or other comparably reliable~~

1 analytical method, except that no such confirmation is required for a blood
2 alcohol sample or a breath alcohol test;

3 ~~(f) the breath alcohol test was administered by an individual trained~~
4 ~~to perform breath tests, the breath testing instrument used was certified~~
5 ~~and operated strictly according to a description provided by the~~
6 ~~manufacturers and the reliability of the instrument performance was~~
7 ~~assured by testing with alcohol standards; and~~

8 ~~(g) the foundation evidence establishes, beyond a reasonable doubt,~~
9 ~~that the test results were from the sample taken from the individual;~~

10 ~~(iv) an individual's refusal to submit to a chemical test or breath~~
11 ~~alcohol test, if:~~

12 ~~(a) The test meets the standards of the drug free workplace act, 41~~
13 ~~U.S.C. § 701 et seq.;~~

14 ~~(b) the test was administered as part of an employee assistance~~
15 ~~program or other drug or alcohol treatment program in which the~~
16 ~~employee was participating voluntarily or as a condition of further~~
17 ~~employment;~~

18 ~~(c) the test was otherwise required by law and the test constituted a~~
19 ~~required condition of employment for the individual's job;~~

20 ~~(d) the test was requested pursuant to a written policy of the employer~~
21 ~~of which the employee had knowledge and was a required condition of~~
22 ~~employment; or~~

23 ~~(e) there was reasonable suspicion to believe that the individual used,~~
24 ~~possessed or was impaired by alcoholic liquor, cereal malt beverage or a~~
25 ~~nonprescribed controlled substance while working; and~~

26 ~~(v) an individual's dilution or other tampering of a chemical test.~~

27 ~~(C) For purposes of this subsection:~~

28 ~~(i) "Alcohol concentration" means the number of grams of alcohol~~
29 ~~per 210 liters of breath;~~

30 ~~(ii) "alcoholic liquor" means the same as defined in K.S.A. 41-102,~~
31 ~~and amendments thereto;~~

32 ~~(iii) "cereal malt beverage" means the same as defined in K.S.A. 41-~~
33 ~~2701, and amendments thereto;~~

34 ~~(iv) "chemical test" includes, but is not limited to, tests of urine,~~
35 ~~blood or saliva;~~

36 ~~(v) "controlled substance" means the same as defined in K.S.A. 21-~~
37 ~~5701, and amendments thereto;~~

38 ~~(vi) "required by law" means required by a federal or state law, a~~
39 ~~federal or state rule or regulation having the force and effect of law, a~~
40 ~~county resolution or municipal ordinance, or a policy relating to public~~
41 ~~safety adopted in an open meeting by the governing body of any special~~
42 ~~district or other local governmental entity;~~

43 ~~(vii) "positive breath test" means a test result showing an alcohol~~

1 concentration of 0.04 or greater, or the levels listed in 49 C.F.R. part 40, if
2 applicable, unless the test was administered as part of an employee
3 assistance program or other drug or alcohol treatment program in which
4 the employee was participating voluntarily or as a condition of further
5 employment, in which case "positive chemical test" means a test result
6 showing an alcohol concentration at or above the levels provided for in the
7 assistance or treatment program; and

8 (viii) "positive chemical test" means a chemical result showing a
9 concentration at or above the levels listed in K.S.A. 44-501, and
10 amendments thereto, or 49 C.F.R. part 40, as applicable, for the drugs or
11 abuse listed therein, unless the test was administered as part of an
12 employee assistance program or other drug or alcohol treatment program
13 in which the employee was participating voluntarily or as a condition of
14 further employment, in which case "positive chemical test" means a
15 chemical result showing a concentration at or above the levels provided for
16 in the assistance or treatment program.

17 (4) An individual shall not be disqualified under this subsection if the
18 individual is discharged under the following circumstances:

19 (A) The employer discharged the individual after learning the
20 individual was seeking other work or when the individual gave notice of
21 future intent to quit, except that the individual shall be disqualified after
22 the time that such individual intended to quit and any individual who
23 commits misconduct after such individual gives notice to such individual's
24 intent to quit shall be disqualified;

25 (B) the individual was making a good faith effort to do the assigned
26 work but was discharged due to:

- 27 (i) Inefficiency;
28 (ii) unsatisfactory performance due to inability, incapacity or lack of
29 training or experience;
30 (iii) isolated instances of ordinary negligence or inadvertence;
31 (iv) good faith errors in judgment or discretion; or
32 (v) unsatisfactory work or conduct due to circumstances beyond the
33 individual's control; or

34 (C) the individual's refusal to perform work in excess of the contract
35 of hire.

36 (e) If the individual has failed, without good cause, to either apply for
37 suitable work when so directed by the employment office of the secretary
38 of labor, or to accept suitable work when offered to the individual by the
39 employment office, the secretary of labor, or an employer, such
40 disqualification shall begin with the week in which such failure occurred
41 and shall continue until the individual becomes reemployed and has had
42 earnings from insured work of at least three times such individual's
43 determined weekly benefit amount. In determining whether or not any

1 work is suitable for an individual, the secretary of labor, or a person or
2 persons designated by the secretary, shall consider the degree of risk
3 involved to health, safety and morals, physical fitness and prior training,
4 experience and prior earnings, length of unemployment and prospects for
5 securing local work in the individual's customary occupation or work for
6 which the individual is reasonably fit by training or experience, and the
7 distance of the available work from the individual's residence.
8 Notwithstanding any other provisions of this act, an otherwise eligible
9 individual shall not be disqualified for refusing an offer of suitable
10 employment, or failing to apply for suitable employment when notified by
11 an employment office, or for leaving the individual's most recent work
12 accepted during approved training, including training approved under
13 section 236(a)(1) of the trade act of 1974, if the acceptance of or applying
14 for suitable employment or continuing such work would require the
15 individual to terminate approved training and no work shall be deemed
16 suitable and benefits shall not be denied under this act to any otherwise
17 eligible individual for refusing to accept new work under any of the
18 following conditions:

19 (1) If the position offered is vacant due directly to a strike, lockout or
20 other labor dispute;

21 (2) if the remuneration, hours or other conditions of the work offered
22 are substantially less favorable to the individual than those prevailing for
23 similar work in the locality;

24 (3) if as a condition of being employed, the individual would be
25 required to join or to resign from or refrain from joining any labor
26 organization; and

27 (4) if the individual left employment as a result of domestic violence,
28 and the position offered does not reasonably accommodate the individual's
29 physical, psychological, safety, or legal needs relating to such domestic
30 violence.

31 (d) For any week with respect to which the secretary of labor, or a
32 person or persons designated by the secretary, finds that the individual's
33 unemployment is due to a stoppage of work that exists because of a labor
34 dispute or there would have been a work stoppage had normal operations
35 not been maintained with other personnel previously and currently
36 employed by the same employer at the factory, establishment or other
37 premises at which the individual is or was last employed, except that this
38 subsection (d) shall not apply if it is shown to the satisfaction of the
39 secretary of labor, or a person or persons designated by the secretary, that:

40 (1) The individual is not participating in or financing or directly
41 interested in the labor dispute that caused the stoppage of work; and

42 (2) the individual does not belong to a grade or class of workers of
43 which, immediately before the commencement of the stoppage, there were

1 members employed at the premises where the stoppage occurs any of
2 whom are participating in or financing or directly interested in the dispute.
3 If in any case separate branches of work that are commonly conducted as
4 separate businesses in separate premises are conducted in separate
5 departments of the same premises, each such department shall, for the
6 purpose of this subsection be deemed to be a separate factory,
7 establishment or other premises. For the purposes of this subsection,
8 failure or refusal to cross a picket line or refusal for any reason during the
9 continuance of such labor dispute to accept the individual's available and
10 customary work at the factory, establishment or other premises where the
11 individual is or was last employed shall be considered as participation and
12 interest in the labor dispute.

13 (e) For any week or a part of the week in which the individual has
14 received or is seeking unemployment benefits under the unemployment
15 compensation law of any other state or of the United States, except that if
16 the appropriate agency of such other state or the United States finally
17 determines that the individual is not entitled to such unemployment
18 benefits, this disqualification shall not apply.

19 (f) For any week in which the individual is entitled to receive any
20 unemployment allowance or compensation granted by the United States
21 under an act of congress to former members of the armed forces in
22 recognition of former service with the military, naval, air or space services
23 of the United States.

24 (g) If the individual, or another in such individual's behalf with the
25 knowledge of the individual, has knowingly made a false statement or
26 representation, or has knowingly failed to disclose a material fact to obtain
27 or increase benefits under this act or any other unemployment
28 compensation law administered by the secretary of labor, unless the
29 individual has repaid the full amount of the overpayment as determined by
30 the secretary or the secretary's designee, including, but not limited to, the
31 total amount of money erroneously paid as benefits or unlawfully
32 obtained, interest, penalties and any other costs or fees provided by law. If
33 the individual has made such repayment, the individual shall be
34 disqualified for a period of one year for the first occurrence or five years
35 for any subsequent occurrence, beginning with the first day following the
36 date the department of labor confirmed the individual has successfully
37 repaid the full amount of the overpayment. In addition to the penalties set
38 forth in K.S.A. 44-719, and amendments thereto, an individual who has
39 knowingly made a false statement or representation or who has knowingly
40 failed to disclose a material fact to obtain or increase benefits under this
41 act or any other unemployment compensation law administered by the
42 secretary of labor shall be liable for a penalty in the amount equal to 25%
43 of the amount of benefits unlawfully received. Notwithstanding any other

1 provision of law, such penalty shall be deposited into the employment
2 security trust fund. No person who is a victim of identity theft shall be
3 subject to the provisions of this subsection. The secretary shall investigate
4 all cases of an alleged false statement or representation or failure to
5 disclose a material fact to ensure no victim of identity theft is disqualified,
6 required to repay or subject to any penalty as provided by this subsection
7 as a result of identity theft.

8 (h) For any week in which the individual is receiving compensation
9 for temporary total disability or permanent total disability under the
10 workmen's compensation law of any state or under a similar law of the
11 United States:

12 (i) For any week of unemployment on the basis of service in an
13 instructional, research or principal administrative capacity for an
14 educational institution as defined in K.S.A. 44-703(v), and amendments
15 thereto, if such week begins during the period between two successive
16 academic years or terms or, when an agreement provides instead for a
17 similar period between two regular but not successive terms during such
18 period or during a period of paid sabbatical leave provided for in the
19 individual's contract, if the individual performs such services in the first of
20 such academic years or terms and there is a contract or a reasonable
21 assurance that such individual will perform services in any such capacity
22 for any educational institution in the second of such academic years or
23 terms:

24 (j) For any week of unemployment on the basis of service in any
25 capacity other than service in an instructional, research, or administrative
26 capacity in an educational institution, as defined in K.S.A. 44-703(v), and
27 amendments thereto, if such week begins during the period between two
28 successive academic years or terms if the individual performs such
29 services in the first of such academic years or terms and there is a
30 reasonable assurance that the individual will perform such services in the
31 second of such academic years or terms, except that if benefits are denied
32 to the individual under this subsection and the individual was not offered
33 an opportunity to perform such services for the educational institution for
34 the second of such academic years or terms, such individual shall be
35 entitled to a retroactive payment of benefits for each week for which the
36 individual filed a timely claim for benefits and such benefits were denied
37 solely by reason of this subsection:

38 (k) For any week of unemployment on the basis of service in any
39 capacity for an educational institution as defined in K.S.A. 44-703(v), and
40 amendments thereto, if such week begins during an established and
41 customary vacation period or holiday recess, if the individual performs
42 services in the period immediately before such vacation period or holiday
43 recess and there is a reasonable assurance that such individual will perform

1 such services in the period immediately following such vacation period or
2 holiday recess.

3 (l) ~~For any week of unemployment on the basis of any services,~~
4 ~~consisting of participating in sports or athletic events or training or~~
5 ~~preparing to so participate, if such week begins during the period between~~
6 ~~two successive sport seasons or similar period if such individual~~
7 ~~performed services in the first of such seasons or similar periods and there~~
8 ~~is a reasonable assurance that such individual will perform such services in~~
9 ~~the later of such seasons or similar periods.~~

10 (m) ~~For any week on the basis of services performed by an alien~~
11 ~~unless such alien is an individual who was lawfully admitted for~~
12 ~~permanent residence at the time such services were performed, was~~
13 ~~lawfully present for purposes of performing such services, or was~~
14 ~~permanently residing in the United States under color of law at the time~~
15 ~~such services were performed, including an alien who was lawfully present~~
16 ~~in the United States as a result of the application of the provisions of~~
17 ~~section 212(d)(5) of the federal immigration and nationality act. Any data~~
18 ~~or information required of individuals applying for benefits to determine~~
19 ~~whether benefits are not payable to them because of their alien status shall~~
20 ~~be uniformly required from all applicants for benefits. In the case of an~~
21 ~~individual whose application for benefits would otherwise be approved, no~~
22 ~~determination that benefits to such individual are not payable because of~~
23 ~~such individual's alien status shall be made except upon a preponderance~~
24 ~~of the evidence.~~

25 (n) ~~For any week in which an individual is receiving a governmental~~
26 ~~or other pension, retirement or retired pay, annuity or other similar~~
27 ~~periodic payment under a plan maintained by a base period employer and~~
28 ~~to which the entire contributions were provided by such employer, except~~
29 ~~that:~~

30 (1) ~~If the entire contributions to such plan were provided by the base~~
31 ~~period employer but such individual's weekly benefit amount exceeds such~~
32 ~~governmental or other pension, retirement or retired pay, annuity or other~~
33 ~~similar periodic payment attributable to such week, the weekly benefit~~
34 ~~amount payable to the individual shall be reduced, but not below zero, by~~
35 ~~an amount equal to the amount of such pension, retirement or retired pay,~~
36 ~~annuity or other similar periodic payment that is attributable to such week;~~
37 ~~or~~

38 (2) ~~if only a portion of contributions to such plan were provided by~~
39 ~~the base period employer, the weekly benefit amount payable to such~~
40 ~~individual for such week shall be reduced, but not below zero, by the~~
41 ~~prorated weekly amount of the pension, retirement or retired pay, annuity~~
42 ~~or other similar periodic payment after deduction of that portion of the~~
43 ~~pension, retirement or retired pay, annuity or other similar periodic~~

1 payment that is directly attributable to the percentage of the contributions
2 made to the plan by such individual; or

3 ~~(3) if the entire contributions to the plan were provided by such~~
4 ~~individual, or by the individual and an employer, or any person or~~
5 ~~organization, who is not a base period employer, no reduction in the~~
6 ~~weekly benefit amount payable to the individual for such week shall be~~
7 ~~made under this subsection; or~~

8 ~~(4) whatever portion of contributions to such plan were provided by~~
9 ~~the base period employer, if the services performed for the employer by~~
10 ~~such individual during the base period, or remuneration received for the~~
11 ~~services, did not affect the individual's eligibility for, or increased the~~
12 ~~amount of, such pension, retirement or retired pay, annuity or other similar~~
13 ~~periodic payment, no reduction in the weekly benefit amount payable to~~
14 ~~the individual for such week shall be made under this subsection. No~~
15 ~~reduction shall be made for payments made under the social security act or~~
16 ~~railroad retirement act of 1974.~~

17 ~~(o) For any week of unemployment on the basis of services~~
18 ~~performed in any capacity and under any of the circumstances described in~~
19 ~~subsection (i), (j) or (k) that an individual performed in an educational~~
20 ~~institution while in the employ of an educational service agency. For the~~
21 ~~purposes of this subsection, the term "educational service agency" means a~~
22 ~~governmental agency or entity that is established and operated exclusively~~
23 ~~for the purpose of providing such services to one or more educational~~
24 ~~institutions.~~

25 ~~(p) For any week of unemployment on the basis of service as a school~~
26 ~~bus or other motor vehicle driver employed by a private contractor to~~
27 ~~transport pupils, students and school personnel to or from school-related~~
28 ~~functions or activities for an educational institution, as defined in K.S.A.~~
29 ~~44-703(v), and amendments thereto, if such week begins during the period~~
30 ~~between two successive academic years or during a similar period between~~
31 ~~two regular terms, whether or not successive, if the individual has a~~
32 ~~contract or contracts, or a reasonable assurance thereof, to perform~~
33 ~~services in any such capacity with a private contractor for any educational~~
34 ~~institution for both such academic years or both such terms. An individual~~
35 ~~shall not be disqualified for benefits as provided in this subsection for any~~
36 ~~week of unemployment.~~

37 ~~(1) That the individual is a participating employee in a short-term~~
38 ~~compensation program established pursuant to K.S.A. 44-757, and~~
39 ~~amendments thereto; or~~

40 ~~(2) on the basis of service as a bus or other motor vehicle driver~~
41 ~~employed by a private contractor to transport persons to or from~~
42 ~~nonschool-related functions or activities.~~

43 ~~(q) For any week of unemployment on the basis of services~~

1 performed by the individual in any capacity and under any of the
2 circumstances described in subsection (i), (j), (k) or (o) that are provided
3 to or on behalf of an educational institution, as defined in K.S.A. 44-
4 703(v), and amendments thereto, while the individual is in the employ of
5 an employer that is a governmental entity, Indian tribe or any employer
6 described in section 501(e)(3) of the federal internal revenue code of 1986
7 that is exempt from income under section 501(a) of the code.

8 (r) For any week in which an individual is registered at and attending
9 an established school, training facility or other educational institution, or is
10 on vacation during or between two successive academic years or terms. An
11 individual shall not be disqualified for benefits as provided in this
12 subsection if:

13 (1) The individual was engaged in full-time employment concurrent
14 with the individual's school attendance;

15 (2) the individual is attending approved training as defined in K.S.A.
16 44-703(s), and amendments thereto; or

17 (3) the individual is attending evening, weekend or limited day time
18 classes that would not affect availability for work, and is otherwise eligible
19 under K.S.A. 44-705(e), and amendments thereto.

20 (s) For any week in which an individual is receiving or has received
21 remuneration in the form of a back pay award or settlement. The
22 remuneration shall be allocated to the week or weeks in the manner as
23 specified in the award or agreement, or in the absence of such specificity
24 in the award or agreement, such remuneration shall be allocated to the
25 week or weeks for which such remuneration, in the judgment of the
26 secretary, would have been paid.

27 (1) For any such weeks that an individual receives remuneration in
28 the form of a back pay award or settlement, an overpayment will be
29 established in the amount of unemployment benefits paid and shall be
30 collected from the claimant.

31 (2) If an employer chooses to withhold from a back pay award or
32 settlement, amounts paid to a claimant while they claimed unemployment
33 benefits, such employer shall pay the department the amount withheld.
34 With respect to such amount, the secretary shall have available all of the
35 collection remedies authorized or provided in K.S.A. 44-717, and
36 amendments thereto.

37 (t) (1) Any applicant for or recipient of unemployment benefits who
38 tests positive for unlawful use of a controlled substance or controlled
39 substance analog shall be required to complete a substance abuse treatment
40 program approved by the secretary of labor, secretary of commerce or
41 secretary for children and families, and a job skills program approved by
42 the secretary of labor, secretary of commerce or the secretary for children
43 and families. Subject to applicable federal laws, any applicant for or

1 recipient of unemployment benefits who fails to complete or refuses to
2 participate in the substance abuse treatment program or job skills program
3 as required under this subsection shall be ineligible to receive
4 unemployment benefits until completion of such substance abuse
5 treatment and job skills programs. Upon completion of both substance
6 abuse treatment and job skills programs, such applicant for or recipient of
7 unemployment benefits may be subject to periodic drug screening, as
8 determined by the secretary of labor. Upon a second positive test for
9 unlawful use of a controlled substance or controlled substance analog, an
10 applicant for or recipient of unemployment benefits shall be ordered to
11 complete again a substance abuse treatment program and job skills
12 program, and shall be terminated from unemployment benefits for a period
13 of 12 months, or until such applicant for or recipient of unemployment
14 benefits completes both substance abuse treatment and job skills programs,
15 whichever is later. Upon a third positive test for unlawful use of a
16 controlled substance or controlled substance analog, an applicant for or a
17 recipient of unemployment benefits shall be terminated from receiving
18 unemployment benefits, subject to applicable federal law.

19 (2) Any individual who has been discharged or refused employment
20 for failing a preemployment drug screen required by an employer may
21 request that the drug screening specimen be sent to a different drug testing
22 facility for an additional drug screening. Any such individual who requests
23 an additional drug screening at a different drug testing facility shall be
24 required to pay the cost of drug screening.

25 (u) If the individual was found not to have a disqualifying
26 adjudication or conviction under K.S.A. 39-970 or 65-5117, and
27 amendments thereto, was hired and then was subsequently convicted of a
28 disqualifying felony under K.S.A. 39-970 or 65-5117, and amendments
29 thereto, and discharged pursuant to K.S.A. 39-970 or 65-5117, and
30 amendments thereto. The disqualification shall begin the day following the
31 separation and shall continue until after the individual becomes
32 reemployed and has had earnings from insured work of at least three times
33 the individual's determined weekly benefit amount.

34 (v) Notwithstanding the provisions of any subsection, an individual
35 shall not be disqualified for such week of part-time employment in a
36 substitute capacity for an educational institution if such individual's most
37 recent employment prior to the individual's benefit year begin date was for
38 a non-educational institution and such individual demonstrates application
39 for work in such individual's customary occupation or for work for which
40 the individual is reasonably fit by training or experience. *The secretary of*
41 *labor shall determine whether an individual is disqualified from receiving*
42 *unemployment benefits based on the nature and circumstances of such*
43 *individual's separation from employment. This determination shall apply*

1 to the individual's most recent employment prior to each week claimed.

2 (a) Voluntary separation. An individual shall be disqualified for
3 benefits if they voluntarily leave employment without good cause
4 attributable to the work or employer.

5 (1) (A) "Good cause" means a compelling reason that would lead a
6 reasonable, non-supersensitive person, using sound judgment and acting
7 in good faith, to voluntarily leave employment. A genuine desire to remain
8 employed must be present.

9 (B) "Voluntarily leave employment" includes, but is not limited to:

10 (i) Failing to return from approved personal or medical leave; or

11 (ii) failing to request reassignment after completing a temporary
12 assignment, if required by an agreement.

13 (2) The following exceptions shall not result in disqualification:

14 (A) The individual left work due to illness or injury under the advice
15 of a licensed healthcare provider, notified the employer and, upon
16 recovery, offered to return to suitable work.

17 (B) The individual left work temporary employment to return to a
18 regular employer.

19 (C) The individual left work for military service but was rejected or
20 delayed from entry.

21 (D) The individual left work due to a spouse's transfer within the
22 armed forces to a different geographic area.

23 (E) The individual left work due to unsafe or hazardous conditions
24 that could jeopardize such individual's health or well-being.

25 (F) The individual left work to attend federally approved training
26 under 19 U.S.C. Ch. 12.

27 (G) The individual left work due to workplace harassment that the
28 employer knew about and failed to correct.

29 (H) The individual left work for employment that offered better
30 wages, hours, benefits or permanency.

31 (I) The individual left work after being asked to commit an unlawful
32 act.

33 (J) The individual left work after the employer substantially violated
34 the terms of employment.

35 (K) The individual left work after making reasonable efforts to keep
36 such individual's job due to a serious personal emergency.

37 (L) An individual shall not be disqualified for benefits if such
38 individual left work due to circumstances related to domestic violence with
39 documented evidence.

40 (i) Examples of domestic violence may include:

41 (a) Reasonable fear of future violence at or near the workplace;

42 (b) need to relocate for safety;

43 (c) need to address the physical, psychological or legal effects of

- 1 abuse;
- 2 (d) requirement to leave work to receive shelter or services; or
- 3 (e) a reasonable belief that leaving employment is necessary to
- 4 protect the individual or their family.
- 5 (ii) Evidence of domestic violence may include:
- 6 (a) A court-issued restraining order or similar relief;
- 7 (b) a police report;
- 8 (c) court records showing the abuser's conviction of a qualifying
- 9 offense;
- 10 (d) medical documentation;
- 11 (e) a statement from a qualified professional, such as a counselor,
- 12 healthcare provider or advocate; or
- 13 (f) a sworn statement from the individual attesting the abuse.
- 14 (iii) Any evidence of domestic violence provided by an individual,
- 15 including personal statements and supporting documentation, shall
- 16 remain confidential and shall not be disclosed by the department of labor
- 17 without the individual's explicit consent.
- 18 (b) Disqualification for misconduct or gross misconduct. (1) An
- 19 individual shall be disqualified from receiving benefits if discharged or
- 20 suspended for misconduct connected to the individual's work.
- 21 Disqualification shall begin the day after separation and shall continue
- 22 until the individual is reemployed and has earned:
- 23 (A) At least three times the individual's weekly benefit amount from
- 24 insured work if the discharge was for misconduct; or
- 25 (B) at least eight times the weekly benefit amount if the discharge
- 26 was for gross misconduct. In cases of gross misconduct, all wage credits
- 27 from the disqualifying employer shall be canceled. This cancellation shall
- 28 not affect benefits already paid from a prior separation.
- 29 (2) "Misconduct" includes any willful violation of a duty or
- 30 obligation reasonably owed to the employer. This includes, but is not
- 31 limited to, breaking a known and consistently enforced company rule,
- 32 including safety rules, that are lawful and job-related.
- 33 (A) Failing to notify the employer of an absence or leaving work
- 34 early without permission constitutes prima facie misconduct.
- 35 (B) Repeated violations of reasonable attendance policies may be
- 36 deemed misconduct if:
- 37 (i) Absences or tardiness were without good cause;
- 38 (ii) the employee knew of the attendance expectations; and
- 39 (iii) the employer warned the employee that further absences could
- 40 lead to discharge.
- 41 (C) If an employee disputes the attendance-related disqualification,
- 42 the burden is on the employee to demonstrate that a majority of absences
- 43 or tardiness were for good cause. If health-related, such demonstration

1 *requires documentation from a licensed healthcare provider.*

2 (3) *"Gross misconduct" means extreme, willful or wanton behavior;*
3 *and includes, but is not limited to:*

4 (A) *Theft, fraud, intentional property damage, intentional personal*
5 *injury or conduct constituting a felony;*

6 (B) *use, possession or impairment by alcohol or nonprescribed*
7 *controlled substances while working;*

8 (C) *a positive alcohol or drug test meeting the following conditions:*

9 (i) *The test was legally required or part of a written employment*
10 *policy;*

11 (ii) *the sample was properly collected, labeled and tested by certified*
12 *professionals;*

13 (iii) *the test result was confirmed by reliable methods, such as gas*
14 *chromatography;*

15 (iv) *breath tests were administered using certified instruments by*
16 *trained personnel; and*

17 (v) *results are clearly linked to the tested individual.*

18 (D) *A refusal to submit to a lawful test or tampering with a chemical*
19 *test.*

20 (E) *As used in this subsection:*

21 (i) *"Alcohol concentration" means grams of alcohol per 210 liters of*
22 *breath;*

23 (ii) *"alcoholic liquor" means the same as defined in K.S.A. 41-102,*
24 *and amendments thereto;*

25 (iii) *"cereal malt beverage" means the same as defined in K.S.A. 41-*
26 *2701, and amendments thereto;*

27 (iv) *"controlled substance" means the same as defined in K.S.A. 21-*
28 *5701, and amendments thereto;*

29 (v) *"positive chemical test" means test results exceeding thresholds*
30 *listed pursuant to K.S.A. 44-501, and amendments thereto, or 49 C.F.R.*
31 *part 40;*

32 (vi) *"required by law" includes federal, state or local laws or policies*
33 *adopted in an open meeting.*

34 (4) *An individual shall not be disqualified for the following*
35 *discharges:*

36 (A) *Termination after the individual gave notice of intent to quit or*
37 *was known to be seeking other employment, except if the individual*
38 *commits misconduct after such notice;*

39 (B) *discharge for inefficiency, inability, isolated negligence, good*
40 *faith errors or circumstances beyond the individual's control; or*

41 (C) *refusal to work hours beyond the agreed contract or terms of*
42 *hire.*

43 (c) *Refusal or failure to apply for suitable work. An individual shall*

1 *be disqualified from receiving benefits if, without good cause, they fail to*
2 *apply for or accept suitable work when directed by the employment office,*
3 *the secretary of labor or an employer. The disqualification shall begin*
4 *with the week in which the refusal or failure occurred and shall continue*
5 *until the individual becomes reemployed and earns wages from insured*
6 *work equal to at least three times such individual's determined weekly*
7 *benefit amount.*

8 *(1) In determining whether work is "suitable," the secretary of labor*
9 *or the secretary's designee shall consider the following factors:*

10 *(A) Risk to health, safety or morals;*

11 *(B) the individual's physical fitness;*

12 *(C) prior training, experience and earnings;*

13 *(D) length of unemployment and job prospects in the individual's*
14 *customary occupation or similar work for which such individual is*
15 *reasonably qualified; and*

16 *(E) the distance between the available job and the individual's*
17 *residence.*

18 *(2) An otherwise eligible individual shall not be disqualified for*
19 *refusing to apply for or accept work or for leaving such individual's most*
20 *recent employment accepted during approved training, if any of the*
21 *following apply:*

22 *(A) The job is vacant due directly to a strike, lockout or labor*
23 *dispute;*

24 *(B) the wages, hours or working conditions are substantially less*
25 *favorable than those for similar jobs in the area;*

26 *(C) employment would require the individual to join, resign from or*
27 *refrain from joining a labor union;*

28 *(D) the individual left previous employment due to domestic violence*
29 *and the new job does not reasonably accommodate such individual's*
30 *physical, psychological, safety or legal needs related to such violence; or*

31 *(E) accepting, applying for or continuing in the job would require the*
32 *individual to terminate approved training, including training under 19*
33 *U.S.C. § 2296(a).*

34 *(d) Labor dispute disqualification. An individual shall be disqualified*
35 *from receiving benefits for any week in which the secretary determines*
36 *that the individual's unemployment is due to a work stoppage caused by a*
37 *labor dispute at the factory, establishment or premises where the*
38 *individual is or was last employed. This disqualification also applies if a*
39 *stoppage would have occurred but was avoided because operations were*
40 *maintained by other employees previously or currently employed at the*
41 *same location.*

42 *(1) This disqualification shall not apply if the secretary determines*
43 *both of the following:*

1 (A) *The individual is not participating in, financing or directly*
2 *involved in the labor dispute that caused the work stoppage; and*

3 (B) *the individual does not belong to a grade or class of workers, any*
4 *of whom were employed at the premises immediately before the stoppage,*
5 *who are participating in, financing or directly involved in the dispute.*

6 (2) *For the purposes of this subsection:*

7 (A) *If distinct branches of work typically conducted as separate*
8 *businesses in separate locations are instead carried out in separate*
9 *departments within the same premises, each department shall be*
10 *considered a separate establishment.*

11 (B) *An individual who refuses or fails to cross a picket line or*
12 *otherwise declines to perform such individual's own customary work*
13 *during the labor dispute at such individual's usual worksite shall be*
14 *deemed to be participating in and directly interested in the dispute.*

15 (e) *Disqualification due to benefits from another jurisdiction. An*
16 *individual shall be disqualified from receiving benefits for any week or*
17 *part of a week in which the individual is receiving or actively seeking*
18 *unemployment benefits under the laws of another state or the federal*
19 *government. This disqualification shall not apply if the appropriate*
20 *agency of such other state or the United States makes a final*
21 *determination that the individual is not entitled to such benefits.*

22 (f) *Disqualification due to federal military unemployment*
23 *compensation. An individual shall be disqualified from receiving state*
24 *unemployment benefits for any week in which the individual is entitled to*
25 *receive federal unemployment compensation or allowances provided*
26 *under an act of congress for former members of the United States armed*
27 *forces, including military, naval, air or space services, in recognition of*
28 *such members' prior service.*

29 (g) *Disqualification for fraud or misrepresentation. An individual*
30 *shall be disqualified from receiving benefits if such individual or someone*
31 *acting on such individual's behalf with such individual's knowledge*
32 *knowingly make a false statement or representation or fails to disclose a*
33 *material fact in order to obtain or increase unemployment benefits under*
34 *this act or any other unemployment compensation law administered by the*
35 *secretary.*

36 (1) *The disqualification shall apply unless the individual has repaid*
37 *the full amount of the overpayment, including all benefits improperly or*
38 *unlawfully received and any applicable interest, penalties, fees and costs*
39 *as required by law.*

40 (A) *Once repayment is made and beginning on the day after the*
41 *department of labor confirms full repayment, the individual shall be*
42 *disqualified for:*

43 (i) *One year for a first occurrence; or*

1 (ii) five years for any subsequent occurrence.

2 (2) In addition to other penalties pursuant to K.S.A. 44-719, and
3 amendments thereto, any individual who knowingly commits fraud or
4 misrepresentation shall also be liable for a penalty equal to 25% of the
5 total amount of benefits unlawfully received. This penalty shall be
6 deposited into the employment security trust fund.

7 (3) No individual who is a verified victim of identity theft shall be
8 subject to the disqualification, repayment or penalty provisions of this
9 subsection. The secretary shall investigate all suspected cases of false
10 statements or nondisclosure to ensure that identity theft victims are not
11 wrongfully penalized.

12 (h) Disability compensation. An individual is not eligible to receive
13 unemployment benefits for any week in which such individual is receiving
14 compensation for temporary total or permanent total disability under the
15 workers' compensation laws of any state or under a comparable federal
16 law.

17 (i) Instructional, research or administrative roles in education. An
18 individual is not eligible for unemployment benefits for any week of
19 unemployment based on services performed in an instructional, research
20 or principal administrative capacity for an educational institution, if the
21 week:

22 (1) Falls between two successive academic years or terms;

23 (2) occurs during a similar break between two nonconsecutive terms
24 under an agreement; or

25 (3) occurs during a paid sabbatical leave provided in the individual's
26 contract and the individual performed services in the first academic year
27 or term and has a contract or reasonable assurance of performing
28 services in the second academic year or term.

29 (j) Other educational institution roles. (1) Disqualification applies to:

30 (A) Educational staff between school years or terms with reasonable
31 assurance of reemployment.

32 (B) School transportation workers under contract or with reasonable
33 assurance.

34 (C) Educational service agency staff in similar academic cycle
35 breaks.

36 (2) (A) "Reasonable assurance" means a written, verbal or implied
37 commitment given by an educational institution to an individual indicating
38 that the individual will perform services in the same or a similar capacity
39 during the next academic year or term.

40 (B) "Reasonable assurance" shall be made by an authorized
41 representative of the institution and must be based on a genuine offer of
42 employment, contingent only on factors within the employer's normal
43 hiring practices such as enrollment, program funding or course

1 availability.

2 (C) "Reasonable assurance" does not exist if:

3 (i) The offer is conditional on the occurrence of events wholly outside
4 the employer's usual control or discretion;

5 (ii) the individual's prior employment was as a substitute or on-call
6 basis without consistent work history;

7 (iii) there is a significant reduction in earnings potential, work hours
8 or job duties compared to the preceding academic term; or

9 (iv) the assurance is vague, speculative or not communicated in good
10 faith.

11 (k) Established vacation periods and holiday recess. An individual
12 shall be disqualified from receiving benefits for any week of unemployment
13 that falls within an established and customary vacation period or holiday
14 recess if:

15 (1) The individual performed services for an educational institution
16 as defined in K.S.A. 44-703, and amendments thereto, during the period
17 immediately before the vacation or recess; and

18 (2) the individual has a reasonable assurance of performing similar
19 services for any educational institution during the period immediately
20 following the vacation or recess.

21 (l) Sports or athletic events. An individual is disqualified from
22 receiving benefits for any week of unemployment based on services
23 performed in sports or athletic events or while training or preparing for
24 such participation if the week falls between two sports seasons or similar
25 periods and the individual performed such services in the first season or
26 period and has reasonable assurance of performing the same in the
27 second.

28 (m) Immigration status. (1) An individual is disqualified from
29 receiving benefits for any week in which the services were performed by a
30 noncitizen unless the individual was:

31 (A) Lawfully admitted for permanent residence;

32 (B) lawfully present in the United States for the purpose of
33 performing such services; or

34 (C) permanently residing under color of law, including under 8
35 U.S.C. § 1182(d)(5).

36 (2) All applicants must provide the same data regarding immigration
37 status. Disqualification based on alien status may only be made upon a
38 preponderance of the evidence.

39 (n) Pension and retirement pay. An individual is disqualified from
40 receiving benefits for any week in which they receive a pension, retirement
41 pay, annuity or similar periodic payment from a base period employer;
42 unless:

43 (1) The weekly benefit exceeds the pension amount, in which case

1 *benefits are reduced by the pension amount;*

2 *(2) only part of the pension was funded by the base period employer,*
3 *in which case benefits are reduced proportionately;*

4 *(3) the pension was funded entirely by the individual or an entity*
5 *other than the base period employer, in which case no reduction applies;*
6 *or*

7 *(4) the individual's base period services did not contribute to or*
8 *increase the pension, in which case no reduction applies. No reduction*
9 *shall apply for payments made under 42 U.S.C. Ch. 7 or 45 U.S.C. § 231*
10 *et seq.*

11 *(o) Disqualification also applies to services performed under*
12 *subsections (i), (j) or (k) for an educational institution while employed by*
13 *an educational service agency. An "educational service agency" means a*
14 *governmental entity established solely to provide services to educational*
15 *institutions.*

16 *(p) Transporting students and school personnel. (1) An individual is*
17 *disqualified for any week of unemployment based on services as a school*
18 *bus or vehicle driver for a private contractor transporting students or*
19 *school personnel, if the week falls between academic years or terms and*
20 *the individual has a contract or reasonable assurance as defined in*
21 *subsection (j). This disqualification does not apply if:*

22 *(A) The individual participates in a short-term compensation plan*
23 *pursuant to K.S.A. 44-757, and amendments thereto; or*

24 *(B) the services involve nonschool-related transportation.*

25 *(q) Disqualification also applies for any week of unemployment*
26 *based on services described in subsections (i), (j), (k) or (o), performed for*
27 *or on behalf of an educational institution while employed by a*
28 *governmental entity, Indian tribe or a nonprofit exempt under 26 U.S.C. §*
29 *501(c)(3).*

30 *(r) Student attendance. An individual is disqualified for any week*
31 *during which such individual is enrolled in or attending an established*
32 *educational institution or is on break between academic terms, unless such*
33 *individual:*

34 *(1) Is concurrently engaged in full-time employment;*

35 *(2) is attending approved training as defined in K.S.A. 44-703, and*
36 *amendments thereto; or*

37 *(3) is attending evening, weekend or limited daytime classes that do*
38 *not affect work availability and otherwise meet the work availability*
39 *criteria pursuant to K.S.A. 44-705, and amendments thereto.*

40 *(s) Back pay or settlement pay. An individual is disqualified for any*
41 *week in which such individual receives back pay or settlement related to*
42 *prior employment. Payment shall be allocated according to the terms of*
43 *the agreement or, if unspecified, as determined by the secretary. The*

1 following conditions apply:

2 (1) Any unemployment benefits paid for such weeks shall be
3 considered overpayments and must be repaid.

4 (2) If the employer withholds amounts equal to unemployment
5 benefits from the back pay, such amounts must be submitted to the
6 department of labor and may be collected pursuant to K.S.A. 44-717, and
7 amendments thereto.

8 (t) Drug use and testing. An individual who tests positive for illegal
9 drug use shall complete approved substance abuse and job skills
10 programs. Failure to complete the programs shall result in
11 disqualification until completion.

12 (1) (A) A second offense shall require repetition of both programs
13 and result in disqualification for 12 months or until completion, whichever
14 is later.

15 (B) A third offense shall result in permanent disqualification, subject
16 to federal law.

17 (2) An individual discharged or denied employment due to a failed
18 pre-employment drug screen may request retesting at a different facility at
19 such individual's own expense.

20 (u) Criminal history. An individual is disqualified if such individual is
21 found not to have a disqualifying adjudication or conviction pursuant to
22 K.S.A. 39-970 or 65-5117, and amendments thereto, was hired and
23 subsequently convicted of a disqualifying felony and discharged pursuant
24 to such provisions.

25 (v) Substitute educational work. An individual is not disqualified for
26 part-time substitute work for an educational institution if such individual's
27 prior employment was not with an educational employer and such
28 individual is actively seeking suitable work.

29 (w) Supplemental unemployment benefits plans and eligibility.
30 Receipt of income from an employer-sponsored supplemental
31 unemployment benefit plan shall not, by itself, disqualify an individual
32 from receiving benefits under this act, provided such plan complies with
33 the requirements set forth in section 2, and amendments thereto.

34 Sec. 11. K.S.A. 2025 Supp. 44-709 is hereby amended to read as
35 follows: 44-709. ~~(a) Filing. Claims for benefits shall be made in~~
36 ~~accordance with rules and regulations adopted by the secretary. The~~
37 ~~secretary shall furnish a copy of such rules and regulations to any~~
38 ~~individual requesting them. Each employer shall: (1) Post and maintain~~
39 ~~printed statements furnished by the secretary without cost to the employer~~
40 ~~in places readily accessible to individuals in the service of the employer;~~
41 ~~and (2) provide any other notification to individuals in the service of the~~
42 ~~employer as required by the secretary pursuant to the families first~~
43 ~~coronavirus response act, public law 116-127.~~

1 (b) ~~Determination.~~ (1) ~~Except as otherwise provided in this~~
2 ~~paragraph, a representative designated by the secretary, and hereinafter~~
3 ~~referred to as an examiner, shall promptly examine the claim and, on the~~
4 ~~basis of the facts found by the examiner, shall determine whether or not~~
5 ~~the claim is valid. If the examiner determines that the claim is valid, the~~
6 ~~examiner shall determine the first day of the benefit year, the weekly~~
7 ~~benefit amount and the total amount of benefits payable with respect to the~~
8 ~~benefit year. If the claim is determined to be valid, the examiner shall send~~
9 ~~a notice to the last employing unit who shall respond within 10 days by~~
10 ~~providing the examiner all requested information including all information~~
11 ~~required for a decision under K.S.A. 44-706, and amendments thereto. The~~
12 ~~information may be submitted by the employing unit in person at an~~
13 ~~employment office of the secretary or by mail, by telefacsimile machine or~~
14 ~~by electronic mail. If the required information is not submitted or~~
15 ~~postmarked within a response time limit of 10 days after the examiner's~~
16 ~~notice was sent, the employing unit shall be deemed to have waived its~~
17 ~~standing as a party to the proceedings arising from the claim and shall be~~
18 ~~barred from protesting any subsequent decisions about the claim by the~~
19 ~~secretary, a referee, the employment security board of review or any court,~~
20 ~~except that the employing unit's response time limit may be waived or~~
21 ~~extended by the examiner or upon appeal, if timely response was~~
22 ~~impossible due to excusable neglect. In any case in which the payment or~~
23 ~~denial of benefits will be determined by the provisions of K.S.A. 44-~~
24 ~~706(d), and amendments thereto, the examiner shall promptly transmit the~~
25 ~~claim to a special examiner designated by the secretary to make a~~
26 ~~determination on the claim after the investigation as the special examiner~~
27 ~~deems necessary. The parties shall be promptly notified of the special~~
28 ~~examiner's decision and any party aggrieved by the decision may appeal to~~
29 ~~the referee as provided in subsection (c). The claimant and the claimant's~~
30 ~~most recent employing unit shall be promptly notified of the examiner's or~~
31 ~~special examiner's decision.~~

32 (2) ~~The examiner may for good cause reconsider the examiner's~~
33 ~~decision and shall promptly notify the claimant and the most recent~~
34 ~~employing unit of the claimant, that the decision of the examiner is to be~~
35 ~~reconsidered, except that no reconsideration shall be made after the~~
36 ~~termination of the benefit year.~~

37 (3) ~~Notwithstanding the provisions of any other statute, a decision of~~
38 ~~an examiner or special examiner shall be final unless the claimant or the~~
39 ~~most recent employing unit of the claimant files an appeal from the~~
40 ~~decision as provided in subsection (c), except that the time limit for appeal~~
41 ~~may be waived or extended by the referee or board of review if a timely~~
42 ~~response was impossible due to excusable neglect. The appeal must be~~
43 ~~filed within 16 calendar days after the mailing of notice to the last known~~

1 addresses of the claimant and employing unit or, if notice is not by mail,
2 within 16 calendar days after the delivery of the notice to the parties.

3 ~~(e) *Appeals*. Unless the appeal is withdrawn, a referee, after affording~~
4 ~~the parties reasonable opportunity for fair hearing, shall affirm or modify~~
5 ~~the findings of fact and decision of the examiner or special examiner. The~~
6 ~~parties shall be duly notified of the referee's decision, together with the~~
7 ~~reasons for the decision. The decision shall be final, notwithstanding the~~
8 ~~provisions of any other statute, unless a further appeal to the employment~~
9 ~~security board of review is filed within 16 calendar days after the mailing~~
10 ~~of the decision to the parties' last known addresses or, if notice is not by~~
11 ~~mail, within 16 calendar days after the delivery of the decision, except that~~
12 ~~the time limit for appeal may be waived or extended by the referee or~~
13 ~~board of review if a timely response was impossible due to excusable~~
14 ~~neglect.~~

15 ~~(d) *Referees*. The secretary shall appoint, in accordance with K.S.A.~~
16 ~~44-714(c), and amendments thereto, one or more referees to hear and~~
17 ~~decide disputed claims.~~

18 ~~(e) *Time, computation and extension*. In computing the period of time~~
19 ~~for an employing unit response or for appeals under this section from the~~
20 ~~examiner's or the special examiner's determination or from the referee's~~
21 ~~decision, the day of the act, event or default from which the designated~~
22 ~~period of time begins to run shall not be included. The last day of the~~
23 ~~period shall be included unless it is a Saturday, Sunday or legal holiday, in~~
24 ~~which event the period runs until the end of the next day that is not a~~
25 ~~Saturday, Sunday or legal holiday.~~

26 ~~(f) *Board of review*. There is hereby created an employment security~~
27 ~~board of review, hereinafter referred to as the board.~~

28 ~~(1) (A) Except as provided in subparagraph (B), the board shall~~
29 ~~consist of three members. Each member of the board shall be appointed for~~
30 ~~a term of four years as provided in this subsection. Not more than two~~
31 ~~members of the board shall belong to the same political party.~~

32 ~~(B) The board shall consist of six members. The six-member board~~
33 ~~shall consist of the following: (i) Three members appointed under~~
34 ~~subparagraph (A); and (ii) three members appointed for a term that shall~~
35 ~~expire upon the expiration of this subparagraph. Each member of the board~~
36 ~~appointed under subparagraph (B)(ii) shall be appointed as provided in this~~
37 ~~subsection. Not more than four members of the six-member board shall~~
38 ~~belong to the same political party. The provisions of this subparagraph~~
39 ~~shall expire on June 30, 2024.~~

40 ~~(2) (A) When a vacancy on the employment security board of review~~
41 ~~occurs, the workers compensation and employment security boards~~
42 ~~nominating committee established under K.S.A. 44-551, and amendments~~
43 ~~thereto, shall convene and submit a qualified nominee to the governor for~~

1 appointment to each vacancy on the employment security board of review,
2 subject to confirmation by the senate as provided by K.S.A. 75-4315b, and
3 amendments thereto. Minimum qualifications for qualified candidates for
4 appointment to the employment security board of review, in order of
5 priority, shall be:

6 (i) ~~At least eight years direct experience with human resources~~
7 ~~processes, policies*, guidelines or employee relations;~~

8 (ii) ~~at least three years direct experience with employment security~~
9 ~~laws and processes; and~~

10 (iii) ~~knowledge of unemployment and labor laws.~~

11 (B) ~~Applications for employment security board of review positions~~
12 ~~shall be submitted to the director of unemployment. The director shall~~
13 ~~determine if an applicant meets the qualifications for an employment~~
14 ~~security review board member as prescribed in paragraph (A). Qualified~~
15 ~~applicants for a position of employment security review board member~~
16 ~~shall be submitted by the director to the workers compensation and~~
17 ~~employment security boards nominating committee for consideration. The~~
18 ~~workers compensation and employment security boards nominating~~
19 ~~committee shall nominate a candidate for consideration by the governor.~~

20 (C) ~~The governor shall either accept and submit to the senate for~~
21 ~~confirmation the person nominated by the nominating committee or reject~~
22 ~~the nomination and request the nominating committee to nominate another~~
23 ~~person for that position. Except as provided by K.S.A. 46-2601, and~~
24 ~~amendments thereto, no person appointed to the employment security~~
25 ~~board of review, whose appointment is subject to confirmation by the~~
26 ~~senate, shall exercise any power, duty or function as a member until~~
27 ~~confirmed by the senate.~~

28 (3) ~~No member of the employment security board of review shall~~
29 ~~serve more than two consecutive terms. This paragraph shall not apply to~~
30 ~~members of the board appointed under subsection (f)(1)(B)(ii). The service~~
31 ~~of a board member appointed under subsection (f)(1)(B)(ii) shall not~~
32 ~~constitute a term as contemplated in this paragraph.~~

33 (4) ~~Each member of the employment security board shall serve until a~~
34 ~~successor has been appointed and confirmed. Any vacancy in the~~
35 ~~membership of the board occurring prior to expiration of a term shall be~~
36 ~~filled by appointment for the unexpired term in the same manner as~~
37 ~~provided for original appointment of the member.~~

38 (5) ~~Each member of the employment security board of review shall~~
39 ~~be entitled to receive as compensation for the member's services at the rate~~
40 ~~of \$15,000 per year, together with the member's travel and other necessary~~
41 ~~expenses actually incurred in the performance of the member's official~~
42 ~~duties in accordance with rules and regulations adopted by the secretary.~~
43 ~~Members' compensation and expenses shall be paid from the employment~~

1 security administration fund.

2 ~~(6) The employment security board of review shall organize annually~~
3 ~~by the election of a chairperson from among its members. The chairperson~~
4 ~~shall serve in that capacity for a term of one year and until a successor is~~
5 ~~elected. For the purpose of hearing and determining cases, the board~~
6 ~~members may sit in panels. A board panel shall consist of three members~~
7 ~~with not more than two members belonging to the same political party.~~
8 ~~The chairperson may sit as a member of a panel and shall preside over~~
9 ~~such panel. When the chairperson is not a member of a hearing panel, the~~
10 ~~chairperson shall appoint a member of the panel to preside. The board or~~
11 ~~board panel shall meet on the first Monday of each month or on the call of~~
12 ~~the chairperson or any two members of the board at the place designated.~~
13 ~~The secretary of labor shall appoint an executive secretary of the board~~
14 ~~and the executive secretary or the executive secretary's designee shall~~
15 ~~attend the meetings of the board and board panels.~~

16 ~~(7) The employment security board of review or board panel, on its~~
17 ~~own motion, may affirm, modify or set aside any decision of a referee on~~
18 ~~the basis of the evidence previously submitted in the case; may direct the~~
19 ~~taking of additional evidence; or may permit any of the parties to initiate~~
20 ~~further appeal before it. The board or board panel shall permit such further~~
21 ~~appeal by any of the parties interested in a decision of a referee that~~
22 ~~overrules or modifies the decision of an examiner. The board or board~~
23 ~~panel may remove to itself the proceedings on any claim pending before a~~
24 ~~referee. Any proceedings so removed to the board or board panel shall be~~
25 ~~heard in accordance with the requirements of subsection (c). The board or~~
26 ~~board panel shall promptly notify the interested parties of its findings and~~
27 ~~decision.~~

28 ~~(8) A simple majority of the members of the employment security~~
29 ~~board of review or board panel shall constitute a quorum and no action of~~
30 ~~the board or board panel shall be valid unless it has the concurrence of a~~
31 ~~majority of its members. A vacancy on the board shall not impair the right~~
32 ~~of a quorum to exercise all the rights and perform all the duties of the~~
33 ~~board.~~

34 ~~(g) Procedure. The manner that disputed claims are presented, the~~
35 ~~reports on claims required from the claimant and from employers and the~~
36 ~~conduct of hearings and appeals shall be in accordance with rules of~~
37 ~~procedure prescribed by the employment security board of review for~~
38 ~~determining the rights of the parties, whether or not such rules conform to~~
39 ~~common law or statutory rules of evidence and other technical rules of~~
40 ~~procedure. A full and complete record shall be kept of all proceedings and~~
41 ~~decisions in connection with a disputed claim. All testimony at any hearing~~
42 ~~upon a disputed claim shall be recorded, but need not be transcribed unless~~
43 ~~the disputed claim is further appealed. In the performance of its official~~

1 duties, the board or board panel shall have access to all of the records that
2 pertain to the disputed claim and are in the custody of the secretary of
3 labor and shall receive the assistance of the secretary upon request.

4 (h) ~~Witness fees.~~ Witnesses subpoenaed pursuant to this section shall
5 be allowed fees and necessary travel expenses at rates fixed by the board.
6 Such fees and expenses shall be deemed a part of the expense of
7 administering this act.

8 (i) ~~Review of board action.~~ Any action of the employment security
9 board of review including that of a board panel, may not be reconsidered
10 after the mailing of the decision. An action of the board or board panel
11 shall become final unless a petition for review in accordance with the
12 Kansas judicial review act is filed within 16 calendar days after the date of
13 the mailing of the decision. If an appeal has not been filed within 16
14 calendar days of the date of the mailing of the decision, the decision
15 becomes final. No bond shall be required for commencing an action for
16 such review. In addition to those persons having standing pursuant to
17 K.S.A. 77-611, and amendments thereto, the examiner shall have standing
18 to obtain judicial review of an action of such board or board panel. The
19 review proceeding, and the questions of law certified, shall be heard in a
20 summary manner and shall be given precedence over all other civil cases
21 except cases arising under the workers compensation act.

22 (j) ~~Any finding of fact or law, judgment, determination, conclusion or~~
23 ~~final order made by the employment security board of review or board~~
24 ~~panel or any examiner, special examiner, referee or other person with~~
25 ~~authority to make findings of fact or law pursuant to the employment~~
26 ~~security law is not admissible or binding in any separate or subsequent~~
27 ~~action or proceeding, between a person and a present or previous employer~~
28 ~~brought before an arbitrator, court or judge of the state or the United~~
29 ~~States, regardless of whether the prior action was between the same or~~
30 ~~related parties or involved the same facts.~~

31 (k) ~~In any proceeding or hearing conducted under this section, a party~~
32 ~~to the proceeding or hearing may appear before a referee or the~~
33 ~~employment security board of review or board panel either personally or~~
34 ~~by means of a designated representative to present evidence and to state~~
35 ~~the position of the party. Hearings may be conducted in person, by~~
36 ~~telephone or other means of electronic communication. The hearing shall~~
37 ~~be conducted by telephone or other means of electronic communication if~~
38 ~~none of the parties requests an in-person hearing. If a party requests an in-~~
39 ~~person hearing, the referee or board or board panel shall have the~~
40 ~~discretion to deny the request in the absence of good cause shown for the~~
41 ~~request by the requesting party. If a request for an in-person hearing is~~
42 ~~granted, the referee or board or board panel shall have the discretion to~~
43 ~~require all parties to appear in person or allow the party not requesting an~~

1 ~~in-person hearing to appear by telephone or other means of electronic~~
2 ~~communication. The notice of hearing shall include notice to the parties of~~
3 ~~their right to request an in-person hearing and instructions on how to make~~
4 ~~the request.~~ (a) *Filing of claims. Claims for unemployment benefits shall*
5 *be filed in accordance with rules and regulations established by the*
6 *secretary of labor. The secretary shall provide a copy of such rules to any*
7 *individual upon request. Each employer shall:*

8 (1) *Post and maintain printed statements, provided at no cost by the*
9 *secretary, in locations easily accessible to all employees.*

10 (2) *Provide any additional notifications to employees as required*
11 *under federal law.*

12 (b) *Claim determinations. (1) A designated examiner shall promptly*
13 *review each claim to determine if it is valid. If the claim is deemed valid,*
14 *the examiner shall:*

15 (A) *Determine eligibility, benefit year, weekly benefit amount and*
16 *maximum payable benefits.*

17 (B) *Notice of a valid claim shall be sent to the claimant's most recent*
18 *employer, who shall submit the required documentation to the examiner*
19 *within 10 calendar days. The employer's response shall be submitted in*
20 *person, by mail, fax, electronic mail or designated secure online claim*
21 *portal. Failure to timely respond constitutes a waiver of protest rights,*
22 *unless extended by the examiner for good cause due to excusable neglect.*

23 (2) *Claims involving labor disputes pursuant to K.S.A. 44-706(d),*
24 *and amendments thereto, shall be referred to a designated special*
25 *examiner. Determinations may be appealed as outlined in subsection (c).*

26 (3) *The examiner may, for good cause, reconsider decisions prior to*
27 *the end of the benefit year. Notice shall be provided to both parties.*

28 (4) *Decisions are final unless appealed within 16 calendar days from*
29 *the date of notification, unless extended for good cause.*

30 (c) *Appeals process. (1) Claimants or employers may appeal*
31 *examiner decisions to an unemployment insurance referee. Hearings shall*
32 *be conducted with an opportunity for all parties to present evidence.*

33 (2) *Referee decisions shall be issued in writing with rationale and*
34 *shall become final unless further appealed with the employment security*
35 *board of review within 16 calendar days, unless extended for good cause.*

36 (d) *Appointment of referees. Referees shall be appointed by the*
37 *secretary as authorized pursuant to K.S.A. 44-714(c), and amendments*
38 *thereto, and must meet qualifications established by regulation. Appointed*
39 *referees shall hear and decide appeals in disputed claims.*

40 (e) *Time computation. Computation of employer response and appeal*
41 *deadlines shall exclude the date of the triggering event and extend to the*
42 *next business day if deadlines fall on a weekend or legal holiday.*

43 (f) *Employment security board of review. (1) There is hereby*

1 established the employment security board of review, hereinafter referred
2 to as the board. The board shall consist of three members, each appointed
3 for a term of four years. No more than two members shall belong to the
4 same political party.

