

SENATE BILL No. 482

By Committee on Commerce

2-9

9 AN ACT concerning the employment security laws; relating to freezing
10 automatic benefit increases; amending K.S.A. 2003 Supp. 44-704 and
11 repealing the existing section.
12

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

14 Section 1. K.S.A. 2003 Supp. 44-704 is hereby amended to read as
15 follows: 44-704. (a) *Payment of benefits.* All benefits provided herein shall
16 be payable from the fund. All benefits shall be paid through the secretary
17 of human resources, in accordance with such rules and regulations as the
18 secretary may adopt. Benefits based on service in employment defined
19 in subsections (i)(3)(E) and (i)(3)(F) of K.S.A. 44-703, and amendments
20 thereto, shall be payable in the same amount, on the same terms and
21 subject to the same conditions as compensation payable on the basis of
22 other service subject to this act except as provided in subsection (e) of
23 K.S.A. 44-705 and subsection (e)(2) of K.S.A. 44-711, and any amend-
24 ments to these statutes.

25 (b) *Determined weekly benefit amount.* An individual's determined
26 weekly benefit amount shall be an amount equal to 4.25% of the individ-
27 ual's total wages for insured work paid during that calendar quarter of
28 the individual's base period in which such total wages were highest, sub-
29 ject to the following limitations:

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

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

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

38 (c) *Maximum weekly benefit amount.* On July 1 of each year, the
39 secretary shall determine the maximum weekly benefit amount by com-
40 puting 60% of the average weekly wages paid to employees in insured
41 work during the previous calendar year and shall prior to that date an-
42 nounce the maximum weekly benefit amount so determined, by publi-
43 cation in the Kansas register. Such computation shall be made by dividing

1 the gross wages reported as paid for insured work during the previous
2 calendar year by the product of the average of midmonth employment
3 during such calendar year multiplied by 52. The maximum weekly benefit
4 amount so determined and announced for the twelve-month period shall
5 apply only to those claims filed in that period qualifying for maximum
6 payment under the foregoing formula. All claims qualifying for payment
7 at the maximum weekly benefit amount shall be paid at the maximum
8 weekly benefit amount in effect when the benefit year to which the claim
9 relates was first established, notwithstanding a change in the maximum
10 benefit amount for a subsequent twelve-month period. If the computed
11 maximum weekly benefit amount is not a multiple of \$1, then the com-
12 puted maximum weekly benefit amount shall be reduced to the next lower
13 multiple of \$1. *From July 1, 2004 through July 1, 2006, the weekly max-*
14 *imum benefit amount shall remain the same as determined on July 1, 2003.*

15 (d) *Minimum weekly benefit amount.* The minimum weekly benefit
16 amount payable to any individual shall be 25% of the maximum weekly
17 benefit calculated in accordance with subsection (c) and shall be an-
18 nounced by the secretary in conjunction with the published announce-
19 ment of the maximum weekly benefit, also as provided in subsection (c).
20 The minimum weekly benefit amount so determined and announced for
21 the twelve-month period beginning July 1 of each year shall apply only
22 to those claims which establish a benefit year filed within that twelve-
23 month period and shall apply through the benefit year of such claims
24 notwithstanding a change in such amount in a subsequent twelve-month
25 period. If the minimum weekly benefit amount is not a multiple of \$1 it
26 shall be reduced to the next lower multiple of \$1. *From July 1, 2004*
27 *through July 1, 2006, the weekly minimum benefit amount shall remain*
28 *the same as determined on July 1, 2003.*

29 (e) *Weekly benefit payable.* Each eligible individual who is unem-
30 ployed with respect to any week, except as to final payment, shall be paid
31 with respect to such week a benefit in an amount equal to such individ-
32 ual's determined weekly benefit amount, less that part of the wage, if any,
33 payable to such individual with respect to such week which is in excess
34 of the amount which is equal to 25% of such individual's determined
35 weekly benefit amount and if the resulting amount is not a multiple of
36 \$1, it shall be reduced to the next lower multiple of \$1.

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

39 (A) Vacation pay that was attributable to a week that the individual
40 claimed benefits while work was temporarily interrupted;

41 (B) holiday pay that was payable with no condition of attendance on
42 other regularly scheduled day or days; and

43 (C) severance pay, if paid as scheduled, and all other employment

1 benefits within the employer's control, as defined in subsection (e)(3), if
2 continued as though the severance had not occurred, except as set out in
3 subsection (e)(2)(D).

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

6 (A) Remuneration received for services performed on a public assis-
7 tance work project;

8 (B) vacation pay, except as set out in subsection (e)(1)(A) above;

9 (C) holiday pay that was not payable unless the individual complied
10 with a condition of attendance on another regularly scheduled day or days;

11 (D) severance pay, in lieu of notice, under the provisions of public
12 law 100-379, the federal worker adjustment and retraining notification
13 act (29 U.S.C.A. 2101 through 2109);

14 (E) all other severance pay, separation pay, bonuses, wages in lieu of
15 notice or remuneration of a similar nature that is payable after the sev-
16 erance of the employment relationship, except as set out in subsection
17 (e)(1)(C); and

18 (F) moneys received as federal social security payments.

19 (3) For the purposes of this subsection (e), "employment benefits
20 within the employer's control" means benefits offered by the employer
21 to employees which are employee benefit plans as defined by section 3
22 of the federal employee retirement income security act of 1974, as
23 amended, (29 U.S.C. 1002) and which the employer has the option to
24 continue to provide to the employee after the last day that the employee
25 worked for that employer.

26 (f) *Duration of benefits.* Any otherwise eligible individual shall be
27 entitled during any benefit year to a total amount of benefits equal to
28 whichever is the lesser of 26 times such individual's weekly benefit
29 amount, or $\frac{1}{3}$ of such individual's wages for insured work paid during
30 such individual's base period. Such total amount of benefits, if not a mul-
31 tiple of \$1, shall be reduced to the next lower multiple of \$1.

32 (g) For the purposes of this section, wages shall be counted as "wages
33 for insured work" for benefit purposes with respect to any benefit year
34 only if such benefit year begins subsequent to the date on which the
35 employing unit by whom such wages were paid has satisfied the condi-
36 tions of subsection (h) of K.S.A. 44-703, and amendments thereto, with
37 respect to becoming an employer.

38 Sec. 2. K.S.A. 2003 Supp. 44-704 is hereby repealed.

39 Sec. 3. This act shall take effect and be in force from and after its
40 publication in the statute book.