5 (2) (A) When a vacancy occurs on the board, the workers
6 compensation and employment security boards nominating committee,
7 established pursuant to K.S.A. 44-551, and amendments thereto, shall
8 convene and nominate a qualified candidate. The nomination shall be
9 submitted to the governor, subject to senate confirmation pursuant to
10 K.S.A. 75-4315b, and amendments thereto.

11 (B) Applications must be submitted to the director of unemployment,
12 who shall verify qualifications. Qualified applicants will be forwarded to
13 the nominating committee for consideration.

14 (C) Minimum qualifications for nominees, listed in order of priority,
15 are as follows:

16 (i) A minimum of eight years of direct experience in human resources,
17 including policies, processes or employee relations;

18 (ii) at least three years of direct experience in employment security
19 law or related administrative processes; and

20 (iii) demonstrated knowledge of unemployment and labor law.

21 (D) The governor may either accept the committee's nominee and
22 forward the appointment for senate confirmation or request an alternative
23 nomination. Except as provided by K.S.A. 46-2601, and amendments
24 thereto, no appointee shall exercise any official duties until confirmed by
25 the senate.

26 (3) Board members may serve no more than two consecutive terms.

27 (4) Each board member shall serve until a successor has been
28 appointed and confirmed. Vacancies occurring before term expiration
29 shall be filled for the unexpired term through the same appointment
30 process.

31 (5) Board members shall receive \$15,000 annually as compensation,
32 in addition to reimbursement for actual and necessary travel and related
33 expenses incurred in performance of such members' duties. Such payments
34 shall be made in accordance with regulations adopted by the secretary
35 and shall be paid from the employment security administration fund.

36 (6) (A) The board shall elect a chairperson annually from among its
37 members, who shall serve a one-year term and continue until a successor
38 is elected.

39 (B) Meetings shall be held on the first Monday of each month or at
40 the call of the chairperson or any two members.

41 (C) The secretary shall appoint an executive secretary to the board.
42 The executive secretary or the secretary's designee shall attend all board
43 and panel meetings.

1 (7) (A) *The board may, on its own motion:*

2 (i) *Affirm, modify or set aside any decision of a referee based on the*
3 *existing record;*

4 (ii) *direct the taking of additional evidence;*

5 (iii) *allow further appeal from any party to a referee decision that*
6 *reverses or modifies an examiner's decision; and*

7 (iv) *remove any claim pending before a referee and conduct a*
8 *hearing pursuant to subsection (c).*

9 (B) *The board or panel shall promptly notify all parties of its findings*
10 *and decision.*

11 (8) *A majority of members shall constitute a quorum. No board*
12 *decision shall be valid without the affirmative vote of a majority of*
13 *members. A vacancy on the board shall not prevent a quorum from*
14 *conducting official business.*

15 (g) *Procedure for disputed claims. (1) Disputed claims shall be*
16 *presented, heard and resolved according to procedures established by the*
17 *employment security board of review. These procedures shall ensure a fair*
18 *determination of the rights of all parties and may deviate from formal*
19 *rules of evidence or civil procedure when appropriate for administrative*
20 *efficiency.*

21 (2) *A complete record shall be maintained for all disputed claims,*
22 *including all testimony, findings and decisions. Hearings shall be*
23 *recorded, but transcripts shall only be required if the matter proceeds to*
24 *further appeal. The board or panel shall have full access to any relevant*
25 *records held by the secretary and may request assistance from the*
26 *secretary in carrying out its official duties.*

27 (h) *Witness compensation. Any witness subpoenaed under this section*
28 *shall be entitled to receive fees and necessary travel expenses as set by the*
29 *board. These expenses shall be considered part of the administrative costs*
30 *of carrying out the employment security act.*

31 (i) *Judicial review of board actions. (1) Decisions of the employment*
32 *security board of review shall become final upon mailing, unless a petition*
33 *for review in accordance with the Kansas judicial review act is filed within*
34 *16 calendar days of the mailing date of the decision.*

35 (2) *Decisions are not subject to reconsideration once mailed. No*
36 *bond shall be required to initiate judicial review. In addition to parties*
37 *authorized pursuant to K.S.A. 77-611, and amendments thereto, the*
38 *examiner shall also have standing to seek judicial review. Review*
39 *proceedings shall be expedited and given precedence over all other civil*
40 *matters, except for workers compensation cases.*

41 (j) *Limitation on use of administrative findings. (1) Findings,*
42 *judgments or decisions made by the board, a panel, an examiner, referee*
43 *or any authorized decision-maker under the employment security law shall*

1 *not be admissible or binding in any separate or future legal action*
2 *between the claimant and any current or former employer.*

3 (2) *The provisions of paragraph (1) shall apply regardless of the*
4 *forum and whether the prior case involved similar facts, parties or legal*
5 *questions.*

6 (k) *Hearing participation and format. (1) Parties to any proceeding*
7 *under this section may appear in person or through a designated*
8 *representative to present evidence and state such party's case.*

9 (2) *Hearings may be conducted in person or remotely by phone or*
10 *video conference.*

11 (A) *Hearings shall be conducted remotely unless a party requests in-*
12 *person attendance with good cause. If granted, the board may require all*
13 *parties to appear in person or may allow nonrequesting parties to appear*
14 *virtually.*

15 (B) *Hearing notices shall clearly state the right to request an in-*
16 *person hearing and provide instructions on how to do so.*

17 Sec. 12. K.S.A. 2025 Supp. 44-709b is hereby amended to read as
18 follows: 44-709b. (a) An individual aggrieved by a violation of K.S.A.
19 2025 Supp. 44-663, and amendments thereto, who has filed a claim for
20 benefits under the employment security law and who is otherwise eligible
21 for benefits under the employment security law shall not become ineligible
22 for benefits pursuant to K.S.A. 44-705, and amendments thereto, or be
23 disqualified from receiving benefits pursuant to K.S.A. 44-706, and
24 amendments thereto, on the grounds that the claimant:

25 (1) Was discharged or suspended for misconduct if the employer's
26 conduct in discharging or suspending such claimant was a violation of
27 K.S.A. 2025 Supp. 44-663, and amendments thereto; or

28 (2) has declined to accept work that requires compliance with a
29 COVID-19 vaccine requirement if the claimant has requested an
30 exemption from the prospective employer in accordance with ~~section 1~~
31 *K.S.A. 2025 Supp. 44-663*, and amendments thereto, and such request was
32 denied. In such case, such work for such claimant shall be deemed not to
33 constitute suitable work for purposes of the employment security law.

34 (b) (1) Notwithstanding the time limitations of K.S.A. 44-709, and
35 amendments thereto, the provisions of K.S.A. 44-706, and amendments
36 thereto, or any other provision of the employment security law to the
37 contrary, a claimant upon request shall be retroactively paid benefits for
38 any week that the claimant would otherwise have been eligible for such
39 benefits, if such claimant was disqualified from receiving such benefits
40 during the period of September 9, 2021, through ~~the effective date of this~~
41 ~~act~~ *November 23, 2021*, on the grounds that the claimant was discharged or
42 suspended for misconduct as the result of the claimant's refusal to comply
43 with a COVID-19 vaccine requirement after the claimant requested an

1 exemption or accommodation from such requirement provided by state or
2 federal law and such request was denied.

3 (2) The secretary of labor shall independently review any claims
4 denied during the period of September 9, 2021, through ~~the effective date~~
5 ~~of this act~~ November 23, 2021, to determine if the claimant was
6 disqualified from receiving benefits on the grounds that the claimant was
7 discharged or suspended for misconduct as the result of the claimant's
8 refusal to comply with a COVID-19 vaccine requirement after the
9 claimant requested an exemption or accommodation from such
10 requirement provided by state or federal law and such request was denied.
11 If the claimant has not requested retroactive payment of such benefits as
12 provided by paragraph (1), the secretary shall retroactively pay benefits to
13 such claimant for any week that the claimant would otherwise have been
14 eligible for such benefits.

15 (3) The claimant or the employer may appeal an award or denial of
16 benefits made pursuant to this section as provided in K.S.A. 44-709, and
17 amendments thereto.

18 (4) The secretary of labor shall develop and implement procedures to
19 enable claimants to retroactively substantiate and file claims under this
20 subsection.

21 (c) Benefits awarded to a claimant who receives back pay pursuant to
22 K.S.A. 2025 Supp. 44-663(c), and amendments thereto, shall be subject to
23 ~~the repayment back pay or benefit offset and other settlement pay~~
24 ~~provisions of K.S.A. 44-706(s) and 44-719(d)~~ 44-706, and amendments
25 thereto, if applicable.

26 (d) As used in this section:

27 (1) "COVID-19 vaccine requirement" means the same as in K.S.A.
28 2025 Supp. 44-663, and amendments thereto; and

29 (2) all other terms mean the same as in the employment security law.

30 (e) (1) *The provisions of this section shall expire and have no further*
31 *force or effect on and after July 1, 2027.*

32 (2) *No later than January 15, 2027, the secretary of labor shall*
33 *submit a report to the legislature that identifies:*

34 (A) *The number of claims processed under this section;*

35 (B) *any pending reviews or appeals under this section; and*

36 (C) *whether continued application of this section is necessary to*
37 *resolve active matters.*

38 (3) *No new claims or requests for retroactive review shall be*
39 *accepted pursuant to this section after January 1, 2027. The secretary*
40 *shall publish guidance outlining a final submission deadline no later than*
41 *August 1, 2026, and ensure such guidance is prominently posted on the*
42 *department's website.*

43 (4) *The repeal of this section shall not affect any valid rights,*

1 *determinations, appeals or repayments established prior to this section's*
2 *expiration date.*

3 Sec. 13. K.S.A. 2025 Supp. 44-710 is hereby amended to read as
4 follows: 44-710. (a) *Employer contributions and payment obligations.*
5 ~~Contributions shall accrue and become payable by~~ (1) Each contributing
6 employer shall pay unemployment insurance contributions to the secretary
7 for deposit in the employment security fund for each calendar year ~~that in~~
8 ~~which the contributing employer is subject to the employment security law~~
9 ~~with respect to.~~ Contributions shall be calculated based on wages paid for
10 employment. ~~Such contributions shall become due as defined in K.S.A. 44-~~
11 ~~703, and be amendments thereto, and paid by each contributing employer~~
12 ~~to the secretary for the employment security fund in accordance with such~~
13 ~~rules and regulations as adopted by the secretary may adopt and.~~

14 (2) Contributions shall not be withheld or deducted, in whole or in
15 part, from ~~the an employee's wages of individuals in such employer's~~
16 ~~employ. In the payment of.~~

17 (3) ~~When calculating contributions due, any contributions, a~~
18 ~~fractional part of \$.01 amount less than \$.005 shall be disregarded unless it~~
19 ~~amounts to \$.005 or more, in which case it. Any fractional amount equal~~
20 ~~to or greater than \$.005 shall be increased to \$.01. Should contributions~~
21 ~~for any calendar quarter be less than \$5, no rounded up to the nearest cent.~~

22 (4) No contribution payment shall be required for any calendar
23 quarter in which the total calculated contribution is less than five dollars.

24 (b) ~~Contribution rates and wage base of contributions.~~ (1) Except as
25 provided in paragraph (2), each contributing employer shall pay
26 contributions on wages paid ~~by the contributing employer for covered~~
27 ~~employment during each calendar year with respect to employment as~~
28 ~~provided in K.S.A. 44-710a, and amendments thereto.~~

29 (2) (A) ~~If the United States congress of the United States either~~
30 ~~amends or repeals the Wagner-Peyser act, the federal unemployment tax~~
31 ~~act, the federal social security act; or subtitle C of chapter 23 of the federal~~
32 ~~internal revenue code of 1986, as amended, or any act or acts~~
33 ~~supplemental to or in lieu thereof, or any part or parts of any such law, or~~
34 ~~if any such law, or any part or parts thereof, are of such laws are held~~
35 ~~invalid with the effect such that federal grants or appropriations of funds~~
36 ~~by congress and grants thereof to the state of to Kansas for the payment of~~
37 ~~costs of administration of the employment security law are no longer~~
38 ~~available for such purposes; or (B) if, Kansas employers in Kansas subject~~
39 ~~to the payment of tax under the shall receive full credit against the federal~~
40 ~~unemployment tax act are granted full credit against such tax for~~
41 ~~contributions or taxes paid to the secretary of labor, state, then, and in~~
42 ~~either such case, beginning with effective the year that the unavailability of~~
43 ~~federal appropriations and grants for such purpose occurs or that such~~

1 ~~change in liability for payment of such federal tax occurs such federal~~
2 ~~changes take effect and for each year thereafter, the rate of contributions~~
3 ~~of. Each contributing employer employer's rate shall be equal to the total~~
4 ~~sum of 0.5% and plus the employer's experience-rated contribution rate of~~
5 ~~contributions as determined for such contributing employer under~~
6 ~~pursuant to K.S.A. 44-710a, and amendments thereto. The amount of~~
7 ~~contributions that each contributing employer becomes liable to pay under~~
8 ~~this paragraph over the amount of contributions that such contributing~~
9 ~~employer would be otherwise liable to pay~~

10 (B) *Any additional contributions collected pursuant to this subsection*
11 *shall be credited to the employment security administration fund to be*
12 *disbursed and paid out under the same conditions and shall be used solely*
13 *for the same purposes as other moneys are authorized to be paid from the*
14 *employment security administration fund, except that, provided by law.*

15 (C) *If the secretary determines that, as of the first day of January 1 of*
16 *any year there is an excess in, the employment security administration*
17 *fund over the amount required to be disbursed balance exceeds what is*
18 *needed for disbursements during such year, an amount equal to such*
19 *excess as determined by the secretary the excess amount shall be*
20 *transferred to the employment security fund.*

21 (c) *Charging of benefit payments to employer accounts. (1) The*
22 *secretary shall maintain a separate an individual account for each*
23 *contributing employer; and shall credit the contributing employer's that*
24 *account with all the contributions paid on the contributing employer's own*
25 *behalf. Nothing in the employment security law shall be construed to grant*
26 *any employer or individuals in such employer's service prior claims or*
27 *rights to the amounts paid remitted by such employer into or on behalf of*
28 *the employer. No employer or individual in the employer's service shall*
29 *have any vested right or claim to amounts contributed to the employment*
30 *security fund either on such employer's own behalf or on behalf of such*
31 *individuals by that employer. Benefits paid to a claimant shall be*
32 *proportionally charged against to the accounts of each all base period*
33 *employer in employers, based on the proportion that the base period ratio*
34 *of wages paid to an eligible individual by each such employer bears to the*
35 *total wages in the base period. Benefits shall be charged wages. Charges to*
36 *contributing employers' accounts employers and rated governmental*
37 *employers' accounts upon the basis of employers shall be assessed*
38 *quarterly in accordance with benefits paid disbursed during each calendar*
39 *quarter.*

40 (2)-(A) *Benefits paid in benefit years established by valid new claims*
41 *shall not be charged to the account of a contributing employer or rated*
42 *governmental employer who is a base period employer if the examiner*
43 *finds that an employer's account under the following conditions:*

1 (A) ~~The claimant was separated from the claimant's most recent~~
2 ~~employment with such employer under any of the following conditions~~
3 ~~employer due to:~~

4 (i) ~~Discharged~~*Discharge by the employer* for misconduct or gross
5 ~~misconduct connected with the individual's related to work; or~~

6 (ii) ~~leaving work voluntarily quitting~~ without good cause attributable
7 ~~to the claimant's work or the employer; or~~

8 (iii) ~~discharged from an employer directly impacted by COVID-19 in~~
9 ~~accordance with the families first coronavirus response act, public law~~
10 ~~116-127.~~

11 (B) ~~Where base period wage credits of a contributing employer or~~
12 ~~rated governmental employer represent part-time employment and the~~
13 ~~claimant continues in that part-time employment with that employer~~
14 ~~during the period for which benefits are paid, then that employer's account~~
15 ~~shall not be charged with any part of the benefits paid if the employer~~
16 ~~provides the secretary with information as required by rules and~~
17 ~~regulations. For the purposes of this subparagraph, "part-time~~
18 ~~employment" means any employment when an individual works less than~~
19 ~~full-time because the individual's services are not required for the~~
20 ~~customary, scheduled full-time hours prevailing at the work place or the~~
21 ~~individual does not customarily work the regularly scheduled full-time~~
22 ~~hours due to personal choice or circumstances.~~

23 (C) ~~No contributing employer or rated governmental employer's~~
24 ~~account shall be charged with any extended benefits paid in accordance~~
25 ~~with the employment security law, except for weeks of unemployment~~
26 ~~beginning after December 31, 1978, all contributing governmental~~
27 ~~employers and governmental rated employers shall be charged an amount~~
28 ~~equal to all extended benefits paid.~~

29 (D) ~~No contributing employer or rated governmental employer's~~
30 ~~account will be charged for benefits paid a claimant while pursuing an~~
31 ~~approved training course as defined in K.S.A. 44-703(s), and amendments~~
32 ~~thereto.~~

33 (E) ~~No contributing employer or rated governmental employer's~~
34 ~~account shall be charged with respect to the benefits paid to any individual~~
35 ~~whose base period wages include wages for services not covered by the~~
36 ~~employment security law prior to January 1, 1978, to the extent that the~~
37 ~~employment security fund is reimbursed for such benefits pursuant to~~
38 ~~section 121 of public law 94-566, 90 Stat. 2673.~~

39 (F) ~~With respect to weeks of unemployment beginning after~~
40 ~~December 31, 1977, wages for insured work shall include wages paid for~~
41 ~~previously uncovered services. For the purposes of this subparagraph, the~~
42 ~~term "previously uncovered services" means services that were not~~
43 ~~covered employment, at any time during the one-year period ending~~

1 December 31, 1975, except to the extent that assistance under title II of the
2 federal emergency jobs and unemployment assistance act of 1974 was paid
3 on the basis of such services, and that:

4 (i) ~~Are agricultural labor as defined in K.S.A. 44-703(w), and~~
5 ~~amendments thereto, or domestic service as defined in K.S.A. 44-703(aa),~~
6 ~~and amendments thereto;~~

7 (ii) ~~are services performed by an employee of this state or a political~~
8 ~~subdivision thereof, as provided in K.S.A. 44-703(i)(3)(E), and~~
9 ~~amendments thereto; or~~

10 (iii) ~~are services performed by an employee of a nonprofit educational~~
11 ~~institution that is not an institution of higher education.~~

12 (G) ~~Contributing employers, rated~~

13 (B) *the employer provided part-time employment during the benefit*
14 *period, and the claimant remained employed in the same part-time role;*

15 (C) *the benefits paid were extended benefits, including such benefits*
16 *paid after 1978 for governmental employers and reimbursing, which shall*
17 *be charged in full to governmental employers only;*

18 (D) *the claimant was participating in an approved training program*
19 *as defined pursuant to K.S.A. 44-703, and amendments thereto; or*

20 (E) *the claim was determined to be fraudulent or improper; and the*
21 *employer reported it as such. Employers shall be held harmless for and*

22 *shall not be required to reimburse the state for claims or benefits paid that*
23 *have been reported by the employer to the secretary and determined by the*
24 *secretary as fraudulent or as an improper payment, and reimbursed or*
25 *credited accordingly unless the secretary determines the claims are claim*

26 *was not fraudulent or improper as provided by in K.S.A. 44-710b(b)(2)*

27 (A), and amendments thereto. ~~The time limitation for disputing a claim or~~
28 ~~an appeal of a claim as provided by this section, or by any other provision~~
29 ~~of the employment security law, shall not apply to identifications of fraud~~
30 ~~reported to the secretary for claims or benefits paid during the period~~
31 ~~beginning on~~ *There is no time limit on reporting fraud for claims filed*

32 *between March 15, 2020, through and December 31, 2022. Contributing*
33 *employers, rated governmental employers and reimbursing employers*
34 *shall be refunded or credited, in the discretion of the employer, as provided*
35 *by K.S.A. 44-710b, and amendments thereto, for any claims or benefits*
36 *paid that have been reported as fraudulent.*

37 (F) *For the purposes of this paragraph, "part-time employment"*
38 *means work performed for fewer hours than the employer's customary*
39 *full-time schedule, either due to employer need or claimant choice.*

40 (3) An employer's account shall not be relieved of charges relating to
41 a payment that was made erroneously if the secretary determines that if:

42 (A) The erroneous payment was made because due to the employer,
43 employer's or the agent of the employer, was at fault for failing to respond

1 ~~employer's agent's failure to~~ timely or adequately respond to a written the
2 ~~secretary's request from the secretary~~ for information relating to the claim
3 ~~for unemployment compensation; and~~

4 (B) ~~the employer or agent has established~~ *demonstrated* a pattern of
5 ~~failing failure within the preceding 12 months, defined as:~~

6 (i) ~~to respond~~ *Failing* to timely or adequately ~~to respond to a request~~
7 *for information by the secretary two or more times; or*

8 (ii) *failing to timely or adequately respond to more than 2% of the*
9 *requests for information by the secretary.*

10 (C) ~~For purposes of this paragraph:~~

11 (i) ~~"Erroneous payment" means a payment that but for the failure by~~
12 ~~the employer or the employer's agent with respect to the claim for~~
13 ~~unemployment compensation, would not have been made; and~~

14 (ii) ~~"pattern of failure" means repeated documented failure on the part~~
15 ~~of the employer or the agent of the employer to respond, taking into~~
16 ~~consideration the number of instances of failure in relation to the total~~
17 ~~volume of requests. An employer or employer's agent failing to respond as~~
18 ~~described in subparagraph (A) shall not be determined to have engaged in~~
19 ~~a "pattern of failure" if the number of such failures during the year prior to~~
20 ~~such request is fewer than two, or less than 2%, of such requests,~~
21 ~~whichever is greater.~~

22 (D) ~~Determinations of the secretary prohibiting the relief of charges~~
23 ~~pursuant to this section shall be subject to appeal or protest as other~~
24 ~~determinations of the agency with respect to the charging of employer~~
25 ~~accounts.~~

26 (4) ~~The examiner shall notify any base period employer whose~~
27 ~~account will be charged with benefits paid~~ *Employers shall be notified by*
28 *the secretary of claim charges* following the filing of a valid new claim
29 ~~and a determination by the examiner based on all information relating to~~
30 ~~the claim contained in the records of the division of employment security.~~
31 *Such for benefits by a claimant. This notice shall become be final and*
32 *benefits charged to the base period employer's account in accordance with*
33 *the claim dispositive of the matters as set forth in such notice unless the*
34 *employer responds* within 10 calendar days from the date the notice was
35 sent, the base period employer requests in writing that the examiner
36 reconsider the determination and furnishes any required information in
37 accordance with the secretary's rules and regulations. In a similar manner,
38 a notice of an additional claim followed by the first payment of benefits
39 with respect to the benefit year, filed by an individual during a benefit year
40 after a period in such year during which such individual was employed,
41 shall be given to any base period employer of the individual who has
42 requested such a notice within 10 calendar days from the date the notice of
43 the valid new claim was sent to such base period employer. For purposes

1 of this paragraph, if the required information is not submitted or
2 postmarked within a response time limit of 10 days after the base period
3 employer notice was sent, the base period employer shall be deemed to
4 have waived its standing as a party to the proceedings arising from the
5 claim and shall be barred from protesting any subsequent decisions about
6 the claim by the secretary, a referee, the board of review or any court,
7 except that the base period employer's response time limit may be waived
8 or extended by the examiner or upon appeal, if timely response was
9 impossible due to receipt of such notice with a written request for
10 reconsideration accompanied by any information requested from such
11 employer in the notice by the secretary. The failure to respond timely,
12 without excusable neglect. The examiner shall notify the employer of the
13 reconsidered determination, which shall be subject to appeal or further
14 reconsideration, in accordance with the provisions of K.S.A. 44-709, and
15 amendments thereto, shall result in the loss of protest rights against the
16 claim by such employer.

17 (5) ~~Time, computation and extension.~~ In computing the period of time
18 for a base period employer response or appeals under any deadline
19 pursuant to this section from, the date of the examiner's or the special
20 examiner's determination or from the referee's decision, the day of the act,
21 triggering event or default from which the designated period of time
22 begins to run shall not be included. The last day of the period shall be
23 included unless it is excluded. If the deadline falls on a Saturday, Sunday
24 or legal holiday, in which event the period runs until the end of extends to
25 the next day that is not a Saturday, Sunday or legal holiday business day.

26 (d) *Pooled fund.* (1) All contributions and, payments in lieu of
27 contributions and benefit cost payments to reimbursements deposited into
28 the employment security fund shall be pooled and available. Such pooled
29 resources shall be used to pay unemployment insurance benefits to any
30 individual entitled thereto under eligible individuals pursuant to the
31 employment security law, regardless of the specific source of such the
32 contributions or payments in lieu of contributions or benefit cost payments
33 reimbursements.

34 (2) The secretary shall administer the pooled fund in accordance with
35 all federal requirements for state unemployment compensation trust funds
36 and ensure the fund's integrity, solvency and transparency through
37 published reports and audits as required by law.

38 (e) *Election to become reimbursing employer; payment in lieu of*
39 *contributions.* (1) Any governmental entity, Indian tribes tribe or tribal
40 units, (unit, including subdivisions, subsidiaries or wholly owned business
41 enterprises wholly owned by such Indian tribes), for which services are
42 performed as described in K.S.A. 44-703(i)(3)(E), and amendments
43 thereto, or any nonprofit organization or group of nonprofit organizations

1 ~~described in~~ *exempt under* section 501(c)(3) of the federal internal revenue
2 ~~code of 1986 that is exempt from income tax under section 501(a) of such~~
3 ~~code, that becomes~~ subject to the employment security law may elect to
4 ~~become a reimbursing employer under this paragraph and agree to pay the~~
5 ~~secretary for~~ *reimburse* the employment security fund ~~an amount for~~
6 *benefits paid instead of paying contributions based on a contribution rate.*
7 *The reimbursement shall be equal to the full amount of regular benefits*
8 *paid and ½ of the any extended benefits paid that are attributable to*
9 *service in the employ of for such reimbursing employer, except that each*
10 ~~reimbursing governmental employer.~~ *Governmental entities and Indian*
11 ~~tribes or tribal units shall pay an amount equal to reimburse the full~~
12 ~~amount of regular benefits and extended benefits paid for weeks of~~
13 ~~unemployment beginning after their respective effective dates under~~
14 ~~federal law.~~

15 (A) *To elect reimbursing status, eligible employers shall file a written*
16 *notice with the secretary within 30 days of:*

17 (i) *January 1 of any calendar year; or*

18 (ii) *the date of the secretary's determination of such employer's status*
19 *as subject to the employment security law, whichever is later.*

20 (B) *An election shall remain in effect for a minimum of four calendar*
21 *years and after such period shall remain in effect until a written*
22 *termination notice is filed with the secretary at least 30 days before the*
23 *start of a new calendar year.*

24 (C) *Employers that previously elected to be contributing employers*
25 *pursuant to the employment security law and have fulfilled the minimum*
26 *time requirement of such election may switch status to that of a*
27 *reimbursing employer by filing written notice with the secretary at least 30*
28 *days before the start of a new calendar year. Such election shall remain in*
29 *effect for a minimum of four calendar years.*

30 (D) *The secretary may extend filing deadlines or permit retroactive*
31 *elections if good cause is shown, but not prior to January 1 of the year*
32 *that the election is received by the secretary from the employer.*

33 (E) *The secretary shall issue written notices of election status,*
34 *effective dates and terminations. Such determinations are subject to*
35 *appeal pursuant to K.S.A. 44-710b, and amendments thereto.*

36 (2) (A) *All reimbursing employers, except the state of Kansas, shall:*

37 (i) *Submit quarterly wage reports by the last day of the month*
38 *following each calendar quarter; and*

39 (ii) *pay the full amount of regular and ½ of extended benefits paid*
40 *during each calendar quarter.*

41 (B) *Governmental entities and Indian tribes shall pay the full amount*
42 *of both regular and extended benefits after applicable federal effective*
43 *dates.*

1 (C) Payment shall be due within 30 days after the billing notice is
2 mailed or delivered, unless a redetermination is requested.

3 (D) Reimbursement payments shall not be deducted from employee
4 wages.

5 (E) Employers shall submit written redetermination requests within
6 15 days of receiving a billing notice in accordance with K.S.A. 44-710b,
7 and amendments thereto.

8 (3) (A) Past-due payments are subject to penalties and interest
9 pursuant to K.S.A. 44-717, and amendments thereto.

10 (B) The secretary may remove delinquent nonprofit or governmental
11 employers from reimbursement status for two years.

12 (C) Indian tribes failing to make timely payments may lose their right
13 to reimburse and their employment may be excluded from coverage.
14 Reinstatement shall require full payment and one year of compliance.

15 (D) The secretary shall notify the internal revenue service and the
16 United States department of labor of final delinquencies.

17 (E) (i) The secretary may require delinquent or newly electing
18 employers to post a surety bond or equivalent deposit.

19 (ii) Such bond shall not exceed 5.4% of the previous four quarters'
20 taxable wages or, if no wages were reported, an amount determined by the
21 secretary.

22 (iii) A failure to comply by the employer may result in the loss of
23 reimbursing status for the current and following calendar year.

24 (4) (A) The state shall reimburse benefits at a fiscal year rate
25 determined annually by the secretary based on account balances, claims
26 history and wage estimates.

27 (B) Such rate shall apply uniformly across agencies and shall be
28 certified annually by the secretary to the secretary of administration.

29 (C) Adjustments may be made by the secretary annually to reconcile
30 over or underpayments.

31 (f) Allocation of benefit costs. (1) The secretary shall charge each
32 reimbursing employer as follows:

33 (A) The full amount of regular benefits and $\frac{1}{2}$ of extended benefits
34 paid to claimants shall be charged to the account of the reimbursing
35 employer, except as provided by paragraph (B).

36 (B) Reimbursing employers shall be charged for the full amount of
37 both regular and extended benefits paid for weeks of unemployment
38 beginning after:

39 (i) December 31, 1978, for governmental employers and December
40 21, 2000, for Indian tribes or tribal units to individuals for weeks of
41 unemployment that begin during the effective period of such election.

42 (A) Any employer identified in this paragraph may elect to become a
43 reimbursing employer for a period encompassing not less than four

1 complete calendar years if such employer files with the secretary a written
2 notice of such election within the 30-day period immediately following
3 January 1 of any calendar year or within the 30-day period immediately
4 following the date when a determination of subjectivity to the employment
5 security law is issued, whichever occurs later.

6 (B) Any employer that makes an election to become a reimbursing
7 employer in accordance with subparagraph (A) will continue to be liable
8 for payments in lieu of contributions until such employer files with the
9 secretary a written notice terminating its election not later than 30 days
10 prior to the beginning of the calendar year for which such termination shall
11 first be effective.

12 (C) Any employer identified in this paragraph that has remained a
13 contributing employer and has been paying contributions under the
14 employment security law for a period subsequent to January 1, 1972, may
15 change to a reimbursing employer by filing with the secretary not later
16 than 30 days prior to the beginning of any calendar year a written notice of
17 election to become a reimbursing employer. Such election shall not be
18 terminable by the employer for four complete calendar years.

19 (D) The secretary may for good cause extend the period within which
20 a notice of election, or a notice of termination, must be filed and may
21 permit an election to be retroactive but not any earlier than with respect to
22 benefits paid after January 1 of the year such election is received.

23 (E) The secretary, in accordance with such rules and regulations as
24 the secretary may adopt, shall notify each employer identified in this
25 paragraph of any determination that the secretary may make of its status as
26 an employer and of the effective date of any election that it makes to
27 become a reimbursing employer and of any termination of such election.
28 Such determinations shall be subject to reconsideration, appeal and review
29 in accordance with the provisions of K.S.A. 44-710b, and amendments
30 thereto.

31 (2) *Reimbursement reports and payments.* Payments in lieu of
32 contributions shall be made in accordance with the provisions of
33 subparagraph (A) by all reimbursing employers except the state of Kansas.
34 Each reimbursing employer shall report total wages paid during each
35 calendar quarter by filing quarterly wage reports with the secretary that
36 shall be filed by the last day of the month following the close of each
37 calendar quarter. Wage reports are deemed filed as of the date they are
38 placed in the United States mail.

39 (A) At the end of each calendar quarter, or at the end of any other
40 period as determined by the secretary, the secretary shall bill each
41 reimbursing employer, except the state of Kansas: (i) An amount to be paid
42 that is equal to the full amount of regular benefits plus $\frac{1}{2}$ of the amount of
43 extended benefits paid during such quarter or other prescribed period that

1 is attributable to service in the employ of such reimbursing employer; and
2 (ii) for weeks of unemployment beginning after December 31, 1978, each
3 reimbursing governmental employer and December 21, 2000, for Indian
4 tribes or tribal units shall be certified an amount to be paid that is equal to
5 the full amount of regular benefits and extended benefits paid during such
6 quarter or other prescribed period that is attributable to service in the
7 employ of such reimbursing governmental employer.

8 (B) Payment of any bill rendered under subparagraph (A) shall be
9 made not later than 30 days after such bill was mailed to the last known
10 address of the reimbursing employer, or otherwise was delivered to such
11 reimbursing employer, unless there has been an application for review and
12 redetermination in accordance with subparagraph (D).

13 (C) Payments made by any reimbursing employer under the
14 provisions of this paragraph shall not be deducted or deductible, in whole
15 or in part, from the remuneration of individuals in the employ of such
16 employer.

17 (D) The amount due specified in any bill from the secretary shall be
18 conclusive on the reimbursing employer, unless, not later than 15 days
19 after the bill was mailed to the last known address of such employer, or
20 was otherwise delivered to such employer, the reimbursing employer files
21 an application for redetermination in accordance with K.S.A. 44-710b, and
22 amendments thereto.

23 (E) (i) Past due payments of amounts certified by the secretary under
24 this section shall be subject to the same interest, penalties and actions
25 required by K.S.A. 44-717, and amendments thereto.

26 (ii) If any nonprofit organization or group of nonprofit organizations
27 described in section 501(c)(3) of the federal internal revenue code of 1986
28 or governmental reimbursing employer is delinquent in making payments
29 of amounts certified by the secretary under this section, the secretary may
30 terminate such employer's election to make payments in lieu of
31 contributions as of the beginning of the next calendar year and such
32 termination shall be effective for such next calendar year and the calendar
33 year thereafter so that the termination is effective for two complete
34 calendar years.

35 (iii) Failure of an Indian tribe or tribal unit to make required
36 payments, including assessment of interest and penalty within 90 days of
37 receipt of a bill shall cause the Indian tribe to lose the option to make
38 payments in lieu of contributions as described pursuant to paragraph (c)(1)
39 for the following tax year unless payment in full is received before
40 contribution rates for the next tax year are calculated. Any Indian tribe that
41 loses the option to make payments in lieu of contributions due to late
42 payment or nonpayment, as described in this paragraph, shall have such
43 option reinstated, if after a period of one year, all contributions have been

1 made on time and no contributions, payments in lieu of contributions for
2 benefits paid, penalties or interest remain outstanding.

3 (F) ~~Failure of the Indian tribe or any tribal unit thereof to make~~
4 ~~required payments, including assessments of interest and penalties, after~~
5 ~~all collection activities deemed necessary by the secretary have been~~
6 ~~exhausted, will cause services performed by such tribe to not be treated as~~
7 ~~employment for purposes of K.S.A. 44-703(i)(3)(E), and amendments~~
8 ~~thereto. If an Indian tribe fails to make payments required under this~~
9 ~~section, including assessments of interest and penalties, within 90 days of~~
10 ~~a final notice of delinquency, the secretary shall immediately notify the~~
11 ~~United States internal revenue service and the United States department of~~
12 ~~labor. The secretary may determine that any Indian tribe that loses~~
13 ~~coverage pursuant to this paragraph may have services performed on~~
14 ~~behalf of such tribe again deemed employment if all contributions,~~
15 ~~payments in lieu of contributions, penalties and interest have been paid.~~

16 (G) ~~In the discretion of the secretary, any employer who elects to~~
17 ~~become liable for payments in lieu of contributions and any nonprofit~~
18 ~~organization or group of nonprofit organizations described in section~~
19 ~~501(e)(3) of the federal internal revenue code of 1986 or governmental~~
20 ~~reimbursing employer or Indian tribe or tribal unit who is delinquent in~~
21 ~~filing reports or in making payments of amounts certified by the secretary~~
22 ~~under this section shall be required within 60 days after the effective date~~
23 ~~of such election, in the case of an eligible employer so electing, or after the~~
24 ~~date of notification to the delinquent employer under this subparagraph, in~~
25 ~~the case of a delinquent employer, to execute and file with the secretary a~~
26 ~~surety bond, except that the employer may elect, in lieu of a surety bond,~~
27 ~~to deposit with the secretary money or securities as approved by the~~
28 ~~secretary or to purchase and deliver to an escrow agent a certificate of~~
29 ~~deposit to guarantee payment. The amount of the bond, deposit or escrow~~
30 ~~agreement required shall not exceed 5.4% of the organization's taxable~~
31 ~~wages paid for employment by the eligible employer during the four~~
32 ~~calendar quarters immediately preceding the effective date of the election~~
33 ~~or the date of notification, in the case of a delinquent employer. If the~~
34 ~~employer did not pay wages in each of such four calendar quarters, the~~
35 ~~amount of the bond or deposit shall be as determined by the secretary.~~
36 ~~Upon the failure of an employer to comply with the provisions of this~~
37 ~~subparagraph within the time limits imposed or to maintain the required~~
38 ~~bond or deposit, the secretary may terminate the election of such eligible~~
39 ~~employer or delinquent employer, as the case may be, to make payments in~~
40 ~~lieu of contributions, and such termination shall be effective for the current~~
41 ~~and next calendar year.~~

42 (H) ~~The state of Kansas shall make reimbursement payments~~
43 ~~quarterly at a fiscal year rate that shall be based upon: (i) The available~~

1 balance in the state's reimbursing account as of December 31 of each
2 calendar year; (ii) the historical unemployment experience of all covered
3 state agencies during prior years; (iii) the estimate of total covered wages
4 to be paid during the ensuing calendar year; (iv) the applicable fiscal year
5 rate of the claims processing and auditing fee under K.S.A. 75-3798, and
6 amendments thereto; and (v) actuarial and other information furnished to
7 the secretary by the secretary of administration. In accordance with K.S.A.
8 75-3798, and amendments thereto, the claims processing and auditing fees
9 charged to state agencies shall be deducted from the amounts collected for
10 the reimbursement payments under this paragraph prior to making the
11 quarterly reimbursement payments for the state of Kansas. The fiscal year
12 rate shall be expressed as a percentage of covered total wages and shall be
13 the same for all covered state agencies. The fiscal year rate for each fiscal
14 year will be certified in writing by the secretary to the secretary of
15 administration on July 15 of each year and such certified rate shall become
16 effective on the July 1 immediately following the date of certification. A
17 detailed listing of benefit charges applicable to the state's reimbursing
18 account shall be furnished quarterly by the secretary to the secretary of
19 administration and the total amount of charges deducted from previous
20 reimbursing payments made by the state. On January 1 of each year, if it is
21 determined that benefit charges exceed the amount of prior reimbursing
22 payments, an upward adjustment shall be made therefor in the fiscal year
23 rate to be certified on the ensuing July 15. If total payments exceed benefit
24 charges, all or part of the excess may be refunded, at the discretion of the
25 secretary, from the fund or retained in the fund as part of the payments that
26 may be required for the next fiscal year.

27 (3) *Allocation of benefit costs.* The reimbursing account of each
28 reimbursing employer shall be charged the full amount of regular benefits
29 and $\frac{1}{2}$ of the amount of extended benefits paid except that each
30 reimbursing governmental employer's account shall be charged the full
31 amount of regular benefits and extended benefits paid for weeks of
32 unemployment beginning after December 31, 1978, to individuals whose
33 entire base period wage credits are from such employer. When benefits
34 received by an individual are based upon base period wage credits from
35 more than one employer then the reimbursing employer's or reimbursing
36 governmental employer's account shall be charged in the same ratio as
37 base period wage credits from such employer bear to the individual's total
38 base period wage credits. Notwithstanding any other provision of the
39 employment security law, no reimbursing employer's or reimbursing
40 governmental employer's account shall be charged for payments of
41 extended benefits that are wholly reimbursed to the state by the federal
42 government.

43 (A) *Proportionate allocation when fewer than all reimbursing base-*

1 ~~period employers are liable.~~ If benefits paid to an individual are based on
2 wages paid by one or more reimbursing employers and on wages paid by
3 one or more contributing employers or rated governmental employers, the
4 amount of benefits payable by each reimbursing employer shall be an
5 amount that bears the same ratio to the total benefits paid to the individual
6 as the total base period wages paid to the individual by such employer
7 bears to the total base period wages paid to the individual by all of such
8 individual's base period employers.

9 ~~(B) Proportionate allocation when all base period employers are~~
10 ~~reimbursing employers.~~ If benefits paid to an individual are based on
11 wages paid by two or more reimbursing employers, the amount of benefits
12 payable by each such employer shall be an amount that bears the same
13 ratio to the total benefits paid to the individual as the total base period
14 wages paid to the individual by such employer bear to the total base period
15 wages paid to the individual by all of such individual's base period
16 employers.

17 ~~(4) Group accounts.~~ Two or more reimbursing employers may file a
18 joint application to the secretary for the establishment of a group account
19 for the purpose of sharing the cost of benefits paid that are attributable to
20 service in the employment of such reimbursing employers. Each such
21 application shall identify and authorize a group representative to act as the
22 group's agent for the purposes of this paragraph. Upon approval of the
23 application, the secretary shall establish a group account for such
24 employers effective as of the beginning of the calendar quarter in which
25 the secretary receives the application and shall notify the group's
26 representative of the effective date of the account. Such account shall
27 remain in effect for not less than four years and thereafter such account
28 shall remain in effect until terminated at the discretion of the secretary or
29 upon application by the group. Upon establishment of the account, each
30 member of the group shall be liable for payments in lieu of contributions
31 with respect to each calendar quarter in the amount that bears the same
32 ratio to the total benefits paid in such quarter that are attributable to service
33 performed in the employ of all members of the group as the total wages
34 paid for service in employment by such member in such quarter bear to the
35 total wages paid during such quarter for service performed in the employ
36 of all members of the group. The secretary shall adopt such rules and
37 regulations as the secretary deems necessary with respect to applications
38 for establishment, maintenance and termination of group accounts that are
39 authorized by this paragraph, for addition of new members to, and
40 withdrawal of active members from such accounts, and for the
41 determination of the amounts that are payable under this paragraph by
42 members of the group and the time and manner of such payments. *entities;*
43 *and*

1 (ii) *December 21, 2000, for Indian tribes or tribal units.*

2 (2) (A) *If an individual's base period wages include wages from more*
3 *than one employer, the benefit charges shall be allocated proportionally*
4 *based on the share of base period wages attributable to each employer.*

5 (B) (i) *If an individual has base period wages from both reimbursing*
6 *employers and rated contributing governmental employers, the*
7 *reimbursing employer shall be liable for a portion of the benefits equal to*
8 *such employer's share of total base period wages.*

9 (ii) *If all base period employers are reimbursing employers, each*
10 *reimbursing employer is liable for a proportion of the total benefits paid*
11 *based on such employer's share of the total base period wages.*

12 (3) *Reimbursing employers shall not be charged for extended benefits*
13 *reimbursed in full by the federal government.*

14 (4) (A) *Each reimbursing employer shall be entitled to an annual*
15 *reconciliation of such employer's benefit charge account. Upon written*
16 *request submitted to the secretary no later than March 1 following the*
17 *close of the preceding calendar year, the secretary shall provide the*
18 *employer with a summary of benefit charges and payments for such year.*

19 (B) *If the employer believes it was overcharged or undercharged, the*
20 *employer may submit supporting documentation and request an*
21 *adjustment from the secretary. The secretary shall conduct an audit and*
22 *issue a written determination within 60 days of receipt of the request. Any*
23 *adjustment shall be applied to the employer's account as a credit or*
24 *additional charge in the current calendar year, as appropriate.*

25 (5) (A) *A reimbursing employer may protest the allocation of benefit*
26 *charges under this subsection if the employer believes an error has*
27 *occurred in the proportional allocation or in the identification of base*
28 *period wages.*

29 (B) *A protest shall be submitted to the secretary in writing within 30*
30 *calendar days of the date that the charge statement is issued by the*
31 *secretary. The secretary shall review the protest and issue a*
32 *redetermination, which shall be subject to further appeal as provided in*
33 *K.S.A. 44-710b, and amendments thereto.*

34 (g) *Supplemental unemployment benefit plans. Employer payments*
35 *made exclusively to a qualified and approved supplemental unemployment*
36 *benefit plan pursuant to section 2, and amendments thereto, shall not be*
37 *considered unemployment insurance contributions and shall not affect the*
38 *employer's experience rating or taxable wage base pursuant to the*
39 *employment security law.*

40 Sec. 14. K.S.A. 2025 Supp. 44-710a is hereby amended to read as
41 follows: 44-710a. (a) ~~Classification of employers by the secretary. The~~
42 ~~term "employer" as used in this section refers to contributing employers.~~
43 ~~The secretary shall classify employers in accordance with their actual~~

1 experience in the payment of contributions on their own behalf and with
2 respect to benefits charged against their accounts with a view of fixing
3 such contribution rates as will reflect such experience. If, as of the date
4 such classification of employers is made, the secretary finds that any
5 employing unit has failed to file any report required in connection
6 therewith, or has filed a report which the secretary finds incorrect or
7 insufficient, the secretary shall make an estimate of the information
8 required from such employing unit on the basis of the best evidence
9 reasonably available to the secretary at the time, and notify the employing
10 unit thereof by mail addressed to its last known address. Unless such
11 employing unit shall file the report or a corrected or sufficient report as the
12 case may be, within 15 days after the mailing of such notice, the secretary
13 shall compute such employing unit's rate of contributions on the basis of
14 such estimates, and the rate as so determined shall be subject to increase
15 but not to reduction on the basis of subsequently ascertained information.
16 The secretary shall determine the contribution rate of each employer in
17 accordance with the requirements of this section *Employer classification*
18 *and rate assignment. (1) The purpose of this section shall be to establish a*
19 *data-informed framework for determining employer contribution rates to*
20 *the unemployment insurance trust fund. This framework is intended to*
21 *account for economic conditions, historical claims experience and trust*
22 *fund solvency and provide employers with clear information and planning*
23 *tools to meet such employer's financial responsibilities under the*
24 *employment security law.*

25 (2) For the purposes of this section, "employer" means any
26 contributing employer subject to the employment security law.

27 (3) The secretary shall annually classify employers based on such
28 employer's actual experience with contributions and benefits charged to
29 such employer's account to determine contribution rates that reflect
30 unemployment risk.

31 (4) The secretary shall notify employers electronically or by mail of
32 the respective classification, applicable rate and any deficiencies in
33 reporting. Employers shall correct such deficiencies within 15 days of
34 notice. The secretary shall base rates on estimated data, subject to upward
35 adjustment only.

36 ~~(1)(b) New employers. (A) No~~ (1) An employer ~~will~~ shall not be
37 eligible for ~~a~~ an experience-rated contribution rate ~~computation~~ until there
38 ~~have been~~ the employer has completed 24 consecutive calendar months
39 ~~immediately preceding~~ as an employer subject to the ~~computation date~~
40 ~~throughout~~ employment security law, during which time benefits could
41 have been charged ~~against such~~ to the employer's account.

42 ~~(B) (i) (a)(2) Each employer who is not eligible for a rate~~
43 ~~contribution~~ The secretary shall pay contributions equal to 1.75% of wages

1 ~~paid during each calendar year with regard to employment, except such~~
2 ~~employers assign a new employer a standard contribution rate of 1.75%~~
3 ~~of taxable wages. A new employer engaged in the construction industry~~
4 ~~shall pay a rate equal to 5.55%.~~

5 ~~(b)(1) An employer who was not doing business in Kansas prior to~~
6 ~~July 1, 2014, as defined by rules and regulations of the secretary, shall be~~
7 ~~eligible for either the new employer rate under subsection (a)(1)(B)(i)(a)~~
8 ~~or the rate associated with the reserve ratio such employer experienced in~~
9 ~~the state which such employer was formerly located, but in no event less~~
10 ~~than 1% if such: assigned a contribution rate of 5.55%.~~

11 ~~(A)(3) A new employer that has operated in another state for at least~~
12 ~~three consecutive years may elect to use its out-of-state reserve ratio for~~
13 ~~rate assignment, subject to the following conditions:~~

14 ~~(A) The employer submits authenticated documentation of its~~
15 ~~unemployment insurance account history from the other state to the~~
16 ~~secretary;~~

17 ~~(B) the employer's Kansas operations fall within the same industry~~
18 ~~classification as the prior out-of-state operations; and~~

19 ~~(C) the employer submits such election to the secretary in writing or~~
20 ~~through a secure digital portal provided by the department within 30 days~~
21 ~~of receiving official notice of employment security law liability in Kansas.~~

22 ~~(4) If the secretary determines that the employer has been in~~
23 ~~operation in the other state or states for at least the three years immediately~~
24 ~~preceding the date such employer becomes a liable employer in Kansas;~~

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

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

31 ~~(2) The election authorized in subsection (a)(1)(B)(i)(b) of this~~
32 ~~section must be made in writing within 30 days after notice of Kansas~~
33 ~~liability. A rate in accordance with subsection (a)(1)(B)(i)(a) will be~~
34 ~~assigned unless a timely met the conditions pursuant to paragraph (3) and~~
35 ~~approves the employer's election has been made.~~

36 ~~(3) If the election is made timely, the employer's account will receive~~
37 ~~the rate elected for the remainder of that rate year. The rate shall be~~
38 ~~assigned for the next and subsequent years will be determined by the~~
39 ~~condition of the account on the computation date.~~

40 ~~(ii) For purposes of this subsection (a), employers shall be classified~~
41 ~~by industrial activity in accordance with standard procedures as set forth in~~
42 ~~rules and regulations adopted by the secretary. Employers engaged in more~~
43 ~~than one type of industrial activity shall be classified by principal activity.~~

1 All rates assigned will remain in effect for a complete calendar year. If the
2 sale or acquisition of a new establishment would require reclassification of
3 the employer to a different industry sector, the employer would be
4 promptly notified, and the contribution rate applicable to the new industry
5 sector would become effective the following January 1.

6 (C) ~~"Computation date" means June 30 of each calendar year with~~
7 ~~respect to rates of contribution applicable to the calendar year beginning~~
8 ~~with the following January 1. In arriving at contribution rates for each~~
9 ~~calendar year, contributions paid on or before July 31 following the~~
10 ~~computation date for employment occurring on or prior to the computation~~
11 ~~date shall be considered for each contributing employer who has been~~
12 ~~subject to this act for a sufficient period of time to have such employer's~~
13 ~~rate computed under this subsection (a).~~

14 (2) ~~Eligible employers. (A) A associated with the out-of-state reserve~~
15 ~~ratio shall be computed for each eligible employer by the following~~
16 ~~method: for the remainder of such rate year, except that the rate assigned~~
17 ~~shall not be less than 1.00%. The contribution rate for the subsequent~~
18 ~~years shall be determined by the secretary based on the employer's~~
19 ~~account condition as of the applicable computation date.~~

20 (5) *If an employer's election submitted to the secretary under*
21 *paragraph (3) is denied, incomplete or results in an incorrect rate*
22 *assignment, the employer may request administrative review by filing a*
23 *written or electronic appeal with the secretary within 30 days of the denial*
24 *or rate notification. The secretary shall establish by rules and regulations*
25 *a standardized procedure for correction or redetermination.*

26 (6) *For the purposes of this subsection, employers shall be classified*
27 *by their primary industrial activity in accordance with the standard*
28 *classification procedures established by rules and regulations adopted by*
29 *the secretary. Employers engaged in multiple lines of business shall be*
30 *classified based on their principal activity. Assigned contribution rates*
31 *shall remain in effect for the entire calendar year. If an employer acquires*
32 *or sells an establishment in a manner that results in a change to such*
33 *employer's principal industry classification, the employer shall be*
34 *promptly notified by the secretary, and the new contribution rate*
35 *applicable to the new classification shall take effect on the next January 1.*

36 (7) *The secretary shall make available a secure, accessible electronic*
37 *system for filing new employer elections and submitting supporting*
38 *documentation to streamline compliance and support interstate business*
39 *mobility.*

40 (c) *Eligible employers. (1) The secretary shall compute a reserve*
41 *ratio for each eligible employer by deducting the total benefits charged to*
42 *the employer's account for all past years shall be deducted from all the*
43 *total contributions paid by such employer for all such years the same*

1 *period. The resulting balance, whether positive or negative, shall be*
2 *divided by the employer's average annual payroll; and. The result shall*
3 *constitute constitutes the employer employer's reserve ratio.*

4 ~~(B) (i) Negative account balance employers, as defined in subsection~~
5 ~~(d), shall pay contributions at the rate referenced in subsection (a)(4)(C).~~

6 ~~(ii) (a) Beginning on July 1, 2024, and annually thereafter, active~~
7 ~~negative rated employers shall be eligible for a calculated negative debt~~
8 ~~write-off and forgiveness amount as determined pursuant to this subclause.~~
9 ~~If on any computation date an employer's account registers a negative~~
10 ~~reserve ratio less than or equal to -7.150%, a portion of benefit charges~~
11 ~~shall be conditionally forgiven and removed from the employer's account~~
12 ~~in order to bring the employer's account to a reserve ratio of -7.150%, and~~
13 ~~the employer shall be assigned to rate group N11, as set forth in subsection~~
14 ~~(a)(4)(C)(ii) for the next three calendar years.~~

15 ~~(b) Negative rated employers affected by the conditional write-off~~
16 ~~provision pursuant to subclause (a) shall have the option to avoid a~~
17 ~~negative debt write-off and assignment to rate group N11 for the next three~~
18 ~~calendar years by submitting a voluntary contribution pursuant to~~
19 ~~subsection (c) equal to or greater than the amount necessary to establish~~
20 ~~their account reserve ratio to an amount equal to or greater than -7.149%~~
21 ~~for the next calendar year.~~

22 ~~(C) (2) Eligible employers, other than negative account balance~~
23 ~~employers, who that do not meet the average annual payroll requirements~~
24 ~~as stated specified in K.S.A. 44-703(a)(2), and amendments thereto, will~~
25 ~~shall be issued assigned the maximum contribution rate indicated by~~
26 ~~under the maximum highest rate group of standard rate schedule~~
27 ~~standard schedule G as defined in subsection (a)(4)(C)(ii) (e)(3) until such~~
28 ~~employer establishes has reestablished a new period of 24 consecutive~~
29 ~~calendar months immediately preceding the computation date, throughout~~
30 ~~during which benefits could have been charged against such the~~
31 ~~employer's account by resuming the payment of wages. Contribution rates~~
32 ~~effective for each calendar year. Thereafter, the employer's contribution~~
33 ~~rate shall be determined in accordance with subsection (e)(3), and~~
34 ~~amendments thereto, based on the employer's account condition as~~
35 ~~prescribed below of the applicable computation date.~~

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

40 ~~(B) If, as of the computation date, an eligible, positive balance~~
41 ~~employer's reserve ratio is significantly affected due to an (1) Employers~~
42 ~~experiencing a payroll increase in the employer's taxable payroll of at least~~
43 ~~100% and such increase is attributable due to a business growth in~~

1 employment, and, not to a change in the taxable wage base from the
2 previous year, the secretary shall assign a *changes, may qualify for a*
3 reduced rate of contributions for a period of three years.

4 (i) ~~Such reduced rate of contributions shall be equal to the new~~
5 ~~employer rate described in subsection (a)(1)(B)(i)(a), or a rate based on the~~
6 ~~employer's demonstrated risk as reflected in the employer's reserve fund~~
7 ~~ratio prior reserve history.~~

8 (ii) ~~To be eligible for such reduced rate, the employer must, if such~~
9 ~~employers:~~

10 (A) ~~Maintain a positive reserve ratio; and~~

11 (B) ~~increase such employer's own account balance throughout~~
12 ~~annually during the reduced rate reduced rate period and must have an~~
13 ~~increase in account balance for each year.~~

14 (4) (A) ~~Contribution schedules.~~ For each rate year, the contribution
15 schedule in effect shall be determined by the applicable fund control table
16 and rate schedule table of subsection (a)(4)(C).

17 (B) ~~Published calculated maximum annual tax amounts per~~
18 ~~employee.~~ The secretary shall publish corresponding contribution amount
19 tables showing the calculated maximum annual cost to contributing rated
20 employers per employee for each rate group. Such contribution amount
21 tables shall be published on a publicly accessible website maintained by
22 the secretary.

23 (C) ~~Effective rates.~~ (i) Employer contribution rates to be effective for
24 each calendar year shall be determined by the applicable rate schedule in
25 clause (ii) and the fund control table for the rate year as specified
26 contained in this clause. The average high cost multiple of the trust fund as
27 of the computation date shall determine the contribution schedule in effect
28 for the next rate year. For purposes of subsection (a)(4)(C)(i), the average
29 high cost multiple is the reserve fund ratio divided by the average high
30 benefit cost rate. The average high benefit cost rate shall be determined by
31 averaging the three highest benefit cost rates over the last 20 years from
32 the preceding fiscal year which ended June 30. The high benefit cost rate is
33 defined by dividing total benefits paid in the fiscal year by total payrolls
34 for covered employers in the fiscal year. The reserve fund ratio shall be
35 determined by dividing total assets in the employment security fund
36 provided for in K.S.A. 44-712(a), and amendments thereto, excluding all
37 moneys credited to the account of this state pursuant to section 903 of the
38 federal social security act, as amended, that have been appropriated by the
39 legislature, whether or not withdrawn from the trust fund, and excluding
40 contributions not yet paid on July 31, by total payrolls for contributing
41 employers for the preceding fiscal year that ended on June 30.

42 (e) *Contribution schedules, fund solvency management, employer*
43 *rate group, groups and rate schedules. (1) For each calendar rate year,*

the applicable employer contribution schedule shall be determined by the secretary based on the average high cost multiple of the employment security fund. The average high cost multiple is calculated as the reserve fund ratio divided by the average of the three highest annual benefit cost rates over the preceding 20 years. The schedule in effect shall be determined by referencing the fund control table.

(2) The fund control table sets the thresholds for applying either solvency or credit adjustments to employer contribution rates, based on the average high cost multiple value. For rate year 2025 and all ensuing calendar years, the following thresholds and adjustments apply:

Fund Control Table A

For Rate Year 2025 and Ensuing Calendar Years

KS SUTA Tax Rate Schedules	Lower AHCM Threshold	Upper AHCM Threshold		Solvency/Credit Adjustment	Proportional Solvency/Credit Adjustment
Tax Rate Schedules	M	-1,000.00000	-0.00001	2.00%	0.05128%
	L	0.00000	0.24999	1.70%	0.04359%
	K	0.25000	0.44999	1.40%	0.03590%
	J	0.45000	0.59999	1.10%	0.02821%
(H-M)	I	0.60000	0.69999	0.80%	0.02051%
	H	0.70000	0.74999	0.50%	0.01282%
Standard Schedule (G)	G	0.75000	1.24999	0.00%	0.00000%
	F	1.25000	1.29999	-0.50%	-0.01282%
	E	1.30000	1.39999	-0.80%	-0.02051%
	D	1.40000	1.54999	-1.10%	-0.02821%
Credit Schedules (A-F)	C	1.55000	1.74999	-1.40%	-0.03590%
	B	1.75000	1.99999	-1.70%	-0.04359%
	A	2.00000	1,000.00000	-2.00%	-0.05128%

(ii)(3) Eligible employers shall be classified by rate group according to the standard rate schedule - standard rate schedule G in this clause, for that for the rate year. For rate year 2025 and all ensuing calendar years, the rate pursuant to standard rate schedule G, solvency schedules H through M or credit schedules A through F shall apply to contributing employers.

STANDARD RATE SCHEDULE -

STANDARD RATE SCHEDULE G

Rate Group	Lower Reserve Ratio Limit	Upper Reserve Ratio Limit	Standard Ratio Limit	Rate
0	100.000		1,000,000.000	0.00%
1	18.590		99.999	0.05%
2	17.875		18.589	0.10%
3	17.160		17.874	0.15%
4	16.445		17.159	0.25%
5	15.730		16.444	0.35%
6	15.015		15.729	0.45%

1	7	14.300	15.014	0.55%
2	8	13.585	14.299	0.70%
3	9	12.870	13.584	0.85%
4	10	12.155	12.869	1.00%
5	11	11.440	12.154	1.15%
6	12	10.725	11.439	1.35%
7	13	10.010	10.724	1.55%
8	14	9.295	10.009	1.75%
9	15	8.580	9.294	1.95%
10	16	7.865	8.579	2.20%
11	17	7.150	7.864	2.45%
12	18	6.435	7.149	2.70%
13	19	5.720	6.434	2.95%
14	20	5.005	5.719	3.25%
15	21	4.290	5.004	3.55%
16	22	3.575	4.289	3.85%
17	23	2.860	3.574	4.15%
18	24	2.145	2.859	4.50%
19	25	1.430	2.144	4.85%
20	26	0.715	1.429	5.20%
21	27	0.000	0.714	5.55%
22	N1	-0.714	-0.001	5.85% 5.95%
23	N2	-1.429	-0.715	6.15% 6.35%
24	N3	-2.144	-1.430	6.45% 6.75%
25	N4	-2.859	-2.145	6.75% 7.15%
26	N5	-3.574	-2.860	7.00% 7.60%
27	N6	-4.289	-3.575	7.25% 8.05%
28	N7	-5.004	-4.290	7.50% 8.50%
29	N8	-5.719	-5.005	7.75% 8.95%
30	N9	-6.434	-5.720	7.95% 9.45%
31	N10	-7.149	-6.435	8.15% 9.95%
32	N11	-1,000,000.000	-7.150	8.35% 10.45%

SOLVENCY RATE SCHEDULES (H-M)

Rate Group	M	L	K	J	I	H
0	0.05%	0.04%	0.04%	0.03%	0.02%	0.01%
1	0.15%	0.14%	0.12%	0.11%	0.09%	0.08%
2	0.25%	0.23%	0.21%	0.18%	0.16%	0.14%
3	0.36%	0.32%	0.29%	0.26%	0.23%	0.20%
4	0.51%	0.47%	0.43%	0.39%	0.35%	0.31%
5	0.66%	0.61%	0.57%	0.52%	0.47%	0.43%
6	0.81%	0.76%	0.70%	0.65%	0.59%	0.54%
7	0.96%	0.90%	0.84%	0.78%	0.71%	0.65%
8	1.16%	1.09%	1.02%	0.95%	0.88%	0.82%
9	1.36%	1.29%	1.21%	1.13%	1.06%	0.98%
10	1.56%	1.48%	1.39%	1.31%	1.23%	1.14%

1	11	1.77%	1.67%	1.58%	1.49%	1.40%	1.30%
2	12	2.02%	1.92%	1.82%	1.72%	1.62%	1.52%
3	13	2.27%	2.16%	2.05%	1.94%	1.84%	1.73%
4	14	2.52%	2.40%	2.29%	2.17%	2.06%	1.94%
5	15	2.77%	2.65%	2.52%	2.40%	2.28%	2.16%
6	16	3.07%	2.94%	2.81%	2.68%	2.55%	2.42%
7	17	3.37%	3.23%	3.10%	2.96%	2.82%	2.68%
8	18	3.67%	3.53%	3.38%	3.24%	3.09%	2.94%
9	19	3.98%	3.82%	3.67%	3.51%	3.36%	3.21%
10	20	4.33%	4.17%	4.00%	3.84%	3.68%	3.52%
11	21	4.68%	4.51%	4.34%	4.17%	4.00%	3.83%
12	22	5.03%	4.85%	4.68%	4.50%	4.32%	4.14%
13	23	5.38%	5.20%	5.01%	4.83%	4.64%	4.46%
14	24	5.78%	5.59%	5.40%	5.21%	5.01%	4.82%
15	25	6.18%	5.98%	5.78%	5.58%	5.38%	5.18%
16	26	6.58%	6.38%	6.17%	5.96%	5.75%	5.55%
17	27	6.99%	6.77%	6.56%	6.34%	6.12%	5.91%
18	N17	7.34%	7.44%	7.11%	7.21%	6.89%	6.99%
19		6.22%	6.32%		6.67%	6.77%	6.44%
20	N27	6.99%	7.89%	7.46%	7.66%	7.23%	7.43%
21		6.53%	6.73%		7.00%	7.20%	6.77%
22	N38	8.04%	8.34%	7.80%	8.10%	7.56%	7.86%
23		6.85%	7.15%		7.32%	7.62%	7.09%
24	N48	8.39%	8.79%	8.14%	8.54%	7.90%	8.30%
25		7.16%	7.56%		7.65%	8.05%	7.41%
26	N58	8.69%	9.29%	8.44%	9.04%	8.18%	8.78%
27		7.42%	8.02%		7.93%	8.53%	7.68%
28	N68	9.99%	9.79%	8.73%	9.53%	8.47%	9.27%
29		7.69%	8.49%		8.21%	9.01%	7.95%
30	N79	9.29%	10.29%	9.03%	10.03%	8.76%	9.76%
31		7.95%	8.95%		8.49%	9.49%	8.22%
32	N89	9.60%	10.80%	9.32%	10.52%	9.04%	10.24%
33		8.49%	9.69%	8.21%	9.41%	8.77%	9.97%
34	N99	9.85%	11.35%	9.56%	11.06%	9.28%	10.78%
35		8.42%	9.92%		8.99%	10.49%	8.71%
36	N101	10.10%	11.90%	9.81%	11.61%	9.51%	11.31%
37		8.93%	10.73%	8.64%	10.44%	9.22%	11.02%
38	N111	10.35%	12.45%	10.05%	12.15%	9.75%	11.85%
39		9.15%	11.25%	8.85%	10.95%	9.45%	11.55%

CREDIT RATE SCHEDULES (A-F)

41	Rate					
42	Group	F	E	D	C	B
43	0	0.00%	0.00%	0.00%	0.00%	0.00%
44	1	0.02%	0.01%	0.00%	0.00%	0.00%
45	2	0.06%	0.04%	0.02%	0.00%	0.00%
46	3	0.10%	0.07%	0.04%	0.01%	0.00%
47	4	0.19%	0.15%	0.11%	0.07%	0.03%
48	5	0.27%	0.23%	0.18%	0.13%	0.09%

1	6	0.36%	0.31%	0.25%	0.20%	0.14%	0.09%
2	7	0.45%	0.39%	0.32%	0.26%	0.20%	0.14%
3	8	0.58%	0.52%	0.45%	0.38%	0.31%	0.24%
4	9	0.72%	0.64%	0.57%	0.49%	0.41%	0.34%
5	10	0.86%	0.77%	0.69%	0.61%	0.52%	0.44%
6	11	1.00%	0.90%	0.81%	0.72%	0.63%	0.53%
7	12	1.18%	1.08%	0.98%	0.88%	0.78%	0.68%
8	13	1.37%	1.26%	1.16%	1.05%	0.94%	0.83%
9	14	1.56%	1.44%	1.33%	1.21%	1.10%	0.98%
10	15	1.74%	1.62%	1.50%	1.38%	1.25%	1.13%
11	16	1.98%	1.85%	1.72%	1.59%	1.46%	1.33%
12	17	2.22%	2.08%	1.94%	1.80%	1.67%	1.53%
13	18	2.46%	2.31%	2.16%	2.02%	1.87%	1.73%
14	19	2.69%	2.54%	2.39%	2.23%	2.08%	1.92%
15	20	2.98%	2.82%	2.66%	2.50%	2.33%	2.17%
16	21	3.27%	3.10%	2.93%	2.76%	2.59%	2.42%
17	22	3.56%	3.38%	3.20%	3.02%	2.85%	2.67%
18	23	3.84%	3.66%	3.47%	3.29%	3.10%	2.92%
19	24	4.18%	3.99%	3.79%	3.60%	3.41%	3.22%
20	25	4.52%	4.32%	4.12%	3.92%	3.72%	3.52%
21	26	4.85%	4.65%	4.44%	4.23%	4.02%	3.82%
22	27	5.19%	4.98%	4.76%	4.54%	4.33%	4.11%
23	N15	5.48%	5.58%	5.26%	5.36%	5.03%	5.13%
24		4.36%	4.46%		4.81%	4.91%	4.59%
25	N25	5.77%	5.97%	5.53%	5.73%	5.30%	5.50%
26		4.61%	4.81%		5.07%	5.27%	4.84%
27	N36	6.05%	6.35%	5.81%	6.11%	5.58%	5.88%
28		4.86%	5.16%		5.34%	5.64%	5.10%
29	N46	6.34%	6.74%	6.09%	6.49%	5.85%	6.25%
30		5.11%	5.51%		5.60%	6.00%	5.36%
31	N56	6.58%	7.18%	6.32%	6.92%	6.07%	6.67%
32		5.31%	5.91%		5.82%	6.42%	5.56%
33	N66	6.81%	7.61%	6.55%	7.35%	6.29%	7.09%
34		5.51%	6.31%		6.03%	6.83%	5.77%
35	N77	7.05%	8.05%	6.78%	7.78%	6.51%	7.51%
36		5.71%	6.71%		6.24%	7.24%	5.97%
37	N87	7.29%	8.49%	7.01%	8.21%	6.73%	7.93%
38		5.90%	7.10%		6.46%	7.66%	6.18%
39	N97	7.48%	8.98%	7.19%	8.69%	6.91%	8.41%
40		6.05%	7.55%		6.62%	8.12%	6.34%
41	N107	7.66%	9.46%	7.37%	9.17%	7.08%	8.88%
42		6.20%	8.00%		6.79%	8.59%	6.49%
43	N117	7.85%	9.95%	7.55%	9.65%	7.25%	9.35%
44		6.35%	8.45%		6.95%	9.05%	6.65%

(iii)(4) Not less later than 30 days prior to before January 1 of each calendar year, the secretary shall publish the effective contribution schedules for the previous four rate years and ensuing rate year following information in a clear, tabular format on a publicly accessible website

1 maintained by the department. All data summaries shall be made
2 available for public download and review, including:

3 (A) A comprehensive summary of employer contribution rate
4 schedules for the four most recent rate years and the upcoming rate year.

5 For each year, the summary shall include the:

- 6 (i) Applicable rate year;
7 (ii) contribution schedule in effect;
8 (iii) taxable wage base;
9 (iv) standard new employer contribution rate;
10 (v) new employer contribution rate for the construction industry;
11 (vi) rate group classifications;
12 (vii) reserve ratio ranges applicable to each rate group; and
13 (viii) contribution rate assigned to each rate group under the
14 applicable schedule; and

15 (B) a comprehensive summary of employer tax liability per employee
16 for the four most recent rate years and the upcoming rate year. For each
17 year, the summary shall include the:

- 18 (i) Applicable rate year;
19 (ii) contribution schedule in effect;
20 (iii) taxable wage base;
21 (iv) standard new employer contribution rate;
22 (v) new employer contribution rate for the construction industry;
23 (vi) rate group classifications;
24 (vii) reserve ratio ranges applicable to each rate group; and
25 (viii) maximum annual unemployment insurance tax liability per
26 employee for each rate group, based on the applicable schedule and wage
27 base.

28 (5) Commencing in 2027, and each year thereafter, the secretary
29 shall make available downloadable rate calculators or secure online
30 planning tools to assist employers in estimating unemployment insurance
31 contribution rates and projected liabilities. Such tools shall be designed to
32 promote transparency, support financial planning and improve
33 compliance, especially for small and emerging businesses. The calculators
34 shall incorporate current reserve ratios, rate groups and wage bases, and
35 shall be updated annually in conjunction with the publication of
36 contribution schedules pursuant to subsection (a)(5).

37 ~~(b)(f) Successor-classification employer classification and experience~~
38 ~~transfer. (1) (A) For the purposes of this subsection, whenever if an~~
39 ~~employing unit, whether or not it is an "employing unit" within the~~
40 ~~meaning of K.S.A. 44-703(g), and amendments thereto, becomes an~~
41 ~~employer pursuant to as defined in K.S.A. 44-703(h)(4), and amendments~~
42 ~~thereto, or is already an employer at the time of acquisition and meets the~~
43 ~~definition of a "successor employer" as defined by pursuant to K.S.A. 44-~~

1 703(dd), and amendments thereto, and thereafter transfers *all or part* of its
2 trade or business, ~~or any portion thereof~~, to another employer ~~and, at the~~
3 ~~time of the transfer, there is substantially~~ *with whom it shares substantial*
4 common ownership, management or control ~~of the two employers, then,~~
5 the unemployment experience attributable to the transferred trade or
6 business shall be transferred to the *acquiring* employer ~~to whom such~~
7 ~~business is so.~~ *The transferred. These unemployment experience factors*
8 *consist of all contributions paid, benefit experience and annual payrolls of*
9 *the predecessor employer. The transfer of some or shall include all of an*
10 *employer's workforce to another employer shall be considered*
11 *contributions paid, benefit charges and annual payrolls related to the*
12 *transferred operations. A transfer of employees shall be deemed a transfer*
13 *of trade or business when, as the result of such transfer, if the transferring*
14 *employer no longer performs trade or business with respect to the*
15 *transferred workforce, and such trade or business is performed by the*
16 *employer to whom the workforce is transferred ceases operating that*
17 *trade or business and the receiving employer continues such trade or*
18 *business.*

19 (B) If, following a transfer of experience under subparagraph (A), the
20 secretary determines that a *primary or* substantial purpose of the transfer
21 ~~or business~~ was to obtain a reduced liability for contributions, then
22 *unemployment insurance contribution rate, the secretary may:*

23 (i) *Combine* the experience rating accounts ~~of the employers all~~
24 ~~involved shall be combined employers~~ into a single account and;

25 (ii) *assign* a single contribution rate ~~assigned to such the combined~~
26 ~~account:~~

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

31 (3) ~~Whenever an employing unit, whether or not it is an "employing~~
32 ~~unit" within the meaning of K.S.A. 44-703(g), and amendments thereto,~~
33 ~~acquires or in any manner succeeds to a percentage of an employer's~~
34 ~~annual payroll which is less than 100% and intends to continue the~~
35 ~~acquired percentage as a going business, the employing unit may acquire~~
36 ~~the same percentage of the predecessor's experience factors if: (A) The~~
37 ~~predecessor employer and successor employing unit make an application~~
38 ~~in writing on the form prescribed by the secretary; (B) the application is~~
39 ~~submitted within 120 days of the date of the transfer; (C) the successor~~
40 ~~employing unit is or becomes an employer subject to this act immediately~~
41 ~~after the transfer; (D) the percentage of the experience rating factors~~
42 ~~transferred shall not be thereafter used in computing the contribution rate~~
43 ~~for the predecessor employer; and (E) the secretary finds that such transfer~~

1 will not tend to defeat or obstruct the object and purposes of this act.

2 (4) (A) ~~The rate of both employers in a full or partial successorship~~
3 ~~under paragraph (1) shall be recalculated and made effective on the first~~
4 ~~day of the next calendar year following the date of transfer of trade or~~
5 ~~business.~~

6 (B) ~~If a successor employer is determined to be qualified under~~
7 ~~paragraph (2) or (3) to receive the experience rating factors of the~~
8 ~~predecessor employer, the rate assigned to the successor employer for the~~
9 ~~remainder of the contributions year shall be determined by the following:~~

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

13 (ii) ~~If the acquiring employing unit was not an employer subject to~~
14 ~~this act prior to the date of the transfer, the successor employer shall have a~~
15 ~~newly computed rate for the remainder of the contribution year which shall~~
16 ~~be based on the transferred experience rating factors as they existed on the~~
17 ~~most recent computation date immediately preceding the date of~~
18 ~~acquisition. These experience rating factors consist of all contributions~~
19 ~~paid, benefit experience and annual payrolls.~~

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

35 (6) ~~Whenever an employer's account has been terminated as provided~~
36 ~~in K.S.A. 44-711(d) and (e), and amendments thereto, and the employer~~
37 ~~continues with employment to liquidate the business operations, that~~
38 ~~employer shall continue to be an "employer" subject to the employment~~
39 ~~security law as provided in K.S.A. 44-703(h)(8), and amendments thereto.~~
40 ~~The rate of contribution from the date of transfer to the end of the then~~
41 ~~current calendar year shall be the same as the contribution rate prior to the~~
42 ~~date of the transfer. At the completion of the then current calendar year, the~~
43 ~~rate of contribution shall be that of a "new employer" as described in~~

1 subsection (a)(1):

2 ~~(7) No rate computation will be permitted an employing unit~~
3 ~~succeeding to the experience of another employing unit pursuant to this~~
4 ~~section for any period subsequent to such succession except in accordance~~
5 ~~with rules and regulations adopted by the secretary. Any such regulations~~
6 ~~shall be consistent with federal requirements for additional credit~~
7 ~~allowance in section 3303 of the federal internal revenue code of 1986,~~
8 ~~and consistent with the provisions of this act.~~

9 ~~(e) Voluntary contributions. Notwithstanding; and~~

10 ~~(iii) deny the transfer of experience or impose corrective adjustments~~
11 ~~as necessary to preserve the integrity of the unemployment insurance~~
12 ~~system.~~

13 ~~(C) In determining intent, the secretary shall consider objective~~
14 ~~criteria, including, but not limited to:~~

15 ~~(i) The cost of acquisition and financing terms;~~

16 ~~(ii) whether and for how long business operations continued;~~

17 ~~(iii) continuity of management, location or branding;~~

18 ~~(iv) the hiring of new employees to perform unrelated duties; and~~

19 ~~(v) any other provision factors indicating an intent to manipulate~~
20 ~~contribution rates.~~

21 ~~(2) A successor employer as defined in K.S.A. 44-703, and~~
22 ~~amendments thereto, may apply in writing for the transfer of the~~
23 ~~predecessor's experience rating factors. The application shall be~~
24 ~~submitted to the secretary or the secretary's designee within 120 days of~~
25 ~~the date of the transfer.~~

26 ~~(3) When an employing unit acquires less than 100% of the~~
27 ~~predecessor's annual taxable payroll and intends to operate the acquired~~
28 ~~portion as an ongoing business, the employing unit may apply to acquire a~~
29 ~~proportional share of the predecessor's experience rating factors, provided~~
30 ~~that the:~~

31 ~~(A) Predecessor and successor submit a joint application on the form~~
32 ~~prescribed by the secretary;~~

33 ~~(B) application is submitted within 120 days of the acquisition date;~~

34 ~~(C) successor is or becomes an employer subject to the employment~~
35 ~~security law immediately following the transfer;~~

36 ~~(D) transferred experience shall be excluded from future rate~~
37 ~~calculations for the predecessor employer; and~~

38 ~~(E) secretary finds that the transfer is not structured to defeat or~~
39 ~~circumvent the objectives and intent of the employment security law; any~~
40 ~~employer may make voluntary payments for the purpose of reducing or~~
41 ~~maintaining a reduced rate in addition to the contributions.~~

42 ~~(4) Percentage of experience rating factors transferred under this~~
43 ~~subsection shall match the percentage of annual taxable payroll acquired,~~

1 as determined using payroll records for the most recently completed
2 calendar year. The secretary shall establish by rules and regulations a
3 standardized process, including required ~~under this section. Such~~
4 ~~voluntary payments may be made only during the 90-day period~~
5 documentation, to verify payroll percentages and to support approval of
6 partial transfers.

7 (5) (A) For any full or partial successorship pursuant to paragraph
8 (1), the contribution rates of both the predecessor and successor
9 employers shall be recalculated, effective on January 1 of the calendar
10 year immediately following the date of ~~mailing~~ the transfer.

11 (B) If a successor is approved under paragraph (2) or (3) for an
12 experience transfer, the contribution rate for the remainder of the
13 calendar year in which the transfer occurred shall be, for an acquiring
14 employer that is:

15 (i) Already subject to the employment security law, the existing
16 contribution rate; and

17 (ii) not previously subject to the employment security law, a new
18 contribution rate computed using the transferred experience rating ~~notices~~
19 ~~for a calendar year. All such~~ factors as of the most recent computation date
20 preceding the acquisition.

21 (6) If an employer's account is terminated pursuant to K.S.A. 44-
22 711(d) or (e), and amendments thereto, but the employer continues
23 employment for the sole purpose of liquidating its operations, the
24 employer shall remain a subject employer pursuant to K.S.A. 44-703, and
25 amendments thereto. The contribution rate in effect prior to termination
26 shall apply through the end of the calendar year, after which the new
27 employer rate under subsection (b)(2) shall apply.

28 (7) No employing unit shall receive an experience-based contribution
29 rate for any period following a transfer except as permitted by this
30 subsection and in accordance with rules and regulations adopted by the
31 secretary. Such rules shall comply with section 3303 of the internal
32 revenue code and be consistent with the provisions and purposes of the
33 employment security law.

34 (g) Voluntary contributions. Any employer may make voluntary
35 ~~contribution payments shall be paid prior to the expiration of~~
36 contributions, in addition to required contributions, for the purpose of
37 reducing or maintaining a reduced contribution rate, subject to the
38 following conditions:

39 (1) A voluntary contribution may be made within 90 days of the
40 employer's receipt of the annual rate notice issued by the secretary;

41 (2) all voluntary contributions shall be received not later than 120
42 days after the beginning of the calendar year for which ~~such rates are~~
43 ~~effective. The amount of the rate applies;~~

1 (3) voluntary contributions shall be credited to the employer's account
2 as of the ~~next preceding most recent~~ computation date and ~~preceding the~~
3 ~~employer's rate shall be computed accordingly. Under no circumstances~~
4 ~~shall year and used solely for the purpose of recalculating the employer's~~
5 ~~contribution rate; and~~

6 (4) ~~voluntary payments be refunded in whole or in part contributions~~
7 ~~shall be irrevocable and nonrefundable.~~

8 ~~(d) As used in this section, "negative account balance employer"~~
9 ~~means an eligible employer whose total benefits charged to such~~
10 ~~employer's account for all past years have exceeded all contributions paid~~
11 ~~by such employer for all such years.~~

12 ~~(e)(h) Regulatory authority. The secretary of labor shall annually~~
13 ~~prepare adopt rules and submit a certification regulations as to the~~
14 ~~necessary to administer this section, consistent with federal conformity~~
15 ~~requirements and the goals of equity, solvency and adequacy of the amount~~
16 ~~credited to the state of Kansas' account in the federal employment security~~
17 ~~trust fund to the governor and the legislative coordinating council. The~~
18 ~~certification shall be submitted on or before December 1 of each calendar~~
19 ~~year and shall be for the 12-month period ending on June 30 of that~~
20 ~~calendar year. In arriving at the certification contributions paid on or~~
21 ~~before July 31 following the 12-month period ending date of June 30 shall~~
22 ~~be considered transparency.~~

23 ~~(f) On July 1, 2024, the director of accounts and reports shall transfer~~
24 ~~all moneys in the employment security interest assessment fund to the~~
25 ~~employment security trust fund. On July 1, 2024, all liabilities of the~~
26 ~~employment security interest assessment fund are hereby transferred to~~
27 ~~and imposed on the state general fund, and the employment security~~
28 ~~interest assessment fund is hereby abolished.~~

29 Sec. 15. K.S.A. 2025 Supp. 44-710b is hereby amended to read as
30 follows: 44-710b. ~~(a) By the secretary of labor Notice of rates and~~
31 ~~employer rights. (1) The secretary of labor shall promptly notify each~~
32 ~~contributing employer of its annual contribution rate of contributions,~~
33 ~~each rated governmental employer of its benefit cost rate and each~~
34 ~~reimbursing employer of its benefit liability as determined for any~~
35 ~~calendar year pursuant to K.S.A. 44-710 and 44-710a, and amendments~~
36 ~~thereto, on or before. Notices shall be issued by November 30 of the~~
37 ~~calendar year immediately preceding the calendar year in which such the~~
38 ~~rate takes effect becomes effective.~~

39 (2) ~~Such notice shall be delivered electronically unless the employer~~
40 ~~has elected in writing to receive notices by mail. The secretary's~~
41 ~~determination of the applicable rate or liability shall become conclusive~~
42 ~~and binding upon the employer unless, within 15 days after the mailing of~~
43 ~~notice thereof to the employer's last known address or in the absence of~~

1 mailing, within 15 days after the delivery of such notice, the employer
2 files final and binding unless the employer submits an application for
3 review and redetermination, setting forth the reasons therefor. If the
4 secretary of labor grants such review within 15 calendar days of the notice
5 being sent or delivered. The application shall state the basis for review.

6 (3) If a timely application for review and redetermination is made, the
7 employer shall be promptly notified thereof and shall be granted an
8 opportunity for afforded a fair hearing, but no employer shall have
9 standing, in any proceeding involving the employer's rate of contributions
10 or benefit liability, to contest the chargeability to the employer's account of
11 any benefits paid in accordance with a determination, redetermination or
12 decision pursuant to K.S.A. 44-710(c), and amendments thereto, except
13 upon the ground that the services on the basis of which such benefits were
14 found to be chargeable did not constitute services performed in
15 employment for the employer and only in the event that the employer was
16 not a party to such determination, redetermination or decision or to any
17 other proceedings under this act in which the character of such services
18 was determined. Any such hearing may be conducted pursuant to this
19 section shall be heard in the county where the contributing employer
20 maintains its principle place of business in person, by telephone or
21 virtually. The hearing officer shall render issue a written decision
22 concerning on all matters at issue in the hearing within 90 days of the
23 hearing. Employers may not contest the chargeability of benefits already
24 determined pursuant to K.S.A. 44-710(c), and amendments thereto, unless
25 the employer was not a party to the proceeding and the underlying
26 services did not constitute covered employment.

27 (b)-(1) Employer relief for improper or fraudulent benefit charges.

28 (1) The secretary shall, without the necessity of a formal request by an
29 employer or a hearing, immediately and fully promptly credit the account
30 of any contributing employer's, rated, governmental-rated employer's or
31 reimbursing employer's account employer for any benefits paid upon a
32 determination by the secretary that such benefits were an improper
33 payment or paid to any person who received such benefits: (A) By fraud;
34 or (B) in error where any conditions imposed by this act for the receipt of
35 benefits were not fulfilled or where the recipient was not qualified to or
36 disqualified from receiving such benefits.

37 (2) (A) Contributing employers, rated governmental employers and
38 reimbursing employers shall be held harmless for and shall not be required
39 to reimburse the state for any benefits paid that have been identified by the
40 employer and reported to and benefit payments determined by the
41 secretary as fraudulent or as an improper payment, unless the secretary
42 determines that such benefits were received properly and not: (i) By fraud;
43 or (ii) in error where any conditions imposed by this act for the receipt of

1 ~~benefits were not fulfilled or where the recipient was not qualified to or~~
2 ~~disqualified from receiving such benefits. Any such determination by the~~
3 ~~secretary shall be subject to appeal as provided by the employment~~
4 ~~security law. to be improper payments, including, but not limited to:~~

5 ~~(B) Reimbursing employers shall be refunded for reimbursements~~
6 ~~made to the state for any claims or benefits paid on or after March 15,~~
7 ~~2020, that are or have been reported to the secretary and determined by the~~
8 ~~secretary as fraudulent. Amounts refunded shall become due, subject to~~
9 ~~appeal as provided by the employment security law, upon a determination~~
10 ~~by the secretary, as provided by subparagraph (A), that the benefits were~~
11 ~~paid properly and not by fraud or in error.~~

12 ~~(C) For the time period of March 15, 2020, through December 31,~~
13 ~~2022, identifications of fraud reported to the secretary pursuant to~~
14 ~~subparagraphs (A) and (B) shall not be subject to any time limitation for~~
15 ~~disputing a claim or for appeal pursuant to K.S.A. 44-710, and~~
16 ~~amendments thereto, or pursuant to any other provision of the employment~~
17 ~~security law.~~

18 ~~(3) The secretary shall review all reimbursing employer accounts and~~
19 ~~shall apply credit for any benefits previously paid by fraud or in error, as~~
20 ~~provided by paragraph (1), that have been charged against a reimbursing~~
21 ~~employer's account and have not yet been recovered through normal~~
22 ~~recovery efforts.~~

23 ~~(e) *Judicial review.* Any action of the secretary upon an employer's~~
24 ~~timely request for a review and redetermination of its rate of contributions~~
25 ~~or benefit liability, in accordance with subsection (a), is subject to review~~
26 ~~in accordance with~~

27 ~~(A) *Payments made as a result of fraud, including claimant*~~
28 ~~*misrepresentation or concealment of material facts as defined in K.S.A.*~~
29 ~~*44-703, and amendments thereto; or*~~

30 ~~(B) *improper payments as defined in K.S.A. 44-703, and amendments*~~
31 ~~*thereto, made in error due to the claimant's failure to meet eligibility*~~
32 ~~*criteria, failure to fulfill conditions for continued benefits or*~~
33 ~~*disqualification under this act.*~~

34 ~~(2) *The secretary shall maintain a standardized reporting and dispute*~~
35 ~~*resolution system that allows employers to:*~~

36 ~~(A) *Electronically report suspected fraudulent or improper benefit*~~
37 ~~*charges;*~~

38 ~~(B) *submit supporting documentation; and*~~

39 ~~(C) *receive updates on the status of investigations, findings and*~~
40 ~~*resolutions.*~~

41 ~~(3) *Upon completing a review of any reported improper charge, the*~~
42 ~~*secretary shall issue a written determination explaining:*~~

43 ~~(A) *Whether the claim was deemed improper or valid;*~~

1 (B) the basis for such finding, including relevant statutes, evidence
2 and claimant eligibility status; and

3 (C) any changes to the employer's chargeable account resulting from
4 the determination.

5 (4) Employers shall have the right to appeal any such determination
6 through the established administrative appeals process in accordance with
7 K.S.A. 44-709, and amendments thereto. The appeal shall include the right
8 to a full evidentiary hearing and final agency review.

9 (5) Employers shall be held harmless and not liable for the
10 reimbursement of any benefit payments that the secretary determines:

11 (A) Were made fraudulently or improperly; and

12 (B) were reported by the employer using the department's
13 standardized reporting process, unless it is later determined that the
14 payments were in fact valid.

15 (6) For benefit payments issued between March 15, 2020, and
16 December 31, 2022, there shall be no statutory time limit on the
17 employer's ability to report or dispute fraudulent or improper claims
18 pursuant to this subsection.

19 (7) The secretary shall periodically review the accounts of
20 reimbursing employers and apply credits for any improperly charged
21 benefits not yet recovered through the department's overpayment recovery
22 efforts.

23 (8) All records, communications and determinations related to
24 improper payment or fraud charge disputes shall be maintained in the
25 employer's secure online portal, with continuous access for authorized
26 employer representatives.

27 (c) Judicial review of secretary's determinations. (1) Any final
28 determination or redetermination issued by the secretary under this
29 section may be reviewed pursuant to the Kansas judicial review act,
30 K.S.A. 77-601 et seq., and amendments thereto.

31 (2) Any such action for ~~such~~ judicial review shall:

32 (A) Be filed in the district court of the county in which the employer
33 maintains its principal place of business; and

34 (B) be heard in a summary manner ~~and~~ with the goal of final
35 disposition within 90 calendar days of filing, unless extended by the court
36 for good cause.

37 (3) Proceedings under this section shall ~~be given~~ take precedence
38 over all other civil ~~cases~~ matters on the court's docket, except ~~cases arising~~
39 ~~under~~ for actions brought pursuant to K.S.A. 44-709(i), and amendments
40 thereto, and cases arising under the ~~workmen's~~ workers compensation act,
41 K.S.A. 44-501 et seq., and amendments thereto.

42 (d) ~~Periodic~~ Employer notification of ~~benefits charged~~ benefit charges
43 and account access. (1) The secretary ~~of labor may~~ shall, by rule and

1 ~~regulation, provide by rules and regulations for periodic notification to~~
2 ~~employers of regarding benefits paid and chargeable charged to their~~
3 ~~accounts or of the status of such accounts, and any such notification, in the~~
4 ~~absence of an application for redetermination filed in such manner and~~
5 ~~within such period as the secretary of labor may prescribe, shall become~~
6 ~~conclusive, including regular benefit charge statements and status~~
7 ~~summaries.~~

8 (2) *Each benefit charge statement shall be deemed final and binding*
9 *upon the employer for all purposes. Such unless the employer files a*
10 *timely request for redetermination in the manner and within the time*
11 *period prescribed by the secretary.*

12 (3) *The secretary's findings of fact and redeterminations, made after*
13 *notice and opportunity for hearing, and the secretary's findings of facts in*
14 *connection therewith made pursuant to this subsection may be introduced*
15 *in any subsequent administrative or judicial proceedings involving*
16 *concerning the determination of the employer's contribution rate of*
17 *contributions of any employer for any calendar year and shall be entitled*
18 *to carry the same finality evidentiary weight as is provided in this*
19 *subsection with respect to the findings of fact made by in contribution*
20 *disputes.*

21 (4) *Employers shall be granted secure digital access to their*
22 *unemployment tax and benefit charge accounts at all times, including the*
23 *ability to:*

24 (A) *Review real-time benefit charges;*

25 (B) *monitor account activity and status; and*

26 (C) *submit timely disputes or redetermination requests regarding any*
27 *charges believed to be improper.*

28 (5) *The secretary shall develop and maintain an online system that*
29 *enables employers to monitor, report and respond to account activity*
30 *promptly and efficiently, ensuring transparency and administrative due*
31 *process.*

32 (e) *Review of improper payment data and corrective measures. (1)*
33 *The secretary of labor in proceedings to redetermine the contribution rate*
34 *of an employer. The review or any other proceedings relating thereto as*
35 *provided for in this section may be heard by any duly authorized employee*
36 *of the secretary of labor and such action shall have the same effect as if*
37 *heard by the secretary.*

38 (e) ~~The secretary shall review the information shall conduct a~~
39 ~~comprehensive review and analysis of improper payment data reported by~~
40 ~~the United States department of labor pursuant to the payment integrity~~
41 ~~information act of 2019, public law 116-117, and any other relevant~~
42 ~~information available from the United States department of labor and any~~
43 ~~relevant information held by the department of labor available to the~~

1 ~~secretary regarding improper payment amounts for the state of Kansas~~
2 ~~federal data sources for the period beginning on~~ of March 15, 2020,
3 through December 31, 2022.

4 ~~(f)(2) Any federal~~ This review shall be supplemented by internal
5 audits of the state's unemployment insurance ~~benefit~~ system and may
6 include third-party validation to assess the accuracy and causes of
7 improper payments, including, but not limited to, fraud, administrative
8 error or eligibility misclassification.

9 (3) Based on the findings of such review, the secretary shall:

10 (A) Identify the root causes and contributing factors of improper
11 payments;

12 (B) recommend and implement corrective administrative procedures
13 or system upgrades;

14 (C) report aggregate findings and proposed corrective actions to the
15 appropriate legislative oversight committees; and

16 (D) ensure public transparency by publishing a summary report of
17 findings and planned actions on the department's website, subject to the
18 protection of confidential claimant or employer information.

19 (4) Such review by the secretary and any resulting corrective actions
20 shall be completed within 180 days of the enactment of this subsection and
21 updated annually thereafter until the improper payment rate is within
22 acceptable federal thresholds.

23 (f) Prohibition on use of state funds for expired federal programs. No
24 federal unemployment insurance program established ~~as a result of~~ in
25 response to COVID-19 or any other declared pandemic shall ~~not~~ be
26 extended, renewed or continued ~~after the ending~~ beyond its federally
27 authorized expiration date ~~of the federal program through the use of~~ using
28 contributions paid by Kansas employers into the state employment security
29 fund ~~contributions made by Kansas employers~~. State unemployment
30 insurance trust fund monies shall not be used to supplement, backfill or
31 extend any federally funded unemployment compensation program unless
32 expressly authorized by statute enacted by the Kansas legislature.

33 (g) Coordination of federal and state benefits. (1) The secretary shall
34 review ~~benefit claims at the time a claim is made and as necessary to~~
35 ~~timely determine whether any claimant is~~ claimants are eligible for
36 unemployment benefits pursuant to any federal unemployment program
37 programs. To the extent ~~authorized under~~ permitted by federal law, if an
38 individual:

39 (A) If a claimant is eligible for ~~an equal or greater weekly benefit~~
40 ~~amount under a federal unemployment program~~ benefits in an amount
41 equal to or greater than the state weekly benefit ~~amount for which such~~
42 individual is eligible under the employment security law, the secretary, the
43 state benefit shall suspend the payment of state unemployment benefits to

1 ~~such individual while such individual is receiving the federal~~
2 ~~unemployment benefits. Such by suspended for that week;~~

3 (B) suspension of state benefits shall terminate ~~upon the individual's~~
4 ~~exhaustion of once federal benefits available under the are exhausted;~~

5 (C) *nothing in the section prohibits concurrent receipt of federal*
6 ~~unemployment program. An individual shall not be eligible to receive the~~
7 ~~federal unemployment weekly benefit and the state unemployment weekly~~
8 ~~benefit during the same week. The provisions of this subsection shall not~~
9 ~~apply to any federal unemployment benefit that is paid supplements in~~
10 ~~addition to the state weekly benefit amount benefits, if permitted by law.~~

11 Sec. 16. K.S.A. 44-710d is hereby amended to read as follows: 44-
12 710d. (a) *Election of financing method. Any governmental—entities—*
13 ~~described entity defined in subsection (h)(3) of K.S.A. 44-703, and~~
14 ~~amendments thereto, may elect to finance unemployment benefit payments~~
15 ~~as using the method of a:~~

16 (1) ~~a~~Contributing employers;;

17 (2) ~~a~~—reimbursing employer pursuant to K.S.A. 44-710(e), and
18 ~~amendments thereto; or~~

19 (3) ~~a~~rated governmental employer in accordance with this section.

20 (b) ~~Any~~*Election to become a rated governmental employer. (1) A*
21 ~~governmental entity identified in this section may elect to become a rated~~
22 ~~governmental employer by filing a notice of such election with the~~
23 ~~secretary. Such election shall be for a period encompassing not less than~~
24 ~~minimum of four complete calendar years if and shall not be terminated~~
25 ~~during such employer files with the secretary a written period, except as~~
26 ~~provided by subsection (c).~~

27 (2) *A governmental entity shall submit such notice of such election to*
28 *the secretary in writing or through a secure electronic portal provided by*
29 *the secretary.*

30 (3) *Such notice shall be filed within the thirty-day period immediately*
31 *30 calendar days following either January 1 of any calendar year or within*
32 ~~a like period immediately following the date on which that the secretary~~
33 ~~issues a determination of subjectivity to this act that the governmental~~
34 ~~entity is issued subject to the employment security law, whichever occurs~~
35 ~~later.~~

36 (4) *The effective date of the election shall be the beginning of the*
37 *calendar quarter following receipt and confirmation of the election by the*
38 *secretary.*

39 (c) ~~Any employer electing~~*Termination of election. (1) A rated*
40 *governmental employer may terminate its election to finance*
41 *unemployment benefit payments using the method of a rated governmental*
42 *employer by filing a written or electronic notice with the secretary as*
43 *provided in subsection (b)(2).*

1 (2) *The notice of termination shall be filed not later than 30 calendar*
2 *days prior to the beginning of the calendar year in which the termination*
3 *is to become effective.*

4 (3) *Once terminated, the employer shall not be eligible to re-elect*
5 *rated governmental status for a minimum of four calendar years.*

6 (d) *Reporting and payments. Rated governmental employers shall*
7 *report total wages paid and remit benefit cost rate payments on a*
8 *quarterly basis on such wages in accordance with this section and rules*
9 *and regulations adopted by the secretary.*

10 (e) *Eligibility for rate computation. A rated governmental employer*
11 *shall continue to be liable as a rated governmental employer not be*
12 *eligible for a computed benefit cost rate pursuant to subsection (b) until*
13 *such employer files with the secretary a written notice terminating its*
14 *election and not later than 30 days prior to the beginning of the calendar*
15 *year for which such termination shall first be effective.*

16 ~~(d) A rated governmental employer shall report and make benefit cost~~
17 ~~payments based upon total wages paid during each calendar quarter.~~

18 ~~(e) No rated governmental employer shall be eligible for a rate~~
19 ~~computed under subsection (g) of this section until there have been~~
20 ~~maintained 24 consecutive calendar months immediately preceding the~~
21 ~~computation date throughout which of employment as an employer subject~~
22 ~~to the employment security law during which unemployment benefits could~~
23 ~~have been charged against to such employer's account.~~

24 (f) *Interim rate for ineligible employers. (1) Each rated governmental*
25 *employer who has not been subject to this act yet eligible for a sufficient*
26 *period of time to have a rate computed under this benefit cost rate*
27 *pursuant to subsection (e) shall make quarterly payments at a calendar*
28 *year uniform interim rate, expressed as a percentage of total wages and*
29 *shall be the same for all rated governmental employers not eligible for a*
30 *computed rate. The rate for rated governmental employers not eligible for*
31 *a computed rate will be based upon.*

32 (2) *The interim rate shall be based on the actual benefit cost*
33 *experience, defined as total benefits paid divided by total wages, of all*
34 *rated governmental employers during the prior for the preceding fiscal*
35 *year ending on March 31.*

36 (g) *Benefit cost rate computation for eligible employers. Each*
37 *eligible rated governmental employers eligible for a rate computation*
38 *employer shall make quarterly payments at a calendar year rate determined*
39 *by the experience of all rated governmental employers and the receive an*
40 *individually computed benefit cost rate for the upcoming calendar year*
41 *based on both individual employer's and group experience. The rate shall*
42 *be computed by the following method:*

43 (1) ~~An~~ *The secretary shall annually compute an adjustment factor*

1 rounded to two decimal places shall be computed for all rated
2 governmental employers by dividing total benefits paid by total benefits
3 charged, reported by for all rated governmental employers for the
4 preceding most recent fiscal year ending on March 31.

5 (2) ~~The secretary shall annually compute an experience factor, stated~~
6 ~~as a percent rounded to two decimal places, shall be computed for each~~
7 ~~eligible for each rated governmental employer by dividing the benefits~~
8 ~~charged to such employer's account for the preceding such fiscal year~~
9 ~~ending March 31, by the average of such the employer's total wages~~
10 ~~reported for during the two preceding fiscal years ending March 31.~~

11 (3) ~~Benefit cost rates to be effective for the ensuing calendar year~~
12 ~~the secretary shall be computed annually compute the benefit cost rate for~~
13 ~~each rated governmental employer by multiplying the employer's~~
14 ~~experience factor determined in paragraph (2) of this subsection, by the~~
15 ~~statewide adjustment factor determined in paragraph (1) of this subsection,~~
16 ~~rounding rounded to the nearest .01%, except that 0.01% with standard~~
17 ~~rounding applied.~~

18 (4) ~~No rated governmental employer's benefit cost rate for any~~
19 ~~calendar year will shall be less than .1% 0.1%.~~

20 (5) ~~The secretary shall annually publish, in a clear tabular format on~~
21 ~~the department's website, a summary of the average experience factor,~~
22 ~~total wages, total benefits charged and the statewide adjustment factor~~
23 ~~used in the calculation of each year's benefit cost rates.~~

24 (h) ~~Whenever any~~ Successor Employers. (1) ~~When a governmental~~
25 ~~entity which acquires or in any manner otherwise succeeds to all or part of~~
26 ~~the employment of another governmental entity, and both the predecessor~~
27 ~~and successor governmental entities have selected elected the same~~
28 ~~payment option, the successor shall acquire method of financing~~
29 ~~unemployment benefit payments, the experience rating account factors of~~
30 ~~the predecessor employer. Contributing employer's shall transfer to the~~
31 ~~successor.~~

32 (2) ~~If the acquisition includes all employment, the successor shall~~
33 ~~receive the full experience history of the predecessor.~~

34 (3) ~~In the case of a partial acquisition, experience rating account~~
35 ~~factors consist of shall transfer proportionally based on payroll or~~
36 ~~employee headcount as determined by the actual contribution and benefit~~
37 ~~experience and annual payrolls while the rated governmental employer's~~
38 ~~experience rating account factors consist of the actual benefit experience~~
39 ~~and annual payrolls secretary.~~

40 (4) ~~If the successor employing unit was an employer previously~~
41 ~~subject to this act the employment security law prior to the date of~~
42 ~~acquisition, the contribution rate or benefit cost rate for the period from~~
43 ~~such date to the end of the then successor shall retain its current calendar~~

1 year shall be the same as the rate with respect to the period immediately
2 preceding the date of acquisition rate for the remainder of the calendar
3 year.

4 (5) If the successor was not an employer prior to the date of
5 acquisition, the rate shall be the rate applicable to the predecessor
6 employer or employers with respect previously subject to the period
7 immediately preceding the date of acquisition provided employment
8 security law, its rate for the remainder of the calendar year shall:

9 (A) Match the predecessor's rate, if there was only one predecessor or
10 there were only all predecessors with had identical rates. In the event that
11 the predecessors' rates are not identical, the successor's rate shall be a; or

12 (B) be newly computed rate by the secretary based upon on the
13 combined experience of the all predecessors as of the computation date
14 immediately preceding the date of acquisition, if such predecessors rates
15 differed.

16 (i) *Benefit charges.* Benefit payments shall be charged to the account
17 of each rated governmental employer employer's account in accordance
18 with subsection (e) of K.S.A. 44-710(c), and amendments thereto.

19 (j) *Rage notification and appeals.* (1) The secretary shall promptly
20 notify each rated governmental employer of such employer's rate for the
21 calendar year, which will become final unless an application for review
22 and redetermination is filed in accordance with subsection (b) of K.S.A.
23 44-710 and amendments thereto its benefit cost rate for the upcoming
24 calendar year.

25 (2) The rate shall be final unless the employer files a written or
26 electronic appeal within 30 calendar days of such notification.

27 (3) Appeals may be submitted through the department's secure online
28 system or by written notice in accordance with K.S.A. 44-710(f)(5), and
29 amendments thereto.

30 (k) *Quarterly payment requirements.* (1) Rated governmental
31 employers shall make permit benefit cost rate payments to the secretary
32 each calendar quarter. Such payments shall be computed calculated by
33 multiplying total wages by the assigned benefit cost rate. Payment of

34 (2) No payment shall be required for any quarter in which the total
35 calculated liability is less than \$1.

36 (l) *Planning and accessibility tools.* The secretary shall make
37 available a secure online benefit cost payments for any calendar quarter
38 which amounts to less than \$1 shall rate estimator tool to assist
39 governmental employers in forecasting their quarterly and annual
40 unemployment insurance costs under each financing model as described
41 in subsection (a).

42 (m) *Sunset review and oversight.* (1) The benefit cost rate
43 computation methodology established in subsection (g) shall be subject to

1 *a performance review by the secretary during calendar year 2028 and at*
2 *least once every eight years thereafter. Such review shall include an*
3 *actuarial evaluation and legislative oversight.*

4 (2) *The secretary shall complete and submit the review report, along*
5 *with any recommended adjustments, not be required later than December*
6 *1 of the applicable review year to the standing committees of the senate*
7 *and the house of representatives to which legislation pertaining to the*
8 *employment security law is customarily referred.*

9 Sec. 17. K.S.A. 44-710e is hereby amended to read as follows: 44-
10 710e. *Purpose. (a) The purpose of this section shall be to provide*
11 *governmental entities with flexible, transparent and sustainable*
12 *mechanisms for financing the costs associated with unemployment*
13 *insurance benefits for public employees.*

14 (b) *Authority to budget and pay unemployment insurance costs. Any*
15 *city, county, school district or other governmental entity subject to the*
16 *employment security law is hereby authorized to budget for and pay the*
17 *cost of providing unemployment insurance benefits for its employees as*
18 *provided by this act from the various same fund or funds from which*
19 *employee compensation is paid to its employees, and, in accordance with*
20 *the employment security law.*

21 (c) *Additional tax levy authority. (1) If otherwise authorized by law to*
22 *levy taxes, any such city, county or other governmental entity, except a*
23 *school district, may levy that is authorized by law to levy taxes may*
24 *annually levy an additional tax therefor, which for the purpose of funding*
25 *unemployment insurance benefit obligations.*

26 (2) *The amount levied, together with any other funds available funds,*
27 *shall be sufficient to provide:*

28 (A) *Cover the full cost thereof and, in the case of required*
29 *unemployment insurance benefit payments; and*

30 (B) *for cities and counties, to pay a portion of the principal and*
31 *interest on bonds issued under the authority of K.S.A. 12-1774, and*
32 *amendments thereto, by cities when such bonds are related to qualifying*
33 *economic development projects located in within the county jurisdiction.*

34 (d) *Alternative use of employee benefits contribution fund. Any taxing*
35 *subdivision authorized to levy a tax under this section may, in lieu of*
36 *levying such the tax, may authorized in subsection (b), pay such*
37 *unemployment insurance benefit costs from any an employee benefits*
38 *contribution fund established pursuant to K.S.A. 12-16,102, and*
39 *amendments thereto.*

40 (e) *Reporting and oversight. (1) All expenditures made pursuant to*
41 *this section for unemployment insurance benefits shall be:*

42 (A) *Identified as a separate line item in the governmental entity's*
43 *annual budget; and*

1 (B) subject to applicable accounting, reporting and audit procedures
2 established by the secretary of administration.

3 (2) The secretary may establish standardized forms and secure
4 electronic systems for the submission of unemployment insurance-related
5 data to promote consistency, transparency and compliance.

6 (f) Periodic review and coordination. (1) The secretary shall
7 periodically assess and publish guidance on funding adequacy and fiscal
8 practices related to unemployment insurance costs for governmental
9 entities operating under this section.

10 (2) During calendar year 2028, and every six years thereafter, the
11 legislative post audit committee and the secretary shall jointly review the
12 financial impact and utilization trends of unemployment insurance
13 pursuant to this section to ensure compliance with trust fund sustainability
14 goals and local government budget transparency.

15 (3) The secretary shall coordinate with the director of accounts and
16 reports and organizations representing local governments and promoting
17 local governmental interests to ensure consistent application, provide
18 technical assistance and share best practices regarding funding
19 approaches permitted under this section.

20 (g) Definitions. As used in this section:

21 (1) "Employee benefits contribution fund" means a fund established
22 by a governmental entity to finance employee benefits as defined in K.S.A.
23 12-16,102, and amendments thereto.

24 (2) "Unemployment insurance benefits" means payments required
25 under the employment security law.

26 (h) Construction. Nothing in this section shall be construed to limit
27 or otherwise affect the authority of a school district or other governmental
28 entity to budget for unemployment insurance obligations using available
29 general fund resources or employee benefits funds in accordance with
30 other applicable law.

31 Sec. 18. K.S.A. 44-710f is hereby amended to read as follows: 44-
32 710f. ~~Any county plan pursuant to the employment security law shall~~
33 ~~include coverage for district court officers and employees whose total~~
34 ~~salary is payable by counties.~~(a) Coverage requirement. Each county
35 subject to the employment security law shall provide unemployment
36 insurance coverage for all officers and employees of the district court
37 whose total compensation is paid exclusively from county funds.

38 (b) Definition of coverage. For the purposes of this section,
39 "coverage" means inclusion under the county's elected financing method
40 in accordance with K.S.A. 44-710d, and amendments thereto, including all
41 applicable wage reporting and contribution or reimbursement obligations.

42 (c) Shared funding arrangements. In cases where the compensation
43 of a district court officer or employee is partially funded by a county and

1 partially by the state or other noncounty sources, such individuals shall be
2 eligible for coverage under the county's unemployment insurance plan if
3 50% or more of such individuals' total compensation is paid from county
4 funds. The secretary may adopt rules and regulations to further define and
5 administer such thresholds.

6 (d) Exemptions. This section shall not apply to individuals serving as
7 district judges, magistrate judges or other judicial officers compensated
8 exclusively by the state or to independent contractors or individuals whose
9 employment does not meet the definition of "employment" pursuant to
10 K.S.A. 44-703, and amendments thereto.

11 (e) Reporting and compliance. Counties shall:

12 (1) Include all eligible district court personnel in quarterly wage
13 reports and unemployment insurance filings submitted to the department;
14 and

15 (2) annually certify to the department, in a form prescribed by the
16 secretary, that all officers and employees of the district court who are
17 eligible under this section are appropriately covered for unemployment
18 insurance purposes.

19 (f) Regulations. The secretary is authorized to adopt rules and
20 regulations necessary to implement this section, including, but not limited
21 to, clarifying eligibility standards, compliance requirements and reporting
22 procedures.

23 (g) Review and oversight. The provisions of this section shall be
24 subject to a sunset review in December 2028 and every eight years
25 thereafter. As part of the review process, the department shall evaluate the
26 fiscal, administrative and legal impacts of this section and submit a
27 written report with findings and recommendations to the standing
28 committees of the senate and the house of representatives to which
29 legislation pertaining to employment security law is customarily referred.
30 Such report shall be submitted on or before January 15, 2029, and
31 January 15 of every eight years thereafter.

32 Sec. 19. K.S.A. 44-710i is hereby amended to read as follows: 44-
33 710i. (a) For all purposes ~~under~~ pursuant to the employment security law,
34 ~~whenever~~ when two or more employers ~~which~~ that are related
35 corporations, ~~which~~ concurrently employ the same individual ~~in~~
36 employment and ~~which~~ pay wages to such individual through a common
37 paymaster, and such common paymaster is one of such employers, ~~each~~
38 such the employing entities:

39 (1) Each employer shall be considered to have paid wages to ~~such~~ the
40 individual only in the amount ~~of~~ wages actually disbursed by such
41 employer to such individual, and such

42 (2) no employer shall ~~not~~ be considered to have paid any ~~amount~~
43 portion of the wages to such individual ~~which was~~ actually disbursed to

1 ~~such the individual by another of such employers which concurrently~~
2 ~~employ such individual employer.~~

3 (b) For the purposes of this section, "related corporations," "common
4 paymaster" and "concurrent employment" shall ~~be construed~~ means the
5 same as ~~part of the employment security law~~ defined under federal law,
6 including 26 U.S.C. § 3121(s) and applicable United States treasury
7 regulations.

8 (c) Employers electing to utilize a common paymaster arrangement
9 shall notify the secretary in the manner prescribed by rules and
10 regulations adopted by the secretary and maintain documentation
11 substantiating the allocation and disbursement of wages under such
12 arrangement.

13 (d) The secretary may adopt rules and regulations to administer and
14 enforce the provisions of this section, including procedures for
15 registration, audit and correction of misreported wage information.

16 Sec. 20. K.S.A. 44-711 is hereby amended to read as follows: 44-711.

17 (a) Period of liability for contributions. Except as provided by subsection
18 (d), any employing unit ~~which is or~~ that becomes an employer subject to
19 ~~this act the employment security law within any~~ a calendar year shall be
20 subject liable for contributions on all wages paid during ~~the whole of~~ such
21 entire calendar year.

22 (b) Termination of liability. (1) Except as ~~otherwise~~ provided in
23 subsection (c) ~~of this section~~, an employing unit shall cease to be ~~an~~
24 employer subject to ~~this act only~~ the employment security law as of ~~the~~
25 first day of January 1 of any calendar year; if it:

26 (A) Such employing unit files ~~with the secretary of labor, prior to the~~
27 first day of May of such calendar year, a written or electronic application
28 for termination of coverage ~~and with the secretary not later than May 1 of~~
29 such year; and

30 (B) the secretary ~~of labor finds that within the preceding calendar~~
31 year determines that the employing unit would not have been subject to
32 ~~this act the employment security law during the preceding calendar year,~~
33 except for paragraph (6) of subsection (h) of pursuant to K.S.A. 44-703(v)
34 (6), and amendments thereto, and ~~has been covered by this act throughout~~
35 the most recently completed that the employing unit was subject to the
36 employment security law pursuant to K.S.A. 44-703(v)(6), and amendments
37 thereto, for the entirety of the preceding calendar year.

38 (2) The secretary ~~of labor may release, at any time on the secretary's~~
39 own initiative terminate the status of ~~any, an~~ employing unit ~~as an~~
40 employer from being subject to ~~this the employment security law when~~
41 satisfied that if such employer employing unit has had no individuals in
42 employment ~~at any time during the~~ and no wages reported for three
43 consecutive calendar years. The secretary shall issue written or electronic

1 notice of such pending release to the employer. The secretary shall
2 conduct an annual review of all employer accounts with no reported
3 employment or wages for the three preceding calendar years and may
4 initiate termination proceedings in accordance with this paragraph.

5 (c) *Voluntary election of coverage and termination.* (1) ~~An~~ Any
6 employing unit; not otherwise subject to ~~this act, which files the~~
7 ~~employment security law may file a written or electronic election with the~~
8 ~~secretary of labor its written election to become an employer subject~~
9 ~~hereto for not less than two calendar years shall, with approval of to the~~
10 ~~employment security law. Such election by the secretary of labor, become~~
11 ~~an employer subject hereto to the same extent as all other employers, as of~~
12 ~~the date stated shall continue in such approval, force and shall cease to not~~
13 ~~be subject hereto to change by the employing unit for a period of two~~
14 ~~complete calendar years.~~

15 (A) *Upon approval by the secretary, the employing unit shall become*
16 *subject to the employment security law as of the effective date indicated by*
17 *the secretary. Unless otherwise specified, this date shall be the first day of*
18 *the calendar quarter following the date of approval by the secretary.*

19 (B) *An employing unit that has made such election pursuant to*
20 *paragraph (1) may terminate such employing unit's voluntary*
21 *participation in the employment security law as of January 1 of any*
22 *calendar year subsequent to such two calendar years only after fulfilling*
23 *the required two-year participation period, if prior to the first day of May*
24 *of such year it has filed with the secretary of labor employing unit files a*
25 *written or electronic application for termination with the secretary not*
26 *later than May 1 of such year.*

27 (2) ~~Any~~ *An* employing unit; for which services ~~that do not constitute~~
28 ~~employment as otherwise defined in this act as employment under the~~
29 ~~employment security law are performed, may file with the secretary of~~
30 ~~labor a written election that all may elect to include such services~~
31 ~~performed by individuals in its employ in one or more distinct~~
32 ~~establishments or places of business shall be deemed to constitute~~
33 ~~employment for all the purposes of this act as employment pursuant to the~~
34 ~~employment security law for a period of not less than two calendar years.~~
35 *Upon approval of such election by the secretary of labor, such services*
36 *shall be deemed to constitute covered employment subject to this act from*
37 *and after as of the effective date stated in such the secretary's approval.*
38 *Such*

39 (3) *Termination of voluntary coverage for such services shall cease to*
40 *be deemed employment subject hereto effective as of January 1 of any*
41 *calendar year subsequent to such two calendar years, only if prior to the*
42 *first day of after the required two-year period, provided that the employing*
43 *unit files a written or electronic application for termination not later than*

1 May of such year such employing unit has filed with the secretary of labor
2 a written application for termination 1 of that year.

3 (4) All notices, applications and elections under this subsection shall
4 be submitted in writing or through a secure electronic portal provided by
5 the department.

6 (d) Termination upon total transfer of experience rating.
7 Notwithstanding the provisions of subsection (a) of this section, upon
8 transfer of, when an experience rating account in accordance with
9 subsections (b)(1) or (b)(2) of is transferred pursuant to K.S.A. 44-
10 710a(b)(1) or (b)(2), and amendments thereto, the predecessor employer
11 shall automatically cease to be an employer subject to this act the
12 employment security law as of the effective date of transfer to the
13 successor. The successor shall become liable for contributions on and
14 after the date of acquisition unless otherwise provided by law.

15 (e) Termination of account due to successorship business acquisition.
16 Notwithstanding the provisions of subsection (a) of this section, an
17 employer's account shall be terminated when the (1) When a business is
18 acquired by a successor employer or a nonemploying unit, as provided
19 described in subsection (h)(4) of K.S.A. 44-703, and amendments thereto,
20 or by a nonemploying unit, the predecessor's account will shall be
21 terminated as of the date of the acquisition.

22 (2) In cases of partial acquisition, the secretary may authorize a
23 proportional transfer of the predecessor's experience rating account based
24 on payroll, employee count or other relevant factors in accordance with
25 the provisions of K.S.A. 44-710a, and amendments thereto, or pursuant to
26 rules, regulations or internal guidance established by the secretary.

27 (3) If the successor elects not to assume the predecessor's account or
28 is not otherwise subject to the employment security law, the secretary shall
29 determine whether a new account shall be established and whether a new
30 liability determination shall be required.

31 (f) Filing and delivery of notices. (1) All notices, applications and
32 elections required under this section may be submitted by certified mail,
33 personal delivery or through a secure electronic portal established and
34 maintained by the secretary.

35 (2) The secretary shall adopt rules and regulations governing
36 submission procedures and shall issue written or electronic confirmations
37 of receipt.

38 Sec. 21. K.S.A. 44-712 is hereby amended to read as follows: 44-712.
39 (a) Establishment and control purpose. (1) There is hereby established, as
40 a special fund in the state treasury, separate and apart from all public
41 moneys or funds of this state, an the employment security fund, which.
42 Such fund shall be administered by the secretary and used solely for the
43 payment of unemployment insurance benefits and administrative expenses

1 as provided in this act. This fund shall under the employment security law.
2 No funds credited to this state's account in the federal unemployment trust
3 fund shall be expended, except for the payment of unemployment
4 compensation in accordance with the federal social security act as
5 amended, section 303(a)(5), unless otherwise permitted by federal law.
6 The fund shall consist of: ~~(1)-~~

7 (A) All contributions collected ~~under this act;~~ ~~(2) pursuant to the~~
8 employment security law, including mandatory and voluntary
9 contributions, interest and penalties, unless otherwise excluded or
10 provided by law;

11 (B) all interest earned upon ~~any~~ moneys in the fund; ~~(3)~~

12 (C) all moneys credited to this state's account in the federal
13 unemployment trust fund, pursuant to section 903 of the social security act
14 as amended, 42 U.S.C.A. U.S.C. § 1103; ~~as amended;~~ ~~(4);~~

15 (D) any property or securities acquired through the use of moneys
16 belonging to ~~the~~ such fund; and all other moneys received ~~for the fund~~
17 from any other source; ~~(5) for deposit into such fund; and~~

18 (E) all earnings ~~of from~~ such property or securities; ~~acquired through~~
19 the use of such moneys belonging to such fund.

20 (2) All such moneys in ~~this~~ such fund pursuant to paragraph (1) shall
21 be ~~mingled and undivided~~ comingled for accounting purposes, including
22 for purposes of the accounts described in subsection (b), but shall be used
23 solely for the purposes described herein.

24 (b) Fund accounts and deposits. The state treasurer shall ~~be serve as~~
25 the ex officio custodian of the fund. ~~Payments from the fund, and for the~~
26 ~~purposes of this act deposits with the secretary of the treasury of the~~
27 ~~United States shall not be deemed to be payments from the fund, shall be~~
28 ~~made by any commercially accepted means approved by the secretary.~~
29 ~~There shall be maintained within employment security fund.~~

30 (1) The fund shall include three ~~separate~~ distinct accounts: ~~(1)-~~

31 (A) A clearing account; ~~(2) for temporary holding of remittances~~
32 prior to transfer pursuant to paragraph (4);

33 (B) an unemployment trust fund account, ~~and (3) maintained at the~~
34 United States treasury for long-term trust management; and

35 (C) a benefit account for direct disbursement of unemployment
36 insurance benefits.

37 (2) All ~~money~~ employer contributions shall be remitted electronically
38 unless otherwise approved by the secretary.

39 (3) All moneys payable to the fund shall, upon receipt thereof by the
40 secretary, shall be remitted to the state treasurer in accordance with ~~the~~
41 provisions of K.S.A. 75-4215, and amendments thereto. ~~Upon receipt of~~
42 each such remittance, The state treasurer shall deposit the entire amount in
43 the state treasury to the credit of all such remittances into the clearing

1 account of the fund. Refunds payable pursuant to K.S.A. 44-717, and
2 amendments thereto, may be paid from the clearing account upon
3 warrants of the fund by director of accounts and report issued pursuant to
4 vouchers approved by the secretary or the secretary's designee. Such
5 warrants may be disbursed using any ~~commercially-accepted~~
6 *commercially accepted* means approved by the secretary. After

7 (4) ~~Following clearance thereof, all other moneys in the clearing~~
8 ~~account of the fund funds~~ shall be immediately deposited by the state
9 treasurer with the secretary of the treasury of the United States of America
10 to the credit of ~~the this state's account of this state~~ in the federal
11 unemployment trust fund ~~established and maintained pursuant to, as~~
12 ~~required under section 904 of the social security act, 42 U.S.C.A. U.S.C. §~~
13 ~~1104, as amended, any provisions of law in this state relating to the~~
14 ~~deposit, administration, release, or disbursement of moneys in the~~
15 ~~possession or custody of this state to the contrary notwithstanding.~~

16 (5) The benefit account of the fund shall consist of all moneys
17 requisitioned from this state's account in by the secretary pursuant to law
18 from the federal unemployment trust fund. Moneys in the clearing and
19 benefit accounts may be deposited in accordance with law but shall not be
20 commingled with other state funds. No public deposit insurance charge or
21 premium shall be paid from the fund.

22 (c) Withdrawals for benefit payments. (1) Withdrawals from this
23 state's account in the federal unemployment trust fund shall be used solely
24 for the payment of unemployment insurance benefits and in accordance
25 with the employment security law and rules and regulations adopted by
26 the secretary. The secretary shall requisition amounts necessary for
27 anticipated benefit payments. Upon receipt, the state treasurer shall
28 deposit such moneys in the benefit account.

29 (2) Unclaimed or unused balances in the unemployment trust fund
30 shall be, at the secretary's discretion:

31 (A) Used to pay benefits during subsequent periods; or

32 (B) returned to the federal unemployment trust fund. ~~Except as herein~~
33 Any such unclaimed funds shall be redeposited or returned within 90 days
34 of initial requisition unless otherwise provided, ~~moneys in~~ approved by
35 the secretary.

36 (3) Refunds from the clearing account and payments from the benefit
37 ~~accounts of the account~~, including all benefit disbursements pursuant to
38 this subsection, shall be exempt from legislative appropriation in
39 accordance with federal conformity requirements. All unpaid or canceled
40 warrants shall remain in the benefit account.

41 (d) Administrative use of section 903 funds. (1) All administrative
42 expenditures made from the employment security administration fund shall
43 be consistent with the federal uniform administrative requirements, cost

1 principles and audit requirements for federal awards, 2 C.F.R. part 200,
2 and applicable United States department of labor guidance, including ETA
3 handbook 401.

4 (2) Moneys credited to the state's account pursuant to section 903 of
5 the social security act may be used for administrative expenses if:

6 (A) Appropriated by the legislature;

7 (B) the appropriation specifies the purpose, amount and period of the
8 obligation, not to exceed two years from the enactment date; and

9 (C) the obligation does not exceed the credited balance after
10 subtraction of previously obligated or expended funds.

11 (3) Such funds shall not be withdrawn or obligated for any purpose
12 other than benefit payments and administration of the employment
13 security law and public employment offices.

14 (4) Such appropriated administrative funds shall be deposited by the
15 state treasurer in any bank or public depository as is now provided by law
16 for the deposit of general funds of the state, but no public deposit
17 insurance charge or premium shall be paid out of the into the employment
18 security administration fund. Moneys in the clearing and benefit accounts
19 of the fund shall not be commingled with other state funds and shall be
20 maintained in separate bank accounts and expenditures made in
21 accordance with this subsection. Any unexpended balances shall be
22 promptly returned to the federal unemployment trust fund.

23 (e) ~~Withdrawals.~~ Moneys shall be requisitioned from this state's
24 account in the federal unemployment trust fund solely for the payment of
25 benefits and in accordance with the provisions of this act and the rules and
26 regulations adopted by the secretary, except that moneys credited to this
27 state's account pursuant to section 903 of the social security act, 42
28 U.S.C.A. § 1103, as amended, shall be used exclusively as provided in
29 subsection (d) of this section. The secretary shall from time to time
30 requisition from the federal unemployment trust fund such amounts, not
31 exceeding the amounts standing to its account therein, as deemed
32 necessary for the payment of benefits for a reasonable future period. Upon
33 receipt thereof the state treasurer shall deposit such moneys in the benefit
34 account of the fund and payments of benefits shall be charged solely
35 against such benefit account of the fund. Expenditures of such moneys in
36 the benefit account and refunds from the clearing account of the fund shall
37 not be subject to any provisions of law requiring specific appropriations.
38 Any balance of moneys requisitioned from the federal unemployment trust
39 fund which remains unclaimed or unpaid in the benefit account of the fund
40 after the expiration of the period for which such sums were requisitioned
41 shall either be deducted from estimates for, and may be utilized for the
42 payment of benefits during succeeding periods, or, in the discretion of the
43 secretary shall be directed to be redeposited with the secretary of the

1 treasury of the United States of America, to the credit of this state's
2 account in the federal unemployment trust fund, as provided in subsection
3 (b) of this section. All balances accrued from unpaid or canceled warrants
4 issued pursuant to this section, notwithstanding the provisions of K.S.A.
5 10-812, and amendments thereto, shall remain in the benefit account of the
6 fund, and be disbursed in accordance with the provisions of this act
7 relating to such account.

8 (d) ~~Administrative use.~~ (1) Money credited to the account of this state
9 in the federal unemployment trust fund by the secretary of the treasury of
10 the United States of America, pursuant to section 903 of the social security
11 act, 42 U.S.C.A. § 1103, as amended, may be requisitioned and used for
12 the payment of expenses incurred in the administration of this act pursuant
13 to a specific appropriation by the legislature, if expenses are incurred and
14 the money is requisitioned after the enactment of an appropriation law
15 which: (A) Specifies the purposes for which such money is appropriated
16 and the amounts appropriated therefor, (B) limits the period within which
17 such money may be obligated to a period ending not more than two years
18 after the date of the enactment of the appropriation law, and (C) limits the
19 amount which may be obligated during a twelve-month period beginning
20 on July 1 and ending on the next June 30 to an amount which does not
21 exceed the amount by which (i) the aggregate of the amounts credited to
22 the account of this state pursuant to section 903 of the social security act,
23 42 U.S.C.A. § 1103, as amended, (ii) the aggregate of the amounts
24 obligated pursuant to this subsection and amounts paid out for benefits and
25 charged against the amounts credited to the account of this state. For the
26 purposes of this subsection, amounts obligated during any such twelve-
27 month period shall be charged against equivalent amounts which were first
28 credited and which are not already so charged.

29 (2) Money credited to the account of this state pursuant to section 903
30 of the social security act, 42 U.S.C.A. § 1103, as amended, may not be
31 withdrawn or obligated except for the payment of benefits and for the
32 payment of expenses for the administration of this act and of public
33 employment offices pursuant to this subsection (d).

34 (3) Money appropriated as provided by this subsection (d) for the
35 payment of expenses of administration shall be requisitioned as needed for
36 the payment of obligations incurred under such appropriation and, upon
37 requisition shall be deposited in the state treasury to the credit of the
38 employment security administration fund from which such payments shall
39 be made. Money so deposited and credited shall, until expended, remain a
40 part of the federal unemployment trust fund, and, if it will not be
41 expended, shall be returned promptly to the account of this state in the
42 federal unemployment trust fund.

43 (4) Notwithstanding paragraph (1), money credited with respect to

1 federal fiscal years 1999, 2000 and 2001, shall be used solely for the
2 administration of the UC program, and such money shall not otherwise be
3 subject to the requirements of paragraph (1) when appropriated by the
4 legislature.

5 ~~(c) Management of funds upon discontinuance of federal~~
6 ~~unemployment trust fund.~~ The provisions of subsections (a), (b), (c) and (d)
7 of this section, to the extent that they relate to the federal unemployment
8 trust fund, shall be operative only so long as such unemployment trust
9 fund continues to exist and so long as the secretary of the treasury of the
10 United States of America continues to maintain for this state a separate
11 book account of all funds deposited therein by this state for benefit
12 purposes, together with this state's proportionate share of the earnings of
13 such unemployment trust fund, from which no other state is permitted to
14 make withdrawals. If and when such unemployment trust fund ceases to
15 exist, or such separate book account is no longer maintained, all moneys,
16 properties or securities therein, belonging to the employment security fund
17 of this state, shall be transferred to the state treasurer, to be administered
18 by the secretary as a trust fund for the purpose of paying benefits under
19 this act, and the director of investments upon the direction of the secretary
20 shall have authority to hold, invest, transfer, sell, deposit, and release such
21 moneys, and any properties, securities, or earnings acquired as an incident
22 to such administration.

23 *(5) The secretary shall include a summary of section 903 fund*
24 *expenditures in the annual fund performance and solvency certification*
25 *required pursuant to subsection (g).*

26 *(e) Contingency management if federal trust fund is discontinued. (1)*
27 *Upon official notification from the United States department of labor or*
28 *federal legislative action discontinuing state trust fund accounts in the*
29 *federal unemployment trust fund or, as determined by the secretary, a*
30 *substantially similar successor fund, should the federal unemployment*
31 *trust fund or such a substantially similar successor fund cease to exist or*
32 *this state's separate account within a federal fund no longer be*
33 *maintained, all moneys, properties and securities credited to the Kansas*
34 *account of such federal fund shall be transferred by and to the state*
35 *treasurer and administered by the secretary as a trust fund, separate and*
36 *apart from all public moneys or funds of this state.*

37 *(2) The director of investments, upon direction from the secretary,*
38 *shall manage such funds, including investment, sale, deposit and*
39 *disbursement, consistent with the purposes of the employment security*
40 *law.*

41 *(3) The secretary may adopt temporary rules and regulations and*
42 *procedures to ensure continuity of benefit payments and fund operations*
43 *under such contingency. Such temporary rules and regulations and*

1 *procedures shall remain in effect until permanent rules and regulations*
2 *are adopted by the secretary or the federal unemployment trust fund or*
3 *substantially similar fund is otherwise reestablished by federal or state*
4 *action.*

5 ~~(f) Loans from the pooled money investment board, when authorized.~~
6 (1) Pursuant to K.S.A. 75-4209(d), and amendments thereto, upon request
7 by the secretary, the pooled money investment board shall extend loans to
8 the state for the purpose of repaying debt obligations owed to the federal
9 government by the employment security fund.

10 (2) The interest rate of any such loans shall not exceed 2%;

11 (3) Such loans or line of credit shall remain available for three years
12 from the first loan date and may be reauthorized by mutual agreement of
13 the secretary and the pooled money investment board ~~is hereby authorized~~
14 ~~and directed to make loans as requested by the secretary of labor to fund~~
15 ~~debt obligations to the federal government as may have been, or continue~~
16 ~~to be, incurred by the employment security fund.~~

17 ~~(A) The line of credit so.~~

18 (4) Repayment shall begin within 12 months of the initial
19 disbursement, unless extended shall be at an interest rate not to exceed 2%;
20 and

21 ~~(B) shall remain in effect for a period of three years from the date of~~
22 ~~the first loan requested. The pooled money investment board may~~
23 ~~reauthorize this line of credit following the initial three year period if~~
24 ~~deemed mutually beneficial by the board and the secretary of labor.~~

25 ~~(2)(5) Such loans shall be disbursed to the secretary of labor is~~
26 ~~hereby authorized to request and receive loans from the pooled money~~
27 ~~investment fund for the purposes described herein.~~

28 ~~(3) The.~~ Upon initiating a loan, the secretary shall notify the
29 governor and all recipients listed in subsection (g)(1)(A) through (E)
30 within 30 days.

31 (6) Total outstanding balances of any such loans ~~in~~ shall not exceed
32 the ~~aggregate~~ limitations of K.S.A. 75-4209(d), and amendments thereto.
33 All such loan terms shall ~~not exceed the limit imposed by~~ be consistent
34 with K.S.A. 75-4209(d), and amendments thereto.

35 ~~(4)(7) Any such loan~~ Such loans shall not be ~~deemed to be an~~
36 ~~indebtedness or considered a debt of the state of Kansas~~ within the
37 meaning of section 6 of, article 11 of the ~~constitution of the state of Kansas~~
38 ~~constitution.~~

39 ~~(5)(8) The pooled money investment board, secretary of labor, and~~
40 ~~state treasurer shall coordinate as needed to make the appropriate all~~
41 ~~necessary transfers, repayments and reporting obligations.~~

42 (g) Annual fund performance and solvency certification. (1) Not later
43 than December 1 of each year, the secretary shall submit a certification

1 *evaluating the solvency and adequacy of the employment security fund.*
2 *The certification shall be delivered to the:*

3 *(A) Chairpersons, vice chairpersons and ranking minority members*
4 *of the standing committees of the senate and the house of representatives*
5 *to which legislation pertaining to the employment security law is*
6 *customarily referred;*

7 *(B) president of the senate;*

8 *(C) speaker of the house of representatives;*

9 *(D) governor; and*

10 *(E) legislative coordinating council.*

11 *(2) Such annual certification shall include, at a minimum:*

12 *(A) The fund balance as of the most recent computation date;*

13 *(B) a five-year summary of the contribution receipts and benefit*
14 *disbursements;*

15 *(C) loan activity, if any, including balance and repayment schedule;*

16 *(D) the current average high cost multiple for the trust fund as of the*
17 *most recent computation date;*

18 *(E) a five-year historical analysis of the average high cost multiple*
19 *and related solvency indicators, showing year-over-year changes and*
20 *trends;*

21 *(F) a statement of whether the trust fund meets the United States*
22 *department of labor's recommended solvency standard, defined as an*
23 *average high cost multiple of 1.0 or greater, and an explanation of any*
24 *shortfall. If the average high cost multiple is below 1.0, the certification*
25 *shall include recommended policy considerations and actions to restore*
26 *the fund to solvency within a reasonable timeframe based on projected*
27 *economic conditions and contribution levels;*

28 *(G) forecasted trust fund performance under the following three*
29 *economic scenarios to include assumptions regarding unemployment*
30 *rates, benefit payment—of—moneys levels and expected employer*
31 *contributions:*

32 *(i) Baseline, assuming steady employment and average benefit usage;*

33 *(ii) moderate recession, assuming temporary increases in*
34 *unemployment and claim volume; and*

35 *(iii) severe recession, assuming prolonged high unemployment and*
36 *elevated claim levels;*

37 *(H) an impact analysis estimating how anticipated—hereunder shifts*
38 *projected in employer contribution rate schedules, reserve ratios and*
39 *taxable wage bases will affect various classes of employers by size,*
40 *industry or experience rating group;*

41 *(I) any material changes to federal unemployment insurance policies,*
42 *trust fund borrowing requirements or repayment obligations that may*
43 *affect trust fund sustainability or require state legislative action; and*

1 (J) a summary of social security act section 903 fund expenditures, as
2 required by subsection (d).

3 (3) The secretary shall make the certification and all supporting data
4 publicly accessible through the department's website, including
5 downloadable data sets or dashboards, if relevant, not later than
6 December 31 following the December 1 deadline for such certification
7 pursuant to paragraph (1).

8 (4) Not later than January 31 following such certification, the
9 secretary shall provide a summary briefing to the standing committees of
10 the senate and the house of representatives to which legislation pertaining
11 to the employment security law is customarily referred.

12 (5) The purpose of such certification shall be to provide state
13 policymakers and stakeholders with timely, data-driven insights to support
14 the evaluation of proposed legislation or reforms affecting the state's
15 unemployment insurance program and ensure that Kansas maintains a
16 solvent, responsive and economically sound trust fund.

17 (h) The secretary may adopt rules and regulations as necessary to
18 carry out the provisions of this section.

19 Sec. 22. K.S.A. 44-713 is hereby amended to read as follows: 44-713.

20 (a) ~~Authorization. The secretary of labor, in recognition of~~ is authorized to
21 recognize meritorious service by individual employees who ~~serve~~
22 engaged in the administration of the employment security law ~~and who~~
23 ~~receive a preponderant share if more than 50% of their such employee's~~
24 ~~total compensation through is paid from the employment security~~
25 ~~administration fund, is hereby authorized to make.~~

26 (b) ~~Eligibility and recognition schedule. In recognition of meritorious~~
27 ~~service awards, including, the secretary may authorize the presentation of~~
28 a service award pin and certificate to each of such employees ~~when such~~
29 ~~employee has served in such administration a minimum~~ eligible employees
30 upon:

31 (1) ~~Completion of 10 five years. The secretary may also present to~~
32 ~~each of continuous or cumulative satisfactory service in the administration~~
33 ~~of the employment security law;~~

34 (2) ~~completion of such employees an additional pin and certificate for~~
35 each additional ~~five year~~ five-year period of satisfactory service thereafter;
36 and

37 (3) retirement or reaching major career milestones, including, but not
38 limited to, achieving 25, 30, 35 or 40 years of service.

39 (c) Additional nonmonetary awards. The secretary may authorize
40 additional forms of modest, noncash recognition for such meritorious
41 service, such as plaques, framed commendations or formal
42 acknowledgments at department events, if such awards:

43 (1) Are reasonable in cost;

1 (2) conform to federal grant and conformity requirements, including
2 20 C.F.R. part 601 and related guidance issued by the United States
3 department of labor; including, but not limited to, ETA handbook 401; and

4 (3) are paid exclusively from the employment security administration
5 of the law. The cost of each such pin and certificate fund.

6 (d) Funding and limitations. All costs associated with awards issued
7 under this section shall:

8 (1) Be paid from the employment security administration fund;

9 (2) not exceed the allowable per-employee cost limits as set forth in
10 K.S.A. 44-703, and amendments thereto;

11 (3) not require legislative appropriation; and

12 (4) be processed in the same manner as other administrative expenses
13 of administering under the employment security law are paid.

14 (e) Procedures and reporting. The secretary may adopt internal
15 procedures for determining eligibility, verifying service milestones,
16 approving awards and maintaining appropriate documentation. A
17 summary of meritorious service recognition activities may be included in
18 the secretary's annual administrative reporting or workforce development
19 plan, at the discretion of the secretary.

20 (f) For the purposes of this section, "meritorious service award"
21 means the same as defined in K.S.A. 44-703, and amendments thereto.

22 Sec. 23. K.S.A. 44-713a is hereby amended to read as follows: 44-
23 713a. Pursuant to 42 U.S.C.A. § 1101 et seq., the secretary of labor may
24 accept assistance from the United States secretary of labor to conduct in-
25 service training either directly or through contracts with institutions of
26 higher education or other qualified agencies, organizations or institutions,
27 to conduct programs and courses designed to train individuals to prepare
28 them or improve their qualifications for service in the administration of
29 Kansas employment security programs.

30 (a) Authority to accept assistance. Pursuant to applicable federal workforce training and unemployment
31 insurance administration provisions, including, but not limited to, the
32 workforce innovation and opportunity act, 29 U.S.C. § 3101 et seq., and
33 any successor statutes, the secretary may accept and expend assistance
34 from the United States secretary of labor or other authorized federal
35 agency to conduct in-service training for individuals engaged in or
36 preparing for service in the administration of the employment security law.

37 (b) Delivery methods and contracting authority. Such training may be
38 provided directly by the secretary or through contracts, grants or
39 cooperative agreements with:

40 (1) Institutions of higher education;

41 (2) state or local workforce agencies;

42 (3) local workforce development boards;

43 (4) private sector entities with demonstrated expertise in

1 unemployment insurance administration, information technology or
2 workforce development; or

3 (5) other qualified agencies, organizations or institutions.

4 (c) Scope of training. Programs and courses conducted under this
5 section may include, but are not limited to:

6 (1) Unemployment insurance program administration and
7 operations;

8 (2) fraud detection, prevention and investigation techniques;

9 (3) information technology, cybersecurity and system modernization;

10 (4) customer service, accessibility and claimant or employer support;

11 (5) compliance with applicable state and federal laws, regulations
12 and guidance; and

13 (6) program evaluation, performance metrics and process
14 improvement.

15 (d) Review and reporting. The secretary shall:

16 (1) Periodically review training programs to ensure alignment with
17 federal and state priorities, technological advancements and program
18 integrity requirements; and

19 (2) submit an annual report to the appropriate standing committees
20 of the legislature summarizing:

21 (A) The amount and source of federal assistance received;

22 (B) the number and types of training programs conducted;

23 (C) the number of individuals trained; and

24 (D) measurable program outcomes, including operational
25 improvements attributable to training.

26 Sec. 24. K.S.A. 44-714 is hereby amended to read as follows: 44-714.

27 ~~(a) Duties and powers of secretary. It shall be the duty of the secretary to~~
28 ~~administer this act and the secretary shall have power and authority to~~
29 ~~adopt, amend or revoke such rules and regulations, to employ such~~
30 ~~persons, make such expenditures, require such reports, make such~~
31 ~~investigations, and take such other action as the secretary deems necessary~~
32 ~~or suitable to that end. Such rules and regulations may be adopted,~~
33 ~~amended, or revoked by the secretary only after public hearing or~~
34 ~~opportunity to be heard thereon. The secretary shall determine the~~
35 ~~organization and methods of procedure in accordance with the provisions~~
36 ~~of this act, and shall have an official seal which shall be judicially noticed.~~
37 ~~The secretary shall make and submit reports for the administration of the~~
38 ~~employment security law in the manner prescribed by K.S.A. 75-3044~~
39 ~~through 75-3046, and 75-3048, and amendments thereto. Whenever the~~
40 ~~secretary believes that a change in contribution or benefit rates will~~
41 ~~become necessary to protect the solvency of the fund, the secretary shall~~
42 ~~promptly so inform the governor and the legislature, and make~~
43 ~~recommendations with respect thereto.~~

1 ~~(b) Publication. The secretary shall cause to be printed for~~
2 ~~distribution to the public the text of this act, the secretary's rules and~~
3 ~~regulations and any other material the secretary deems relevant and~~
4 ~~suitable and shall furnish the same to any person upon application therefor.~~

5 ~~(c) Personnel. Subject to other provisions of this act, the secretary~~
6 *Authority and duties of the secretary. (1) The secretary shall administer*
7 *the employment security law and is authorized to appoint, fix the*
8 *compensation,;*

9 ~~(A) Adopt, amend or revoke rules and prescribe regulations,~~
10 *following a public hearing or opportunity to be heard;*

11 ~~(B) employ staff and agents, make expenditures, conduct~~
12 *investigations, require reports and take other actions necessary to*
13 *administer the law;*

14 ~~(C) determine organizational structure and procedures consistent~~
15 *with this act;*

16 ~~(D) use an official seal that shall be judicially noticed; and~~

17 ~~(E) submit administrative reports in accordance with K.S.A. 75-3044~~
18 *through 75-3048, and amendments thereto.*

19 ~~(2) If the secretary determines a change in contribution or benefit~~
20 *rates is necessary to maintain fund solvency, the secretary shall promptly*
21 *notify the governor and legislature with recommendations for such*
22 *change.*

23 ~~(b) Publication of information. The secretary shall make available to~~
24 *the public, including by electronic distribution on the department's*
25 *website, the text of this act, related rules and regulations and any other*
26 *materials deemed relevant and helpful to the public by the secretary.*

27 ~~(c) Personnel management. The secretary may appoint and assign~~
28 *duties and powers of such to officers, accountants, deputies, attorneys,*
29 *experts and other persons as may be necessary in carrying out the*
30 *provisions of this act. The secretary personnel, and may delegate to any*
31 *such person so appointed such power and authority as the secretary deems*
32 *reasonable and proper for the effective administration of this act, and may*
33 *in appropriate authority to such persons. Staff who administer funds or*
34 *authorize payments may be bonded at the secretary's discretion bond any*
35 *person handling moneys or signing checks under the employment security*
36 *law.*

37 ~~(d) Employment stabilization and reemployment activities. In~~
38 *collaboration with other workforce stakeholders, the secretary, with the*
39 *advice and aid of the appropriate divisions of the department of labor,*
40 *shall:*

41 ~~(1) Take all appropriate steps~~*Promote efforts to reduce and prevent*
42 *unemployment, including engagement in statewide and regional economic*
43 *resilience planning;*

1 (2) ~~encourage~~*support workforce development initiatives and assist in*
2 ~~the adoption of practical methods of vocational partnerships in alignment~~
3 ~~with the federal workforce innovation and opportunity act, including~~
4 ~~programs for training, retraining and vocational guidance career~~
5 ~~advancement;~~

6 (3) ~~investigate, recommend, advise, and assist in the establishment~~
7 ~~and operation, by~~*collaborate with local workforce boards, educational*
8 *institutions and employers to address evolving labor market needs;*

9 (4) ~~encourage municipalities, counties, school districts and the state,~~
10 ~~of reserves for and public entities to maintain public works to be used in~~
11 ~~time of business depression and unemployment;~~ (4) ~~promote the~~
12 ~~reemployment of unemployed workers throughout the state in every other~~
13 ~~way that may be feasible; and (5) to these ends carry on and publish the~~
14 ~~results of investigations and research studies.~~

15 ~~(c) Records and reports.~~ Each employing unit shall keep true and
16 accurate work records, containing such information as the secretary may
17 prescribe. Such records shall be open to inspection and subject to being
18 copied by the secretary or the secretary's authorized representatives at any
19 reasonable time and shall be preserved for a period of five years from the
20 due date of the contributions or payments in lieu of contributions for the
21 period to which they relate. Only one audit shall be made of any
22 employer's records for any given period of time. Upon request the
23 employing unit shall be furnished a copy of all findings by the secretary or
24 the secretary's authorized representatives, resulting from such audit. A
25 special inquiry or special examination made for a specific and limited
26 purpose shall not be considered to be an audit for the purpose of this
27 subsection. The secretary may require from any employing unit any sworn
28 or unsworn reports, with respect to persons employed by it, which the
29 secretary deems necessary for the effective administration of this act.
30 Information thus obtained or obtained from any individual pursuant to the
31 administration of this act shall be held confidential, except to the extent
32 necessary for the proper presentation of a claim by an employer or
33 employee under the employment security law, and shall not be published
34 or be open to public inspection, other than to public officials or the agents
35 or contractors of a public official in the performance of their official
36 duties, in any manner revealing the individual's or employing unit's
37 identity. The secretary may publish or otherwise disclose appeals records
38 and decisions, and precedential determinations on coverage of employers,
39 employment and wages, provided all social security numbers have been
40 removed. Any claimant or employing unit or their representatives at a
41 hearing before an appeal tribunal or the secretary shall be supplied with
42 information from such records to the extent necessary for the proper
43 presentation of the claim. The transcript made at any such benefits hearing

1 shall not be discoverable or admissible in evidence in any other
2 proceeding, hearing or determination of any kind or nature. In the event of
3 any appeal of a benefits matter, the transcript shall be sealed by the hearing
4 officer and shall be available only to any reviewing authority who shall
5 reseal the transcript after making a review of it. In no event shall such
6 transcript be deemed a public record. Nothing in this subsection shall be
7 construed to prohibit disclosure of any information obtained under the
8 employment security law, including hearing transcripts, upon request of
9 either of the parties, for the purpose of administering or adjudicating a
10 claim for benefits under the provisions of any other state program, except
11 that any party receiving such information shall be prohibited from further
12 disclosure and shall be subject to the same duty of confidentiality
13 otherwise imposed by this subsection and shall be subject to the penalties
14 imposed by this subsection for violations of such duty of confidentiality.
15 Nothing in this subsection shall be construed to prohibit disclosure of any
16 information obtained under the employment security law, including
17 hearing transcripts, for use as evidence in a criminal investigation or in
18 open court in a criminal prosecution or at an appeal hearing under the
19 employment security law. Nothing in this subsection shall be construed to
20 prohibit disclosure of any information obtained under the employment
21 security law, including hearing transcripts to an agent or contractor of a
22 public official to whom disclosure is permissible under the employment
23 security law, except that any party receiving such information shall be
24 prohibited from further disclosure, except for use in the performance of
25 such party's official duties, and shall be subject to the same duty of
26 confidentiality otherwise imposed by this subsection and shall be subject
27 to the penalties imposed by this subsection for violations of such duty of
28 confidentiality. Any individual who violates any provisions of this
29 subsection, shall be fined not less than \$20 nor more than \$200 or
30 imprisoned for not longer than 90 days, or both. Original records of the
31 agency and original paid benefit warrants of the state treasurer may be
32 made available to the employment security agency of any other state or the
33 federal government to be used as evidence in prosecution of violations of
34 the employment security law of such state or federal government.
35 Photostatic copies of such records shall be made and where possible shall
36 be substituted for original records introduced in evidence and the originals
37 returned to the agency. Nothing in this subsection shall be construed to
38 prohibit disclosure otherwise permissible under 20 C.F.R. part 603.5.

39 (f) *Oaths and witnesses.* In the discharge of the duties imposed by the
40 employment security law, the chairperson of an appeal tribunal, an appeals
41 referee, the secretary or any duly authorized representative of the secretary
42 shall have power to administer oaths and affirmations, take depositions,
43 issue interrogatories, certify to official acts, and issue subpoenas to compel

1 the attendance of witnesses and the production of books, papers,
2 correspondence, memoranda and other records deemed necessary as
3 evidence in connection with a disputed claim or the administration of the
4 employment security law.

5 (g) *Subpoenas, service.* Upon request, service of subpoenas shall be
6 made by the sheriff of a county within that county, by the sheriff's deputy,
7 by any other person who is not a party and is not less than 18 years of age
8 or by some person specially appointed for that purpose by the secretary of
9 labor or the secretary's designee. A person not a party as described above
10 or a person specially appointed by the secretary or the secretary's designee
11 to serve subpoenas may make service any place in the state. The subpoena
12 shall be served as follows:

13 (1) *Individual.* Service upon an individual, other than a minor or
14 incapacitated person, shall be made: (A) By delivering a copy of the
15 subpoena to the individual personally; (B) by leaving a copy at such
16 individual's dwelling house or usual place of abode with some person of
17 suitable age and discretion then residing therein; (C) by leaving a copy at
18 the business establishment of the employer with an officer or employee of
19 the establishment; (D) by delivering a copy to an agent authorized by
20 appointment or by law to receive service of process, but if the agent is one
21 designated by a statute to receive service, such further notice as the statute
22 requires shall be given; or (E) if service as prescribed above in
23 subparagraphs (A), (B), (C) or (D) cannot be made with due diligence, by
24 leaving a copy of the subpoena at the individual's dwelling house, usual
25 place of abode or usual business establishment, and by mailing a notice by
26 first-class mail to the place that the copy has been left.

27 (2) *Corporations and partnerships.* Service upon a domestic or
28 foreign corporation or upon a partnership or other unincorporated
29 association, when by law it may be sued as such, shall be made by
30 delivering a copy of the subpoena to an officer, partner or resident
31 managing or general agent thereof, or by leaving the copy at any business
32 office of the employer with the person having charge thereof or by
33 delivering a copy to any other agent authorized by appointment or required
34 by law to receive service of process, if the agent is one authorized by law
35 to receive service and, if the law so requires, by also mailing a copy to the
36 employer.

37 (3) *Refusal to accept service.* In all cases when the person to be
38 served, or an agent authorized by such person to accept service of petitions
39 and summonses shall refuse to receive copies of the subpoena, the offer of
40 the duly authorized process server to deliver copies thereof and such
41 refusal shall be sufficient service of such subpoena.

42 (4) *Proof of service.* (A) Every officer to whom a subpoena or other
43 process shall be delivered for service within or without the state, shall

1 make return thereof in writing stating the time, place and manner of
2 service of such writ and shall sign such officer's name to such return.

3 (B) ~~If service of the subpoena is made by a person appointed by the~~
4 ~~secretary or the secretary's designee to make service, or any other person~~
5 ~~described in subsection (g), such person shall make an affidavit as to the~~
6 ~~time, place and manner of service thereof in a form prescribed by the~~
7 ~~secretary or the secretary's designee.~~

8 (5) *Time for return.* The officer or other person receiving a subpoena
9 shall make a return of service promptly and shall send such return to the
10 secretary or the secretary's designee in any event within 10 days after the
11 service is effected. If the subpoena cannot be served it shall be returned to
12 the secretary or the secretary's designee within 30 days after the date of
13 issue with a statement of the reason for the failure to serve the same.

14 (h) *Subpoenas, enforcement.* In case of contumacy by or refusal to
15 obey a subpoena issued to any person, any court of this state within the
16 jurisdiction of which the inquiry is carried on or within the jurisdiction of
17 which such person guilty of contumacy or refusal to obey is found, resides
18 or transacts business, upon application by the secretary or the secretary's
19 duly authorized representative, shall have jurisdiction to issue to such
20 person an order requiring such person to appear before the secretary, or the
21 secretary's duly authorized representative, to produce evidence, if so
22 ordered, or to give testimony relating to the matter under investigation or
23 in question. Failure to obey such order of the court may be punished by the
24 court as a contempt thereof. Any person who, without just cause, shall fail
25 or refuse to attend and testify or to answer any lawful inquiry or to
26 produce books, papers, correspondence, memoranda or other records in
27 obedience to the subpoena of the secretary or the secretary's duly
28 authorized representative shall be punished by a fine of not less than \$200
29 or by imprisonment of not longer than 60 days, or both, and each day such
30 violation continued shall be deemed to be a separate offense.

31 (i) *State-federal cooperation.* In the administration of this act, the
32 secretary shall cooperate to the fullest extent consistent with the provisions
33 of this act, with the federal security agency, shall make such reports, in
34 such form and containing such information as the federal security
35 administrator may from time to time require, and shall comply with such
36 provisions as the federal security administrator may from time to time find
37 necessary to assure the correctness and verification of such reports; and
38 shall comply with the regulations prescribed by the federal security agency
39 governing the expenditures of such sums as may be allotted and paid to
40 this state under title III of the social security act for the purpose of
41 assisting in the administration of this act. Upon request therefor the
42 secretary shall furnish to any agency of the United States charged with the
43 administration of public works or assistance through public employment,

1 the name, address, ordinary occupation, and employment status of each
2 recipient of benefits and such recipient's rights to further benefits under
3 this act.

4 ~~(j) Reciprocal arrangements. The secretary shall participate in~~
5 ~~making reciprocal arrangements with appropriate and duly authorized~~
6 ~~agencies of other states or of the federal government, or both, whereby:~~

7 (1) Services performed by an individual for a single employing unit
8 for which services are customarily performed in more than one state shall
9 be deemed to be services performed entirely within any one of the states:

10 (A) In which any part of such individual's service is performed; (B) in
11 which such individual maintains residence; or (C) in which the employing
12 unit maintains a place of business, provided there is in effect as to such
13 services, an election, approved by the agency charged with the
14 administration of such state's unemployment compensation law, pursuant
15 to which all the services performed by such individual for such employing
16 units are deemed to be performed entirely within such state;

17 (2) service performed by not more than three individuals, on any
18 portion of a day but not necessarily simultaneously, for a single employing
19 unit which customarily operates in more than one state shall be deemed to
20 be service performed entirely within the state in which such employing
21 unit maintains the headquarters of its business; provided that there is in
22 effect, as to such service, an approved election by an employing unit with
23 the affirmative consent of each such individual, pursuant to which service
24 performed by such individual for such employing unit is deemed to be
25 performed entirely within such state;

26 (3) potential rights to benefits accumulated under the employment
27 compensation laws of one or more states or under one or more such laws
28 of the federal government, or both, may constitute the basis for the
29 payments of benefits through a single appropriate agency under terms
30 which the secretary finds will be fair and reasonable as to all affected
31 interests and will not result in any substantial loss to the fund;

32 (4) wages or services, upon the basis of which an individual may
33 become entitled to benefits under an unemployment compensation law of
34 another state or of the federal government, shall be deemed to be wages
35 for insured work for the purpose of determining such individual's rights to
36 benefits under this act, and wages for insured work, on the basis of which
37 an individual may become entitled to benefits under this act, shall be
38 deemed to be wages or services on the basis of which unemployment
39 compensation under such law of another state or of the federal government
40 is payable, but no such arrangement shall be entered into unless it contains
41 provisions for reimbursements to the fund for such of the benefits paid
42 under this act upon the basis of such wages or services, and provisions for
43 reimbursements from the fund for such of the compensation paid under

1 such other law upon the basis of wages for insured work, as the secretary
2 finds will be fair and reasonable as to all affected interests; and

3 ~~(5) (A) contributions due under this act with respect to wages for~~
4 ~~insured work shall be deemed for the purposes of K.S.A. 44-717, and~~
5 ~~amendments thereto, to have been paid to the fund as of the date payment~~
6 ~~was made as contributions therefor under another state or federal~~
7 ~~unemployment compensation law, but no such arrangement shall be~~
8 ~~entered into unless it contains provisions for such reimbursements to the~~
9 ~~fund of such contributions and the actual earnings thereon as the secretary~~
10 ~~finds will be fair and reasonable as to all affected interests;~~

11 ~~(B) reimbursements paid from the fund pursuant to subsection (j)(4)~~
12 ~~shall be deemed to be benefits for the purpose of K.S.A. 44-704 and 44-~~
13 ~~712, and amendments thereto; the secretary is authorized to make to other~~
14 ~~state or federal agencies, and to receive from such other state or federal~~
15 ~~agencies, reimbursements from or to the fund, in accordance with~~
16 ~~arrangements entered into pursuant to the provisions of this section or any~~
17 ~~other section of the employment security law;~~

18 ~~(C) the administration of this act and of other state and federal~~
19 ~~unemployment compensation and public employment service laws will be~~
20 ~~promoted by cooperation between this state and such other states and the~~
21 ~~appropriate federal agencies in exchanging services and in making~~
22 ~~available facilities and information; the secretary is therefore authorized to~~
23 ~~make such investigations, secure and transmit such information, make~~
24 ~~available such services and facilities and exercise such of the other powers~~
25 ~~provided herein with respect to the administration of this act as the~~
26 ~~secretary deems necessary or appropriate to facilitate the administration of~~
27 ~~any such unemployment compensation or public employment service law~~
28 ~~and, in like manner, to accept and utilize information, service and facilities~~
29 ~~made available to this state by the agency charged with the administration~~
30 ~~of any such other unemployment compensation or public employment~~
31 ~~service law; and~~

32 ~~(D) to the extent permissible under the laws and constitution of the~~
33 ~~United States, the secretary is authorized to enter into or cooperate in~~
34 ~~arrangements whereby facilities and services provided under this act and~~
35 ~~facilities and services provided under the unemployment compensation~~
36 ~~law of any foreign government may be utilized for the taking of claims and~~
37 ~~the payment of benefits under the employment security law of this state or~~
38 ~~under a similar law of such government.~~

39 ~~(k) Records available: or emergency employment reserves for~~
40 ~~economic downturns; and~~

41 ~~(5) publish research, forecasts and evaluations related to employment~~
42 ~~trends, labor force development and future workforce needs.~~

43 ~~(e) Records, audits and confidentiality. (1) Employers shall retain~~

1 *accurate work records for five years from the due date of contributions.*

2 *(2) Such records shall be open for inspection and copying by the*
3 *secretary or the secretary's authorized agents during business hours.*

4 *(3) The secretary shall limit audits by the secretary to one audit per*
5 *period per employer, except for targeted special inquiries.*

6 *(4) The secretary shall provide copies of audit reports or summaries*
7 *of an audit of an employer at the request of such employer.*

8 *(5) The secretary may require reports from employers with respect to*
9 *employment, including sworn or unsworn submissions. Such reports shall*
10 *be provided by an employer upon the secretary's request.*

11 *(6) All individual and employer information obtained pursuant to the*
12 *employment security law shall be confidential, except as otherwise*
13 *specified, and the confidentiality, disclosure and use of any information*
14 *obtained or maintained under this act shall comply with section 303(a)(1),*
15 *(7), and (11) of the federal social security act, and 20 C.F.R. part 603,*
16 *including the safeguarding of claimant and employer data, interagency*
17 *agreements and any requirements for use of information in the*
18 *performance of official duties. Confidential information may be subject to*
19 *disclosure to the extent necessary for:*

20 *(A) Proper claim determination;*

21 *(B) provision to public officials or their agents or contractors in the*
22 *performance of official duties as defined in K.S.A. 44-703, and*
23 *amendments thereto. Any disclosure of confidential information to a public*
24 *official's agent or contractor shall require a written agreement. Such*
25 *agreement shall specify the agent or contractor's obligation to maintain*
26 *confidentiality, restrict use of the information solely to the performance of*
27 *official duties and acknowledge the penalties applicable under subsection*
28 *(e)(8) and 20 C.F.R. part 603.9 for any unauthorized disclosure or misuse.*

29 *(C) inclusion as appropriately redacted in records of coverage*
30 *determinations and appeals;*

31 *(D) evidence in criminal cases or other authorized legal proceedings;*

32 *(E) other state or federal unemployment insurance programs for*
33 *benefit adjudication, provided that all disclosures comply with the*
34 *confidentiality provisions of any applicable federal law, including 20*
35 *C.F.R. part 603; and*

36 *(F) provision of original records, including confidential records, to*
37 *other states or the federal government for law enforcement purposes or*
38 *prosecution of unemployment insurance law violations. Copies of such*
39 *records shall be provided when feasible.*

40 *(7) Hearing transcripts of any proceedings pursuant to the*
41 *employment security law involving the discussion or disclosure of*
42 *confidential information shall not be deemed public records and shall be*
43 *sealed for purposes of any appeals.*

1 (8) Any person who violates the confidentiality provisions of this
2 section shall be guilty of a unclassified nonperson misdemeanor and
3 subject to a fine of not less than \$20 nor more than \$200, imprisonment
4 for up to 90 days or both such fine and imprisonment.

5 (9) This subsection shall be interpreted consistently with 20 C.F.R.
6 part 603 to maintain compliance with federal law.

7 (f) Oaths, subpoenas and witnesses. (1) The secretary, appeals
8 referees and designees of the secretary may administer oaths, issue
9 subpoenas and compel the production of evidence.

10 (2) Subpoenas may be served by sheriffs, qualified persons or
11 designees of the secretary who are 18 years of age or older.

12 (3) Subpoena service shall follow applicable Kansas civil procedure
13 rules and require proof of service within 10 days or explanation of failure
14 of service within 30 days.

15 (4) Refusal to comply with service may be enforced by district courts
16 and punished as contempt or a fine of at least \$200 or up to 60 days
17 imprisonment. Each day such noncompliance continues shall constitute a
18 separate offense.

19 (g) Cooperation with federal agencies. (1) The secretary shall fully
20 cooperate with federal agencies administering employment programs,
21 submit required reports and comply with federal rules for title III of the
22 social security act.

23 (2) Such cooperation shall include the use of modern interstate data
24 systems, such as the interstate connection network, for secure exchange of
25 unemployment insurance data. The secretary shall ensure that all requests
26 for confidential information by federal entities are verified for authorized
27 purpose and that appropriate safeguards are in place to monitor
28 compliance in accordance with 20 C.F.R. part 603.

29 (h) Reciprocal arrangements. The secretary may ~~furnish~~ enter into
30 agreements with other states or federal agencies for:

31 (1) Coordinating unemployment insurance coverage across multiple
32 states based on residence, work location or employer location;

33 (2) recognizing benefit rights and contributions across jurisdictions;

34 (3) facilitating combined wage claims and transfers of benefits and
35 contributions;

36 (4) enabling benefit payments based on interstate or federal wages;

37 (5) ensuring fair reimbursement of benefits and contributions; and

38 (6) cooperating with foreign governments where permissible
39 pursuant to applicable federal and state law.

40 (i) Records for federal use. The secretary may furnish unemployment
41 insurance records to the railroad retirement board; ~~at the such board's~~
42 ~~expense of such board, such copies of the records as the railroad retirement~~
43 ~~board deems necessary for its purposes.~~

1 ~~(h)(j) Destruction of records, reproduction and disposition~~Records
2 management. (1) The secretary may ~~provide for~~ authorize the destruction;
3 ~~reproduction, temporary or permanent or digital retention, and disposition~~
4 of records, reports and claims in the secretary's possession pursuant to the
5 administration of the employment security law provided that prior to any
6 destruction of such records, reports or claims the secretary shall comply
7 with of unemployment insurance records pursuant to K.S.A. 75-3501
8 through 75-3514, and amendments thereto, 2 C.F.R. § 200.334 and other
9 applicable federal grant retention requirements and relevant guidance
10 from the United States department of labor.

11 ~~(m) Federal cooperation.~~ The secretary may afford reasonable
12 cooperation with every agency of the United States charged with
13 administration of any unemployment insurance law.

14 ~~(n) The secretary is hereby authorized to fix, charge and collect fees~~
15 for copies made

16 (2) All records retained or maintained by the secretary pursuant to
17 this subsection shall be stored securely in accordance with modern
18 information security standards, including access controls, encryption
19 where appropriate and safeguards against unauthorized disclosure or
20 alteration.

21 (k) Fees for public records. When fees are otherwise permitted by
22 law, the secretary may charge reasonable fees for copies of public
23 documents; as defined by K.S.A. 45-217(c), and amendments thereto, by
24 xerographic, thermographic or other photocopying or reproduction
25 process, in order to recover with all or part of the actual costs incurred,
26 including any costs incurred in certifying such copies. All moneys received
27 from fees charged for copies of such documents shall be remitted proceeds
28 credited to the state treasurer in accordance with the provisions of
29 employment security administration fund pursuant to K.S.A. 75-4215, and
30 amendments thereto. Upon receipt of each such remittance, the state
31 treasurer shall deposit the entire amount in the state treasury to the credit
32 of the employment security administration fund. No such fees shall be
33 charged or collected for copies of documents that are made pursuant to a
34 statute which requires such copies to be furnished without expense.

35 (o) "Performance of official duties" means the administration or
36 enforcement of law or the execution of the official responsibilities of a
37 federal, state or local official, collection of debts owed to the courts or the
38 enforcement of child support on behalf of a state or local official.
39 Administration of law includes research related to the law administered by
40 the public official. "Performance of official duties" does not include
41 solicitation of contributions or expenditures to or on behalf of a candidate
42 for public or political office or a political party.

43 (l) Transparency and public accessibility. (1) The secretary shall:

1 (A) Publish a plain-language guide in paper format for public
2 distribution and on the department's website summarizing the
3 responsibilities and powers described in this section, including
4 confidentiality protections, audit practices and federal cooperation
5 activities; and

6 (B) provide digital access on the department's website to current
7 rules, guidance documents and intergovernmental agreements executed
8 pursuant to this section, to the extent such documents are not protected by
9 confidentiality law; and

10 (2) The secretary may include a summary of activities carried out
11 pursuant to this section in the department's annual workforce or
12 administrative report.

13 (m) Rulemaking authority. (1) The secretary may adopt such rules
14 and regulations as necessary to carry out the provisions of this section,
15 consistent with applicable state and federal law.

16 (2) The secretary shall adopt rules and regulations to administer and
17 oversee the registration, compliance and audit of employer-sponsored
18 supplemental unemployment benefit plans pursuant to section 2, and
19 amendments thereto. Such rules and regulations shall include procedures
20 for plan submission, approval, revocation and periodic reporting.

21 Sec. 25. K.S.A. 44-715 is hereby amended to read as follows: 44-715.

22 ~~(a) State employment service. The secretary of labor shall establish and~~
23 ~~maintain employment offices in such number and in such places as may be~~
24 ~~necessary for the proper administration of this act and for the purposes of~~
25 ~~performing such duties as are within the purview of the act of congress~~
26 ~~entitled "An act to provide for the establishment of a national employment~~
27 ~~system and for cooperation with the states in the promotion of such~~
28 ~~system, and for other purposes," approved June 6, 1933 (48 Stat. 113;~~
29 ~~U.S.C., title 29, sec. 49 (c) as amended). The secretary of labor shall be~~
30 ~~charged with the duty of cooperating with any official or agency of the~~
31 ~~United States having powers or duties under the provisions of such act of~~
32 ~~congress, as amended, and to do and perform all things necessary to secure~~
33 ~~to this state the benefits of such act of congress, as amended, in the~~
34 ~~promotion and maintenance of a system of employment offices. The~~
35 ~~provisions of such act of congress, as amended, are hereby accepted by~~
36 ~~this state, in conformity with such act, and this state will observe and~~
37 ~~comply with the requirements thereof. The secretary of labor is hereby~~
38 ~~designated and constituted the agency of this state for the purpose of such~~
39 ~~act. The secretary of labor shall appoint such officers and employees as~~
40 ~~may be necessary for the administration of the act of which this section is~~
41 ~~amendatory. Such appointments shall be made in accordance with~~
42 ~~regulations prescribed by the director of the United States employment~~
43 ~~service. The secretary of labor may cooperate with or enter into~~

1 ~~agreements with the railroad retirement board with respect to the~~
2 ~~establishment, maintenance, and use of free employment service facilities.~~

3 ~~(b) *Financing.* All moneys received by this state under such act of~~
4 ~~congress, as amended, shall be paid into the employment security~~
5 ~~administration fund, and such moneys are hereby made available to the~~
6 ~~secretary of labor to be expended as provided by this section and by such~~
7 ~~act of congress. For the purpose of establishing and maintaining free~~
8 ~~public employment offices, the secretary is authorized to enter into~~
9 ~~agreements with the railroad retirement board, or any other agency of the~~
10 ~~United States charged with the administration of an unemployment~~
11 ~~compensation law, with any political subdivision of this state or with any~~
12 ~~private nonprofit organization, and as a part of any such agreement the~~
13 ~~secretary of labor may accept moneys, services, or quarters as a~~
14 ~~contribution to the employment service account, and the political~~
15 ~~subdivisions of this state are hereby authorized to raise and expend~~
16 ~~moneys, services, or quarters as contribution to the employment service~~
17 ~~account.~~(a) *Kansas state employment service. The secretary shall establish*

18 *and maintain a statewide system of free public employment offices in such*
19 *number and in such locations as may be necessary for the effective*
20 *administration of the employment security law and for purposes consistent*
21 *with the Wagner-Peyser act of 1933, as amended, 29 U.S.C. § 49 et seq.*
22 *Such offices shall function as part of a national employment system and*
23 *provide employment services to job seekers and employers.*

24 *(1) The department shall serve as the designated state agency for*
25 *purposes of carrying out the provisions of the Wagner-Peyser act and the*
26 *secretary shall cooperate with the United States department of labor and*
27 *any other federal agency authorized to administer employment or*
28 *workforce development programs under such act, including its*
29 *amendments and related federal guidance.*

30 *(2) This state accepts the provisions and requirements of the Wagner-*
31 *Peyser act, as amended. The secretary shall comply with all terms of such*
32 *act necessary to receive and retain federal funding and participate in the*
33 *national public employment service system.*

34 *(3) The secretary may appoint such officers and employees as are*
35 *necessary for the administration of the Kansas state employment service.*
36 *In making such appointments, the secretary shall comply with personnel*
37 *standards and procedures prescribed by the United States employment*
38 *service, as required by the applicable federal regulations, to maintain*
39 *federal funding and eligibility for participation in the national public*
40 *employment service system.*

41 *(4) (A) The secretary is authorized to collaborate or enter into*
42 *agreements with:*

43 *(i) The railroad retirement board;*

1 (ii) any agency of the federal government responsible for
2 unemployment compensation, reemployment services or workforce
3 development;

4 (iii) local workforce development boards as defined by the workforce
5 innovation and opportunity act, 29 U.S.C. § 3102;

6 (iv) political subdivisions of this state; or

7 (v) any nonprofit organization that supports workforce development.

8 (B) Such agreements may address the establishment, maintenance
9 and operation of employment offices or services, including colocation,
10 joint programming or resource sharing.

11 (b) *Financing and contributions.* (1) The secretary shall remit federal
12 moneys received by the state of Kansas pursuant to the Wagner-Peyser
13 act, as amended, to the state treasurer in accordance with the provisions
14 of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such
15 remittance, the state treasurer shall deposit the entire amount in the state
16 treasury to the credit of the employment security administration fund
17 pursuant to K.S.A. 44-712, and amendments thereto. Such fund shall be
18 available to the secretary for expenditures in accordance with the
19 purposes of this section and applicable federal law. All expenditures from
20 such fund shall be made upon warrants of the director of accounts and
21 reports issued pursuant to vouchers approved by the secretary or by a
22 person or persons designated by the secretary.

23 (2) To establish, operate and enhance the public employment service,
24 the secretary is authorized to:

25 (A) Accept federal funds, property or services;

26 (B) accept moneys, in-kind contributions or facilities from political
27 subdivisions of this state as contributions to the employment service
28 account;

29 (C) accept services, space or operational support from nonprofit
30 organizations or partners; and

31 (D) allocate or match funds, subject to federal or state grant
32 requirements, for the purpose of service expansion, modernization or
33 regional workforce planning.

34 (3) Political subdivisions of this state are hereby authorized to raise
35 and expend moneys or contribute facilities, equipment or personnel in
36 support of the Kansas state employment service and such service's
37 coordination with local economic and workforce development initiatives.

38 (c) *Accountability and integration.* The secretary shall:

39 (1) Promote coordination of the state employment service with other
40 labor exchange systems, including electronic labor market information
41 systems, unemployment insurance claimant services and reemployment
42 assistance programs;

43 (2) ensure that services delivered under this section are aligned with

1 *the Kansas state workforce development plan and the requirements of the*
2 *federal workforce innovation and opportunity act;*

3 (3) *monitor the performance of employment offices based on federal*
4 *and state outcome measures, including placement rates, customer*
5 *satisfaction and service equity; and*

6 (4) *annually report to the governor and legislature a summary of*
7 *employment service activities, partnerships, funding and performance*
8 *benchmarks. Such summary may be integrated into the department's*
9 *workforce or administrative report.*

10 (d) *Rulemaking authority. The secretary may adopt such rules and*
11 *regulations as necessary to carry out the provisions of this section and*
12 *remain in conformity with federal statutes, regulations and grant*
13 *conditions applicable to the public employment service.*

14 Sec. 26. K.S.A. 44-716 is hereby amended to read as follows: 44-716.

15 (a) ~~*Special fund.* There is hereby created in the state treasury a special fund~~
16 ~~to be known as the employment security administration fund. All moneys~~
17 ~~in this fund which are received from the federal government or any agency~~
18 ~~thereof, except money received pursuant to subsection (d) of K.S.A. 44-~~
19 ~~712, and amendments thereto, shall be expended solely for the purposes~~
20 ~~and in the amounts found necessary by the United States secretary of labor~~
21 ~~for the proper and efficient administration of this act. The fund shall~~
22 ~~consist of all moneys appropriated by this state and all moneys received~~
23 ~~from the United States of America, or any agency thereof, including the~~
24 ~~federal security agency, the railroad retirement board, and any proceeds~~
25 ~~realized from the sale or disposition of any equipment or supplies which~~
26 ~~may no longer be necessary for the proper administration of this act, or~~
27 ~~from any other source, for such purposes, except that moneys received~~
28 ~~from the railroad retirement board or from any other state as compensation~~
29 ~~for services or facilities supplied to the board shall be paid into this fund~~
30 ~~on the same basis as expenditures are made for such service or facilities~~
31 ~~from such fund. All moneys in this fund shall be deposited, administered,~~
32 ~~and disbursed, in the same manner and under the same conditions and~~
33 ~~requirements as is provided by law for other special funds in the state~~
34 ~~treasury. All balances accrued from unpaid or canceled warrants issued~~
35 ~~pursuant to this section, notwithstanding the provisions of K.S.A. 10-812,~~
36 ~~and amendments thereto, shall remain in the employment security~~
37 ~~administration fund, and be disbursed in accordance with the provisions of~~
38 ~~this act relating to such account. Notwithstanding any provision of this~~
39 ~~section, all money requisitioned and deposited in this fund pursuant to~~
40 ~~subsection (d) of K.S.A. 44-712, and amendments thereto, shall remain~~
41 ~~part of the employment security administration fund and shall be used only~~
42 ~~in accordance with the conditions specified in subsection (d) of K.S.A. 44-~~
43 ~~712, and amendments thereto.~~

1 ~~(b) Appropriations. There shall be appropriated to the employment~~
2 ~~security administration fund, from any moneys in the state treasury not~~
3 ~~otherwise appropriated, the sum necessary to match the amount as may be~~
4 ~~provided and granted to this state under the provisions of the act of~~
5 ~~congress entitled "an act to provide for the establishment of a national~~
6 ~~employment system and for cooperation with states in the promotion of~~
7 ~~such system, and for other purposes," approved June 6, 1933 (48 Stat. 113;~~
8 ~~U.S.C., title 29, sec. 49 (cl) as amended). Pursuant to an estimate by the~~
9 ~~secretary of labor of the amount of money required during the ensuing~~
10 ~~calendar quarter from the sums appropriated, such amount shall be~~
11 ~~credited to the administration fund at the beginning of each quarter, and~~
12 ~~additional amounts may be credited by special request of the secretary of~~
13 ~~labor. The director of accounts and reports is hereby authorized and~~
14 ~~directed to draw warrants upon the treasurer of the state for the amounts~~
15 ~~appropriated upon vouchers approved by the secretary of labor.~~

16 ~~(c) Reimbursement of fund. This state recognizes its obligation to~~
17 ~~replace, and hereby pledges the faith of this state that funds will be~~
18 ~~provided in the future, and applied to the replacement of, any moneys~~
19 ~~received after July 1, 1941, from the federal security agency under title III~~
20 ~~of the social security act, pursuant to the provisions of section 303 (a) 8~~
21 ~~and 9 of the social security act, as amended, which the federal security~~
22 ~~administrator finds have, because of any action or contingency, been lost~~
23 ~~or have been expended for purposes other than, or in amounts in excess of,~~
24 ~~those found necessary by the federal security administrator to the proper~~
25 ~~administration of this act. Such moneys shall be promptly replaced by~~
26 ~~moneys appropriated for such purpose from the general funds of this state~~
27 ~~to the employment security administration fund for expenditures as~~
28 ~~provided in subsection (a) of this section. The secretary of labor shall~~
29 ~~promptly report to the governor, to the legislature, the amount required for~~
30 ~~such replacement. In the event that section 303 (a) 8 and 9 of the social~~
31 ~~security act is repealed or held inoperative for any reason whatsoever then~~
32 ~~this paragraph shall be null and void.~~
33 ~~(a) Establishment and purpose. There~~
34 ~~is hereby established in the state treasury a special fund to be known as~~
35 ~~the employment security administration fund. The fund shall be used~~
36 ~~exclusively for the proper and efficient administration of the employment~~
37 ~~security law and in conformity with title III of the federal social security~~
38 ~~act, 42 U.S.C. § 501 et seq., the Wagner-Peyser act, 29 U.S.C. § 49 et seq.,~~
39 ~~and any other applicable federal or state law.~~

40 ~~(1) The fund shall consist of:~~

41 ~~(A) Moneys appropriated by the state legislature;~~

42 ~~(B) moneys received from the United States government or any~~
43 ~~federal agency, including, but not limited to, the United States department~~
~~of labor and the railroad retirement board;~~

1 (C) proceeds from the sale, lease or disposal of equipment, property
2 or supplies no longer necessary for administration;

3 (D) payments received as reimbursement from other states or federal
4 agencies for services, facilities or staff provided by the department for
5 unemployment insurance or workforce programs; and

6 (E) any other funds received from public or private sources for the
7 purpose of administering the employment security law.

8 (2) Except as provided in K.S.A. 44-712(d), and amendments thereto,
9 all moneys deposited into this fund shall be used solely for purposes and
10 in amounts determined necessary by the United States secretary of labor
11 and shall not be transferred, diverted or used for any other purpose.

12 (3) All moneys in this fund shall be deposited, administered and
13 disbursed in accordance with the provisions applicable to other special
14 funds in the state treasury, including the provisions of K.S.A. 75-4215, and
15 amendments thereto.

16 (4) Any balance from unpaid or canceled warrants issued under this
17 section shall remain in the employment security administration fund and
18 be used for purposes consistent with this section.

19 (5) Moneys requisitioned and deposited pursuant to K.S.A. 44-
20 712(d), and amendments thereto, shall remain within the employment
21 security administration fund and be used exclusively for the purposes
22 specified in that subsection.

23 (b) Appropriations and fund transfers. (1) Subject to appropriation
24 acts, moneys shall be appropriated to the employment security
25 administration fund in such amounts as necessary to match federal grants
26 received by the state for the administration of public employment services
27 and unemployment insurance under the social security act and the
28 Wagner-Peyser act.

29 (2) The secretary shall submit quarterly estimates of required funding
30 and additional estimates, as needed, to the director of accounts and
31 reports. Based on such estimates, the director shall draw warrants on the
32 state treasurer for transfer of moneys to the administration fund. All such
33 transfers shall be based on vouchers approved by the secretary of labor or
34 the secretary's designee.

35 (c) Loss or misuse of federal funds; reimbursement obligation. (1)
36 The state of Kansas pledges to replace any moneys received after July 1,
37 1941, from the United States government pursuant to title III of the social
38 security act that are lost or expended for purposes other than those
39 approved by the United States secretary of labor.

40 (2) In such event, the secretary shall report the amount necessary for
41 replacement to the governor and the legislature. Subject to appropriation
42 acts, replacement of such moneys shall be made from the state general
43 fund to the employment security administration fund.

1 (3) *The provisions of this subsection shall remain operative only*
2 *while required by federal law. If the federal requirement for*
3 *reimbursement is repealed or otherwise becomes inapplicable, the*
4 *secretary shall report such event to the governor and the legislature and*
5 *no replacement of moneys pursuant to this subsection shall be made.*

6 (d) *Oversight and transparency. (1) The secretary shall ensure that*
7 *all expenditures from the employment security administration fund comply*
8 *with federal cost principles and administrative requirements, including*
9 *those set forth in 2 C.F.R. part 200 and 20 C.F.R. part 601.*

10 (2) *The department shall maintain records and internal controls*
11 *sufficient to demonstrate that all disbursements support permissible*
12 *administrative activities, and shall comply with all audit and reporting*
13 *requirements imposed by state and federal authorities.*

14 (3) *The secretary shall include in the department's annual report to*
15 *the governor and the legislature a summary of:*

16 (A) *Fund balances and sources of revenue;*

17 (B) *expenditures by category;*

18 (C) *federal grant compliance status; and*

19 (D) *any corrective actions required by state or federal audits.*

20 (4) *The secretary may adopt rules and regulations necessary to carry*
21 *out the provisions of this section, ensure financial compliance and*
22 *facilitate reporting and oversight.*

23 Sec. 27. K.S.A. 44-716a is hereby amended to read as follows: 44-
24 716a. (a) *Establishment and purpose.* There is hereby ~~created~~ *established*
25 *in the state treasury a special fund to be known as the special employment*
26 *security fund. All interest and penalties collected under the provisions of*
27 *the Kansas employment security law shall be paid deposited into this fund.*
28 ~~No such moneys fund.~~

29 (1) ~~Moneys in such fund shall not be expended or available for~~
30 ~~expenditure used in any manner which that would permit their substitution~~
31 ~~for, or a corresponding result in a reduction in, of federal funds which in~~
32 ~~the absence of such moneys that would otherwise be available to finance~~
33 ~~expenditures for the administration of the employment security law.~~
34 ~~Nothing in this section shall prevent such moneys from being~~

35 (2) ~~Such fund may be used as a temporary revolving fund; to cover~~
36 ~~expenditures, necessary and proper under the law, for which~~
37 ~~administrative costs that are properly chargeable to federal funds that~~
38 ~~have been duly requested but not yet received, subject to the charging~~
39 ~~provided that such expenditures are reconciled upon receipt of such~~
40 ~~expenditures against such federal funds when received.~~

41 (3) ~~Except as otherwise authorized by provided in this section or by~~
42 ~~appropriations act, the acts, moneys in this fund may shall be used by the~~
43 ~~secretary of labor only solely for the payment of:~~

1 (A) ~~Costs of administration which are found not to have been~~
2 ~~properly and validly chargeable against to federal grants; or other funds;~~
3 ~~received for or in the employment security administration fund. In addition~~
4 ~~to the other purposes for which expenditures may be made from the~~
5 ~~special employment security fund as authorized by this section or by~~
6 ~~appropriations act, moneys from this fund may be used to finance~~
7 ~~administrative funding sources;~~

8 (B) ~~activities as deemed necessary by the secretary of labor for to~~
9 ~~support the efficient administration of the employment security law;~~

10 (C) ~~investments in digital modernization or cybersecurity~~
11 ~~infrastructure related to the secure operation of activities under or the,~~
12 ~~maintenance or modernization of employment security benefit or tax~~
13 ~~systems, including, but not limited to, system upgrades, threat mitigation~~
14 ~~and digital access improvements; and~~

15 (D) ~~establishment and use of a limited emergency reserve for~~
16 ~~responding to emergent or federally unfunded mandates necessary to~~
17 ~~ensure compliance, continuity or system integrity in the administration of~~
18 ~~the employment security law, except that (1) no moneys.~~

19 (4) ~~No expenditures shall be used for such purposes authorized under~~
20 ~~paragraph (3)(A), (B), (C) or (D) unless:~~

21 (A) ~~The secretary has determined that determines no other funds are~~
22 ~~funding source is available or can be properly used to finance appropriate;~~
23 ~~and~~

24 (B) ~~total expenditures for such purposes, and (2) expenditures~~
25 ~~activities during any fiscal year for purposes authorized under this section~~
26 ~~shall do not exceed \$110,000 except upon approval of, unless otherwise~~
27 ~~approved by the state finance council acting on this matter which is hereby~~
28 ~~characterized as a matter of legislative delegation and subject to the~~
29 ~~guidelines prescribed by subsection (c) of pursuant to K.S.A. 75-3711(c),~~
30 ~~and amendments thereto. No~~

31 (5) ~~All expenditures of pursuant to this fund subsection shall be made~~
32 ~~except on require written authorization by the governor and the secretary~~
33 ~~of labor.~~

34 (b) ~~The Administration, oversight and reporting. (1) The director of~~
35 ~~accounts and reports is hereby directed to shall draw warrants upon the~~
36 ~~state treasurer against the money in the special employment security fund~~
37 ~~for the use and purposes authorized under this section upon vouchers,~~
38 ~~approved by the secretary of labor, and accompanied by the written~~
39 ~~authorization of the governor and the secretary of labor. The~~
40 ~~authorizations required by subsection (a)(5).~~

41 (2) ~~Moneys in this the special employment security fund are hereby~~
42 ~~specifically made available shall also be used to replace, within a~~
43 ~~reasonable time period, any moneys federal funds received by this the~~

1 state pursuant to ~~section 302 of the federal social security act, as amended,~~
2 ~~which, because of any action or contingency, 42 U.S.C § 502, that have~~
3 ~~been lost or have been expended for purposes other than, or in amounts in~~
4 ~~excess of, those necessary for the proper administration of the employment~~
5 ~~security not permitted under federal law.~~

6 (3) ~~The moneys in this fund shall be continuously available to the~~
7 ~~secretary of labor for expenditure in accordance with the provisions of~~
8 ~~purposes authorized by this section and fund moneys shall not lapse at any~~
9 ~~time or be transferred to any other fund; except as otherwise authorized~~
10 ~~provided in subsection (c) or subsection, (d), (e) or (f).~~

11 ~~(e)(4) In addition to expenditures authorized by this section, The~~
12 ~~secretary shall annually report to the governor and the legislature a~~
13 ~~summary of the fund's activity, including the:~~

- 14 (A) ~~Total receipts by source and expenditure by category;~~
- 15 (B) ~~timeliness of reimbursement for any revolving expenditures;~~
- 16 (C) ~~status of any digital modernization, cybersecurity or emergency~~
17 ~~reserve activities conducted during the reporting period; and~~
- 18 (D) ~~findings or corrective actions from audits or reviews conducted~~
19 ~~under state or federal oversight.~~

20 (c) ~~Authorized transfers – accounting services recovery fund. The~~
21 ~~director of accounts and reports may is authorized to transfer funds~~
22 ~~moneys from the special employment security fund to the accounting~~
23 ~~services recovery fund as provided in accordance with K.S.A. 75-3728b~~
24 ~~and K.S.A. 75-6210, and amendments thereto.~~

25 (d) ~~In addition to expenditures authorized by this section, Authorized~~
26 ~~transfers – federal indirect cost offset fund. On July 1 of each year, the~~
27 ~~director of accounts and reports is directed and authorized to shall transfer~~
28 ~~funds from the special employment security fund to the department of~~
29 ~~labor federal indirect cost offset fund on July 1 of each year in the amount~~
30 ~~contained in appropriation bills to be expended from the federal indirect~~
31 ~~cost offset fund in the amount specified by appropriations for that fiscal~~
32 ~~year.~~

33 (e) ~~In addition to expenditures authorized by this section, Authorized~~
34 ~~transfers – employer interest refunds. The director of accounts and reports~~
35 ~~is directed and authorized to transfer funds moneys from the special~~
36 ~~employment security fund to the clearing account of the employment~~
37 ~~security fund to be expended in the payment of pay interest due owed to~~
38 ~~employers from due to erroneously collected contributions or benefit cost~~
39 ~~payments as provided in subsection (h) of pursuant to K.S.A. 44-717(h),~~
40 ~~and amendments thereto.~~

41 (f) ~~In addition to expenditures authorized by this section, Authorized~~
42 ~~transfers – electronic payment fees. the director of accounts and reports is~~
43 ~~directed and authorized to transfer funds moneys from the special~~

1 employment security fund to the clearing account of the employment
2 security fund to ~~be expended in the payment of~~ cover fees assessed for the
3 electronic ~~payments~~ or credit card payments of contributions, benefit-cost
4 ~~payments costs~~ or reimbursing payments *made by employers* in lieu of
5 contributions ~~from employers~~.

6 Sec. 28. K.S.A. 2025 Supp. 44-717 is hereby amended to read as
7 follows: 44-717: ~~(a) (1) Penalties on past-due reports, interest on past-due~~
8 ~~contributions, payments in lieu of contributions and benefit cost payments.~~
9 Any employer or any officer or agent of an employer, who fails to file any
10 wage report or contribution return by the last day of the month following
11 the close of each calendar quarter to which they are related shall pay a
12 penalty as provided by this subsection for each month or fraction of a
13 month until the report or return is received by the secretary of labor. The
14 penalty for each month or fraction of a month shall be an amount equal to:
15 05% of the total wages paid by the employer during the quarter, except
16 that no penalty shall be less than \$25 nor more than \$200 for each such
17 report or return not timely filed. Contributions and benefit cost payments
18 unpaid by the last day of the month following the last calendar quarter to
19 which they are related and payments in lieu of contributions unpaid 30
20 days after the mailing of the statement of benefit charges, shall bear
21 interest at the rate of 1% per month or fraction of a month until payment is
22 received by the secretary of labor. An employing unit that has not
23 previously been subject to this law and that becomes an employer and does
24 not refuse to make the reports, returns and contributions, payments in lieu
25 of contributions and benefit cost payments required under this law, shall
26 not be liable for such penalty or interest if the wage reports and
27 contribution returns required are filed and the contributions, payments in
28 lieu of contributions or benefit cost payments required are paid within 10
29 days following notification by the secretary of labor that a determination
30 has been made fixing its status as an employer subject to this law. Upon
31 written request and good cause shown, the secretary of labor may abate
32 any penalty or interest or portion thereof provided for by this subsection.
33 Interest amounting to less than \$5 shall be waived by the secretary of labor
34 and shall not be collected. Penalties and interest collected pursuant to this
35 subsection shall be paid into the special employment security fund. For all
36 purposes under this section, amounts assessed as surcharges under
37 subsection (j) or under K.S.A. 44-710a, and amendments thereto, shall be
38 considered to be contributions and shall be subject to penalties and interest
39 imposed under this section and to collection in the manner provided by
40 this section. For purposes of this subsection, a wage report, a contribution
41 return, a contribution, a payment in lieu of contribution or a benefit cost
42 payment is deemed to be filed or paid as of the date it is placed in the
43 United States mail.

1 (2) Notices of payment and reporting delinquency to Indian tribes or
2 their tribal units shall include information that failure to make full payment
3 within the prescribed time frame:

4 (i) Will cause the Indian tribe to be liable for taxes under FUTA;

5 (ii) will cause the Indian tribe to lose the option to make payments in
6 lieu of contributions;

7 (iii) could cause the Indian tribe to be excepted from the definition of
8 employer, as provided in K.S.A. 44-703(h)(3), and amendments thereto,
9 and services in the employ of the Indian tribe, as provided in K.S.A. 44-
10 703(i)(3)(E), and amendments thereto, to be excepted from employment.

11 (b) *Collection.* (1) If, after due notice, any employer defaults in
12 payment of any penalty, contributions, payments in lieu of contributions or
13 benefit cost payments or interest thereon the amount due may be collected
14 by civil action in the name of the secretary of labor and the employer
15 adjudged in default shall pay the cost of such action. Civil actions brought
16 under this section to collect such contributions, payments in lieu of
17 contributions or benefit cost payments, penalties or interest thereon from
18 an employer shall be heard by the district court at the earliest possible date
19 and shall be entitled to preference upon the calendar of the court over all
20 other civil actions except petitions for judicial review under this act and
21 cases arising under the workmen's compensation act. All liability
22 determinations of contributions due, payments in lieu of contributions or
23 benefit cost payments due shall be made within a period of five years from
24 the date such contributions, payments in lieu of contributions or benefit
25 cost payments were due except such determinations may be made for any
26 time when an employer has filed fraudulent reports with intent to evade
27 liability.

28 (2) Any employing unit that is not a resident of this state and
29 exercises the privilege of having one or more individuals perform service
30 for it within this state and any resident employing unit that exercises that
31 privilege and thereafter leaves this state, shall be deemed to have
32 appointed the secretary of state as its agent and attorney for the acceptance
33 of process in any civil action under this subsection. In instituting such an
34 action against any such employing unit the secretary of labor shall cause
35 such process or notice to be filed with the secretary of state and such
36 service shall be sufficient service upon such employing unit and shall be of
37 the same force and validity as if served upon the employing unit
38 personally within this state. The secretary of labor shall send notice
39 immediately of the service of such process or notice, together with a copy
40 thereof, by registered or certified mail, return receipt requested, to such
41 employing unit at its last known address and such return receipt, the
42 affidavit of compliance of the secretary of labor with the provisions of this
43 section and a copy of the notice of service shall be appended to the

1 original of the process filed in the court where such civil action is pending.

2 (3) ~~The district courts of this state shall hear, in the manner provided~~
3 ~~in subsections (b)(1) and (b)(2), actions to collect contributions, payments~~
4 ~~in lieu of contributions, benefit cost payments and other amounts owed~~
5 ~~including interest thereon for which liability has accrued under the~~
6 ~~employment security law of any other state or of the federal government.~~

7 (e) ~~Priorities under legal dissolutions or distributions.~~ In the event of
8 any distribution of employer's assets pursuant to an order of any court
9 under the laws of this state, including but not limited to any probate
10 proceeding, interpleader, receivership, assignment for benefit of creditors,
11 adjudicated insolvency, composition or similar proceedings, contributions
12 payments in lieu of contributions or benefit cost payments, then or
13 thereafter due shall be paid in full from the moneys which shall first come
14 into the estate, prior to all other claims, except claims for wages of not
15 more than \$250 to each claimant, earned within six months of the
16 commencement of the proceedings. In the event of an employer's
17 adjudication in bankruptcy, judicially confirmed extension proposal or
18 composition under federal bankruptcy law, contributions then or thereafter
19 due shall be entitled to such priority as is provided by federal bankruptcy
20 law for taxes due any state of the United States.

21 (d) ~~Assessments.~~ If any employer fails to file a report or return
22 required by the secretary of labor for the determination of contributions,
23 payments in lieu of contributions, or benefit cost payments, the secretary
24 of labor may make such reports or returns or cause the same to be made,
25 on the basis of such information as the secretary may be able to obtain and
26 shall collect the contributions, payments in lieu of contributions or benefit
27 cost payments as determined together with any interest due under this act.
28 The secretary of labor shall immediately forward to the employer a copy
29 of the assessment by registered or certified mail to the employer's address
30 as it appears on the records of the agency. Such assessment shall be final
31 unless the employer protests such assessment and files a corrected report
32 or return for the period covered by the assessment within 15 days after the
33 mailing of the copy of assessment. Failure to receive such notice shall not
34 invalidate the assessment. Notice in writing shall be presumed to have
35 been given when deposited as certified or registered mail in the United
36 States mail, addressed to the person to be charged with notice at such
37 person's address as it appears on the records of the agency.

38 (e) (1) ~~Lien.~~ If any employer or person who is liable to pay
39 contributions, payments in lieu of contributions or benefit cost payments
40 neglects or refuses to pay the same after demand, the amount, including
41 interest and penalty, shall be a lien in favor of the state of Kansas,
42 secretary of labor, upon all property and rights to property, whether real or
43 personal, belonging to such employer or person. Such lien shall not be

1 valid as against any mortgagee, pledgee, purchaser or judgment creditor
2 until notice thereof has been filed by the secretary of labor in the office of
3 register of deeds in any county in the state of Kansas where such property
4 is located, and when so filed shall be notice to all persons claiming an
5 interest in the property of the employer or person against whom filed. The
6 register of deeds shall enter such notices in the financing statement record
7 and shall also record the same in full in miscellaneous record and index the
8 same against the name of the delinquent employer. The register of deeds
9 shall accept, file, and record such notice without prepayment of any fee,
10 but lawful fees shall be added to the amount of such lien and collected
11 when satisfaction is presented for entry. Such lien shall be satisfied of
12 record upon the presentation of a certificate of discharge by the state of
13 Kansas, secretary of labor. Nothing contained in this subsection shall be
14 construed as an invalidation of any lien or notice filed in the name of the
15 unemployment compensation division or the employment security division
16 and such liens shall be and remain in full force and effect until satisfied as
17 provided by this subsection.

18 ~~(2) Authority of secretary or authorized representative. If any~~
19 ~~employer or person who is liable to pay any contributions, payments in~~
20 ~~lieu of contributions or benefit cost payments, including interest and~~
21 ~~penalty, neglects or refuses to pay the same within 10 days after notice and~~
22 ~~demand therefor, the secretary or the secretary's authorized representative~~
23 ~~may collect such contributions, payments in lieu of contributions or benefit~~
24 ~~cost payments, including interest and penalty, and such further amount as~~
25 ~~is sufficient to cover the expenses of the levy, by levy upon all property~~
26 ~~and rights to property that belong to the employer or person or that have a~~
27 ~~lien created thereon by this subsection for the payment of such~~
28 ~~contributions, payments in lieu of contributions or benefit cost payments,~~
29 ~~including interest and penalty. As used in this subsection, "property"~~
30 ~~includes all real property and personal property, whether tangible or~~
31 ~~intangible, except such property that is exempt under K.S.A. 60-2301 et~~
32 ~~seq., and amendments thereto. Levy may be made upon the accrued salary~~
33 ~~or wages of any officer, employee or elected official of any state or local~~
34 ~~governmental entity which is subject to K.S.A. 60-723, and amendments~~
35 ~~thereto, by serving a notice of levy as provided in K.S.A. 60-304(d), and~~
36 ~~amendments thereto. If the secretary or the secretary's authorized~~
37 ~~representative makes a finding that the collection of the amount of such~~
38 ~~contributions, payments in lieu of contributions or benefit cost payments,~~
39 ~~including interest and penalty, is in jeopardy, notice and demand for~~
40 ~~immediate payment of such amount may be made by the secretary or the~~
41 ~~secretary's authorized representative. Upon the failure or refusal to pay~~
42 ~~such amount, immediate collection of such amount by levy shall be lawful~~
43 ~~without regard to the 10-day period provided in this subsection.~~

1 (3) ~~Seizure and sale of property.~~ The authority to levy granted under
2 this subsection includes the power of seizure by any means. A levy shall
3 extend only to property possessed and obligations existing at the time
4 thereof. In any case in which the secretary or the secretary's authorized
5 representative may levy upon property or rights to property, the secretary
6 or the secretary's authorized representative may seize and sell such
7 property or rights to property.

8 (4) ~~Successive seizures.~~ Whenever any property or right to property
9 that has been levied upon under this subsection is not sufficient to satisfy
10 the claim of the secretary that the levy was made for, the secretary or the
11 secretary's authorized representative may proceed thereafter and as often
12 as may be necessary, to levy in the same manner upon any other property
13 or rights to property that belongs to the employer or person against whom
14 such claim exists or upon which a lien is created by this subsection until
15 the amount due from the employer or person, together with all expenses, is
16 fully paid.

17 (f) ~~Warrant.~~ In addition or as an alternative to any other remedy
18 provided by this section, if no appeal or other proceeding for review
19 permitted by this law is pending and the time for taking an appeal or other
20 proceeding for review has expired, the secretary of labor or an authorized
21 representative of the secretary may issue a warrant certifying the amount
22 of contributions, payments in lieu of contributions, benefit cost payments,
23 interest or penalty and the name of the employer liable for such amount
24 after giving 15 days prior notice. Upon request, service of final notices
25 shall be made by the sheriff within the sheriff's county, by the sheriff's
26 deputy or some person specially appointed by the secretary for that
27 purpose, or by the secretary's designee. A person specially appointed by
28 the secretary or the secretary's designee to serve final notices may make
29 service any place in the state. Final notices shall be served as follows:

30 (1) ~~Individual.~~ Service upon an individual, other than a minor or
31 incapacitated person, shall be made by delivering a copy of the final notice
32 to the individual personally or by leaving a copy at such individual's
33 dwelling house or usual place of abode with some person of suitable age
34 and discretion then residing therein, by leaving a copy at the business
35 establishment of the employer with an officer or employee of the
36 establishment or by delivering a copy to an agent authorized by
37 appointment or by law to receive service of process. If the agent is
38 designated by a statute to receive service, such further notice as the statute
39 requires shall also be given. If service as prescribed above cannot be made
40 with due diligence, the secretary or the secretary's designee may order
41 service to be made by leaving a copy of the final notice at the employer's
42 dwelling house, usual place of abode or business establishment.

43 (2) ~~Corporations and partnerships.~~ Service upon a domestic or

1 foreign corporation or upon a partnership or other unincorporated
2 association, when by law it may be sued as such, shall be made by
3 delivering a copy of the final notice to an officer, partner or resident
4 managing or general agent thereof. Delivery shall be accomplished by
5 leaving a copy at any business office of the employer with the person
6 having charge thereof or by delivering a copy to any other agent
7 authorized by appointment or required by law to receive service of
8 process, if the agent is one authorized by law to receive service. If the law
9 so requires, a copy shall be mailed to the employer.

10 (3) *Refusal to accept service.* In all cases when the person to be
11 served, or an agent authorized by such person to accept service of petitions
12 and summonses, refuses to receive copies of the final notice, the offer of
13 the duly authorized process server to deliver copies thereof and such
14 refusal shall be sufficient service of such notice.

15 (4) *Proof of service.* (A) Every officer to whom a final notice or other
16 process shall be delivered for service within or without the state, shall
17 make return thereof in writing stating the time, place and manner of
18 service and sign such officer's name to such return.

19 (B) If service of the notice is made by a person appointed by the
20 secretary or the secretary's designee to make service, such person shall
21 make an affidavit as to the time, place and manner of service thereof in a
22 form prescribed by the secretary or the secretary's designee.

23 (5) *Time for return.* The officer or other person receiving a final
24 notice shall make a return of service promptly and shall send such return to
25 the secretary or the secretary's designee within 10 days after the service is
26 effected. If the final notice cannot be served it shall be returned to the
27 secretary or the secretary's designee within 30 days after the date of issue
28 with a statement of the reason for such failure. The original return shall be
29 attached to any warrant thereafter filed.

30 (6) *Service by mail.* (A) Upon direction of the secretary or the
31 secretary's designee, service by mail may be effected by forwarding a copy
32 of the notice to the employer by registered or certified mail to the
33 employer's address as it appears on the records of the agency. A copy of
34 the return receipt shall be attached to any warrant thereafter filed.

35 (B) The secretary of labor or an authorized representative of the
36 secretary may file the warrant for record in the office of the clerk of the
37 district court in the county in which the employer owing such
38 contributions, payments in lieu of contributions, benefit cost payments,
39 interest or penalty has business property. The warrant shall certify the
40 amount of contributions, payments in lieu of contributions, benefit cost
41 payments, interest and penalty due, and the name of the employer liable
42 for such amount. It shall be the duty of the clerk of the district court to file
43 such warrant of record and enter the warrant in the records of the district

1 court for judgment and decrees under the procedure prescribed for filing
2 transcripts of judgment.

3 (C) ~~On the day the warrant is filed, the clerk shall enter the case on~~
4 ~~the appearance docket with the amount and the time of filing the warrant.~~
5 ~~From the time of filing such warrant, the amount of the contributions,~~
6 ~~payments in lieu of contributions, benefit cost payments, interest and~~
7 ~~penalty, certified therein, shall have the force and effect of a judgment of~~
8 ~~the district court until the same is satisfied by the secretary of labor or an~~
9 ~~authorized representative or attorney for the secretary. Execution shall be~~
10 ~~issuable at the request of the secretary of labor or an authorized~~
11 ~~representative or attorney for the secretary as provided in the case of other~~
12 ~~judgments.~~

13 (D) ~~Postjudgment procedures shall be the same as for judgments~~
14 ~~according to the code of civil procedure.~~

15 (E) ~~Warrants shall be satisfied of record by payment to the clerk of~~
16 ~~the district court of the contributions, payments in lieu of contributions,~~
17 ~~benefit cost payments, penalty, interest to date and court costs. Warrants~~
18 ~~may also be satisfied of record by payment to the clerk of the district court~~
19 ~~of all court costs accrued in the case and by filing a certificate by the~~
20 ~~secretary of labor, certifying that such contributions, payments in lieu of~~
21 ~~contributions, benefit cost payments, interest and penalty have been paid.~~

22 (g) *Remedies cumulative.* ~~The foregoing remedies shall be cumulative~~
23 ~~and no action taken shall be construed as an election on the part of the~~
24 ~~state or any of its officers to pursue any remedy or action under this~~
25 ~~section to the exclusion of any other remedy or action.~~

26 (h) *Refunds.* ~~If any individual, governmental entity or organization~~
27 ~~makes application for refund or adjustment of any amount paid as~~
28 ~~contributions, benefit cost payments or interest under this law and the~~
29 ~~secretary of labor determines that such amount or any portion thereof was~~
30 ~~erroneously collected, except for amounts less than \$5, the secretary of~~
31 ~~labor shall allow such individual or organization to make an adjustment~~
32 ~~thereof, in connection with subsequent contribution payments. If such~~
33 ~~adjustment cannot be made the secretary of labor shall refund the amount,~~
34 ~~except for amounts less than \$5, from the employment security fund,~~
35 ~~except that all interest erroneously collected which has been paid into the~~
36 ~~special employment security fund shall be refunded out of the special~~
37 ~~employment security fund. No adjustment or refund shall be allowed with~~
38 ~~respect to a payment as contributions, benefit cost payments or interest~~
39 ~~unless an application therefor is made by the individual, governmental~~
40 ~~entity or organization or the adjustment or refund is made on the initiative~~
41 ~~of the secretary on or before whichever of the following dates is later: (1)~~
42 ~~One year from the date on which such payment was made; or (2) three~~
43 ~~years from the last day of the period with respect to which such payment~~

1 was made. The secretary of labor shall not be required to refund any
2 contributions, payments in lieu of contributions or benefit cost payments
3 based upon wages paid which have been used as base period wages in a
4 determination of a claimant's benefit rights when justifiable and correct
5 payments have been made to the claimant as the result of such
6 determination. Interest at the rate prescribed in K.S.A. 79-2968, and
7 amendments thereto, shall be allowed on a contribution or benefit cost
8 payment which the secretary has determined was erroneously collected
9 pursuant to this section.

10 (i) (1) ~~Cash deposit or bond.~~ If any contributing employer is
11 delinquent in making payments under the employment security law during
12 any two quarters of the most recent four-quarter period, the secretary or
13 the secretary's authorized representative may require such contributing
14 employer either to deposit cash or to file a bond with sufficient sureties to
15 guarantee the payment of contributions, penalty and interest owed by such
16 employer.

17 (2) ~~The amount of such cash deposit or bond shall be not less than the~~
18 ~~largest total amount of contributions, penalty and interest reported by the~~
19 ~~employer in two of the four calendar quarters preceeding any delinquency.~~
20 ~~Such cash deposit or bond shall be required until the employer has shown~~
21 ~~timely filing of such reports and payment of contributions for four~~
22 ~~consecutive calendar quarters.~~

23 (3) ~~Failure to file such cash deposit or bond shall subject the~~
24 ~~employer to a surcharge of 2.0% which shall be in addition to the rate of~~
25 ~~contributions assigned to the employer under K.S.A. 44-710a, and~~
26 ~~amendments thereto. Contributions paid as a result of this surcharge shall~~
27 ~~not be credited to the employer's experience rating account. This surcharge~~
28 ~~shall be effective during the next full calendar year after its imposition and~~
29 ~~during each full calendar year thereafter until the employer has filed the~~
30 ~~required cash deposit or bond or has shown timely filing of reports and~~
31 ~~payment of contributions for four consecutive calendar quarters.~~

32 (j) ~~Any officer, major stockholder or other person who has charge of~~
33 ~~the affairs of an employer that is an employing unit described in section~~
34 ~~501(e)(3) of the federal internal revenue code of 1954 or of an employer~~
35 ~~that is any other corporate organization or association, or any member or~~
36 ~~manager of a limited liability company or any public official, who~~
37 ~~willfully fails to pay the amount of contributions, payments in lieu of~~
38 ~~contributions or benefit cost payments required to be paid under the~~
39 ~~employment security law on the date on which such amount becomes~~
40 ~~delinquent, shall be personally liable for the total amount of such~~
41 ~~contributions, payments in lieu of contributions or benefit cost payments~~
42 ~~and any penalties and interest due and unpaid by such employing unit. The~~
43 ~~secretary or the secretary's authorized representative may assess such~~

1 person for the total amount of such contributions, payments in lieu of
2 contributions or benefit cost payments and any penalties and interest
3 computed as due and owing. With respect to such persons and such
4 amounts assessed, the secretary may use any of the collection remedies
5 authorized or provided by this section.

6 ~~(k) Electronic filing of wage report and contribution return and~~
7 ~~electronic payment of contributions, benefit cost payments or reimbursing~~
8 ~~payments.~~ The following employers or third-party administrators shall file
9 all wage reports and contribution returns and make payment of
10 contributions, benefit cost payments or reimbursing payments
11 electronically as follows:

12 (1) Wage reports, contribution returns and payments due after June
13 30, 2008, for those employers with 250 or more employees or third-party
14 administrators with 250 or more client employees at the time such filing or
15 payment is first due;

16 (2) wage reports, contribution returns and payments due after June
17 30, 2009, for those employers with 100 or more employees or third-party
18 administrators with 100 or more client employees at the time such filing or
19 payment is first due;

20 (3) wage reports, contribution returns and payments due after June
21 30, 2010, for those employers with 50 or more employees and for those
22 third-party administrators with 50 or more client employees at the time
23 such filing or payment is first due; and

24 (4) wage reports, contribution returns and payments due after June
25 30, 2024, for those employers with 25 or more employees and for those
26 third-party administrators with 25 or more client employees at the time
27 such filing or payment is first due.

28 The requirements of this subsection may be waived by the secretary for
29 an employer if the employer demonstrates a hardship in complying with
30 this subsection.

31 (a) *Penalties and interest on past-due reports and payments.* (1) Any
32 employer or officer or agent of an employer who fails to file a required
33 wage report or contribution return by the last day of the month following
34 the close of each calendar quarter shall be subject to a penalty of 0.05%
35 of total wages paid by such employer during such quarter, with a minimum
36 of \$25 and a maximum of \$200 for each such report or return for each
37 such month or partial month of delinquency.

38 (2) *Unpaid contributions, benefit cost payments or payments in lieu*
39 *of contributions shall accrue interest at a rate of 1% per month or fraction*
40 *thereof until paid.*

41 (3) *New employers and employers with no prior delinquencies shall*
42 *not be liable for penalties or interest if all required reports or payments*
43 *are submitted within 10 days of notice to such employers of such required*

1 *reports or payments by the secretary.*

2 *(4) The secretary may abate penalties or interest upon written request*
3 *and a showing of good cause by the employer.*

4 *(5) The secretary shall waive amounts of interest less than \$5. The*
5 *secretary may recommend periodic review by the legislature of such*
6 *waiver of interest threshold for the purpose of maintaining equity for small*
7 *employers and alignment with inflationary changes.*

8 *(6) The secretary shall remit all penalties and interest collected by*
9 *the secretary pursuant to this section to the state treasurer in accordance*
10 *with the provisions of K.S.A. 75-4215, and amendments. Upon receipt of*
11 *each such remittance, the state treasurer shall deposit the entire amount in*
12 *the state treasury to the credit of the special employment security fund*
13 *created by K.S.A. 44-716a, and amendments thereto.*

14 *(7) For the purposes of this section, surcharges pursuant to*
15 *subsection (i) or K.S.A. 44-710a, and amendments thereto, shall be treated*
16 *as contributions.*

17 *(8) Wage reports, returns, contributions, payments in lieu of*
18 *contribution and benefit cost payments are deemed filed or paid on the*
19 *date postmarked or submitted electronically.*

20 *(b) Notices to Indian tribes. The secretary shall include with*
21 *delinquency notices to Indian tribes or tribal units a notification that*
22 *continued failure to pay may:*

23 *(1) Subject the tribe to federal unemployment tax act liability;*

24 *(2) disqualify the tribe from electing reimbursement status; or*

25 *(3) exclude the tribe from the definition of employer or employment*
26 *pursuant to K.S.A. 44-703, and amendments thereto.*

27 *(c) Collection authority. (1) If any employer defaults in whole or in*
28 *part in payment of any penalty, contribution, payment in lieu of*
29 *contributions, benefit cost payment or accrued interest following notice of*
30 *such payment due, the amount due may be collected by civil action in the*
31 *name of the secretary. An employer adjudged in default shall be*
32 *responsible for the costs of such action.*

33 *(A) Proceedings under this subsection shall take precedence over all*
34 *other civil matters on the court's docket, except for actions brought*
35 *pursuant to K.S.A. 44-709(i), and amendments thereto, and cases arising*
36 *under the workers compensation act, K.S.A. 44-501 et seq., and*
37 *amendments thereto.*

38 *(B) (i) Except as provided by clause (ii), the secretary shall only*
39 *commence an action against a defendant employer pursuant to this*
40 *subsection within five years from the due date of such employer's unpaid*
41 *or partially unpaid contribution, payment in lieu of contribution or benefit*
42 *cost payment.*

43 *(ii) the secretary may commence an action pursuant to this*

1 subsection at any time against a defendant employer that has filed a
2 fraudulent report with intent to evade liability for an unpaid or partially
3 unpaid contribution, payment in lieu of contribution, benefit cost payment
4 or penalties or interest thereon.

5 (2) (A) Any employing unit that is not a resident of Kansas and
6 employs individuals to perform services within this state and any resident
7 employing unit that leaves this state after employing individuals to
8 perform services within this state shall be deemed to have appointed the
9 secretary of state as such employing unit's agent for service of process in
10 any civil action pursuant to this subsection.

11 (B) Personal service may be made upon such an employing unit by
12 filing process or notice with the secretary of state. Such filing shall
13 constitute valid and binding service as though such employing unit was
14 personally served within the state.

15 (C) The secretary of labor shall immediately send a copy of the
16 service and notice filed with the secretary of state through certified or
17 registered mail, return receipt requested, to the employing unit's last
18 known address on record with the department.

19 (3) (A) Proof of service by the secretary to resident employers shall
20 include:

21 (i) For mail service, the return receipt, the secretary's affidavit of
22 compliance with this subsection and a copy of the notice of service
23 appended to the original process filed with the court; and

24 (ii) for electronic service, confirmation of receipt may include a
25 delivery confirmation, read receipt, recipient acknowledgment or secure
26 system transmission log, unless the employer provides evidence of failure
27 that materially impaired such employer's opportunity to respond.

28 (B) Service by certified or registered mail to the employing unit's last
29 known address of record with the secretary of labor shall be deemed
30 sufficient notice and valid service, regardless of actual receipt, unless the
31 employer demonstrates a material error in the address or delivery process
32 that prejudiced such employer's ability to respond.

33 (4) Kansas district courts shall have jurisdiction to enforce liabilities
34 accrued under the employment security law and may also enforce
35 contributions, payments in lieu of contributions, benefit cost payments,
36 penalties and interest due under comparable laws of other states or the
37 federal government pursuant to this subsection.

38 (d) Priority in dissolution or distribution proceedings. (1) In any
39 court-ordered distribution of an employer's assets under the laws of this
40 state, including probate, receivership, interpleader, assignment for the
41 benefit of creditors, adjudicated insolvency, composition or similar
42 proceedings, any unpaid contributions, payments in lieu of contributions
43 or benefit cost payments that are due or become due, shall be paid in full

1 *from the first available funds in the estate. Such obligations shall have*
2 *priority over all other claims, except for wage claims of not more than*
3 *\$250 per individual for wages earned within six months prior to the*
4 *commencement of the proceeding.*

5 *(2) In the event of an employer's adjudication in bankruptcy or in a*
6 *judicially confirmed extension, proposal or composition proceeding under*
7 *federal bankruptcy law, contributions due under this act shall receive the*
8 *priority afforded to state taxes under applicable federal bankruptcy law.*

9 *(e) Assessments. (1) If an employer fails to file a report or return*
10 *required to determine contributions, payments in lieu of contributions or*
11 *benefit cost payments, the secretary may prepare the necessary reports*
12 *using available information and assess the resulting amounts due,*
13 *including applicable penalties or interest.*

14 *(2) The secretary shall send a copy of the assessment to the employer*
15 *by certified or registered mail to the address on record with the*
16 *department. The assessment shall become final unless the employer*
17 *protests and submits a corrected report or return for the period in question*
18 *within 15 days after the mailing date.*

19 *(3) The employer's failure to receive the notice shall not invalidate*
20 *the assessment. Written notice is presumed given by the secretary when*
21 *deposited in the United States mail, properly addressed to the employer*
22 *and sent by certified or registered mail.*

23 *(4) (A) When assessment notices or related communications are*
24 *delivered electronically, confirmation of receipt may include:*

25 *(i) An automated delivery confirmation or read receipt from the*
26 *recipient's email or secure account;*

27 *(ii) a direct response from the recipient acknowledging receipt; or*

28 *(iii) a system-generated log verifying successful transmission to the*
29 *employer's designated electronic address.*

30 *(B) If no confirmation is returned, proof of successful system delivery*
31 *shall constitute presumptive notice unless the employer demonstrates a*
32 *transmission failure that impaired such employer's ability to respond.*

33 *(f) Liens and levies. (1) If an employer or liable person neglects or*
34 *refuses to pay assessed amounts after demand, the total amount due,*
35 *including interest, penalties or expenses, may be imposed by the secretary*
36 *as a lien established in favor of the secretary on all real and personal*
37 *property and rights to property belonging to such employer or liable*
38 *person.*

39 *(A) Such lien shall become valid upon filing of such lien by the*
40 *secretary with the register of deeds in any county where such property is*
41 *located.*

42 *(B) The register of deeds shall record and index such lien without*
43 *requiring prepayment of fees by the secretary. Any such fees shall be*

1 *added to the lien total and collected upon satisfaction of the lien.*

2 *(C) Such lien shall remain in full force and effect until released by the*
3 *secretary by a certificate of discharge.*

4 *(2) (A) If payment is not made to the secretary by the employer or*
5 *liable person within 10 days after notice and demand, the secretary or the*
6 *secretary's authorized representative may levy upon any property or rights*
7 *to property of the employer or liable person, including any accrued wages*
8 *and salaries, to satisfy the total amount due, including interest, penalties*
9 *or costs.*

10 *(B) The levy shall not include property exempt pursuant to K.S.A. 60-*
11 *2301 et seq., and amendments thereto.*

12 *(C) If the secretary determines that immediate collection is necessary*
13 *to prevent loss of funds, the 10-day waiting period to levy pursuant to*
14 *subparagraph (A) shall not apply.*

15 *(3) The authority to levy includes seizure and sale of property by any*
16 *lawful means. A levy shall only apply to property possessed or obligations*
17 *existing at the time of the levy.*

18 *(4) If the initial levy does not fully satisfy the liability of the total*
19 *amount due, the secretary or the secretary's authorized representative may*
20 *continue to levy on additional property until the total amount due,*
21 *including any interest, penalties or costs, is recovered.*

22 *(g) Warrants and service of notice. (1) If no appeal or review is*
23 *pending and the statutory period for appeal has expired, the secretary or*
24 *the secretary's authorized representative may issue a warrant certifying*
25 *the total liability amount due, including contributions, payments in lieu of*
26 *contributions, benefit cost payments, interest, penalties or costs. At least*
27 *15 days' notice shall be given before issuance of such warrant.*

28 *(2) (A) Notices may be served by:*

- 29 *(i) A county sheriff or deputy;*
30 *(ii) a person appointed by the secretary; or*
31 *(iii) a designee of the secretary.*

32 *(B) Such appointed person or designee of the secretary may serve*
33 *notices anywhere within this state.*

34 *(3) Service upon individuals shall be made by:*

- 35 *(A) Delivering a copy to the individual;*
36 *(B) leaving a copy at the individual's dwelling with an adult resident*
37 *of such dwelling;*

38 *(C) leaving a copy at the place of business of the individual or the*
39 *individual's employer with an officer or employee of such business or*
40 *employer; or*

41 *(D) delivering a copy to an authorized agent of the individual.*

42 *(4) Service on corporations, partnerships or unincorporated*
43 *associations may be made by:*

- 1 (A) *Delivering a copy to an officer, partner or managing agent;*
2 (B) *leaving a copy at the business office with an office manager or an*
3 *employee whose duties include receiving hand-delivered mail or courier*
4 *deliveries; or*
5 (C) *delivering a copy to a legally authorized agent;*
6 (5) *If required by law, a copy shall also be mailed in addition to*
7 *hand-delivery as described in paragraphs (3) and (4).*
8 (6) *If the recipient or authorized agent refuses delivery, the attempt*
9 *and refusal shall constitute valid service.*
10 (7) (A) *Officers shall submit a written return with time, place and*
11 *manner of service.*
12 (B) *Appointees or designees of the secretary shall provide an*
13 *affidavit in a form prescribed by the secretary.*
14 (8) (A) *Returns or affidavits of service shall be submitted to the*
15 *secretary within 10 days after the service has been completed.*
16 (B) *If service is unsuccessful, the notice shall be returned within 30*
17 *days with a statement explaining the failure.*
18 (C) *The original return shall be attached to any subsequent warrant.*
19 (9) *When directed by the secretary, service may be completed by*
20 *registered or certified mail to the employer's address of record. A copy of*
21 *the return receipt must be attached to the filed warrant.*
22 (10) *Any electronic service or notification under this section shall be*
23 *consistent with the requirements of the Kansas administrative procedure*
24 *act, including, but not limited to, due process standards set forth in K.S.A.*
25 *77-621, and amendments thereto. Proof of service shall include*
26 *documentation of transmission and confirmation of receipt where*
27 *applicable.*
28 (A) *For the purposes of electronic service or notification,*
29 *"confirmation of receipt" may include, but is not limited to:*
30 (i) *An automated delivery confirmation or read receipt generated by*
31 *the recipient's email or secure portal system;*
32 (ii) *a response or reply from the recipient acknowledging receipt; or*
33 (iii) *a system-generated log or transmission record verifying*
34 *successful delivery to the recipient's designated electronic address.*
35 (B) *In the absence of actual confirmation, transmission logs or*
36 *secure system indicators of completed delivery shall constitute*
37 *presumptive evidence of receipt, unless the employer demonstrates a*
38 *material error or failure in transmission that prejudiced the opportunity to*
39 *respond.*
40 (11) *The secretary may file the warrant with the clerk of the district*
41 *court in any county where the employer has business property. The*
42 *warrant shall state the amount due and the employer's name.*
43 (A) *The clerk shall record the warrant as a judgment, entering the*

1 *case on the appearance docket with the amount and time of filing.*

2 *(B) The liability shall become a judgment of the district court upon*
3 *such filing and remain enforceable until satisfied.*

4 *(12) (A) Execution shall be issued at the secretary's request pursuant*
5 *to law as applicable to other civil judgments.*

6 *(B) The Kansas code of civil procedure shall govern post judgment*
7 *procedures.*

8 *(13) Warrants may be satisfied by:*

9 *(A) Payment of all amounts due and court costs to the district court*
10 *clerk; or*

11 *(B) filing a certificate from the secretary confirming full payment.*

12 *(h) Refunds and adjustments. (1) If an individual, governmental*
13 *entity or organization applies for a refund or adjustment of contributions,*
14 *benefit cost payments or interest and the secretary determines the amount*
15 *was erroneously collected, the secretary shall authorize:*

16 *(A) An adjustment against future contribution payments; or*

17 *(B) a refund, except that, subject to subsection (a)(5), the secretary*
18 *shall not issue a refund for amounts less than \$5.*

19 *(2) Contributions paid as a result of a surcharge under subsection (i)*
20 *or K.S.A. 44-710a, and amendments thereto, shall not be eligible for*
21 *refund or adjustment unless the surcharge was improperly assessed or the*
22 *employer demonstrates the overpayment resulted from administrative*
23 *error, rate miscalculation or other error not attributable to the employer.*

24 *(3) The secretary shall issue refunds from the:*

25 *(A) Employment security fund, if for contributions and benefit cost*
26 *payments; or*

27 *(B) special employment security fund, if for erroneously collected*
28 *interest deposited therein.*

29 *(4) The secretary shall not make an adjustment or issue a refund*
30 *unless:*

31 *(A) The application for such adjustment or refund is made by the*
32 *latest date that is:*

33 *(i) One year from the payment date; or*

34 *(ii) three years from the end of the period to which the payment*
35 *applies; or*

36 *(B) the secretary initiates such adjustment or refund within such*
37 *timeframe.*

38 *(5) The secretary shall not refund any amounts based on wages*
39 *already applied as base-period wages for a claimant who received*
40 *justifiable and accurate benefit payments.*

41 *(6) Interest shall be paid on any refunded contributions or benefit*
42 *cost payments at the rate set forth in K.S.A. 79-2968, and amendments*
43 *thereto.*

1 (i) *Security for delinquent employers. (1) If a contributing employer*
2 *is delinquent in two of the most recent four quarters, the secretary of labor*
3 *may require the employer to submit a cash deposit or file a surety bond to*
4 *guarantee future compliance.*

5 (2) *The amount of such deposit or bond shall be equal to the*
6 *employer's two highest quarters of reported liability in the preceding four*
7 *quarters.*

8 (3) *Such requirement shall remain in effect until the employer*
9 *demonstrates timely report filing and payment for four consecutive*
10 *quarters.*

11 (4) *An employer that fails to comply shall be subject to a 2%*
12 *surcharge, in addition to the employer's assigned contribution rate. This*
13 *surcharge shall:*

14 (A) *Not be credited to such employer's experience rating account;*

15 (B) *take effect the next following calendar year; and*

16 (C) *remain in effect until such employer demonstrates compliance for*
17 *four consecutive quarters.*

18 (j) *Personal liability of responsible parties. (1) Any officer, major*
19 *stockholder, member, manager or responsible party of a corporate*
20 *employer, limited liability company, nonprofit organization under 501(c)*
21 *(3) or public entity who willfully fails to remit required contributions,*
22 *benefit cost payments or reimbursements when due may be held personally*
23 *liable for all unpaid amounts, including interest and penalties.*

24 (2) *The secretary may assess such liabilities and pursue collection*
25 *using any remedies authorized by this section.*

26 (3) (A) *No officer, member, manager or public official shall be held*
27 *personally liable under this section if the secretary determines that such*
28 *individual:*

29 (i) *Acted in good faith;*

30 (ii) *did not engage in gross negligence or willful misconduct;*

31 (iii) *did not directly control or approve the decision leading to the*
32 *delinquency; and*

33 (iv) *did not knowingly certify, authorize or submit any materially*
34 *false wage reports, contribution returns or related filings.*

35 (B) *The burden of establishing a safe harbor defense with the*
36 *secretary pursuant to paragraph (A) shall rest with the individual*
37 *asserting such defense.*

38 (k) *Electronic filing and payment requirements. (1) Employers and*
39 *third-party administrators with 25 or more employees or client employees*
40 *shall electronically file all wage reports and contribution returns and*
41 *electronically submit all required payments.*

42 (2) *The secretary may waive this requirement upon a showing of*
43 *undue hardship.*

1 *(l) Cumulative remedies. All remedies available to the secretary*
2 *pursuant to this section shall be nonexclusive and may be cumulative.*

3 Sec. 29. K.S.A. 44-718 is hereby amended to read as follows: 44-718.

4 ~~(a) Waiver of rights void. No agreement by an individual to waive, release~~
5 ~~or commute such individual's rights to benefits or any other rights under~~
6 ~~this act shall be valid. No agreement by any individual in the employ of~~
7 ~~any person or concern to pay all or any portion of an employer's~~
8 ~~contribution or payments in lieu of contributions required under this act~~
9 ~~from such employer, shall be valid. No employer shall directly or~~
10 ~~indirectly make or require or accept any deduction from remuneration to~~
11 ~~finance the employer's contributions required from such employer, or~~
12 ~~require or accept any waiver of any right hereunder by any individual in~~
13 ~~such employer's employ. Any employer or officer or agent of an employer~~
14 ~~who violates any provision of this subsection shall, for each offense, be~~
15 ~~finned not less than \$100 nor more than \$1,000 or be imprisoned for not~~
16 ~~more than six months, or both.~~

17 ~~(b) Limitation of fees. No individual claiming benefits shall be~~
18 ~~charged fees of any kind in any proceeding under this act by the secretary~~
19 ~~of labor or representatives of the secretary or by any court or any officer~~
20 ~~thereof. Any individual claiming benefits in any proceeding before the~~
21 ~~secretary of labor or a court may be represented by counsel or other duly~~
22 ~~authorized agent, but no such counsel or agents shall either charge or~~
23 ~~receive for such services more than an amount approved by the secretary~~
24 ~~of labor. Any person who violates any provision of this subsection shall,~~
25 ~~for each such offense, be fined not less than \$50 nor more than \$500, or~~
26 ~~imprisoned for not more than six months, or both.~~

27 ~~(c) No assignment of benefits; exemptions. No assignment, pledge or~~
28 ~~encumbrance of any right to benefits which are or may become due or~~
29 ~~payable under this act shall be valid; and such rights to benefits shall be~~
30 ~~exempt from levy, except in accordance with section 6331 of the federal~~
31 ~~internal revenue code of 1986, and shall be exempt from, execution,~~
32 ~~attachment, or any other remedy whatsoever provided for the collection of~~
33 ~~debt; and benefits received by an individual, so long as they are not~~
34 ~~mingled with other funds of the recipient, shall be exempt from any~~
35 ~~remedy whatsoever for the collection of all debts except debts incurred for~~
36 ~~necessaries furnished to such individual or such individual's spouse or~~
37 ~~dependents during the time when such individual was unemployed. No~~
38 ~~waiver of any exemption provided for in this subsection shall be valid.~~

39 ~~(d) Support exception. (1) An individual filing a new claim for~~
40 ~~unemployment compensation shall, at the time of filing such claim,~~
41 ~~disclose whether or not the individual owes support obligations as defined~~
42 ~~under paragraph (7). If any such individual discloses that such individual~~
43 ~~owes support obligations, and is determined to be eligible for~~

1 unemployment compensation, the secretary shall notify the state or local
2 support enforcement agency enforcing such obligation that the individual
3 has been determined to be eligible for unemployment compensation.

4 (2) ~~The secretary shall deduct and withhold from any unemployment~~
5 ~~compensation payable to an individual that owes support obligations as~~
6 ~~defined under paragraph (7):~~

7 (A) ~~The amount specified by the individual to the secretary to be~~
8 ~~deducted and withheld under this subsection, if neither (B) nor (C) is~~
9 ~~applicable; or~~

10 (B) ~~the amount, if any, determined pursuant to an agreement~~
11 ~~submitted to the secretary under section 454(20)(B)(i) of the social~~
12 ~~security act by the state or local support enforcement agency, unless~~
13 ~~subparagraph (C) is applicable; or~~

14 (C) ~~any amount otherwise required to be so deducted and withheld~~
15 ~~from such unemployment compensation pursuant to legal process (as that~~
16 ~~term is defined in section 459(i)(5) of the social security act) properly~~
17 ~~served upon the secretary.~~

18 (3) ~~Any amount deducted and withheld under paragraph (2) shall be~~
19 ~~paid by the secretary to the appropriate state or local support enforcement~~
20 ~~agency.~~

21 (4) ~~Any amount deducted and withheld under paragraph (2) shall for~~
22 ~~all purposes be treated as if it were paid to the individual as unemployment~~
23 ~~compensation and paid by such individual to the state or local support~~
24 ~~enforcement agency in satisfaction of the individual's support obligations.~~

25 (5) ~~For purposes of paragraphs (1) through (4), "unemployment~~
26 ~~compensation" means any compensation payable under the employment~~
27 ~~security law after application of the recoupment provisions of subsection~~
28 ~~(d) of K.S.A. 44-719, and amendments thereto, (including amounts~~
29 ~~payable by the secretary pursuant to an agreement under any federal law~~
30 ~~providing for compensation, assistance or allowances with respect to~~
31 ~~unemployment).~~

32 (6) ~~This subsection applies only if appropriate arrangements have~~
33 ~~been made for imbursement by the state or local support enforcement~~
34 ~~agency for the administrative costs incurred by the secretary under this~~
35 ~~section which are attributable to support obligations being enforced by the~~
36 ~~state or local support enforcement agency.~~

37 (7) ~~For the purposes of this subsection, "support obligations" means~~
38 ~~only those obligations which are being enforced pursuant to a plan~~
39 ~~described in section 454 of the federal social security act which has been~~
40 ~~approved by the secretary of health and human services under part D of~~
41 ~~title IV of the federal social security act.~~

42 (8) ~~For the purposes of this subsection, "state or local support~~
43 ~~enforcement agency" means any agency of this state or a political~~

1 subdivision thereof operating pursuant to a plan described in paragraph
2 (7).

3 ~~(e) (1) An individual filing a new claim for unemployment~~
4 ~~compensation shall, at the time of filing such claim, be advised that:~~

5 ~~(A) Unemployment compensation is subject to federal, state and local~~
6 ~~income tax;~~

7 ~~(B) requirements exist pertaining to estimated tax payments;~~

8 ~~(C) the individual may elect to have federal income tax deducted and~~
9 ~~withheld from the individual's payment of unemployment compensation at~~
10 ~~the amount specified in the federal internal revenue code;~~

11 ~~(D) the individual may elect to have state income tax deducted and~~
12 ~~withheld at the rate of 3.5% from the individual's payment of~~
13 ~~unemployment compensation; and~~

14 ~~(E) the individual shall be permitted to change a previously elected~~
15 ~~withholding status.~~

16 ~~(2) Amounts deducted and withheld from unemployment~~
17 ~~compensation shall remain in the unemployment fund until transferred to~~
18 ~~the federal or state taxing authority as a payment of income tax.~~

19 ~~(3) The secretary shall follow all procedures specified by the United~~
20 ~~States department of labor and the federal internal revenue service~~
21 ~~pertaining to the deducting and withholding of income tax.~~

22 ~~(4) Amounts shall be deducted and withheld under this section only~~
23 ~~after amounts are deducted and withheld for any overpayments of~~
24 ~~unemployment compensation, child support obligations, food stamp~~
25 ~~overissuances or any other amounts required to be deducted and withheld~~
26 ~~under this act.~~

27 ~~(f) (1) An individual filing a new claim for unemployment~~
28 ~~compensation at the time of filing such claim, shall disclose whether or not~~
29 ~~such individual owes an uncollected overissuance (as defined in section~~
30 ~~13(c)(1) of the Food Stamp Act of 1977) of food stamp coupons. The~~
31 ~~secretary shall notify the state food stamp agency enforcing such~~
32 ~~obligation of any individual who discloses that such individual owes an~~
33 ~~uncollected overissuance of food stamps and who is determined to be~~
34 ~~eligible for unemployment compensation.~~

35 ~~(2) The secretary shall deduct and withhold from any unemployment~~
36 ~~compensation payable to an individual who owes an uncollected~~
37 ~~overissuance:~~

38 ~~(A) The amount specified by the individual to the secretary to be~~
39 ~~deducted and withheld under this clause;~~

40 ~~(B) the amount (if any) determined pursuant to an agreement~~
41 ~~submitted to the state food stamp agency under section 13(c)(3)(A) of the~~
42 ~~Food Stamp Act of 1977; or~~

43 ~~(C) any amount otherwise required to be deducted and withheld from~~

1 unemployment compensation pursuant to section 13(c)(3)(B) of such act.

2 ~~(3) Any amount deducted and withheld under this section shall be~~
3 ~~paid by the secretary to the appropriate state food stamp agency.~~

4 ~~(4) Any amount deducted and withheld under subsection (b) shall for~~
5 ~~all purposes be treated as if it were paid to the individual as unemployment~~
6 ~~compensation and paid by such individual to the state food stamp agency~~
7 ~~as repayment of the individual's uncollected overissuance.~~

8 ~~(5) For purposes of this section, the term "unemployment~~
9 ~~compensation" means any compensation payable under this act including~~
10 ~~amounts payable by the secretary pursuant to an agreement under any~~
11 ~~federal law providing for compensation, assistance, or allowances with~~
12 ~~respect to unemployment.~~

13 ~~(6) This section applies only if arrangements have been made for~~
14 ~~reimbursement by the state food stamp agency for the administrative costs~~
15 ~~incurred by the secretary under this section which are attributable to the~~
16 ~~repayment of uncollected overissuances to the state food stamp agency.~~*(a)*
17 *Waiver of rights prohibited. (1) Any agreement by an individual to waive,*
18 *release or commute rights to unemployment compensation or any other*
19 *entitlement under the employment security law shall be null and void.*

20 *(2) Any agreement requiring an individual to pay all or any portion*
21 *of an employer's contributions or payments in lieu of contributions*
22 *pursuant to the employment security law shall be null and void.*

23 *(3) Employers shall not directly or indirectly take deductions from*
24 *employee wages with the intent of funding employer obligations pursuant*
25 *to the employment security law, or require or accept any waiver of rights*
26 *granted by the employment security law to an employee or claimant by*
27 *such employee or claimant.*

28 *(4) Any employer or officer or agent of an employer who violates this*
29 *subsection shall be guilty of an unclassified nonperson misdemeanor and:*

30 *(A) If a first offense, shall be subject to a fine of not less than \$100*
31 *nor more than \$1,000, imprisonment for up to six months or both such fine*
32 *and imprisonment; or*

33 *(B) if a second or subsequent offense, shall be subject to a fine of not*
34 *less than \$500 nor more than \$5000, imprisonment for up to one year or*
35 *both such fine and imprisonment.*

36 *(b) Limitation on fees. (1) No individual claiming benefits shall be*
37 *charged a fee in any proceeding pursuant to the employment security law*
38 *by the secretary, the secretary's representatives or a court.*

39 *(2) Claimants may be represented by legal counsel or an authorized*
40 *agent, but no such counsel or agent shall charge or accept compensation*
41 *for such services in an amount greater than that approved in writing by*
42 *the secretary. The secretary shall adopt rules and regulations for the*
43 *purpose of establishing a schedule of acceptable compensation for such*

1 *representation and publish such schedule on the official website of the*
2 *department.*

3 *(3) Any person who violates any provision of this subsection shall be*
4 *guilty of an unclassified nonperson misdemeanor and subject to a fine of*
5 *not less than \$50 nor more than \$500, imprisonment for up to six months*
6 *or both such fine and imprisonment.*

7 *(4) Nothing in this section shall prohibit representation by a*
8 *nonprofit legal aid organization or pro bono counsel authorized under*
9 *applicable law.*

10 *(5) Legal counsel and authorized agents representing a claimant*
11 *shall adhere to rules and regulations governing such representation that*
12 *may be adopted by the secretary. With respect to legal counsel, any such*
13 *rules and regulations shall be in addition to and, in the event of any*
14 *conflict, subordinate to any rule of professional conduct or rule of the*
15 *Kansas supreme court governing the conduct of attorneys.*

16 *(c) Assignment and exemptions. (1) Rights to unemployment benefits*
17 *are not assignable and shall not be pledged or encumbered.*

18 *(2) Such rights are exempt from levy, execution, attachment or debt*
19 *collection remedies, except for federal taxes as authorized by 26 U.S.C. §*
20 *6331.*

21 *(3) Benefits that are not comingled with other funds shall be exempt*
22 *from collection, except for debts incurred for necessities provided to a*
23 *claimant or such claimant's dependents during periods of unemployment.*

24 *(4) No waiver of rights or exemptions pursuant to this subsection*
25 *shall be valid.*

26 *(5) For the purposes of this subsection, "necessities" shall include*
27 *essential medical, housing or subsistence expenses and be construed in*
28 *accordance with relevant Kansas law.*

29 *(d) Child support withholding. (1) At the time of filing a new claim,*
30 *claimants shall disclose whether they owe child support obligations as*
31 *defined in paragraph (7).*

32 *(2) If the secretary determines such claimant is eligible for*
33 *unemployment benefits, the secretary shall notify the appropriate state or*
34 *local child support enforcement agency.*

35 *(3) The secretary shall withhold from unemployment benefits the*
36 *amount:*

37 *(A) Required pursuant to legal process, as defined in 42 U.S.C. §*
38 *659(i)(5), that is properly served upon the secretary;*

39 *(B) if subparagraph (A) is not applicable, as specified in an*
40 *agreement submitted under 42 U.S.C. § 654(20)(B)(i) that is properly*
41 *served upon the secretary; or*

42 *(C) if subparagraphs (A) and (B) are not applicable, as specified by*
43 *the claimant.*

1 (4) *The secretary shall pay the amounts withheld to the appropriate*
2 *agency administering or enforcing such child support obligations. Such*
3 *payments shall be treated as if paid directly by the claimant in satisfaction*
4 *of the claimant's obligations.*

5 (5) *The secretary shall adopt rules and regulations for the purpose of*
6 *establishing procedures to ensure timely notification to enforcement*
7 *agencies and consistent application of withholding obligations in*
8 *accordance with applicable federal and state law, including deadlines for*
9 *notice and remittance.*

10 (6) *The agency administering or enforcing child support obligations*
11 *shall reimburse the secretary for administrative costs incurred by the*
12 *secretary in implementing this subsection. The secretary and such agency*
13 *may enter into a memorandum of understanding for the purpose of*
14 *governing implementation of this section and reimbursement to the*
15 *secretary of such administrative costs.*

16 (7) *As used in this subsection:*

17 (A) *"Support obligations" means obligations enforced under a state*
18 *plan approved under title IV-D of the federal social security act; and*

19 (B) *"unemployment compensation" includes all payments under the*
20 *employment security law and federal unemployment programs, after*
21 *recoupment pursuant to K.S.A. 44-719(d), and amendments thereto.*

22 (e) *Income tax withholding. (1) The secretary shall advise claimants*
23 *that:*

24 (A) *Unemployment benefits are subject to federal, state and local*
25 *income taxes;*

26 (B) *estimated tax payment requirements may apply;*

27 (C) *claimants may elect federal withholding at the rate specified by*
28 *the internal revenue service;*

29 (D) *claimants may elect Kansas state income tax withholding at*
30 *3.5%; and*

31 (E) *claimants may change withholding elections at any time, in*
32 *accordance with procedures as established by the secretary.*

33 (2) *The secretary shall:*

34 (A) *Adopt rules and regulations for the purpose of establishing*
35 *procedures for withholding of federal, state and local income taxes as*
36 *requested by claimants;*

37 (B) *document withholding elections by claimants and the withholding*
38 *of unemployment benefits utilizing methods consistent with guidance by*
39 *the internal revenue service and the United States department of labor;*

40 (C) *retain withheld taxes in the employment security fund until*
41 *remitted to the appropriate taxing authority and ensure proper remittance*
42 *of such taxes; and*

43 (D) *comply with internal revenue service and United States*

1 department of labor procedures regarding tax withholding.

2 (3) As permitted by federal law, tax withholding by the secretary
3 pursuant to this section shall occur after any withholding of
4 unemployment benefits for child support, overpayments of unemployment
5 benefits, overissuances of supplemental nutrition assistance program
6 benefits or other required deductions.

7 (f) Supplemental nutrition assistance program overissuance recovery.

8 (1) Claimants shall disclose any uncollected overissuances of
9 supplemental nutrition assistance program benefits, as defined in 7 U.S.C.
10 § 2022(c)(1), at the time of filing a new claim.

11 (2) If the secretary determines that such claimant is eligible for
12 unemployment compensation, the secretary shall notify the state food
13 assistance agency.

14 (3) The secretary shall deduct and withhold from unemployment
15 benefits the amount of supplemental nutrition assistance program
16 overissuance:

17 (A) Required by legal process pursuant to 7 U.S.C. § 2022(c)(3)(B)
18 that has been properly served upon the secretary;

19 (B) if subparagraph (A) is not applicable, as specified pursuant to a
20 written agreement submitted pursuant to 7 U.S.C. § 2022(c)(3)(A); or

21 (C) if subparagraph (A) and (B) are not applicable, as specified by
22 the claimant.

23 (4) The secretary shall submit benefits withheld pursuant to this
24 subsection to the state food assistance agency. Such payments shall be
25 considered as paid directly by the claimant.

26 (5) The state food assistance agency shall reimburse the secretary for
27 administrative costs incurred by the secretary in implementing this
28 subsection. The secretary and such agency may enter into a memorandum
29 of understanding for the purpose of governing implementation of this
30 section and reimbursement to the secretary of such administrative costs.

31 (6) The secretary shall administer withholding for overissuance
32 recovery pursuant to this subsection in a manner that avoids undue
33 financial hardship to claimants, including by, when permitted by law,
34 withholding amounts less than the maximum withholding limitations
35 established under federal law.

36 (7) As used in this subsection:

37 (A) "State food assistance agency" means the state agency
38 responsible for overissuance recovery of supplemental nutrition assistance
39 program benefits pursuant to 7 U.S.C. § 2022; and

40 (B) "unemployment compensation" includes all benefits under this
41 act and related federal programs.

42 Sec. 30. K.S.A. 44-719 is hereby amended to read as follows: 44-719.

43 (a) (1) ~~Except as provided in subsection (a)(2), any person who makes a~~

1 false statement or representation knowing it to be false or knowingly fails
2 to disclose a material fact, to obtain or increase any benefit or other
3 payment under this act, either for such person or for any other person, shall
4 be guilty of theft and shall be punished in accordance with the provisions
5 of K.S.A. 21-5801, and amendments thereto.

6 (2) Any violation of subsection (a)(1) shall be a severity level 5,
7 nonperson felony if such person:

8 (A) Had no basis to obtain or increase any benefit or other payment
9 under this act because the person failed to engage in employment as
10 defined in K.S.A. 44-703, and amendments thereto, and failed to perform
11 any services for wages within this state not within the meaning of
12 employment as defined in K.S.A. 44-703, and amendments thereto;

13 (B) knowingly made the false statement or representation in such a
14 manner that such statement or representation purports to have been made
15 by another person, either real or fictitious, and if a real person without the
16 authority of such person; and

17 (C) communicated or caused to be communicated a false statement or
18 representation on three or more occasions within a 30-day period that
19 purported to be from different other persons, as provided by paragraph (2)
20 (B), to the department of labor.

21 (b) Any employing unit or any officer or agent for any employing
22 unit or any other person who makes a false statement or representation
23 knowing it to be false, or who knowingly fails to disclose a material fact,
24 to prevent or reduce the payment of benefits to any individual entitled
25 thereto, or to avoid becoming or remaining subject hereto or to avoid or
26 reduce any contribution or other payment required from an employing unit
27 under this act, or who willfully fails or refuses to make any such
28 contributions or other payment or to furnish any reports required
29 hereunder or to produce or permit the inspection or copying of records as
30 required hereunder, shall be punished by a fine of not less than \$20 nor
31 more than \$200, or by imprisonment for not longer than 60 days, or both
32 such fine and imprisonment. Each such false statement or representation or
33 failure to disclose a material fact and each day of such failure or refusal
34 shall constitute a separate offense.

35 (c) Any person who willfully violates any provision of this act or any
36 rule and regulation adopted by the secretary hereunder, the violation of
37 which is made unlawful or the observance of which is required under the
38 terms of this act, and for which a penalty is neither prescribed herein or
39 provided by any other applicable statute, shall be punished by a fine of not
40 less than \$20 nor more than \$200, or by imprisonment for not longer than
41 60 days, or by both such fine and imprisonment, and each day such
42 violation continues shall be deemed to be a separate offense.

43 (d) (1) Any person who has received any amount of money as

1 ~~benefits under this act while any conditions for the receipt of benefits~~
2 ~~imposed by this act were not fulfilled in such person's case, or while such~~
3 ~~person was disqualified from receiving benefits, shall in the discretion of~~
4 ~~the secretary, either be liable to have such amount of money deducted from~~
5 ~~any future benefits payable to such person under this act or shall be liable~~
6 ~~to repay to the secretary for the employment security fund an amount of~~
7 ~~money equal to the amount so received by such person. After a period of~~
8 ~~five years, the secretary may waive the collection of any such amount of~~
9 ~~money when the secretary has determined that the payment of such~~
10 ~~amount of money was not due to fraud, misrepresentation, or willful~~
11 ~~nondisclosure on the part of the person receiving such amount of money,~~
12 ~~and the collection thereof would be against equity or would cause extreme~~
13 ~~hardship with regard to such person. The collection of benefit~~
14 ~~overpayments which were made in the absence of fraud, misrepresentation~~
15 ~~or willful nondisclosure of required information on the part of the person~~
16 ~~who received such overpayments, may be waived by the secretary at any~~
17 ~~time if such person met all eligibility requirements of the employment~~
18 ~~security law during the weeks in which the overpayments were made.~~

19 ~~(2) Any benefit erroneously paid which is not repaid shall bear~~
20 ~~interest at the rate of 1.5% per month or fraction of a month. If the benefit~~
21 ~~was received as a result of fraud, misrepresentation or willful~~
22 ~~nondisclosure of required information, interest shall accrue from the date of~~
23 ~~the final determination of overpayment until repayment plus interest is~~
24 ~~received by the secretary. If the overpayment was without fraud,~~
25 ~~misrepresentation or willful nondisclosure of required information, interest~~
26 ~~shall accrue upon any balance which remains unpaid two years after the~~
27 ~~final determination of overpayment is made and shall continue until~~
28 ~~payment plus accrued interest is received by the secretary. Interest~~
29 ~~collected pursuant to this section shall be paid into the special employment~~
30 ~~security fund, except that interest collected on federal administrative~~
31 ~~programs shall be returned to the federal government. Upon written~~
32 ~~request and for good cause shown, the secretary may abate any interest or~~
33 ~~portion thereof provided for by this subsection (d)(2). Interest accrued may~~
34 ~~not be paid by money deducted from any future benefits payable to such~~
35 ~~persons liable for any overpayment.~~

36 ~~(3) Unless collection is waived by the secretary, any such amount~~
37 ~~shall be collectible in the manner provided in K.S.A. 44-717, and~~
38 ~~amendments thereto, for the collection of past due contributions. The~~
39 ~~courts of this state shall in like manner entertain actions to collect amounts~~
40 ~~of money erroneously paid as benefits, or unlawfully obtained, for which~~
41 ~~liability has accrued under the employment security law of any other state~~
42 ~~or of the federal government.~~

43 ~~(4) In cases involving the collection of debts arising from the~~

1 employment security law, the actual amount received from the United
2 States department of treasury under the treasury offset program or its
3 successor shall be credited to the overpayment and any fee charged by the
4 department of treasury shall be borne by the debtor.

5 ~~(e) Any employer or person who willfully fails or refuses to pay~~
6 ~~contributions, payments in lieu of contributions or benefit cost payments~~
7 ~~or attempts in any manner to evade or defeat any such contributions,~~
8 ~~payments in lieu of contributions or benefit cost payments or the payment~~
9 ~~thereof, shall be liable for the payment of such contributions, payments in~~
10 ~~lieu of contributions or benefit cost payments and, in addition to any other~~
11 ~~penalties provided by law, shall be liable to pay a penalty equal to the total~~
12 ~~amount of the contributions, payments in lieu of contributions or benefit~~
13 ~~cost payments evaded or not paid.~~

14 ~~(f) (1) It shall be unlawful for an employing unit to knowingly obtain~~
15 ~~or attempt to obtain a reduced liability for contributions under K.S.A. 44-~~
16 ~~710a(b)(1), and amendments thereto, through manipulation of the~~
17 ~~employer's workforce, or for an employing unit that is not an employing~~
18 ~~unit at the time it acquires the trade or business, to knowingly obtain or~~
19 ~~attempt to obtain a reduced liability for contributions under K.S.A. 44-~~
20 ~~710a(b)(5), and amendments thereto, or any other provision of K.S.A. 44-~~
21 ~~710a, and amendments thereto, related to determining the assignment of a~~
22 ~~contribution rate, when the sole or primary purpose of the business~~
23 ~~acquisition was for the purpose of obtaining a lower rate of contributions,~~
24 ~~or for a person to knowingly advise an employing unit in such a way that~~
25 ~~results in such a violation; such employing unit or person shall be subject~~
26 ~~to the following penalties:~~

27 ~~(A) If the person is an employer, then such employer shall be~~
28 ~~assigned the highest rate assignable under K.S.A. 44-710a, and~~
29 ~~amendments thereto, for the rate year during which such violation or~~
30 ~~attempted violation occurred and the three rate years immediately~~
31 ~~following this rate year. However, if the employer's business is already at~~
32 ~~such highest rate for any year, or if the amount of increase in the~~
33 ~~employer's rate would be less than 2% for such year, then a penalty rate of~~
34 ~~contributions of 2% of taxable wages shall be imposed for such year. Any~~
35 ~~money's resulting from the difference of the computed rate and the penalty~~
36 ~~rate shall be remitted to the state treasurer in accordance with the~~
37 ~~provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of~~
38 ~~each such remittance, the state treasurer shall deposit the entire amount in~~
39 ~~the state treasury to the credit of the special employment security fund.~~

40 ~~(B) If the person is not an employer, such person shall be subject to a~~
41 ~~civil money penalty of not more than \$5,000. All fines assessed and~~
42 ~~collected under this section shall be remitted to the state treasurer in~~
43 ~~accordance with the provisions of K.S.A. 75-4215, and amendments~~

1 thereto. Upon receipt of each such remittance, the state treasurer shall
2 deposit the entire amount in the state treasury to the credit of the special
3 employment security fund.

4 (2) For purposes of this subsection, the term "knowingly" means
5 having actual knowledge of or acting with deliberate ignorance or reckless
6 disregard for the prohibition involved.

7 (3) For purposes of this subsection, the term "violates or attempts to
8 violate" includes, but is not limited to, any intent to evade,
9 misrepresentation or willful nondisclosure.

10 (4) (A) In addition to, or in lieu of, any civil penalty imposed by
11 paragraph (1) if, the director of employment security or a special assistant
12 attorney general assigned to the department of labor, has probable cause to
13 believe that a violation of this subsection (f) should be prosecuted as a
14 crime, a copy of any order, all investigative reports and any evidence in the
15 possession of the division of employment security which relates to such
16 violation, may be forwarded to the prosecuting attorney in the county in
17 which the act or any of the acts were performed which constitute a
18 violation of this subsection (f). Any case which a county or district
19 attorney fails to prosecute within 90 days shall be returned promptly to the
20 director of employment security. The special assistant attorney general
21 assigned to the Kansas department of labor shall then notify the attorney
22 general and if, in the opinion of the attorney general, the acts or practices
23 involved warrant prosecution, the attorney general shall prosecute the case.

24 (B) Violation of this subsection (f) shall be a level 9, nonperson
25 felony.

26 (5) The secretary shall establish procedures to identify the transfer or
27 acquisition of a business for purposes of this section.

28 (6) For purposes of subsection (f):

29 (A) "Person" has the meaning given such term by section 7701(a)(1)
30 of the internal revenue code of 1986;

31 (B) "trade or business" shall include the employer's workforce; and

32 (C) the provisions of K.S.A. 21-5211 and 21-5212, and amendments
33 thereto, shall apply.

34 (7) This subsection (f) shall be interpreted and applied in such a
35 manner as to meet the minimum requirements contained in any guidance
36 or regulation issued by the United States department of labor.
37 *Fraudulent claims for benefits. (1) Any individual who, with intent to*
38 *obtain or increase unemployment benefits pursuant to the employment*
39 *security law for himself or another, knowingly makes a false statement,*
40 *misrepresents a fact or fails to disclose a material fact shall be guilty of*
41 *theft and penalized in accordance with K.S.A. 21-5801, and amendments*
42 *thereto.*

43 (2) Such violation shall constitute a severity level 5, nonperson felony

1 *if the individual:*

2 *(A) Had no employment as defined in K.S.A. 44-703, and*
3 *amendments thereto, during the claim period, and performed no services*
4 *for wages;*

5 *(B) Knowingly impersonated or falsely represented another person,*
6 *real or fictitious, without authorization; and*

7 *(C) Transmitted three or more false claims within a 30-day period,*
8 *each purporting to originate from a different person as described in*
9 *subparagraph (B).*

10 *(b) Employer fraud or misrepresentation. (1) Any employer, officer,*
11 *agent or individual who knowingly makes a false statement, fails to*
12 *disclose a material fact or misrepresents a material fact to avoid benefit*
13 *charges, contributions or employer status pursuant to the employment*
14 *security law shall be guilty of a class B misdemeanor, subject to a fine of*
15 *up to \$1,000 or imprisonment for not more than six months, or both.*

16 *(2) Each false statement, material omission or day of continued*
17 *violation shall constitute a separate offense. The secretary may adopt*
18 *rules and regulations to establish a graduated penalty schedule for repeat*
19 *or egregious violations.*

20 *(c) General violations without specific penalty. (1) Any person*
21 *willfully violating the provisions of the employment security law or the*
22 *rules and regulations adopted by the secretary, if no penalty is otherwise*
23 *specified, shall be guilty of a misdemeanor and subject to:*

24 *(A) A fine not less than \$20 nor more than \$200;*

25 *(B) imprisonment for up to 60 days; or*

26 *(C) both such fine and imprisonment.*

27 *(2) Each day of a continuing violation shall constitute a separate*
28 *offense.*

29 *(d) Recovery and repayment of improper benefits. (1) If a person*
30 *received benefits under the employment security law when disqualified for*
31 *such benefits or when eligibility requirements for such benefits were not*
32 *met, the secretary may:*

33 *(A) Deduct the overpaid amount from such person's future benefits;*
34 *or*

35 *(B) require repayment of the overpaid amount by such person to the*
36 *employment security fund.*

37 *(2) The secretary may waive such repayment or a portion of such*
38 *repayment if:*

39 *(A) Five years have passed since the final determination of such*
40 *overpayment;*

41 *(B) no fraud, misrepresentation or willful nondisclosure by such*
42 *person has occurred; and*

43 *(C) recovery would cause undue hardship or offend equity principles.*

1 (3) *The secretary may authorize repayment through an installment*
2 *plan for overpayments not due to fraud if such an arrangement would*
3 *mitigate financial hardship and facilitate recovery. The secretary shall*
4 *adopt rules and regulations to establish the terms of such repayment*
5 *agreements.*

6 (4) *The secretary may waive overpayments not due to fraud at any*
7 *time if the claimant met all eligibility criteria during the affected weeks.*

8 (5) (A) *Interest on overpayments shall:*

9 (i) *Be 1.5% per month or portion thereof;*

10 (ii) *for overpayments due to fraud, begin to accrue on the date of the*
11 *final determination;*

12 (iii) *for overpayment due to fraud, begin to accrue two years after the*
13 *date of the final determination; and*

14 (iv) *for overpayments not due to fraud, total accrued interest shall*
15 *not exceed 50% of the original overpaid amount, unless an exception for*
16 *extraordinary circumstances is authorized pursuant to rules and*
17 *regulations adopted by the secretary; and*

18 (B) *accrued interest shall not be deducted from future benefits.*

19 (6) *The secretary may abate accrued interest upon written request for*
20 *good cause shown.*

21 (7) *The secretary may recover unpaid benefits pursuant to the*
22 *provisions of K.S.A. 44-717, and amendments thereto.*

23 (8) *The secretary may bring an action in any Kansas court of*
24 *competent jurisdiction to enforce recovery of benefits improperly obtained*
25 *pursuant to the employment security law or improperly obtained benefits*
26 *owed to other states or the federal government.*

27 (9) *Treasury offset program collections shall be applied to a*
28 *claimant's overpayment balance. Federal processing fees shall be the*
29 *responsibility of such claimant.*

30 (10) (A) *If a claimant or employer voluntarily self-reports an*
31 *overpayment, erroneous claim or misclassification prior to audit or*
32 *enforcement action, the secretary may reduce or waive applicable*
33 *penalties or interest, subject to the provisions of subparagraph (B).*

34 (B) *If the secretary subsequently establishes fraud or willful*
35 *misrepresentation has occurred with respect to such overpayment,*
36 *erroneous claim or misclassification, the secretary shall reimpose such*
37 *applicable penalties or interest.*

38 (11) *For the purposes of this subsection, "final determination" means*
39 *the date on which a written notice of overpayment is issued by the*
40 *secretary and becomes final, either through exhaustion or expiration of all*
41 *administrative appeals.*

42 (e) *Employer failure to pay or evade contributions. Any employer or*
43 *individual who willfully fails to pay or attempts to evade required*

1 contributions, payments in lieu of contributions or benefit cost payments
2 shall be:

3 (1) Liable for full payment of the amount owed; and

4 (2) assessed a penalty equal to such amount.

5 (f) Employer rate manipulation and fraudulent transfers. (1) It shall
6 be unlawful for any employing unit to knowingly manipulate its workforce,
7 acquire a business or fail to report the acquisition, transfer or merger of a
8 business, including the workforce of such business, with the intent or effect
9 of obtaining a reduced contribution rate pursuant to K.S.A. 44-710a, and
10 amendments thereto.

11 (2) It shall be unlawful for any person to knowingly advise, assist or
12 facilitate such conduct.

13 (g) Penalties. (1) An employing unit that violates the provisions of
14 subparagraph (1)(A) shall be assigned:

15 (A) The maximum contribution rate for the current and subsequent
16 three rate years; or

17 (B) a flat 2% penalty rate, if such employing unit is already at the
18 maximum contribution rate or an increase from such employer's
19 contribution rate to the maximum contribution rate would be less than 2%.

20 (2) A person who is not an employing unit who violates the provisions
21 of subparagraph (1)(B) shall be subject to a civil penalty of up to \$5000.

22 (3) Penalty payments shall be credited to the special employment
23 security fund.

24 (h) Definitions. For the purposes of this subsection:

25 (1) "Employing unit" means the same as defined in K.S.A. 44-703,
26 and amendments thereto;

27 (2) "knowingly" means having actual knowledge or acting with
28 deliberate ignorance or reckless disregard;

29 (3) "person" means an individual, trust, estate, partnership,
30 association, company or corporation; and

31 (4) "business" includes the employing unit's workforce.

32 (i) Prosecution. (1) If the director of employment security or the
33 special assistant attorney general assigned to the department of labor
34 determines that there is probable cause that a violation of this subsection
35 has occurred, the director or special assistant attorney general may refer
36 the case to the county prosecutor with jurisdiction.

37 (2) If such county prosecutor does not initiate prosecution of such
38 case within 90 days, the case shall be returned to the director of
39 employment security or the special assistant attorney general and shall be
40 referred to the attorney general for prosecution. Upon such referral, the
41 attorney general or the attorney general's designee shall prosecute the
42 case.

43 (3) A violation of this subsection shall constitute a level 9, nonperson

1 *felony.*

2 (4) *The secretary shall adopt rules and regulations for the purpose of*
3 *establishing procedures to identify and investigate contribution rate*
4 *manipulation.*

5 (5) *K.S.A. 21-5211 and 21-5212, and amendments thereto, pertaining*
6 *to criminal liability of corporations and individuals, shall apply to*
7 *violations of this section.*

8 (6) *This section shall be interpreted in conformity with guidance and*
9 *regulations issued by the United States department of labor to ensure*
10 *federal compliance of the employment security law.*

11 Sec. 31. K.S.A. 44-720 is hereby amended to read as follows: 44-720.

12 (a) ~~In Civil actions. (1) In any civil action involving proceeding arising~~
13 ~~pursuant to the provisions of this act the employment security law, the~~
14 ~~secretary of labor and the state:~~

15 (A) ~~May be represented by any qualified an attorney employed by the~~
16 ~~secretary who is an employee of the secretary of labor and designated~~
17 ~~authorized in writing by the secretary for this purpose to represent the~~
18 ~~secretary and the state in accordance with K.S.A. 75-704, and at the~~
19 ~~secretary's amendments thereto; or~~

20 (B) ~~upon request by the secretary and as provided by law, shall be~~
21 ~~represented by the attorney general; or the attorney general's designee.~~

22 (2) ~~If the action is brought filed in another state, representation may~~
23 ~~be by any attorney authorized to practice in the courts of any other state~~
24 ~~by any attorney qualified to appear in the courts of that state such~~
25 ~~jurisdiction.~~

26 (b) ~~In Criminal actions. (1) The attorney general shall prosecute all~~
27 ~~criminal actions for any criminal violation of any provision of this act, the~~
28 ~~employment security law or of any rules or regulations issued pursuant~~
29 ~~thereto, shall be prosecuted by the attorney general of the state; or, at the~~
30 ~~secretary's adopted thereunder; or~~

31 (2) ~~upon request and under the by the secretary and pursuant to the~~
32 ~~secretary's direction, by the district attorney or county attorney of any in~~
33 ~~the county in which the offense was committed in which such criminal~~
34 ~~violation occurred shall prosecute such criminal action.~~

35 (c) *Interstate and federal enforcement. The secretary may cooperate*
36 *with out-of-state and federal prosecutors in pursuing a violation of the*
37 *employment security law that involves fraud in multiple jurisdictions,*
38 *overpayments or employer misconduct, subject to applicable state and*
39 *federal law.*

40 Sec. 32. K.S.A. 44-721 is hereby amended to read as follows: 44-721.

41 ~~Benefits shall be deemed to be due and payable under this act only to the~~
42 ~~extent provided in this act and to the extent that moneys are available~~
43 ~~therefor to the credit of the employment security fund and neither the state~~

1 ~~nor the secretary of labor shall be liable for any amount in excess of such~~
2 ~~sums.~~ (a) *Limitation on benefit obligations. Unemployment benefits shall*
3 *be considered due and payable under the employment security law only as*
4 *expressly authorized by such law and to the extent that funds are available*
5 *to the credit of the employment security fund established pursuant to*
6 *K.S.A. 44-712, and amendments thereto.*

7 (b) *No general fund liability. Neither the state of Kansas nor the*
8 *secretary shall be liable for the payment of any benefits in excess of the*
9 *moneys available in the employment security fund.*

10 (c) *No vested right beyond available funds. Claimants shall not have*
11 *a vested right or legal claim to any amount of benefits beyond the amounts*
12 *payable from available funds credited to the employment security fund at*
13 *the time such benefits become due.*

14 (d) *Federal and state law conformity. This section shall be*
15 *interpreted and applied in conformity with K.S.A. 44-712 and 44-714, and*
16 *amendments thereto, 42 U.S.C. § 503(a)(5) and any regulations*
17 *promulgated by the United States department of labor to ensure continued*
18 *federal certification of the state's unemployment insurance program.*

19 Sec. 33. K.S.A. 44-722 is hereby amended to read as follows: 44-722.
20 The legislature reserves the right to amend or repeal all or any part of this
21 act at any time; and there shall be no vested private right of any kind
22 against such amendment or repeal. All the rights, privileges, or immunities
23 conferred by this act or by acts done pursuant thereto shall exist subject to
24 the power of the legislature to amend or repeal this act at any time. (a) *No*
25 *individual, entity or organization shall acquire a vested private right,*
26 *entitlement or interest that limits or restricts the legislature's authority to*
27 *amend or repeal the employment security law, in whole or in part.*

28 (b) *All rights, benefits, privileges or immunities pursuant to the*
29 *employment security law or arising from actions taken pursuant to such*
30 *law shall remain subject to the legislature's continuing authority to amend*
31 *or repeal such law.*

32 (c) *This section shall be construed in accordance with the Kansas*
33 *constitution and applicable judicial precedent recognizing the legislature's*
34 *authority over statutory entitlements.*

35 Sec. 34. K.S.A. 44-723 is hereby amended to read as follows: 44-723.
36 ~~If the tax imposed by title IX of the federal social security act (Public No.~~
37 ~~271, seventy-fourth congress, approved August 14, 1935)*, or by any~~
38 ~~amendments thereto, or any other federal tax against which contributions~~
39 ~~under this act may be credited has been repealed by congress or has been~~
40 ~~held unconstitutional by the United States supreme court, the payment of~~
41 ~~contributions and benefits under this act shall cease, and any unobligated~~
42 ~~funds in the state employment security fund and in the United States~~
43 ~~unemployment trust fund returned by the treasurer of the United States~~

1 ~~because title IX* of the social security act is inoperative, shall be refunded~~
2 ~~to contributors in proportion to their contributions.~~(a) *Federal tax*
3 *dependency. The operation of the employment security law shall be*
4 *contingent upon the existence of a federal unemployment tax, including,*
5 *but not limited to, the tax imposed under title IX of the federal social*
6 *security act, 42 U.S.C. § 1101 et seq., as amended, or any other federal*
7 *tax against which contributions made pursuant to the employment security*
8 *law may be credited.*

9 (b) *Termination of state program. If such federal tax is repealed by*
10 *the United States congress or declared unconstitutional by the United*
11 *States supreme court, the obligation to pay unemployment insurance*
12 *contributions and benefits pursuant to the employment security law shall*
13 *be suspended immediately.*

14 (c) *Disposition of unobligated funds. In the event of such federal*
15 *repeal or invalidation as described in subsection (b) and to the extent that*
16 *unobligated funds from the employment security fund or amounts returned*
17 *from the federal unemployment trust fund are made available to the state:*

18 (1) *Such funds shall be refunded to contributing employers in*
19 *proportion to such employers' prior contributions; and*

20 (2) *the secretary shall establish by rules and regulations the*
21 *procedures and timeline for issuing refunds, consistent with federal*
22 *guidance.*

23 (d) *Preservation of state authority. Nothing in this section shall be*
24 *construed to prohibit the Kansas legislature from establishing an*
25 *alternative unemployment benefit program or financing mechanism if the*
26 *federal-state system, including, but not limited to, the existence of a*
27 *federal unemployment tax, is modified or discontinued.*

28 (e) *Conformity and implementation. This section shall be interpreted*
29 *and applied by the secretary in conformity with federal law and*
30 *regulations issued by the United States department of labor, including any*
31 *applicable guidance under the social security act or the federal*
32 *unemployment tax act, to ensure proper administration of refunds and*
33 *continued eligibility for federal unemployment program certification.*

34 Sec. 35. K.S.A. 44-724 is hereby amended to read as follows: 44-724.

35 (a) *Severability. If any provision of this act, or the employment security*
36 *law or its application thereof to any person or circumstance, is held found*
37 *to be invalid, the remainder by a court of this act and competent*
38 *jurisdiction, such invalidity shall not affect the validity of the remaining*
39 *provisions or their application of such provision to other persons or*
40 *circumstances shall not be affected thereby. No caption of any section or*
41 *set of sections.*

42 (b) *Captions not controlling. Section headings and captions used in*
43 *the employment security law are for reference and organizational*

1 *purposes only and shall in any way not be construed to affect the meaning,*
2 *interpretation of this act or any part thereof or application of any provision*
3 *of the employment security law.*

4 Sec. 36. K.S.A. 44-725 is hereby amended to read as follows: 44-725.

5 *(a) Any contributions and payments in lieu of contributions paid by the an*
6 *employer pursuant to the employment security law shall be deductible in*
7 *arriving at computing the employer's taxable income of such employer*
8 *under pursuant to the Kansas income tax laws of the state of Kansas, act.*

9 *(b) Such deductions shall apply to the same extent as taxes are*
10 *deductible during any taxable year by any such employer.*

11 *(c) This section shall be construed in accordance with the Kansas*
12 *income tax act.*

13 Sec. 37. K.S.A. 44-727 is hereby amended to read as follows: 44-727.

14 *(a) Authority to acquire title.* The state of Kansas ~~is hereby authorized to~~
15 ~~receive may acquire~~ and accept title to real property ~~which may be~~
16 ~~acquired under rental purchase~~ obtained through rental-purchase
17 agreements executed or to be executed by the secretary ~~in~~ of labor for
18 *purposes related to the administration of the employment security law.*

19 *(b) Funding source and appropriations.* Such property ~~shall~~ may be
20 acquired without appropriation by the state of Kansas ~~and legislature if the~~
21 ~~purchase cost thereof shall be defrayed~~ *is fully funded* by federal funds
22 ~~made available allocated for the administration of the employment security~~
23 ~~law. Sufficiency of title to any property acquired hereunder shall be~~
24 ~~approved by the attorney general~~

25 *(c) Title review and conveyance.* Prior to such acquisition of such
26 *property and conveyance to the state by general warranty deed to, the state*
27 *attorney general shall review and approve the sufficiency of Kansas. Any*
28 *title.*

29 *(d) Use and occupancy.* Property ~~acquired under authority hereof~~
30 ~~pursuant to this section shall be utilized~~ *used* primarily for the
31 administration of the employment security law by the secretary ~~of labor.~~
32 ~~After acquisition. Once acquired, such property may be occupied used for~~
33 ~~administration of the employment security law at no such administrative~~
34 ~~purposes without cost to the state other than routine maintenance.~~

35 *(e) Federal and state compliance.* All acquisitions, use and
36 *disposition of property pursuant to this section shall comply with*
37 *applicable:*

38 *(1) Federal funding and property management requirements,*
39 *including requirements set forth in 2 C.F.R. part 200 or, upon review by*
40 *the secretary, any successor requirements;*

41 *(2) state procurement and real property management laws; and*

42 *(3) federal property disposition requirements in effect at the time of*
43 *any disposition, upon review of such requirements by the secretary.*

1 Sec. 38. K.S.A. 2025 Supp. 44-757 is hereby amended to read as
2 follows: 44-757. ~~Shared work unemployment compensation program.~~ (a)
3 *Definitions.* As used in this section:

4 (1) "Affected unit" means a ~~specified~~ department, shift or other ~~unit~~
5 *group* of two or more employees ~~that is~~ designated by an employer to
6 participate in a shared work plan.

7 (2) "Fringe benefit" ~~means includes employer-provided benefits, such~~
8 *as health insurance, a retirement benefit received under a pension plan, a*
9 *contributions, paid vacation day, a paid holiday, holidays, sick leave, and*
10 *any other analogous employee benefit that is provided by an employer and*
11 *similar benefits.*

12 (3) "Fund" ~~has the meaning ascribed thereto by means the same as~~
13 *defined in K.S.A. 44-703(k), and amendments thereto.*

14 (4) "Normal weekly hours of work" means the lesser of 40 hours or
15 the average obtained by dividing the total number of hours worked per
16 week during the preceding ~~twelve-week~~ *12-week* period ~~by the number 12.~~

17 (5) "Participating employee" means an employee ~~who works a~~
18 *working reduced number of hours under a an employer-initiated shared*
19 *work plan initiated by their employer and approved by the secretary.*

20 (6) "Participating employer" means an employer ~~who has applied to~~
21 *and been with an approved by the secretary for a shared work plan that is*
22 *in effect.*

23 (7) "Secretary" means the secretary of labor or the secretary's
24 designee.

25 (8) "Shared work benefit" means ~~an a prorated unemployment~~
26 *compensation benefit that is payable paid to an individual employee in an*
27 *affected unit because the individual works with reduced hours under an*
28 *approved shared work plan.*

29 (9) "Shared work plan" means a *written proposal submitted by an*
30 *employer and approved by the secretary pursuant to this section outlining*
31 *a temporary reduction in work hours as part of the state's short-term*
32 *compensation program established in subsection (b).*

33 (10) "Short-term compensation program" means a shared work ~~plan~~
34 *program designed to provide an alternative to avoid layoffs for employers*
35 *experiencing a reduction in available work. A "short-term compensation*
36 *program" preserves employees' jobs and an employer's trained workforce*
37 *during times of lowered economic activity by allowing an employer*
38 *employers to reduce employee hours of work for while employees rather*
39 *than laying off some employees while others continue to work full time.*
40 *Under a "short-term compensation program," employees experiencing a*
41 *reduction in hours are allowed to collect a pro-rata share of their*
42 *unemployment compensation benefits to replace a portion of the*
43 *employee's lost wages receive partial unemployment benefits.*

1 (b) *Program establishment.* The secretary shall ~~establish~~ administer a
2 voluntary short-term compensation program as provided by this section.
3 The secretary may adopt rules and regulations and establish procedures *as*
4 ~~necessary to administer~~ *implement the short-term compensation program*
5 *provisions of this section.*

6 (c) *Program promotion.* The secretary shall ~~create and manage~~
7 ~~implement~~ an annual ~~promotional outreach~~ campaign ~~for the short-term~~
8 ~~compensation program~~ to encourage and improve business *increase*
9 *employer awareness and participation.* ~~The promotional~~ *At a minimum, the*
10 *campaign shall include the following elements:*

11 (A)(1) ~~Engagement in proactive educational~~
12 ~~communications~~ *Collaboration with other state agencies and stakeholders;*
13 ~~including the governor's office, legislators such as state agencies,~~
14 ~~workforce investment boards, labor unions and local, regional business~~
15 ~~associations;~~

16 (2) *a designated liaison or state chambers of commerce support team*
17 *for employer inquiries;*

18 (B) ~~a dedicated department of labor employee or team to efficiently~~
19 ~~and timely answer employer's questions about the short-term~~
20 ~~compensation program;~~

21 (C)(3) ~~presentation~~ *standardized educational materials that provide*
22 *consistency of messaging about the benefits of using a short-term*
23 *compensation program to provide for stakeholders for distribution to*
24 *employer groups, workforce investment boards or other interested parties*
25 *and employers;*

26 (D)(4) ~~proactive engagement with employers experiencing facing~~
27 ~~economic stress or layoffs to share the benefits of the short-term~~
28 ~~compensation program and to ensure such employers are aware of the~~
29 ~~program hardship; and~~

30 (E)(5) ~~an automated processes for application, claims and weekly~~
31 ~~certification process for participating employers designed to facilitate~~
32 ~~participation; to reduce an employer's administrative burden and promote~~
33 ~~the use of the short-term compensation program.~~

34 (d) ~~An employer who wishes~~ *Employer application and*
35 *responsibilities.* To participate in the ~~short-term compensation program~~
36 ~~must program, an employer shall meet the requirements of paragraphs (1)~~
37 ~~through (5), as determined by the secretary, and submit a written shared~~
38 ~~work plan to the secretary for the secretary's approval. As a condition for~~
39 ~~approval, a participating employer must agree to furnish the secretary with~~
40 ~~reports relating to the operation of the shared work plan as requested by~~
41 ~~the secretary. The employer shall monitor and evaluate the operation of the~~
42 ~~established shared work plan as requested by the secretary and shall report~~
43 ~~the findings to the secretary. that meets the requirements of subsection (e).~~

1 *The secretary shall determine whether the employer:*

2 ~~(e) The secretary may approve a shared work plan if:~~

3 ~~(1) The shared work plan applies to and identifies a specific affected~~
4 ~~unit;~~

5 ~~(2) the employees in the affected unit are identified by name and~~
6 ~~social security number;~~

7 ~~(3) the shared work plan reduces the normal weekly hours of work~~
8 ~~for an employee, including regular part-time employees, in the affected~~
9 ~~unit by not less than 10% and not more than 50%;~~

10 ~~(4) the shared work plan applies to at least 10% of the employees in~~
11 ~~the affected unit;~~

12 ~~(5) the shared work plan describes the manner that the participating~~
13 ~~employer treats the fringe benefits of each employee in the affected unit~~
14 ~~and the employer certifies that if the employer provides health benefits and~~
15 ~~retirement benefits under a defined benefit plan, as defined in 26 U.S.C. §~~
16 ~~414(j), or contributions under a defined contribution plan, as defined in 26~~
17 ~~U.S.C. § 414(i), to any employee whose workweek is reduced under the~~
18 ~~program that such benefits will continue to be provided to employees~~
19 ~~participating in the short-term compensation program under the same~~
20 ~~terms and conditions as though the workweek of such employee had not~~
21 ~~been reduced or to the same extent as other employees not participating in~~
22 ~~the short-term compensation program;~~

23 ~~(6) the employer certifies that the implementation of a shared work~~
24 ~~plan and the resulting reduction in work hours is in lieu of layoffs that~~
25 ~~would affect at least 10% of the employees in the affected unit and that~~
26 ~~would result in an equivalent reduction in work hours;~~

27 ~~(7)(1) the employer has filed~~*Is current on all reports required reports*
28 ~~and payments pursuant to be filed under the employment security law for~~
29 ~~all past and current periods and has paid all contributions, benefit cost~~
30 ~~payments, or if a reimbursing employer has made all payments in lieu of~~
31 ~~contributions due for all past and current periods;~~

32 ~~(8)(A)(2) if a contributing employer must be, is eligible for a rate~~
33 ~~computation under pursuant to K.S.A. 44-710a(a)(2)(c), and amendments~~
34 ~~thereto, and the contributing employer, as determined by the secretary,~~
35 ~~does not adversely impact the state's eligibility under. In addition, if~~
36 ~~section 2108 of the federal coronavirus aid, relief and economic security~~
37 ~~(CARES) act, public law 116-136, is in effect, the employer will not~~
38 ~~adversely impact the state's conformity or eligibility for federal funds~~
39 ~~under such act by participating in the program;~~

40 ~~(B)(3) if a contributing employer with a negative account balance as~~
41 ~~defined in K.S.A. 44-703, and amendments thereto, and section 2108 of the~~
42 ~~federal CARES act, public law 116-136, is no longer in effect, a~~
43 ~~contributing employer eligible for a rate computation under K.S.A. 44-~~

1 710(a)(2), and amendments thereto, that is a negative account employer as
2 defined by K.S.A. 44-710a(d), and amendments thereto, may only be
3 approved for a shared work application if the negative account employer's
4 has improved the employer's most recent calculated reserve ratio ~~has~~
5 improved from as compared to the previous reporting year's reserve ratio;

6 ~~(C)(4) if a rated governmental employer must be subject to~~
7 ~~experience rating, is eligible for a rate computation under pursuant to~~
8 ~~K.S.A. 44-710d(g), and amendments thereto; and~~

9 ~~(9)(5) has agreed to:~~

10 ~~(A) Provide reports on plan operation as required by the secretary;~~
11 ~~and~~

12 ~~(B) monitor, evaluate and report on program effectiveness as directed~~
13 ~~by the secretary.~~

14 ~~(e) Plan approval requirements. A shared work plan submitted to the~~
15 ~~secretary by an employer who meets the requirements of subsection (d)~~
16 ~~may be approved by the secretary if the plan:~~

17 ~~(1) Identifies a specific affected unit;~~

18 ~~(2) lists participating employees by name and social security~~
19 ~~number;~~

20 ~~(3) reduces normal weekly hours by 10% to 50% for each employee,~~
21 ~~including any part-time employee;~~

22 ~~(4) covers at least 10% of the affected unit;~~

23 ~~(5) maintains health and retirement benefits at prereduction levels or~~
24 ~~provides benefits that are equal to those offered to similarly situated full-~~
25 ~~time employees not participating in the shared work plan;~~

26 ~~(6) is in lieu of layoffs that would affect at least 10% of such unit;~~

27 ~~(7) complies with all applicable contribution, rating and federal~~
28 ~~conformity provisions;~~

29 ~~(8) provides that eligible employees may participate, as appropriate,~~
30 ~~in training programs that enhance job skills, including without limitation,~~
31 ~~but not limited to, employer-sponsored training or worker training and~~
32 ~~workforce development programs funded under the workforce investment~~
33 ~~act of 1998, to enhance job skills if innovation and opportunity act, public~~
34 ~~law 113-128, or any successor legislation upon review of such program~~
35 ~~has been approved legislation by the state of Kansas;~~

36 ~~(10) the employer includes a plan for giving advance notice, where~~
37 ~~feasible, to an employee whose workweek is to be reduced together with~~
38 ~~an estimate of the number of layoffs that would have occurred absent the~~
39 ~~ability to participate in shared work compensation and such other~~
40 ~~information as the secretary of labor determines is appropriate; and~~

41 ~~(11) the terms of the employer's written plan and implementation are.~~
42 ~~Participation in such training shall be consistent with employer~~
43 ~~obligations under the requirments of this section and subsection (1) and~~

1 approved by the secretary or the designated workforce development
2 authority of this state. Training may occur during periods of reduced
3 hours under the shared work plan without affecting the individual's
4 eligibility for shared work benefits;

5 (9) includes a plan to provide notice to affected employees and an
6 estimate of layoffs avoided; and

7 (10) complies with all applicable federal and Kansas state labor laws.

8 (f) *Collective bargaining units.* If any of the participating employees
9 who participate in a shared work plan under this section are covered by a
10 collective bargaining agreement, the shared work plan ~~must~~ shall be
11 approved in writing by the ~~collective bargaining agent union~~
12 representative and such approval provided to the secretary by the union
13 representative.

14 (g) ~~A Prohibited use.~~ Shared work ~~plan may~~ plans shall not be
15 implemented used to subsidize seasonal ~~employers~~ employment during the
16 off season off-season periods. This ~~provision prohibition~~ shall not be
17 construed to apply to a shared work plan implemented for school bus
18 drivers pursuant to K.S.A. 44-706(p), and amendments thereto.

19 (h) ~~The secretary shall approve or deny a shared work plan not later~~
20 ~~than the 30th day after the day the shared work plan is received by the~~
21 ~~secretary.~~ *Plan review timeline.* The secretary shall approve or deny a
22 shared work plan in writing. If the secretary denies a shared work plan, the
23 secretary shall within 30 days of submission and notify the employer in
24 writing of the decision and any reasons for the denial.

25 (i) *Effective and expiration dates.* A shared work plan ~~is~~ shall become
26 effective on the date ~~it~~ such plan is approved by the secretary, ~~except for~~
27 ~~good cause a shared work plan may be.~~ The secretary may designate a
28 retroactive effective at any time within a period date of not more than 14
29 days prior to the actual date ~~such of completed review and approval of the~~
30 ~~plan is approved by the secretary.~~ The shared work ~~A shared work plan~~
31 ~~expires on the last day of the 12th shall expire 12 full calendar month~~
32 ~~months after the effective date of the shared work plan.~~

33 (j) *Plan modifications.* (1) An employer may modify ~~a an approved~~
34 shared work plan ~~created under this section to meet~~ address changed
35 operational conditions ~~if, provided the modification conforms to remains~~
36 consistent with the basic provisions fundamental terms of the shared work
37 original plan as approved by the secretary. The employer ~~must~~ shall report
38 the changes made to the shared work plan all modifications in writing to
39 the secretary before implementing the changes. If the original shared work
40 plan is prior to the implementation of such modifications.

41 (2) If the secretary determines that such modifications are
42 substantial, the shared work plan shall be subject to reevaluation and
43 approval by the secretary pursuant to the criteria of subsection (e). A

1 substantially modified, ~~the secretary shall reevaluate the shared work plan~~
2 ~~and may approve the shared work plan may be approved by the secretary~~
3 ~~if it continues to meet all applicable requirements for approval pursuant to~~
4 ~~this section. Approval of a modified shared work plan if it meets the~~
5 ~~requirements for approval under subsection (d). The approval of a~~
6 ~~modified shared work plan does not affect the~~ by the secretary shall not
7 extend or alter such plan's original expiration date originally set for. If the
8 secretary determines that ~~shared work plan~~. If substantial the
9 modifications cause the ~~shared work~~ such plan to fail to no longer meet the
10 statutory requirements for approval, the secretary shall deny approval to of
11 the modifications as provided by in accordance with the procedures set
12 forth in subsection ~~(g)~~ (h).

13 (k) *Eligibility for shared work benefits.* (1) Notwithstanding any other
14 provisions of the employment security law, an individual ~~is shall be~~
15 ~~considered~~ unemployed and is eligible for to receive shared work benefits
16 in for any week in which the individual, as ~~an~~ a participating employee in
17 an affected unit, works for ~~less~~ fewer hours than the individual's normal
18 weekly hours of work in accordance with an approved shared work plan
19 that is in effect for ~~that~~ such week.

20 (2) The secretary ~~may shall~~ not deny shared work benefits for any
21 week to an otherwise eligible individual by reason of the application of for
22 any provision such week based on provisions of the employment security
23 law that relates related to:

24 (A) Availability for work; or

25 (B) active search for work; or

26 (C) refusal to apply for or accept work with an employer other than
27 the participating employer.

28 (l) *Eligibility criteria.* An individual employee is eligible to receive
29 shared work benefits ~~with respect to~~ for any week in which the secretary
30 finds that employee:

31 (1) ~~The employee is determined to be eligible~~ Meets requirements of
32 eligibility for unemployment compensation, ~~except that while receiving~~
33 ~~shared work benefits, an employee shall not be required to meet work~~
34 ~~availability or work excluding job search requirements but shall be~~
35 ~~required to be available for the employee's normal work week;~~

36 (2) the individual is employed as a member of an affected unit subject
37 to a shared work plan that was approved before the week in question and is
38 in effect for ~~that~~ is covered by an approved shared work plan during the
39 week claimed;

40 (3) the individual is able to work and is available for additional hours
41 of work or full-time work with the participating employer;

42 (4) the individual's normal weekly ~~has had~~ hours of work have been
43 reduced by at least 10% but not more than to 50%, with a corresponding

1 ~~reduction in wages~~ *wage loss*; and

2 (5) ~~the individual's normal weekly hours of work and wages have~~
3 ~~been reduced as described in subsection (k)(4) for a waiting period of one~~
4 ~~week that occurs within the period the shared work plan is in effect, which~~
5 ~~period includes the week for which the individual is claiming shared work~~
6 ~~benefits~~ *has served a one-week waiting period during the plan's active*
7 *period.*

8 (m) *Benefit amounts.* (1) ~~The secretary shall pay an individual who is~~
9 ~~eligible for shared work benefits under this section a weekly shared work~~
10 ~~benefit amount equal to the individual's~~ *shall be calculated by multiplying*
11 *the individual's regular weekly benefit amount for a period of total*
12 ~~unemployment multiplied by the nearest full by the percentage of~~
13 ~~reduction of the individual's in hours as set forth in under the employer's~~
14 ~~shared work plan. If the, rounded down to the nearest whole dollar.~~

15 (2) ~~Weekly shared benefit amount is not a multiple of \$1, the secretary~~
16 ~~work benefits shall reduce the amount to the next lowest multiple of \$1.~~
17 ~~All shared work benefits under this section shall be payable be paid from~~
18 ~~the employment security trust fund.~~

19 (n) ~~An individual may not receive~~ *Combined benefit limit.* ~~Shared~~
20 ~~work benefits and regular unemployment compensation benefits in an~~
21 ~~amount that exceeds combined shall not exceed the maximum total amount~~
22 ~~of unemployment insurance benefits payable to that an individual allowed~~
23 ~~in a benefit year as provided by pursuant to K.S.A. 44-704(g), and~~
24 ~~amendments thereto.~~

25 (o) *Extended benefits eligibility.* ~~An individual who has received all~~
26 ~~of the exhausts both regular and shared work benefits and regular~~
27 ~~unemployment compensation may qualify for extended benefits available~~
28 ~~in a benefit year is an exhaustee under pursuant to K.S.A. 44-704a and 44-~~
29 ~~704b, and amendments thereto, and is entitled to receive extended benefits~~
30 ~~under such statutes if the individual is if otherwise eligible under such~~
31 ~~statutes.~~

32 (p) *Plan termination.* (1) ~~The secretary may terminate a shared work~~
33 ~~plan for good cause if the secretary determines that the shared work plan is~~
34 ~~not being executed according to the terms and intent of the short-term~~
35 ~~compensation program, including, but not limited to:~~

36 (A) *Failure to comply with the approved plan;*

37 (B) *failure to maintain required fringe benefits;*

38 (C) *misrepresentation of facts;*

39 (D) *fraud; or*

40 (E) *failure to submit reports required by the secretary.*

41 (2) *The secretary may adopt rules and regulations to further define*
42 *good cause for plan termination.*

43 (q) ~~Notwithstanding any other provisions of this section, an~~ *Weekly*

1 *limit. No individual shall not be eligible to receive shared work benefits for*
2 *more than 52 calendar weeks during the 12-month period of the shared*
3 *work plan. No week shall be counted as a week for which an individual is*
4 *eligible for shared work benefits for the purposes of this section unless the*
5 *week occurs within the work plan's 12-month period of the shared work*
6 *plan.*

7 (r) ~~This section shall be a part of and supplemental to the employment~~
8 ~~security law.~~

9 Sec. 39. K.S.A. 44-758 is hereby amended to read as follows: 44-758.

10 (a) *Liability for contributions. (1) Any employer or any individual,*
11 ~~organization,~~ *partnership, corporation, organization or other legal entity*
12 *that is a lessor employing unit, as defined by in K.S.A. 44-703(##), and*
13 *amendments thereto, shall be liable for all unemployment insurance*
14 *contributions, interest and penalties on wages paid by the lessor*
15 ~~employing unit~~ *to individuals performing services for client lessees. Any*

16 (2) *Each client lessee shall be jointly and severally liable for any*
17 *unpaid contributions, interest and or penalties due owed under this the*
18 *employment security law from any lessor employing unit that are*
19 *attributable to wages for services performed for the client lessee by*
20 *employees leased to through the client lessee lessor employing unit.*

21 (3) *To ensure transparency and accountability, the lessor employing*
22 *unit shall keep:*

23 (A) *Maintain separate payroll and employment records and for each*
24 *client lessee; and*

25 (B) *submit separate quarterly contributions and wage and*
26 *contribution reports for each client lessee in accordance with reporting*
27 *requirements established pursuant to rules and regulations that may be*
28 *adopted by the secretary of labor. Such rules and regulations may include*
29 *mandatory electronic filing provisions.*

30 (b) ~~Any lessor employing unit that is currently engaged in the~~
31 ~~business of leasing employees to client lessees shall comply with the~~
32 ~~provisions of subsection (a) prior to October 1, 1990.~~

33 (e) ~~The provisions of Temporary staffing firms excluded. (1) This~~
34 ~~section shall not be applicable apply to private employment agencies or~~
35 ~~staffing firms that provide temporary workers to employers on a temporary~~
36 ~~help basis, provided the private employment agencies if such entities are~~
37 ~~liable as employers the employer of record for the payment of all~~
38 ~~unemployment insurance contributions on wages paid to such temporary~~
39 ~~employees,~~

40 (2) *For the purposes of this subsection, a "temporary help basis"*
41 *means the assignment of workers so employed to a client to meet short-*
42 *term workload demands, seasonal needs or to fill in for absent regular*
43 *employees.*

1 ~~(d) This section shall be construed as part of the employment security~~
2 ~~law.~~

3 (c) *Enforcement and dispute resolution. The secretary of labor may*
4 *adopt rules and regulations as necessary to enforce this section and*
5 *resolve disputes regarding liability between lessor employing units and*
6 *client lessees. Such rules may include procedures for determining liability,*
7 *allocating responsibility for unpaid contributions, establishing*
8 *documentation and audit standards and setting timelines and procedures*
9 *for notice, appeal and resolution of disputes in accordance with the*
10 *employment security law.*

11 Sec. 40. K.S.A. 44-759 is hereby amended to read as follows: 44-759.
12 ~~On and after January 1, 1998,~~(a) *Definition. As used in this section,*
13 *"administrative ruling" means any written interpretation, guidance*
14 *document or determination issued by the secretary that explains or*
15 *clarifies the application of statutes, regulations or policies under the*
16 *employment security law. "Administrative ruling" does not include*
17 *decisions of labor the employment security board of review or district*
18 *court rulings in individual adjudicated cases.*

19 (b) *Availability. The secretary shall make available in, through a*
20 ~~medium readily publicly accessible to contributing employers~~ *electronic*
21 *archive maintained on the department's official website, all administrative*
22 *rulings of the department of labor which that affect the duties and,*
23 *responsibilities of contributing employers. Such rulings or compliance*
24 *obligations of employers, claimants or other parties subject to the*
25 *employment security law.*

26 (c) *Confidentiality. Each administrative ruling shall be provided in*
27 ~~such a manner as to conceal~~ *published in a format that redacts or omits all*
28 *personally identifiable information, including the identity of the specific*
29 *employer for or individual to whom the ruling concerned administrative*
30 *ruling originally applied, in compliance with applicable confidentiality*
31 *law and data protection standards.*

32 (d) *Publication. Within 30 days of issuing an administrative ruling*
33 *subject to subsection (b), the secretary shall cause to be published in*
34 *publish a summary description of the administrative ruling in the Kansas*
35 *register a description of each such administrative ruling within 30 days of*
36 *such ruling, together with specific clear instructions as to how the*
37 ~~complete text of the administrative ruling may be obtained for accessing~~
38 *the full text through the department's electronic archive on the*
39 *department's official website. The secretary may satisfy this requirement*
40 *through periodic bulletins, summaries or compilations pursuant to rules*
41 *and regulations that may be adopted by the secretary, provided that such*
42 *bulletins or compilations are published at regular intervals not to exceed*
43 *one calendar quarter.*

1 (e) *Appeal and legal status.* (1) *An administrative ruling published*
2 *under this section shall not constitute a final agency order or the issuance*
3 *of such an order subject to judicial review under the Kansas*
4 *administrative procedure act, unless explicitly designated as such.*

5 (2) *Administrative rulings from adjudicative proceedings that are*
6 *intended to govern and be binding on the future conduct of private parties*
7 *shall comply with the requirements of K.S.A. 77-415, and amendments*
8 *thereto. The secretary may issue guidance identifying which rulings are*
9 *binding versus advisory and may establish procedures for requesting*
10 *clarification or review.*

11 (f) *Rules and regulations.* *The secretary may adopt rules and*
12 *regulations to implement this section, including, but not limited to:*

13 (1) *Criteria for determining which rulings are subject to publication;*

14 (2) *formatting and redaction requirements;*

15 (3) *retention and archival timelines for administrative rulings;*

16 (4) *summary publication procedures; or*

17 (5) *stakeholder input or feedback procedures, including, but not*
18 *limited to, opportunities for public comment, advisory committee*
19 *consultation or formal requests for clarification or review.*

20 Sec. 41. K.S.A. 44-760 is hereby amended to read as follows: 44-760.

21 ~~This act~~(a) *Title and purpose.* *The provisions of this section shall be*
22 ~~known-and may be cited~~ *as the employment security insurance act for*
23 *domestic violence survivors. The purpose of this section is to establish*
24 *definitions, procedures, training requirements and benefit protections for*
25 *individuals who voluntarily separate from employment or are otherwise*
26 *affected by circumstances related to domestic violence.*

27 (b) *Definitions.* *As used in this section:*

28 (1) *"Abuse" means:*

29 (A) *Causing or attempting to cause physical harm to another person;*

30 (B) *placing another person in fear of imminent physical harm;*

31 (C) *causing or attempting to cause another person to engage*
32 *involuntarily in sexual relations by force, threats or duress;*

33 (D) *engaging in mental abuse of another person, including threats,*
34 *intimidation or acts intended to induce terror;*

35 (E) *depriving or threatening to deprive another person of healthcare,*
36 *housing, food or other necessities of life; or*

37 (F) *unlawfully restraining or threatening to unlawfully restrain the*
38 *liberty of another person.*

39 (2) *"Domestic violence" means abuse committed against an employee*
40 *or the employee's spouse or dependent child by a:*

41 (A) *Current or former spouse of the employee;*

42 (B) *person with whom the employee shares a child in common;*

43 (C) *person who is cohabitating with or has cohabitated with the*

1 employee;

2 (D) person related to the employee by blood or marriage; or

3 (E) person with whom the employee has or had a dating or
4 engagement relationship, irrespective of the length of such relationship.

5 (c) Training and implementation. The secretary of labor shall
6 develop and implement a domestic violence training curriculum for all
7 employees who interact with claimants pursuant to K.S.A. 44-706, and
8 amendments thereto, this section or other provisions of the employment
9 security law. The training program shall be approved by the state domestic
10 violence and sexual assault coalition designated by the centers for disease
11 control and prevention or the United States department of health and
12 human services. The curriculum shall ensure that claimants affected by
13 domestic violence are treated with sensitivity and confidentiality and
14 informed about available protections. The secretary shall update the
15 curriculum periodically.

16 (d) Employer account protections. Notwithstanding any other
17 provisions of the employment security law, the secretary shall not charge
18 the employment security insurance account of any contributing employer
19 or rated governmental employer for benefits paid to a claimant who is
20 determined to be eligible for benefits pursuant to K.S.A. 44-706, and
21 amendments thereto, due to circumstances related to domestic violence.

22 (e) Rules and regulations. The secretary may adopt rules and
23 regulations for the purpose of implementing the provisions of this section.

24 Sec. 42. K.S.A. 44-765 is hereby amended to read as follows: 44-765.

25 (a) ~~As used in~~ Definitions. For the purposes of this section:

26 (1) "Driver" means an individual who operates a motor vehicle ~~which~~
27 that is leased to a licensed motor carrier pursuant to a lease agreement.

28 (2) "Lease agreement" means a written contract by which an owner
29 grants the use of one or more motor vehicles to a licensed motor carrier
30 and agrees to furnish ~~a driver for or operate~~ each such ~~motor~~ vehicle with
31 a driver, which may include the owner.

32 (3) "Licensed motor carrier" means any person that:

33 (A) Holds a certificate of convenience and necessity, a certificate of
34 public service, private carrier permit or an interstate license as an interstate
35 exempt carrier from the state corporation commission; or

36 (B) is required to register motor carrier equipment pursuant to 49
37 U.S.C. § 14504a.

38 (4) "Motor vehicle" means any automobile, truck-trailer, semitrailer,
39 tractor or any other self-propelled or ~~motor-driven~~ motor-driven vehicle
40 ~~used upon any of the~~ operated on public highways of Kansas for the
41 purpose of transporting property.

42 (5) "Owner" means a person to whom legal title to a motor vehicle
43 has been issued.

1 (6) "Owner-operator" means any owner ~~which~~ who leases one or
2 more motor vehicles to a licensed motor carrier pursuant to a lease
3 agreement *and may operate or provide a driver for such vehicle.*

4 (7) "Person" means ~~any~~ an individual, trust, estate, partnership,
5 association, company or corporation, ~~limited liability company or any~~
6 ~~other business entity.~~

7 (b) *Determination of employment relationship. (1) For the purposes*
8 *of the employment security law, it is hereby declared to be the policy of*
9 *this state that, consistent with requirements of 49 C.F.R. § 376.12(e)(1), an*
10 *independent contractor relationship may exist between an owner-operator*
11 *and a licensed motor carrier may exist when and an owner-operator,*
12 *provided that the licensed motor carrier complies with the all applicable*
13 *federal and state statutory and regulatory requirements governing a*
14 *licensed motor carrier's the use of leased motor vehicles in the*
15 *transportation of property. To that end, in determining, including, but not*
16 *limited to, 49 C.F.R. § 376.12(c)(1).*

17 (2) *In evaluating whether an employment relationship exists between*
18 *a licensed motor carrier and a driver, the fact requirement that the licensed*
19 *motor carrier, pursuant to a lease agreement, requires the a driver to*
20 *comply with applicable provisions of the safety, equipment or operational*
21 *regulations of established by the state corporation commission, the federal*
22 *motor carrier safety administration or any other federal or state agency*
23 *having with jurisdiction of over motor carriers shall not, by itself, be*
24 *considered construed as the licensed motor carrier's exercise evidence of*
25 *control over the driver sufficient to establish an employment relationship.*

26 (3) *Nothing in this section shall be construed to preclude the*
27 *secretary of labor from considering the totality of circumstances and*
28 *applying the definition of employment at K.S.A. 44-703, and amendments*
29 *thereto, in a manner consistent with the provisions of paragraphs (1) and*
30 *(2) in determining employment status for the purposes of this section.*

31 Sec. 43. K.S.A. 44-766 is hereby amended to read as follows: 44-766.

32 (a) (1) *Prohibited conduct.* No person shall knowingly and intentionally
33 misclassify an employee as an independent contractor for the ~~sole or~~
34 ~~primary~~ purpose of ~~avoiding either evading~~ state income tax withholding
35 ~~and, reporting requirements obligations or state~~ unemployment insurance
36 ~~contributions reporting contribution requirements under the employment~~
37 ~~security law.~~

38 (2) *For the purposes of this section, "misclassify" means to*
39 *knowingly report or treat a worker as an independent contractor when the*
40 *worker meets the statutory definition of an employee pursuant to K.S.A.*
41 *44-703, and amendments thereto.*

42 (b) ~~(1)~~ *Penalties. (1) (A) Any person violating subsection (a) shall*
43 *who, having previously violated the provisions of subsection (a) and been*

1 *subject to a civil penalty pursuant to paragraph (2), violates such*
2 *provisions for a second time shall be guilty of a class C nonperson*
3 *misdemeanor.*

4 *(B) Any person who violates the provisions of subsection (a) for a*
5 *third or subsequent time shall be guilty of a class A nonperson*
6 *misdemeanor.*

7 *(2) In addition to or in lieu of any other civil or criminal penalty as*
8 *provided by law, the secretary, upon first violation be subject to a finding*
9 *that a person has violated the provisions of subsection (a), shall impose on*
10 *such person a civil penalty in an amount—computed calculated in*
11 *accordance with the manner prescribed methodology set forth in K.S.A.*
12 *79-3228, and amendments thereto.*

13 ~~*(2) Any person violating subsection (a) upon a second violation shall*~~
14 ~~*be subject to a civil penalty computed as prescribed in paragraph (1) and in*~~
15 ~~*addition, upon conviction, shall be guilty of a class C nonperson*~~
16 ~~*misdemeanor.*~~

17 ~~*(3) Any person violating subsection (a) upon a third or subsequent*~~
18 ~~*violation shall be subject to a civil penalty computed as prescribed in*~~
19 ~~*paragraph (1) and in addition, upon conviction, shall be guilty of a class A*~~
20 ~~*nonperson misdemeanor.*~~

21 ~~*(c) Enforcement authority. Criminal violations of subsection (a)*~~
22 ~~*prosecutions under this section may be prosecuted brought by the attorney*~~
23 ~~*general or the district or county attorney for of the county in which the*~~
24 ~~*violation occurred alleged violation occurred. The secretary of labor may*~~
25 ~~*refer suspected violations for prosecution. Criminal prosecutions and*~~
26 ~~*enforcement of civil penalties shall be subject to the provisions of*~~
27 ~~*subsection (f)(2)(B).*~~

28 ~~*(d) Any civil penalty assessed hereunder shall be remitted to the*~~
29 ~~*secretary and deposited in the state treasury*~~*Civil penalty disposition. Civil*
30 *penalties assessed pursuant to this section shall be remitted by the*
31 *secretary of labor to the state treasurer in accordance with the provisions*
32 *of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such*
33 *remittance, the state treasurer shall deposit the entire amount in the state*
34 *treasury to the credit of the employment misclassification enforcement,*
35 *education and claimant support fund, which is hereby created in the state*
36 *treasury and shall be administered by the secretary of labor. All*
37 *expenditures from the employment misclassification enforcement,*
38 *education and claimant support fund shall be made for the purpose of*
39 *employment misclassification enforcement, education or claimant support*
40 *in accordance with appropriation acts upon warrants of the director of*
41 *accounts and reports issued pursuant to vouchers approved by the*
42 *secretary of labor or the secretary's designee.*

43 ~~*(e) Any penalty provided in*~~*Additional remedies. The penalties*

1 *imposed under this section shall be in addition to and not exclusive of any*
2 *other ~~penalty and remedy that may otherwise be imposed~~ remedies or*
3 *penalties available under the employment security ~~act and such~~ law or*
4 *other applicable laws. All remedies shall be construed as cumulative.*

5 ~~(f) This section shall be part of and supplemental to the employment~~
6 ~~security law.~~ *Employer outreach, voluntary compliance and safe harbor. (1)*
7 *The secretary of labor is authorized to develop and disseminate*
8 *educational materials, conduct outreach and provide technical assistance*
9 *to employers regarding proper worker classification under the*
10 *employment security law. The secretary may issue interpretive guidance,*
11 *advisory opinions or rules and regulations to clarify factors relevant to*
12 *employment status determinations by the secretary as provided by law.*
13 *Such guidance shall not limit the secretary's authority to make case-by-*
14 *case determinations based on the totality of circumstances.*

15 *(2) (A) The secretary may adopt rules and regulations to establish a*
16 *voluntary compliance and safe harbor program for employers that, prior*
17 *to audit or investigation, voluntarily:*

18 *(i) Disclose potential worker misclassification;*

19 *(ii) submit supporting documentation and a proposed corrective*
20 *action plan; and*

21 *(iii) pay all required back unemployment insurance contributions and*
22 *applicable taxes.*

23 *(B) Employers who comply in good faith with the requirements of the*
24 *program may be eligible for partial or full waiver of civil penalties and*
25 *protection from criminal prosecution under this section, subject to*
26 *conditions and timelines pursuant to rules and regulations that shall be*
27 *adopted by the secretary.*

28 *Sec. 44. K.S.A. 44-767 is hereby amended to read as follows: 44-767.*
29 ~~(a) The secretary or the secretary's designee shall make all determinations~~
30 ~~regarding the proper classification of any worker pursuant to K.S.A. 44-~~
31 ~~703(i)(3), and amendments thereto.~~

32 ~~(b) If the department of revenue has reason to believe that a business~~
33 ~~has not properly classified a worker pursuant to K.S.A. 44-703(i)(3), and~~
34 ~~amendments thereto, the department of revenue shall request a~~
35 ~~determination of such worker's classification pursuant to K.S.A. 44-703(i)~~
36 ~~(3), and amendments thereto, from the secretary. The department of~~
37 ~~revenue shall submit to the secretary all relevant information, including~~
38 ~~withholding tax and payroll information, in the possession of the~~
39 ~~department of revenue necessary to make such determination.~~

40 ~~(1) If the secretary deems it necessary to obtain additional~~
41 ~~information from the department of revenue in order to make such~~
42 ~~determination or to calculate any assessment of unemployment insurance~~
43 ~~contributions due, the secretary shall notify the department of revenue. The~~

1 department of revenue shall obtain and remit the requested information to
2 the secretary.

3 ~~(2) The department of revenue shall accept the secretary's~~
4 ~~determination made pursuant to subsection (a) and shall rely on such~~
5 ~~determination in the department of revenue's examination and assessment~~
6 ~~of the business with regard to such worker.~~

7 ~~(3) Relying upon the information provided by the department of~~
8 ~~revenue pursuant to this section, and amendments thereto, and upon~~
9 ~~making the determination required by subsection (a), the secretary shall~~
10 ~~notify the business of any unemployment insurance contributions due~~
11 ~~pursuant to this act. The secretary shall not engage a separate investigation~~
12 ~~into the same matter once a determination has been made pursuant to~~
13 ~~subsection (a) based upon information so obtained through the department~~
14 ~~of revenue.~~

15 ~~(4) Information shared with the secretary by the department of~~
16 ~~revenue pursuant to this section, shall be held by the secretary to the same~~
17 ~~confidentiality standards as may be required by statutes governing the~~
18 ~~department of revenue.~~

19 ~~(e) Upon investigation and determination by the secretary that a~~
20 ~~business has misclassified a worker, the secretary shall notify the~~
21 ~~department of revenue that a determination has been made, referring the~~
22 ~~matter for collection of applicable income withholding taxes.~~

23 ~~(1) Upon request of the department of revenue, the secretary shall~~
24 ~~make available for its review any information relied upon by the secretary~~
25 ~~in making the determination.~~

26 ~~(2) Information shared with the department of revenue by the~~
27 ~~secretary pursuant to this section shall be held by the department of~~
28 ~~revenue to the same confidentiality standards as may be required by~~
29 ~~statutes governing the department of labor.~~

30 ~~(d) Each of the secretary of labor and the secretary of revenue may~~
31 ~~adopt rules and regulations necessary to effect the purposes of this section.~~

32 ~~(e) This section shall be a part of and supplemental to the~~
33 ~~employment security law. (a) It is the intent of the legislature to improve~~
34 ~~the accuracy, efficiency and coordination of worker classification~~
35 ~~enforcement under the employment security law by establishing a~~
36 ~~framework for interagency cooperation, shared data access and~~
37 ~~streamlined determination procedures between the department of labor~~
38 ~~and the department of revenue.~~

39 ~~(b) Classification authority. The secretary of labor or the secretary's~~
40 ~~designee shall be the sole authority for determining the proper~~
41 ~~classification of a worker as an employee or independent contractor for~~
42 ~~purposes of the employment security law. In making such determination,~~
43 ~~the secretary shall apply the relevant definition of employment set forth in~~

1 K.S.A. 44-703, and amendments thereto. The secretary may consider
2 relevant facts, information from other agencies and applicable federal and
3 state law when making such determination.

4 (c) Referrals by department of revenue. (1) If the secretary of revenue
5 or the secretary's designee has reason to believe that a business has
6 misclassified a worker as an employee or independent contractor for the
7 purposes of the employment security law, the secretary of revenue shall
8 submit a written request for classification review to the secretary of labor.
9 The secretary of revenue shall include with the request all relevant
10 information in the possession of the secretary, including withholding tax
11 data, payroll records and supporting documentation necessary to facilitate
12 the classification determination by the secretary of labor.

13 (2) If the secretary of labor requires additional information to
14 complete the classification determination or to calculate unemployment
15 insurance contributions due from such business, the secretary shall notify
16 the secretary of revenue. The secretary of revenue shall provide such
17 information within 30 days or within such reasonable time as determined
18 by the secretary of revenue. If the secretary of revenue fails to provide
19 such information within such time period, the secretary of labor may close
20 the request for classification review or extend the time for the receipt of
21 such information from the secretary of revenue. Extensions of time shall be
22 based upon rules and regulations to be adopted by the secretary of labor
23 and may include, but not be limited to, such circumstances as
24 administrative constraints experienced by the secretary of revenue,
25 unresolved taxpayer correspondence or the necessity to validate complex
26 payroll data.

27 (3) Upon receiving necessary information from the secretary of
28 revenue and making the required determination under subsection (b), the
29 secretary of labor shall notify the referring business of any unemployment
30 insurance contributions due pursuant to the employment security law.

31 (4) The secretary of labor shall not initiate a separate investigation
32 of the same matter referred by the secretary of revenue once a
33 determination has been issued by the secretary of labor, unless the
34 secretary of labor determines that new and material information has
35 become available.

36 (5) The secretary of revenue shall accept and rely upon the secretary
37 of labor's classification determination when conducting the secretary of
38 revenue's own examination or assessment regarding income withholding
39 or payroll tax obligations related to the same worker.

40 (6) Any information shared with the secretary of labor by the
41 secretary of revenue pursuant to this section shall be maintained by the
42 secretary of labor, subject to the same confidentiality requirements
43 mandated by law governing the secretary of revenue.

1 (d) *Reciprocal notification and enforcement.* (1) Upon determining
2 that a worker has been misclassified, the secretary of labor shall notify the
3 secretary of revenue of the finding for the purposes of enforcing applicable
4 income tax withholding obligations.

5 (2) Upon request of the secretary of revenue, the secretary of labor
6 shall make available any documentation relied upon by the secretary of
7 labor in making the classification determination. In making such
8 documentation available, the secretary of labor shall comply with all
9 applicable laws pertaining to confidentiality.

10 (3) The secretary of revenue shall safeguard any information received
11 from the secretary of labor pursuant to this section according to the
12 confidentiality requirements of law applicable to the secretary of labor.

13 (e) *Rulemaking authority.* The secretary of labor and the secretary of
14 revenue may each adopt rules and regulations necessary to implement and
15 administer the provisions of this section, including interagency
16 cooperation procedures, data-sharing protocols, joint audit coordination
17 and confidentiality standards.

18 (f) *Interagency collaboration and outreach.* The secretary of labor
19 and the secretary of revenue are authorized to adopt joint rules and
20 regulations or enter into a memorandum of understanding to:

21 (1) Establish coordinated audit procedures and data-sharing
22 protocols, including the use of joint audit triggers based on shared tax and
23 wage reporting data;

24 (2) develop and maintain secure, interoperable digital systems or
25 platforms for the transmission, verification and analysis of payroll, tax
26 and classification information; and

27 (3) conduct coordinated outreach and educational efforts to promote
28 compliance with worker classification laws, including public guidance
29 materials, online resources and industry-specific advisories.

30 Sec. 45. K.S.A. 44-768 is hereby amended to read as follows: 44-768.
31 ~~The secretary shall make the determination of employment required by~~
32 ~~K.S.A. 44-703(i)(3)(D), and amendments thereto, by examining the~~
33 ~~totality of the circumstances in which the individual renders service and~~
34 ~~shall exercise strict impartiality in the conduct of any such determination.~~

35 (a) ~~The secretary shall first seek to determine whether the business in~~
36 ~~question has a reasonable basis upon which it relied when it determined~~
37 ~~the classification of a worker as an employee or independent contractor. If~~
38 ~~a reasonable basis is found, the classification shall be deemed valid subject~~
39 ~~to the provisions of K.S.A. 44-703(i)(3)(D), and amendments thereto. A~~
40 ~~business has a reasonable basis for its classification of workers if:~~

41 (1) ~~Any of the following circumstances are present:~~

42 (A) ~~The business reasonably relied upon a judicial decision regarding~~
43 ~~employment classification matters rendered by a federal or state court of~~

1 competent jurisdiction in the state of Kansas;

2 ~~(B) the business previously received a ruling from the internal~~
3 ~~revenue service, the department of revenue, or the department of labor~~
4 ~~validating the business' classification of workers;~~

5 ~~(C) the business has been previously audited by the internal revenue~~
6 ~~service, the department of revenue, or the department of labor at a time~~
7 ~~when the business classified workers similarly situated in the same manner~~
8 ~~to those workers currently in question, and such audit did not result in~~
9 ~~reclassification of those workers so similarly situated; or~~

10 ~~(D) the business reasonably relied on the application of worker~~
11 ~~classifications customary among a significant segment of its industry; and~~

12 ~~(2) The business showed consistency in its practices by:~~

13 ~~(A) The business classified the worker in question and any similarly~~
14 ~~situated worker in the same manner; and~~

15 ~~(B) the business has consistently and properly reported to the~~
16 ~~appropriate taxing authorities wages or payments to the workers in~~
17 ~~question and those similarly situated.~~

18 ~~(b) If a reasonable basis as articulated herein cannot be ascertained,~~
19 ~~then when making a determination the secretary shall then consider the~~
20 ~~following factors:~~

21 ~~(1) Must the individual comply with specific instructions from the~~
22 ~~business regarding when, where, and how to perform services so~~
23 ~~provided?~~

24 ~~(2) Are the activities of the individual integrated into the ongoing~~
25 ~~operations of the business?~~

26 ~~(3) If needed to accomplish the desired end result, does the individual~~
27 ~~have the responsibility to hire, supervise and pay assistants?~~

28 ~~(4) Must the individual work exclusively for the business in question?~~

29 ~~(5) Is payment by the business to the individual for services~~
30 ~~contingent on completion of established benchmarks or tasks?~~

31 ~~(6) Does the individual provide significant tools, materials or other~~
32 ~~equipment used in the accomplishment of the desired end result?~~

33 ~~(7) Is the individual responsible for any expenses incurred in the~~
34 ~~performance of services?~~

35 ~~(8) Can the individual suffer a loss in the course of performing~~
36 ~~services?~~

37 ~~(e) The secretary shall seek to educate the business by assisting the~~
38 ~~business in identifying facts which may establish either classification.~~

39 ~~(d) If imposition of a penalty or interest could otherwise be imposed~~
40 ~~by this act due to a misclassification of a worker, before imposition of such~~
41 ~~assessment, the secretary shall consider the appropriateness of the penalty~~
42 ~~or interest to the business charged with the violation of misclassifying a~~
43 ~~worker given the circumstances in which the misclassification occurred,~~

1 including whether or not a reasonable basis for the classification exists. If
2 a reasonable basis for the classification exists, then the secretary shall not
3 impose penalties or interest or seek recovery of back taxes for the time
4 period prior to the secretary's determination that a reasonable basis exists.

5 ~~(c) This section shall be a part of and supplemental to the~~
6 ~~employment security law.~~ (a) *Legislative intent. It is the intent of the*
7 *legislature to promote compliance with worker standards under the*
8 *employment security law by providing a fair, transparent framework for*
9 *determining employee status, allowing for good-faith reliance protections*
10 *and encouraging voluntary education and corrective action by employers.*

11 (b) *Classification determination. (1) Pursuant to K.S.A. 44-703, and*
12 *amendments thereto, the term employment includes services for*
13 *remuneration under a contract of hire where the employer retains control*
14 *over both the result and the manner of performance.*

15 (2) *Subject to such standard and the requirements below, the*
16 *secretary of labor or the secretary's designee shall determine whether an*
17 *individual is properly classified as an employee or an independent*
18 *contractor.*

19 (3) *Such determination shall be made by examining the totality of the*
20 *circumstances in which the individual performs services and conducted*
21 *with strict impartiality and consideration of relevant facts and law.*

22 (c) *Safe harbor: reasonable basis determination. (1) The secretary*
23 *shall first determine whether the business had a reasonable basis for*
24 *classifying the worker as an independent contractor. If a reasonable basis*
25 *is found, the classification shall be deemed valid for the purposes of*
26 *unemployment insurance liability.*

27 (2) *A business shall be deemed to have a reasonable basis if:*

28 (A) *One or more of the following conditions apply:*

29 (i) *The business reasonably relied on a judicial decision addressing*
30 *employment classification rendered by a federal or Kansas state court of*
31 *competent jurisdiction;*

32 (ii) *the business received a written classification ruling from the*
33 *internal revenue service, department of revenue or department of labor*
34 *supporting the business's classification;*

35 (iii) *the business was previously audited by the internal revenue*
36 *service, department of revenue or department of labor, during which*
37 *similarly situated workers were found to be classified in the same manner*
38 *and not reclassified pursuant to such audit; or*

39 (iv) *the business reasonably relied on classification practices*
40 *customary among a significant segment of the business's industry,*
41 *supported by published industry data, guidance or documented standards;*
42 *and*

43 (B) *the business demonstrated consistency by:*

1 (i) *Classifying the worker in question and all similarly situated*
2 *workers in the same manner; and*

3 (ii) *accurately and consistently reporting payments or wages for such*
4 *workers to the appropriate state or federal taxing authorities.*

5 (d) *Totality of circumstances factors. (1) If the secretary determines*
6 *that no reasonable basis exists, the classification shall then be evaluated*
7 *based on the totality of the circumstances, including, but not limited to, the*
8 *following factors. Whether:*

9 (A) *The business controls when, where or how the individual*
10 *performs the work;*

11 (B) *the individual's services are integrated into the core operations of*
12 *the business;*

13 (C) *the individual is responsible for hiring, supervising or paying*
14 *assistants;*

15 (D) *the individual is required to work exclusively for the business;*

16 (E) *compensation is tied to completion of defined tasks or*
17 *benchmarks;*

18 (F) *the individual supplies significant tools, equipment or materials;*

19 (G) *the individual bears unreimbursed business expenses; and*

20 (H) *the individual has the opportunity for financial loss in*
21 *performing services.*

22 (2) *The list provided by paragraph (1) shall not be construed as*
23 *exhaustive and no single factor shall be dispositive. The secretary shall*
24 *weigh all relevant facts and circumstances in making a final*
25 *determination.*

26 (e) *Business education and classification assistance. The secretary*
27 *shall provide educational guidance and may assist businesses in*
28 *identifying facts or factors relevant to proper worker classification,*
29 *including by providing interpretive materials, model scenarios or advisory*
30 *opinions under conditions established by rules and regulations of the*
31 *secretary. Guidance issued under this subsection shall not bind the*
32 *secretary in future classification determinations based on different facts.*

33 (f) *Penalty and interest considerations. If the secretary determines*
34 *that a business has misclassified a worker and such misclassification*
35 *would otherwise give rise to penalties, interest or back unemployment*
36 *insurance contributions, the secretary shall consider the totality of the*
37 *circumstances before imposing any such amounts.*

38 (1) *If the secretary finds that the business acted with a reasonable*
39 *basis as set forth in subsection (b), the secretary shall not assess penalties,*
40 *interest or recover back taxes for the period prior to such determination.*

41 (2) *If the secretary finds that no reasonable basis exists, the secretary*
42 *shall determine whether the misclassification was due to negligence,*
43 *willful disregard or fraud, and may impose penalties or interest*

1 *proportionate to the degree of culpability in accordance with rules and*
2 *regulations adopted under this act.*

3 *(g) The secretary may adopt rules and regulations to:*

4 *(1) Define penalty waiver criteria, mitigating factors and procedures*
5 *for voluntary correction; and*

6 *(2) clarify documentation or evidentiary requirements for*
7 *establishing a reasonable basis under subsection (c).*

8 *(h) This section shall not be construed to limit the secretary's*
9 *classification authority pursuant to the definition of employment in K.S.A.*
10 *44-703, and amendments thereto.*

11 *Sec. 46. K.S.A. 44-769 is hereby amended to read as follows: 44-769.*

12 *(a) Annual reporting requirement. (1) On or before January 31 of each*
13 *calendar year, the secretary of labor shall transmit annually to the standing*
14 *submit a report committee on commerce of the senate and the standing*
15 *committee on commerce and economic development of the house of*
16 *representatives or any successor committee, a report, based on information*
17 *received or developed by the department of labor concerning committees.*

18 *(2) The report shall summarize worker misclassification of*
19 *employees and any investigations and related thereto. Such report shall*
20 *contain the following information for enforcement activities conducted*
21 *during the preceding calendar year: pursuant to the employment security*
22 *law.*

23 *(3) The secretary shall publish each such annual report on the*
24 *official website of the department of labor within 30 days of the*
25 *transmittal of the report to the legislature.*

26 *(a)(b) Report contents. The report shall include, at a minimum, the*
27 *following information for the preceding calendar year:*

28 *(1) The number of worker misclassification investigations initiated by*
29 *the department of labor;*

30 *(b)(2) the number of investigations which were closed during the*
31 *reporting period, disaggregated as follows:*

32 *(1)(A) The number of investigations closed with no assessment being*
33 *made; issued; and*

34 *(2)(B) the number of investigations closed with assessment being*
35 *made which includes assessments issued, including the following*
36 *information for each such assessment:*

37 *(A)(i) An estimate of the amount of unreported payroll;*

38 *(B)(ii) an estimate of the unpaid state payroll taxes or withholding*
39 *taxes which have not been withheld on such associated with the*
40 *unreported payroll amount;*

41 *(C)(iii) the amount of unpaid unemployment insurance contributions*
42 *or other amounts required to be paid due under the employment security*
43 *act related to such unreported payroll amount law;*

1 ~~(D)~~(iv) the total amount of interest assessed;
2 ~~(E)~~(v) the total amount of penalties assessed; and
3 ~~(F)~~(vi) the number of employers ~~found to be employing~~
4 ~~undocumented workers~~; determined, through the course of investigation,
5 to have employed individuals not legally authorized to work in the United
6 States; and

7 ~~(e)~~(C) the total amounts collected for each of the categories listed in
8 subsection ~~(b)~~ category listed in paragraph (2)(B).

9 (c) Optional contextual and supplemental information. The secretary
10 may include narrative explanations, data limitations, enforcement trends,
11 recommendations for policy or statutory changes and any relevant cross-
12 agency activities conducted in coordination with the department of
13 revenue or other state or federal entities.

14 (d) Industry and employer characteristics. To the extent feasible
15 without compromising confidentiality, the report may categorize
16 investigations by:

- 17 (1) Industry sector description;
18 (2) size of the business investigated; and
19 (3) whether the employer was a repeat offender under prior worker
20 classification determinations.

21 Sec. 47. K.S.A. 44-770 is hereby amended to read as follows: 44-770.

22 (a) Employer reporting requirement. Each employer shall submit a report
23 to the secretary ~~containing~~ of labor any refusal to hire a job applicant
24 based on qualifying misconduct as described in K.S.A. 44-706, and
25 amendments thereto. The report shall include:

26 (1) The name and last known address of ~~each job applicant the~~
27 ~~individual who has been~~ was refused employment by reason of;

28 (2) the basis for the refusal, including a concise description of the
29 conduct or circumstances that constituted misconduct ~~as such term is~~
30 ~~defined in K.S.A. 44-706(b)(2), and amendments thereto~~; and

31 ~~(2)(3) such other~~any additional information ~~which~~ as may be
32 required by the secretary by rule or regulation.

33 (b) Definition of job applicant. For the purposes of this section, "job
34 applicant" means an individual who:

35 (1) Has applied for employment with an employer subject to this act;
36 and

37 (2) was referred to the employer by the department of labor, a local
38 workforce center or another recognized public employment service.

39 (c) Reporting format and timeline. The report required by under
40 subsection (a) shall be submitted:

41 (1) On a form prescribed by the secretary. ~~Such report shall be~~
42 ~~submitted in a manner prescribed by the secretary~~;

43 (2) in a manner approved by the secretary, including through secure

1 *electronic submission platforms; and*

2 *(3) within seven business days, excluding weekends and legal*
3 *holidays, of the date the refusal of employment occurred.*

4 *(d) Notification and right to respond. (1) Within five business days of*
5 *receiving a report, the secretary shall notify the reported individual in*
6 *writing that such a report has been filed and may be considered in*
7 *evaluating such individual's eligibility for unemployment insurance*
8 *benefits.*

9 *(2) The individual shall be afforded an opportunity to provide a*
10 *written response or explanation within 10 business days of receiving*
11 *notice.*

12 *(3) The secretary shall consider the individual's response, if timely*
13 *submitted, in determining benefit eligibility.*

14 *(4) Reports and responses shall be treated as confidential and subject*
15 *to disclosure only as authorized under applicable law.*

16 ~~*(e)(e) Rules and regulations. The secretary may adopt rules and*~~
17 ~~*regulations as are necessary to carry out implement and administer the*~~
18 ~~*provisions of this section.*~~

19 ~~*(d) The secretary may use any report received pursuant to this section*~~
20 ~~*to determine eligibility for unemployment benefits.*~~

21 ~~*(e) This section shall be a part of and supplemental to the*~~
22 ~~*employment security law. Such rules and regulations may include:*~~

23 *(1) Requirements to ensure the accuracy and confidentiality or*
24 *reported information;*

25 *(2) documentation standards for employer attestations regarding*
26 *misconduct;*

27 *(3) procedures for handling disputes and evaluating credibility of*
28 *reports and responses; and*

29 *(4) guidelines for batch reporting by employers, where applicable.*

30 *(f) Use of reported information. Reports received under this section*
31 *may be used by the secretary to:*

32 *(1) Determine the eligibility of individuals for the unemployment*
33 *benefits;*

34 *(2) investigate potential fraud or abuse of the unemployment*
35 *insurance system; and*

36 *(3) coordinate with workforce development or other state agencies,*
37 *consistent with applicable confidentiality laws.*

38 *(g) Publication and outreach. The secretary shall make the reporting*
39 *form and submission procedures publicly available on the department's*
40 *official website and may publish explanatory materials to assist employers*
41 *with compliance.*

42 *Sec. 48. K.S.A. 2025 Supp. 44-772 is hereby amended to read as*
43 *follows: 44-772. (a) (1) It is the intent of the legislature that, in order to*

1 accomplish the mission of collecting state employment security taxes,
2 processing unemployment insurance benefit claims and paying benefits,
3 the department of labor's information technology system shall be
4 continually developed, customized, enhanced and upgraded. The purpose
5 of this section is to ensure the state's unemployment insurance:

6 (A) Program is utilizing current technology and features to protect the
7 sensitive data required in the unemployment insurance benefit and tax
8 systems relating to program integrity, system efficiency and customer
9 service experience:

10 (b) ~~The legislature finds that, as a result of the vulnerabilities exposed~~
11 ~~in the legacy unemployment insurance system by the COVID-19 pandemic~~
12 ~~unemployment insurance crisis, a new system shall be fully designed,~~
13 ~~implemented and administered by the department of labor not later than~~
14 ~~December 31, 2022. The legislative coordinating council, upon~~
15 ~~consultation with the unemployment compensation modernization and~~
16 ~~improvement council established by K.S.A. 44-771, and amendments~~
17 ~~thereto, may extend the deadline as often as the legislative coordinating~~
18 ~~council deems appropriate. The secretary of labor shall provide written~~
19 ~~notice to the legislative coordinating council and the unemployment~~
20 ~~compensation modernization and improvement council at least 30 days~~
21 ~~prior to the expiration of a deadline advising whether the secretary seeks~~
22 ~~an extension of the deadline and, if so, the basis therefor. The failure of the~~
23 ~~secretary to provide such notice shall not affect the authority of the~~
24 ~~legislative coordinating council to act as provided by this subsection. For~~
25 ~~purposes of this subsection, "consultation" means an appearance before or~~
26 ~~written statement provided to the legislative coordinating council by the~~
27 ~~chairperson of the unemployment compensation modernization and~~
28 ~~improvement council or the chairperson's designee. Any member of the~~
29 ~~unemployment compensation modernization and improvement council~~
30 ~~may also provide a written statement. A report to the legislative~~
31 ~~coordinating council by the unemployment compensation modernization~~
32 ~~and improvement council may be provided but shall not be required. If any~~
33 ~~deadline expires before the legislative coordinating council extends that~~
34 ~~deadline, the council may subsequently meet as soon as reasonably~~
35 ~~possible and may retroactively extend any deadline as otherwise provided~~
36 ~~by this subsection; and~~

37 (B) *system infrastructure remains modern, secure and capable of*
38 *withstanding both increased demand and evolving threats, while*
39 *maintaining transparency, program integrity and responsiveness to*
40 *stakeholders.*

41 (2) *In furtherance of such purpose, the secretary shall cause and*
42 *maintain the unemployment insurance information technology system to*
43 *be:*

1 (A) Scalable to accommodate significant fluctuations in claims
2 volume, including during declared emergencies, disasters or economic
3 downturns; and

4 (B) equipped with system redundancy, continuity of operations and
5 disaster recovery features designed to ensure operational resilience.

6 (3) The secretary of labor shall review and assess the unemployment
7 insurance information technology system for necessary upgrades, security
8 enhancements and system improvements at least every 18 months as
9 required pursuant to this section. Each such review shall assess system
10 capacity, security posture, service performance and compliance with
11 federal and state guidance.

12 ~~(e)~~(b) The information technology system, technology and platform
13 shall include, but not be limited to, any components as specified and
14 defined by the unemployment compensation modernization and
15 improvement council established by K.S.A. 44-771, and amendments
16 thereto, in consultation with the secretary.

17 ~~(d)~~(c) The new system shall include, but not be limited to, any
18 features and benefits as specified and defined by the unemployment
19 compensation modernization and improvement council established by
20 K.S.A. 44-771, and amendments thereto, in consultation with the secretary.

21 ~~(e)~~(d) The secretary shall implement and utilize all program integrity
22 elements, as specified and defined by the unemployment compensation
23 modernization and improvement council established by K.S.A. 44-771,
24 and amendments thereto, in consultation with the secretary, including, but
25 not limited to:

26 (1) Social security administration cross-matching for the purpose of
27 validating social security numbers supplied by a claimant;

28 (2) checking of new hire records against the national directorate of
29 new hires to verify eligibility;

30 (3) verification of immigration status or citizenship and confirmation
31 of benefit applicant information through the systematic alien verification
32 for entitlement program;

33 (4) comparison of applicant information to local, state and federal
34 prison databases through incarceration cross-matches;

35 (5) detection of duplicate claims by applicants filed in other states or
36 other unemployment insurance programs through utilization of the
37 interstate connection network, interstate benefits cross-match, the state
38 identification inquiry state claims and overpayment file and the interstate
39 benefits 8606 application for overpayment recoveries for Kansas claims
40 filed from a state other than Kansas;

41 (6) identification of internet protocol addresses linked to multiple
42 claims or to claims filed outside of the United States; and

43 (7) use of data mining and data analytics to detect and prevent fraud

1 when a claim is filed, and on an ongoing basis throughout the lifecycle of a
2 claim, by using current and future functionalities to include suspicious
3 actor repository, suspicious email domains, foreign internet protocol
4 addresses, multi-state cross-match, identity verification, fraud alert
5 systems and other assets provided by the unemployment insurance
6 integrity center.

7 (e) (1) *The secretary of labor shall conduct an audit at least every 24*
8 *months of the fraud prevention, identity verification and cross-matching*
9 *tools listed under subsection (d). Such audit shall evaluate such tools':*

10 (A) *Effectiveness in detecting and preventing fraud;*

11 (B) *accuracy in eligibility determinations; and*

12 (C) *effectiveness in maintaining system integrity and eliminating or*
13 *minimizing vulnerabilities.*

14 (2) *The department shall annually publish anonymized, aggregate*
15 *metrics for the:*

16 (A) *Number and types of fraudulent or ineligible claims identified;*

17 (B) *methods used to detect such claims; and*

18 (C) *denial rates associated with each specific program integrity*
19 *element.*

20 (f) ~~If the unemployment compensation modernization and~~
21 ~~improvement council becomes inactive or is dissolved and the new~~
22 ~~information technology system modernization project has been completed,~~
23 The secretary shall:

24 (1) *Review any program integrity guidance issued by the United*
25 *States department of labor or the national association of state workforce*
26 *agencies, including the data integrity hub, within 15 business days of*
27 *issuance;*

28 (2) *publish on the department of labor's website a summary within 45*
29 *calendar days of such issuance of such guidance indicating whether the*
30 *secretary will adopt, partially adopt or decline such guidance. If declined,*
31 *the summary shall include an explanation of such decision. Such summary*
32 *shall also promptly be submitted to the chairpersons, vice chairpersons*
33 *and ranking minority members of the standing committees of the senate*
34 *and the house of representatives to which legislation pertaining to the*
35 *employment security law is customarily referred, the president of the*
36 *senate, the speaker of the house of representatives, the governor and the*
37 *legislative coordinating council; and*

38 (3) *if such guidance is adopted or partially adopted, implement and*
39 *utilize all such new program integrity elements and guidance issued by the*
40 ~~United States department of labor and the national association of state~~
41 ~~workforce agencies, including the integrity data hub,~~ *within 60 days of the*
42 *issuance of any such guidance.*

43 (g) (1) *The secretary, on a scheduled basis as provided by paragraph*

1 (2), shall cross check new and active unemployment insurance claims
2 against the cross-check programs described in subsection-(e) (d). If the
3 secretary receives information concerning an individual approved for
4 benefits that indicates a change in circumstances that may affect eligibility,
5 the secretary shall review the individual's case and act in accordance with
6 the law.

7 (2) *The cross-checks described under paragraph (1) shall be*
8 *performed at least:*

9 (A) *Weekly for incarceration and out-of-state claims databases;*

10 (B) *biweekly for social security administration and new hire*
11 *directories; and*

12 (C) *monthly for systematic alien verification and suspicious actor*
13 *repositories.*

14 (h) *The secretary shall establish a written protocol for resolving*
15 *discrepancies identified through cross-checks, including:*

16 (1) *Employer-reported discrepancies;*

17 (2) *multiple state claims; and*

18 (3) *conflicting identity or employment status information.*

19 (i) (1) The department of labor shall have the authority to execute a
20 memorandum of understanding with any department, agency or agency
21 division for information required to be shared between agencies pursuant
22 to the provisions of this section.

23 (2) *Any memorandum of understanding executed under paragraph*
24 *(1) shall:*

25 (A) *Be reviewed by the secretary at least once every two years for*
26 *accuracy, security and necessity; and*

27 (B) *include specific provisions addressing data sharing limits,*
28 *confidentiality, secure transmission and breach notification requirements.*

29 ~~(j) (1) The secretary of labor shall adopt rules and regulations~~
30 ~~necessary for the purposes of carrying out this section. Such rules and~~
31 ~~regulations shall be adopted by May 13, 2022.~~

32 (2) *The secretary shall annually review and update such rules and*
33 *regulations to reflect operational changes and program enhancements and*
34 *submit any such necessary changes to the secretary of administration for*
35 *the purpose of initiating the rules and regulations filing process pursuant*
36 *to K.S.A. 77-415 et seq., and amendments thereto, not later than July 1,*
37 *2027, and July 1 of each year thereafter.*

38 (3) *The secretary shall consult with stakeholders prior to adopting or*
39 *revising such rules and regulations, including:*

40 (A) *Employers and employer associations;*

41 (B) *worker advocacy groups;*

42 (C) *claimants and user representatives; and*

43 (D) *information technology and cybersecurity professionals.*

1 (4) *In addition to any public hearing required pursuant to K.S.A. 77-*
2 *415 et seq., and amendments thereto, the department shall conduct at least*
3 *one public hearing on any proposed regulations and provide a public*
4 *comment period of not less than 30 calendar days prior to the submission*
5 *of proposed rules and regulations to the secretary of administration.*

6 ~~(j)(k)~~ (k) *The secretary of labor shall provide an annual status update and*
7 *progress report regarding the requirements of this section. Such report*
8 *shall:*

9 (1) *Be provided to the unemployment compensation modernization*
10 *and improvement council, if such council is active and has not been*
11 *dissolved, and the legislative coordinating council;*

12 (2) *be published in a publicly accessible format on the department's*
13 *website;*

14 (3) *include metrics for claim processing times, system downtime or*
15 *outages, user support response times and claimant and employer*
16 *satisfaction survey results; and*

17 (4) *prominently present any substantial system upgrades, detected*
18 *vulnerabilities and steps taken to address audit findings or integrity*
19 *concerns.*

20 ~~(k) This section shall be a part of and supplemental to the~~
21 ~~employment security law.~~

22 (1) *Beginning on January 1, 2027, if the secretary fails to meet a*
23 *statutory deadline relating to system implementation, administrative*
24 *rulemaking or required reporting pursuant to this section, the secretary*
25 *shall, within 30 days of such missed deadline, submit to the legislative*
26 *coordinating council and the chairpersons of the standing committees of*
27 *the senate and the house of representatives to which legislation pertaining*
28 *to the employment security law is customarily referred:*

29 (1) *A written explanation regarding why such deadline was missed;*
30 *and*

31 (2) *a revised implementation plan and estimated completion date.*

32 Sec. 49. K.S.A. 44-773 is hereby amended to read as follows: 44-773.

33 (a) *Required tax information disclosure.* The secretary of labor shall
34 ~~include information on an unemployment insurance benefit, as part of a~~
35 ~~claimant's initial notice of monetary determination that informs the~~
36 ~~claimant of the of unemployment insurance eligibility, information~~
37 ~~regarding the federal and state income tax consequences of any~~
38 ~~unemployment compensation benefits that the claimant may receive. This~~
39 ~~Such information shall include an, but not be limited to:~~

40 (1) ~~A clear explanation regarding the department of labor of the~~
41 ~~claimant's right to elect or decline income tax withholding from~~
42 ~~unemployment compensation payments;~~

43 (2) ~~the process for making such an election, including access to the~~

1 *department's tax withholding agreement form, designated as form K-BEN*
2 *233 or a its successor form;*

3 *(3) clear instructions for initiating or modifying a tax withholding*
4 *elections and election at any time during the tax withholding process and*
5 *estimated benefit year;*

6 *(4) an estimate of the weekly and maximum claim year withholding*
7 *amounts for federal and state tax withholding amounts income taxes,*
8 *based on current rates and typical benefit levels; and*

9 *(5) contact information or links to federal and state tax authorities*
10 *for additional claimant guidance.*

11 ~~(b) This section shall be a part of and supplemental to the~~
12 ~~employment security law.~~ *Accessibility and delivery requirements. The tax*
13 *information described in subsection (a) shall:*

14 *(1) Be presented in plain language and provide in printed and*
15 *electronic formats;*

16 *(2) be made available in the primary languages most commonly*
17 *spoken by Kansas claimants as determined by the department of labor;*

18 *(3) be published on the department's official website alongside other*
19 *benefit eligibility resources; and*

20 *(4) include access to an online tax withholding estimator tool or*
21 *illustrative examples based on common benefit scenarios.*

22 *(c) Annual review and update. The secretary shall annually review*
23 *and update the information and materials required under this section*
24 *reflect changes in applicable federal or state income tax laws, withholding*
25 *rates or benefit structures. Updated withholding amount estimates shall be*
26 *published by January 15 of each calendar year.*

27 *Sec. 50. K.S.A. 2025 Supp. 44-774 is hereby amended to read as*
28 *follows: 44-774. (a) The secretary of labor shall post trust fund*
29 *computations and data as required by subsection (b) on a publicly*
30 *accessible website maintained by the secretary as follows:*

31 *(1) The secretary shall post and maintain certified computations and*
32 *data for each of the most recent 20 fiscal years; and*

33 *(2) for the fiscal year beginning on July 1, 2024, and each fiscal year*
34 *thereafter, the secretary shall certify and post the trust fund computations*
35 *and data for the fiscal year to the website on or before December 1*
36 *following the end of such fiscal year.*

37 *(b) The computations and data to be posted shall include:*

38 *(1) Distributions of taxable wages by experience factor for each state*
39 *fiscal year including the following information:*

40 *(A) The rate group;*

41 *(B) the reserve ratio lower limit;*

42 *(C) the number of accounts;*

43 *(D) the taxable wages by fiscal year;*

1 (E) a summary of active positive eligible accounts with the number of
2 accounts and fiscal year taxable wages;

3 (F) a summary of active ineligible accounts with the number of
4 accounts and fiscal year taxable wages;

5 (G) a summary of active negative accounts with the number of
6 accounts and fiscal year taxable wages; and

7 (H) a summary of terminated and inactive accounts with the number
8 of accounts and fiscal year taxable wages including all:

9 (i) Terminated accounts with the number of accounts and fiscal year
10 taxable wages; and

11 (ii) inactive accounts with the number of accounts and fiscal year
12 taxable wages organized by regular rated, industry rated and negative rated
13 accounts;

14 (2) an average high cost benefit rate summary, including:

15 (A) The average high cost benefit rate currently in effect; and

16 (B) the benefit cost rate for the fiscal years used to calculate the
17 average high benefit cost rate;

18 (3) the statewide wage data, including:

19 (A) Statewide average annual wage (SAAW) for the fiscal year; and

20 (B) statewide average weekly wage (SAWW) for the fiscal year.

21 (e) (1) The secretary of labor shall prepare and submit an annual
22 certification memorandum regarding computations and data for
23 contributing negative rated employers assigned to rate groups N1 through
24 N11.

25 (2) Commencing in 2025 and each year thereafter, the secretary shall
26 submit the certification memorandum on or before January 15 of each
27 calendar year. The certification memorandum shall be for the 12-month
28 period ending on June 30 of the preceding calendar year. In preparing the
29 certification memorandum, the secretary shall consider contributions paid
30 after such 12-month period ending on June 30 that are paid on or before
31 the immediately following July 31.

32 (3) The secretary shall submit the certification memorandum to the
33 chairpersons, vice chairpersons and ranking minority members of the
34 standing committees of the senate and the house of representatives to
35 which legislation pertaining to the employment security law is customarily
36 referred, the president of the senate, the speaker of the house of
37 representatives, the governor and the legislative coordinating council.

38 (4) The certification memorandum shall include for the current and
39 most recent calculated three years:

40 (A) An employer identification number assigned to the employer by
41 the secretary;

42 (B) NAICS code;

43 (C) the employer's account balance by fiscal year;

- 1 ~~(D) the employer's taxable wages by fiscal year;~~
2 ~~(E) the employer's calculated reserve ratio by fiscal year;~~
3 ~~(F) the employer's taxable wage base by fiscal year;~~
4 ~~(G) the benefits charged to the employer by fiscal year;~~
5 ~~(H) if workshare was requested by the employer; and~~
6 ~~(I) if workshare was approved for the employer.~~
7 ~~(5) Commencing in 2028 and each year thereafter, the annual~~
8 ~~certification memorandum shall also include the total number, if any, of:~~
9 ~~(A) Temporary unemployment weeks requested by the employer;~~
10 ~~(B) temporary unemployment weeks approved for the employer;~~
11 ~~(C) the claimants who requested temporary unemployment against~~
12 ~~the employer's account independently from any request for temporary~~
13 ~~unemployment by the employer; and~~
14 ~~(D) the temporary unemployment weeks charged against the~~
15 ~~employer's account that were claimed independently from any request for~~
16 ~~temporary unemployment by the employer.~~
17 ~~(d) This section shall be a part of and supplemental to the~~
18 ~~employment security law.~~
19 ~~(a) Public posting of trust fund data. (1) The~~
20 ~~secretary of labor shall post and maintain certified trust fund~~
21 ~~computations and employer experience data on a publicly accessible~~
22 ~~website maintained by the department of labor. Such data shall be made~~
23 ~~available in both human-readable and machine-readable formats and~~
24 ~~include visual summaries or dashboards where practicable.~~
25 ~~(2) The secretary shall:~~
26 ~~(A) Maintain the data specified in subsection (b) for the 20 preceding~~
27 ~~state fiscal years; and~~
28 ~~(B) beginning with the fiscal year ending on June 30, 2025, certify~~
29 ~~and post such data not later than December 1 following the close of each~~
30 ~~fiscal year:~~
31 ~~(b) Required content of trust fund and employer experience data. The~~
32 ~~data posted pursuant to subsection (a) shall include the following:~~
33 ~~(1) Taxable wage distributions by experience factor, including:~~
34 ~~(A) Rate group designation;~~
35 ~~(B) reserve ratio lower limit;~~
36 ~~(C) number of employer accounts;~~
37 ~~(D) taxable wages by fiscal year;~~
38 ~~(E) summary of active positive eligible accounts, with account counts~~
39 ~~and taxable wages;~~
40 ~~(F) summary of active ineligible accounts, with account counts and~~
41 ~~taxable wages;~~
42 ~~(G) summary of active negative-rated accounts, with account counts~~
43 ~~and taxable wages; and~~
44 ~~(H) summary of terminated and inactive accounts, with:~~

- 1 (i) *Terminated accounts with account counts and taxable wages; and*
- 2 (ii) *inactive accounts, categorized by regular-rated, industry-rated*
- 3 *and negative-rated, with account counts and taxable wages;*
- 4 (2) *average high-cost benefit rate summary, including:*
- 5 (A) *The average high-cost benefit rate in effect for the current year;*
- 6 *and*
- 7 (B) *the benefit cost rates for each year used in the three-year*
- 8 *calculation of the average high benefit cost rate; and*
- 9 (3) *statewide wage data, including:*
- 10 (A) *The statewide average annual wage; and*
- 11 (B) *the statewide average weekly wage, for the applicable fiscal year.*
- 12 (c) *Annual certification report for contributing negative-rated*
- 13 *employers. (1) The secretary shall prepare and submit an annual*
- 14 *certification report providing data for contributing employers assigned to*
- 15 *negative rate groups N1 through NE11.*
- 16 (2) *Beginning in 2025 and annually thereafter, the secretary shall*
- 17 *submit such report not later than January 15. Such report shall cover the*
- 18 *12-month period ending on June 30 of the preceding year. The secretary*
- 19 *shall consider in such report any contributions received by July 31 that*
- 20 *apply to the covered period.*
- 21 (3) *The secretary shall submit such report to the:*
- 22 (A) *Chairpersons, vice chairpersons and ranking minority members*
- 23 *of the senate and the house of representatives standing committees to*
- 24 *which employment security law matters are customarily referred;*
- 25 (B) *president of the senate and the speaker of the house of*
- 26 *representatives;*
- 27 (C) *governor; and*
- 28 (D) *legislative coordinating council.*
- 29 (4) *The report shall include, for the current and preceding three*
- 30 *calculated years, the following employer-specific data:*
- 31 (A) *An employer identification number assigned by the secretary,*
- 32 *which shall not be the same as the federal employer identification number*
- 33 *or the Kansas unemployment insurance account number, also known as*
- 34 *the SUTA account number;*
- 35 (B) *north American industry classification system code;*
- 36 (C) *fiscal year account balances;*
- 37 (D) *fiscal year taxable wages;*
- 38 (E) *calculated reserve ratios by fiscal year;*
- 39 (F) *taxable wage bases by fiscal year;*
- 40 (G) *benefits charged to the account by fiscal year;*
- 41 (H) *whether the employer requested workshare; and*
- 42 (I) *whether workshare was approved.*
- 43 (5) *Beginning in 2028 and annually thereafter, the report shall also*

1 include the following, if applicable, for each employer:

- 2 (A) Total temporary unemployment weeks requested by the employer;
- 3 (B) total temporary unemployment weeks approved;
- 4 (C) the number of claimants independently filing temporary
- 5 unemployment claims against the employer's account; and
- 6 (D) the number of weeks charged to the employer's account from
- 7 such independently filed claims.

8 (d) Data access and publication requirements. The department shall

9 ensure that all data posted or submitted pursuant to this section:

- 10 (1) Is available in downloadable, commonly used open-data formats;
- 11 (2) includes visual summaries or dashboards where feasible;
- 12 (3) respects data privacy standards and anonymization practices
- 13 where employer-level data may present confidentiality concerns; and
- 14 (4) is accompanied by explanatory context, trends analysis and a
- 15 glossary of key terms and definitions used in posted data and reporting
- 16 methodologies.

17 Sec. 51. K.S.A. 2025 Supp. 44-775 is hereby amended to read as

18 follows: 44-775. ~~(a) (1) The secretary of labor and the secretary of~~

19 ~~commerce shall jointly establish and implement the my reemployment~~

20 ~~plan as provided in this section. For purposes of this section, "my~~

21 ~~reemployment plan" means a program jointly established and implemented~~

22 ~~by the Kansas department of labor and the Kansas department of~~

23 ~~commerce that provides enhanced reemployment services, including~~

24 ~~workforce services provided by the department of commerce, to Kansans~~

25 ~~receiving unemployment insurance benefits.~~

26 ~~(2) The program shall be required for all claimants except claimants~~

27 ~~that are:~~

- 28 ~~(A) In the shared work program;~~
- 29 ~~(B) in the trade adjustment assistance and trade readjustment~~
- 30 ~~assistance program;~~
- 31 ~~(C) on temporary unemployment as defined in K.S.A. 44-703(ii), and~~
- 32 ~~amendments thereto;~~
- 33 ~~(D) currently employed;~~
- 34 ~~(E) current reemployment services and eligibility assessment~~
- 35 ~~participants;~~

36 ~~(F) active members in good standing of a placement union; or~~

37 ~~(G) claimants that are engaged in a training program.~~

38 ~~(3) (A) The following shall apply to any request to the secretary for~~

39 ~~an extension of additional weeks of temporary unemployment, as defined~~

40 ~~by K.S.A. 44-703(ii), and amendments thereto, if permitted by~~

41 ~~subparagraph (C):~~

42 ~~(i) The request shall be made in writing by a rated contributing~~

43 ~~employer on behalf of an identified individual or individuals;~~

1 (ii) ~~the request shall be submitted, with respect to each individual, for~~
2 ~~an increment of eight weeks of additional temporary unemployment~~
3 ~~allowed for the individual, if permitted by subparagraph (C); and~~

4 (iii) ~~the rated contributing employer shall agree to provide the~~
5 ~~secretary with reports relating to the temporary unemployment extension~~
6 ~~request as the secretary may require.~~

7 (B) ~~The secretary may approve one temporary unemployment~~
8 ~~extension request for an individual of eight weeks up to the maximum total~~
9 ~~number of weeks permitted, if permitted by subparagraph (C), if the~~
10 ~~secretary determines that the requesting employer has:~~

11 (i) ~~Agreed to provide the secretary with all reports required as~~
12 ~~provided by subparagraph (A)(iii);~~

13 (ii) ~~filed all reports required to be filed under the employment~~
14 ~~security law for all past and current periods; and~~

15 (iii) ~~paid all contributions required to be paid under the employment~~
16 ~~security law.~~

17 (C) (i) ~~Additional temporary unemployment benefits of eight weeks~~
18 ~~for an individual in a benefit year may be granted by the secretary if the~~
19 ~~requests for additional temporary unemployment are made by a requesting~~
20 ~~employer determined by the secretary to be primarily engaged in:~~

21 (a) ~~Ready-mixed concrete production and distribution; or~~

22 (b) ~~the construction of highways or elevated highways, streets, roads,~~
23 ~~airport runways, public sidewalks or bridges.~~

24 (ii) ~~The total maximum amount of temporary unemployment for an~~
25 ~~individual in a benefit year, including any extension of additional~~
26 ~~temporary unemployment granted by the secretary, shall be limited to 16~~
27 ~~weeks.~~

28 (4) ~~The secretary of labor shall provide the secretary of commerce~~
29 ~~with the names and contact information of claimants that have claimed a~~
30 ~~third week of benefits in the current benefit year. The secretary of labor~~
31 ~~shall request the claimant to upload or create a complete resume in the~~
32 ~~Kansasworks workforce system, and complete a job search plan that~~
33 ~~includes a skills assessment component. The secretary of commerce shall~~
34 ~~offer and provide, when requested, assistance to the claimants in~~
35 ~~developing the documents or plan through collaboration by the secretary~~
36 ~~with the Kansasworks workforce system. The secretary of commerce may~~
37 ~~require claimants to participate in reemployment services. The claimant~~
38 ~~shall have 14 calendar days to respond to the secretary of commerce. The~~
39 ~~secretary of commerce shall report any failure to respond by the claimant~~
40 ~~to the secretary of labor.~~

41 (5) ~~The secretary of labor shall share labor market information and~~
42 ~~current available job positions with the secretary of commerce. The~~
43 ~~secretary of labor may collaborate with Kansasworks or other state or~~

1 federal agencies with job availability information in obtaining or sharing
2 such information.

3 ~~(6) The secretary of commerce shall match open job positions with~~
4 ~~claimants based on skills, work history and job location that is a~~
5 ~~reasonable commute from the claimant's residence and communicate the~~
6 ~~match information to the claimant and to the employer. The secretary of~~
7 ~~labor and the secretary of commerce shall consider whether the claimant or~~
8 ~~a Kansas employer would benefit from the claimant's participation in a~~
9 ~~work skills training or retraining program as provided by subsection (b)~~
10 ~~and, if so, provide such information to the employer, if applicable, and the~~
11 ~~claimant. Claimants who fail to respond within 14 calendar days after~~
12 ~~contact by Kansasworks or the department of commerce shall be reported~~
13 ~~by the secretary of commerce to the secretary of labor.~~

14 ~~(7) The secretary of commerce and the secretary of labor shall~~
15 ~~monitor the result of job matches and share information regarding any~~
16 ~~claimant who did not attend an interview or did not accept a position that~~
17 ~~was a reasonable match for the claimant's work history and skills and was~~
18 ~~within a reasonable commute from the claimant's residence. The secretary~~
19 ~~of commerce shall contact the claimant and report the contact to the~~
20 ~~secretary of labor. The secretary of labor shall consider whether the~~
21 ~~claimant has failed to meet work search requirements and if the claimant~~
22 ~~should continue to receive benefits.~~

23 ~~(b) The secretary of commerce shall refer claimants to a work skills~~
24 ~~training or retraining program as appropriate. The secretary of commerce~~
25 ~~shall seek to obtain or utilize any available federal funds for the program,~~
26 ~~and to the extent feasible, may make current work skills training and~~
27 ~~retraining programs available to claimants. The secretary of labor may~~
28 ~~allow claimants to participate in such a program offered by the secretary of~~
29 ~~commerce or by another state or federal agency in lieu of requiring the~~
30 ~~claimant to meet job search requirements and the requirements of the my~~
31 ~~reemployment plan until the number of allowed benefit weeks has expired.~~
32 ~~A claimant shall participate in such a program for not less than 25 hours~~
33 ~~per week. The secretary of commerce shall monitor those my~~
34 ~~reemployment plan claimants participating in training managed by the~~
35 ~~workforce centers to ensure compliance.~~

36 ~~(c) Claimants who participate in the my reemployment plan or the~~
37 ~~work skills training or retraining program shall meet attendance or~~
38 ~~progress requirements established by the secretary of commerce to~~
39 ~~continue eligibility for unemployment insurance benefits. Non-compliant~~
40 ~~claimants shall be reported by the secretary of commerce to the secretary~~
41 ~~of labor. The secretary of labor shall disqualify such claimants from further~~
42 ~~benefits within five business days of receiving the report, unless or until~~
43 ~~the claimant demonstrates compliance to the secretary of commerce, and~~

1 shall communicate the disqualification and the reason for the
2 disqualification to the claimant. The secretary of commerce shall report to
3 the secretary of labor when the claimant has reestablished compliance. The
4 secretary of labor may continue benefits or reinstate a claimant's eligibility
5 for benefits upon a showing of good cause by the claimant for the failure
6 to meet attendance or progress requirements or my reemployment plan
7 participation requirements.

8 (d) The secretary of labor and the secretary of commerce shall
9 provide an annual status update and progress report for the my
10 reemployment plan to the standing committee on commerce, labor and
11 economic development of the house of representatives and the standing
12 committee on commerce of the senate during the first month of each
13 regular legislative session.

14 (e) This section shall be a part of and supplemental to the
15 employment security law. *(a) Establishment and applicability. (1) The*
16 *secretary of labor and the secretary of commerce shall jointly establish*
17 *and implement a program designed to provide enhanced reemployment*
18 *services to unemployment insurance claimants, including access to*
19 *Kansasworks and other workforce services offered by the department of*
20 *commerce. Such program shall be known as the my reemployment plan.*

21 (2) Participation in the my reemployment plan shall be required for
22 all claimants except those who are:

23 (A) Participating in the shared work program;

24 (B) receiving trade adjustment assistance or trade readjustment
25 assistance;

26 (C) on temporary unemployment as defined in K.S.A. 44-703, and
27 amendments thereto;

28 (D) currently employed;

29 (E) enrolled in the reemployment services and eligibility assessment
30 program;

31 (F) active members in good standing of a placement union; or

32 (G) actively engaged in a qualified training program.

33 (3) Temporary unemployment extensions. (A) The following
34 conditions shall apply to any request to the secretary for an extension of
35 additional weeks of temporary unemployment, as defined by K.S.A. 44-
36 703, and amendments thereto, if permitted by subparagraph (C):

37 (i) The request shall be made in writing by a rated contributing
38 employer on behalf of an identified individual or individuals;

39 (ii) the request shall be submitted, with respect to each individual, for
40 an increment of eight weeks of additional temporary unemployment
41 allowed for the individual, if permitted by subparagraph (C); and

42 (iii) the rated contributing employer shall agree to provide the
43 secretary with reports relating to the temporary unemployment extension

1 *request as the secretary may require.*

2 *(B) The secretary may approve one temporary unemployment*
3 *extension request for an individual of eight weeks up to the maximum total*
4 *number of weeks permitted, if permitted by subparagraph (C), if the*
5 *secretary determines that the requesting employer has:*

6 *(i) Agreed to provide the secretary with all reports required as*
7 *provided by subparagraph (A)(iii);*

8 *(ii) filed all reports required to be filed under the employment*
9 *security law for all past and current periods; and*

10 *(iii) paid all contributions required to be paid under the employment*
11 *security law.*

12 *(C) (i) Additional temporary unemployment benefits of eight weeks*
13 *for an individual in a benefit year may be granted by the secretary if the*
14 *requests for additional temporary unemployment are made by a requesting*
15 *employer determined by the secretary to be primarily engaged in:*

16 *(a) Ready-mixed concrete production and distribution; or*

17 *(b) the construction of highways or elevated highways, streets, roads,*
18 *airport runways, public sidewalks or bridges.*

19 *(ii) The total maximum amount of temporary unemployment for an*
20 *individual in a benefit year, including any extension of additional*
21 *temporary unemployment granted by the secretary, shall be limited to 16*
22 *weeks.*

23 *(b) Claimant engagement and interagency coordination. (1) Upon a*
24 *claimant filing for a third week of benefits, the secretary of labor shall:*

25 *(A) Notify the claimant of my reemployment plan requirements;*

26 *(B) direct the claimant to complete a resume in the Kansasworks*
27 *system and submit a job search plan that includes a skills assessment; and*

28 *(C) provide the claimant's name and contact information to the*
29 *secretary of commerce.*

30 *(2) The secretary of commerce shall offer assistance to claimants in*
31 *completing the my reemployment plan documentation. The secretary may*
32 *require participation by claimants in available reemployment services.*

33 *(3) Claimants shall respond to my reemployment plan*
34 *communications from the secretary of commerce within 14 calendar days.*
35 *If a claimant fails to respond within 14 calendar days, the secretary of*
36 *commerce shall report the nonresponse to the secretary of labor.*

37 *(4) The secretary of labor shall share labor market data, job*
38 *openings and employment trends with the secretary of commerce. The*
39 *secretary of labor may also collaborate with Kansasworks or other*
40 *agencies in gathering or sharing such information.*

41 *(c) Job matching, referrals, and training. (1) The secretary of*
42 *commerce shall:*

43 *(A) Match claimants with open positions based on skills, work history*

1 *and commuting distances that are reasonable based on location and labor*
2 *market factors;*

3 *(B) notify both claimant and employer of suitable matches; and*

4 *(C) monitor available skills training or retraining programs,*
5 *periodically review eligibility of claimants for such programs and refer*
6 *eligible claimants to such programs when deemed beneficial for a*
7 *claimant.*

8 *(2) Claimants who fail to respond within 14 calendar days of contact*
9 *regarding job matches or referrals shall be reported to the secretary of*
10 *labor for benefit eligibility review.*

11 *(3) The secretary of labor and secretary of commerce shall jointly*
12 *monitor job match results and determine whether claimants failed to*
13 *accept or attend interviews for reasonable matches of employment.*

14 *(d) Participation in training programs. (1) The secretary of*
15 *commerce may refer claimants to work skills training or retraining*
16 *programs and shall obtain and use federal funds to support such programs*
17 *to the extent possible.*

18 *(2) Claimants referred to training by the secretary of commerce shall*
19 *be reported to the secretary of labor. The secretary of labor may*
20 *temporarily exempt such claimants from job search and my reemployment*
21 *plan participation requirements.*

22 *(3) Training program participants shall:*

23 *(A) Participate for no fewer than 25 hours per week; and*

24 *(B) be monitored for compliance and progress by the secretary of*
25 *commerce.*

26 *(e) Compliance and disqualification procedures. (1) Claimants shall*
27 *meet all my reemployment plan and training program attendance and*
28 *progress requirements to remain eligible for benefits.*

29 *(2) The secretary of commerce shall report noncompliant claimants*
30 *to the secretary of labor, who shall disqualify such claimants for benefits*
31 *within five business days unless the claimant demonstrates compliance or*
32 *provides good cause for the noncompliance to the secretary of labor.*

33 *(3) The secretary of commerce shall notify the secretary of labor of*
34 *claimants who resume compliance. Upon such notification of restored*
35 *compliance by the secretary of commerce, the secretary of labor may*
36 *resume or reinstate benefits for such claimants.*

37 *(f) Supplemental unemployment benefit plan recipients. Claimants*
38 *receiving benefits under an approved supplemental unemployment benefit*
39 *plan in accordance with section 1, and amendments thereto, shall remain*
40 *subject to participation in reemployment services, unless otherwise*
41 *exempted by the secretary of labor pursuant to this section.*

42 *(g) Legislative reporting. The secretary of labor and the secretary of*
43 *commerce shall provide a joint annual report on the implementation and*

1 *outcomes of the my reemployment plan to the house of representatives*
2 *committee on commerce, labor and economic development and the senate*
3 *committee on commerce during the first month of each regular legislative*
4 *session. The report shall include performance indicators, such as claimant*
5 *participation rates, resume submissions, job match results, reemployment*
6 *outcomes and other metrics as jointly determined by the secretary of labor*
7 *and secretary of commerce.*

8 Sec. 52. K.S.A. 44-777 is hereby amended to read as follows: 44-777.

9 (a) *Identity verification form.* The secretary of labor shall develop a
10 *standardized form for use by to assist claimants to establish in*
11 *establishing their identity before a law enforcement officer of a Kansas*
12 *law enforcement agency officer for the purpose of facilitating the receipt*
13 *of unemployment insurance benefits. The form may be in electronic*
14 *situations involving potential identity theft, administrative holds or paper*
15 *format and may be transmitted or processed in electronic format if*
16 *safeguards are made other instances where additional verification is*
17 *necessary to protect any confidential information of the claimant. program*
18 *integrity. Use of the form by a claimant shall be optional and not be a*
19 *requirement to receive condition of eligibility for unemployment insurance*
20 *benefits.*

21 (1) *The form shall be distributed to participating law enforcement*
22 *agencies upon request and shall be provided to claimants at the time a*
23 *claim for benefits is submitted. The form shall also be made readily*
24 *available on the department of labor's website. The form shall be no more*
25 *than:*

26 (A) *Not exceed one page in length;*

27 (B) *include space fields for the claimant's full name, residential*
28 *address, phone number, if any available, email address, if any available,*
29 *date of birth and social security number and include;*

30 (C) *provide instructions for the use of the form for the claimant and*
31 *the law enforcement agency. The form shall specify permitted identity*
32 *verification documentation that may be submitted to the law enforcement*
33 *officer by the claimant to establish the claimant's identity. The permitted*
34 *forms of identity verification documentation shall be documents to*
35 *establish identity or documents to establish both the claimant and law*
36 *enforcement officer, including a list of acceptable identity verification*
37 *documents; and*

38 (D) *specify the acceptable documents sufficient to establish identity,*
39 *or identity and employment authorization acceptable for as recognized by*
40 *federal form I-9, employment eligibility verification, pursuant to 8 C.F.R.*
41 *§ 274a.2, as in effect on the effective date of this act. The form shall be*
42 *developed and made available within seven days of the effective date of*
43 *this act. Law enforcement agencies shall not be required to participate in*

~~the provisions of this section~~ July 1, 2025. The form shall state that acceptable documents include documents listed under List A or a combination of List B and List C of the federal form I-9.

(2) The form may be issued in either paper or electronic format and may be submitted electronically provided that the department implements safeguards to protect all claimant information in accordance with K.S.A. 44-714(e), and amendments thereto, and all other applicable state and federal privacy laws.

(3) The form shall be made available on the department of labor's official website in a human-readable, commonly used and readily available format that may be downloaded, saved to a local computer and printed. If possible and in a reasonably secure manner, the secretary shall make the format capable of being completed and submitted online. The form shall be provided, in electronic format or paper copy, to any:

(A) Claimant upon submission of an unemployment insurance claim; and

(B) law enforcement agency that agrees to participate.

(4) The secretary shall develop and publish the form not later than July 10, 2026, and maintain a publicly accessible list of participating law enforcement agencies, updated at least quarterly.

(b) ~~Presentation to law enforcement.~~ Upon receipt of the form, a claimant may present the form and required documentation to a participating Kansas law enforcement agency ~~with that has jurisdiction over the location of the claimant's residence or last known place of employment in Kansas and submit documentation as required by the form for verification by the law enforcement state.~~ If no such agency agrees to participate, the secretary may authorize the claimant ~~may~~ to present the form to a participating law enforcement agency ~~that does not have outside of the defined jurisdiction over the location of the claimant's residence or last known place of employment if no law enforcement agency with such jurisdiction has agreed to participate and the secretary has approved such submission.~~ If a law enforcement officer of the law enforcement agency examines and finds the documentation submitted by the claimant valid and sufficient to establish the claimant's.

(1) Upon validating the claimant's documentation and confirming its sufficiency to establish identity, the law enforcement officer shall complete or verify the form as instructed and transmit the law enforcement agency ~~shall submit the verified form to the department of labor as provided in the manner prescribed by the instructions~~ secretary.

(c) ~~The secretary shall presume a claimant's identity has been confirmed for purposes of the employment security law upon submission.~~ Presumption of identity. Upon receipt of a properly completed verification form ~~to the secretary by the~~ from a law enforcement agency on

1 ~~behalf, the secretary shall presume that the claimant's identity has been~~
2 ~~established for purposes of administering the claimant. The employment~~
3 ~~security law. This presumption may be overcome rebutted by direct and~~
4 ~~credible information evidence to the contrary.~~

5 (d) ~~The Confidentiality and legal immunity. All information collected~~
6 ~~or transmitted under this section shall be confidential and subject to the~~
7 ~~protections of K.S.A. 44-714(e), and amendments thereto.~~

8 (1) ~~Any law enforcement officer, law enforcement agency, the state or~~
9 ~~any political subdivision of the state that employs a law enforcement~~
10 ~~officer providing thereof that participates in the identity verification as~~
11 ~~provided by process in accordance with this section for the department of~~
12 ~~labor, shall have immunity shall be immune from any civil or criminal~~
13 ~~liability for such verification action if activities, provided the law~~
14 ~~enforcement officer or agency acts in good faith and exercises due care.~~

15 (2) ~~Participation and by law enforcement in the verification of a~~
16 ~~claimant's identity as provided process established by this section by a law~~
17 ~~enforcement agency or law enforcement officer shall constitute a~~
18 ~~discretionary function or duty for purposes of the Kansas tort claims act,~~
19 ~~K.S.A. 75-6101 et seq., and amendments thereto.~~

20 (e) ~~This section shall be a part of and supplemental to the~~
21 ~~employment security law Rulemaking authority. The secretary of labor~~
22 ~~may adopt rules and regulations as necessary to implement, administer~~
23 ~~and ensure compliance with the provisions of this section, including~~
24 ~~procedures for electronic submission, data security and interagency~~
25 ~~coordination.~~

26 Sec. 53. K.S.A. 2025 Supp. 79-3234 is hereby amended to read as
27 follows: 79-3234. (a) All reports and returns required by this act shall be
28 preserved for three years and thereafter until the director orders them to be
29 destroyed.

30 (b) Except in accordance with proper judicial order; or as provided in
31 subsection (c) or K.S.A. 46-1106(e), 46-1114 or 79-32,153a, and
32 amendments thereto, it shall be unlawful for the secretary, the director, any
33 deputy, agent, clerk or other officer, employee or former employee of the
34 department of revenue or any other state officer or employee or former
35 state officer or employee to divulge; or to make known in any way; the
36 amount of income or any particulars set forth or disclosed in any report,
37 return, federal return or federal return information required under this act;
38 and it shall be unlawful for the secretary, the director, any deputy, agent,
39 clerk or other officer or employee engaged in the administration of this act
40 to engage in the business or profession of tax accounting or to accept
41 employment, with or without consideration, from any person, firm or
42 corporation for the purpose, directly or indirectly, of preparing tax returns
43 or reports required by the laws of the state of Kansas, by any other state or

1 by the United States government; or to accept any employment for the
2 purpose of advising, preparing material or data; or the auditing of books or
3 records to be used in an effort to defeat or cancel any tax or part thereof
4 that has been assessed by the state of Kansas, any other state or by the
5 United States government.

6 (c) The secretary or the secretary's designee may:

7 (1) Publish statistics, so classified as to prevent the identification of
8 particular reports or returns and the items thereof;

9 (2) allow the inspection of returns by the attorney general or other
10 legal representatives of the state;

11 (3) provide the post auditor access to all income tax reports or returns
12 in accordance with and subject to the provisions of K.S.A. 46-1106(e) or
13 46-1114, and amendments thereto;

14 (4) disclose taxpayer information from income tax returns to persons
15 or entities contracting with the secretary of revenue where the secretary
16 has determined disclosure of such information is essential for completion
17 of the contract and has taken appropriate steps to preserve confidentiality;

18 (5) disclose to the secretary of commerce the following:

19 (A) Specific taxpayer information related to financial information
20 previously submitted by the taxpayer to the secretary of commerce
21 concerning or relevant to any income tax credits; for *the* purposes of
22 verification of such information or evaluating the effectiveness of any tax
23 credit or economic incentive program administered by the secretary of
24 commerce;

25 (B) the amount of payroll withholding taxes an employer is retaining
26 pursuant to K.S.A. 74-50,212, and amendments thereto;

27 (C) information received from businesses completing the form
28 required by K.S.A. 74-50,217, and amendments thereto; and

29 (D) findings related to a compliance audit conducted by the
30 department of revenue upon the request of the secretary of commerce
31 pursuant to K.S.A. 74-50,215, and amendments thereto;

32 (6) disclose income tax returns to the state gaming agency to be used
33 solely for the purpose of determining qualifications of licensees of and
34 applicants for licensure in tribal gaming. Any information received by the
35 state gaming agency shall be confidential and shall not be disclosed except
36 to the executive director, employees of the state gaming agency and
37 members and employees of the tribal gaming commission;

38 (7) disclose the taxpayer's name, last known address and residency
39 status to the Kansas department of wildlife and parks to be used solely in
40 its license fraud investigations;

41 (8) disclose the name, ~~residence~~ *residential* address, employer or
42 Kansas adjusted gross income of a taxpayer who may have a duty of
43 support in a title IV-D case to the secretary of the Kansas department for

1 children and families for use solely in administrative or judicial
2 proceedings to establish, modify or enforce such support obligation in a
3 title IV-D case. In addition to any other limits on use, such use shall be
4 allowed only ~~where~~ *when* subject to a protective order ~~which~~ *that* prohibits
5 disclosure outside of the title IV-D proceeding. As used in this section,
6 "title IV-D case" means a case being administered pursuant to part D of
7 title IV of the federal social security act, 42 U.S.C. § 651 et seq., and
8 amendments thereto. Any person receiving any information under the
9 provisions of this subsection shall be subject to the confidentiality
10 provisions of subsection (b) and to the penalty provisions of subsection
11 (e);

12 (9) permit the commissioner of internal revenue of the United States,
13 ~~or~~ the proper official of any state imposing an income tax; or the
14 authorized representative of either; to inspect the income tax returns made
15 under this act ~~and~~. The secretary of revenue may make available or furnish
16 to the taxing officials of any other state ~~or~~, the commissioner of internal
17 revenue of the United States or other taxing officials of the federal
18 government; or their authorized representatives; information contained in
19 income tax reports or returns or any audit thereof or the report of any
20 investigation made with respect thereto, filed pursuant to the income tax
21 laws, as the secretary may consider proper, but such information shall not
22 be used for any other purpose than that of the administration of tax laws of
23 such state, the state of Kansas ~~or~~ of the United States;

24 (10) communicate to the executive director of the Kansas lottery
25 information as to whether a person, partnership or corporation is current in
26 the filing of all applicable tax returns and in the payment of all taxes,
27 interest and penalties to the state of Kansas, excluding items under formal
28 appeal, for the purpose of determining whether such person, partnership or
29 corporation is eligible to be selected as a lottery retailer;

30 (11) communicate to the executive director of the Kansas racing
31 commission as to whether a person, partnership or corporation has failed
32 to meet any tax obligation to the state of Kansas for the purpose of
33 determining whether such person, partnership or corporation is eligible for
34 a facility owner license or facility manager license pursuant to the Kansas
35 parimutuel racing act;

36 (12) provide such information to the executive director of the Kansas
37 public employees retirement system for the purpose of determining that
38 certain individuals' reported compensation is in compliance with the
39 Kansas public employees retirement act, K.S.A. 74-4901 et seq., and
40 amendments thereto;

41 (13) (A) provide taxpayer information of persons suspected of
42 violating K.S.A. 44-766, and amendments thereto, to the secretary of labor
43 or such secretary's designee for the purpose of determining compliance by

1 any person with the provisions of K.S.A. ~~44-703(i)(3)(D)~~ and 44-766 and
2 44-768, and amendments thereto. The information to be provided shall
3 include all relevant information in the possession of the department of
4 revenue necessary for the secretary of labor to make a proper
5 determination of compliance with the provisions of K.S.A. ~~44-703(i)(3)(D)~~
6 and 44-766 and 44-768, and amendments thereto, and to calculate any
7 unemployment contribution taxes due. Such information to be provided by
8 the department of revenue shall include, but not be limited to, withholding
9 tax and payroll information, the identity of any person that has been or is
10 currently being audited or investigated in connection with the
11 administration and enforcement of the withholding and declaration of
12 estimated tax act, K.S.A. 79-3294 et seq., and amendments thereto, and the
13 results or status of such audit or investigation;

14 (B) any person receiving tax information under the provisions of this
15 paragraph shall be subject to the same duty of confidentiality imposed by
16 law upon the personnel of the department of revenue and shall be subject
17 to any civil or criminal penalties imposed by law for violations of such
18 duty of confidentiality; and

19 (C) each of the secretary of labor and the secretary of revenue may
20 adopt rules and regulations necessary to effect the provisions of this
21 paragraph;

22 (14) provide such information to the state treasurer for the sole
23 purpose of carrying out the provisions of K.S.A. 58-3934, and
24 amendments thereto. Such information shall be limited to current and prior
25 addresses of taxpayers or associated persons who may have knowledge as
26 to the location of an owner of unclaimed property. For the purposes of this
27 paragraph, "associated persons" includes spouses or dependents listed on
28 income tax returns;

29 (15) after receipt of information pursuant to subsection (f), forward
30 such information and provide the following reported Kansas individual
31 income tax information for each listed defendant, if available, to the state
32 board of indigents' defense services in an electronic format and in the
33 manner determined by the secretary: (A) The defendant's name; (B) social
34 security number; (C) Kansas adjusted gross income; (D) number of
35 exemptions claimed; and (E) the relevant tax year of such records. Any
36 social security number provided to the secretary and the state board of
37 indigents' defense services pursuant to this section shall remain
38 confidential; and

39 (16) disclose taxpayer information that is received from income tax
40 returns to the department of commerce that may be disclosed pursuant to
41 the provisions of K.S.A. 2025 Supp. 74-50,227, and amendments thereto,
42 for the purpose of including such information in the database required by
43 K.S.A. 2025 Supp. 74-50,227, and amendments thereto.

1 (d) Any person receiving information under the provisions of
2 subsection (c) shall be subject to the confidentiality provisions of
3 subsection (b) and to the penalty provisions of subsection (e).

4 (e) Any violation of subsection (b) or (c) is a class A nonperson
5 misdemeanor and, if the offender is an officer or employee of the state,
6 such officer or employee shall be dismissed from office.

7 (f) For the purpose of determining whether a defendant is financially
8 able to employ legal counsel under the provisions of K.S.A. 22-4504, and
9 amendments thereto, in all felony cases with appointed counsel where the
10 defendant's social security number is accessible from the records of the
11 district court, the court shall electronically provide the defendant's name,
12 social security number, district court case number and county to the
13 secretary of revenue in the manner and format agreed to by the office of
14 judicial administration and the secretary.

15 (g) Nothing in this section shall be construed to allow disclosure of
16 the amount of income or any particulars set forth or disclosed in any
17 report, return, federal return or federal return information, where such
18 disclosure is prohibited by the federal internal revenue code as in effect on
19 September 1, 1996, and amendments thereto, related federal internal
20 revenue rules or regulations, or other federal law.

21 New Sec. 54. The provisions of this act shall be known and may be
22 cited as the Kansas unemployment insurance modernization and
23 conformity act.

24 Sec. 55. K.S.A. 44-701, 44-702, 44-704a, 44-704b, 44-706a, 44-
25 710d, 44-710e, 44-710f, 44-710i, 44-711, 44-712, 44-713, 44-713a, 44-
26 714, 44-715, 44-716, 44-716a, 44-718, 44-719, 44-720, 44-721, 44-722,
27 44-723, 44-724, 44-725, 44-727, 44-758, 44-759, 44-760, 44-761, 44-762,
28 44-763, 44-764, 44-765, 44-766, 44-767, 44-768, 44-769, 44-770, 44-773
29 and 44-777 and K.S.A. 2025 Supp. 44-703, 44-704, 44-705, 44-706, 44-
30 709, 44-709b, 44-710, 44-710a, 44-710b, 44-717, 44-757, 44-772, 44-774,
31 44-775 and 79-3234 are hereby repealed.

32 Sec. 56. This act shall take effect and be in force from and after its
33 publication in the statute book.