

MINUTES OF THE House COMMITTEE ON Labor and Industry

Held in Room 521-S, at the Statehouse at 9:00 a. m./~~p.m.~~,

on February 4, 1983.

All members were present except:

All members were present.

The next meeting of the Committee will be held at 9:30 a. m./~~p.m.~~,

on February 7, 1983.

These minutes of the meeting held on \_\_\_\_\_, 19\_\_\_\_ were considered, corrected and approved.

  
Chairman

The conferees appearing before the Committee were:

Mr. Arnold Berman  
Mr. Harvey Ludwick  
Mr. Jim Wilson  
Mr. Rob Hodges  
Mr. Tom Slattery

Chairman Douville called the meeting to order at 9:00 a.m.

Chairman Douville called Mr. Jim Wilson to the speakers stand to again go over the bill with the committee, this time regarding the changes in the old bill.

Comments regarding the bill were made by members of the Advisory Council. The committee went over the differences between the bill and what the Advisory Council suggested.

A discussion followed.

Representative Jerry Friedeman moved that the committee introduce proposed bill #1 as a committee bill. Representative Dorothy Nichols seconded. There was a short discussion on the motion. The committee voted and passed the motion unanimously.

The committee was given handouts (Attachments #1 and #2).

Chairman Douville adjourned the meeting at 10:30 a.m.

2-4-83

Guest List

Rob Holman  
Smith

Topeka  
Topeka

KAC  
Budget

(3) *Planned yield.* The average required yield shall be determined from schedule II of this section, and the planned yield on total wages in column B of schedule II shall be determined by the reserve fund ratio in column A of schedule II. The reserve fund ratio shall be determined by dividing total assets in the employment security fund provided for in K.S.A. 1978 Supp. 44-712 (a), excluding all moneys credited to the account of this state pursuant to section 903 of the social security act, as amended, which have been appropriated by the state legislature, whether or not withdrawn from the trust fund, and excluding contributions not yet paid on July 31 by total payrolls for contributing employers for the preceding fiscal year ended June 30.

SCHEDULE II—Fund Control  
Ratios to Total Wages

Column A Reserve Fund Ratio	Column B Planned Yield
5.0% and over	0.40%
4.5 but less than 5.0%	.50
4.0 but less than 4.5	.60
3.5 but less than 4.0	.70
3.0 but less than 3.5	.80
2.5 but less than 3.0	.90
2.0 but less than 2.5	1.00
1.5 but less than 2.0	1.10
Less than 1.5	1.20
	1.30
	1.40
	1.50

(A) *Adjustment to taxable wages.* The planned yield as a percent of total wages, as determined in this paragraph (3), shall be adjusted to taxable wages by multiplying by the ratio of total wages to taxable wages for all contributing employers for the preceding fiscal year ending June 30.

(B) *Effective rates.* ~~Employer~~ Except with regard to rates for negative account balance employers, employer contribution rates to be effective for the ensuing calendar year shall be computed by adjusting proportionately the experience factors from schedule I of this section to the required yield on taxable wages. Rates computed shall range from zero (0) to three and six-tenths percent (3.6%) rounded to the nearest one-tenth of one percent (0.1%). In computing such rates for calendar year 1978 and 1979, taxable wages shall be determined on the basis of wages as defined in K.S.A. 1978 Supp. 44-703(o). For the purposes of this subsection: (i) All rates computed shall be rounded to the nearest one-hundredth of one percent (0.01%); (ii) for calendar year 1980, rates computed shall not exceed an effective employer contribution rate of three and sixty-hundredths percent (3.60%); (iii) for calendar years 1981 and 1982, rates computed shall not exceed an effective employer contribution rate of three and eighty-hundredths percent (3.80%); (iv) for calendar year 1983 and ensuing years, the maximum effective contribution rate shall not exceed four percent

(4%); (v) such effective rates shall remain in effect in accordance with provisions (ii), (iii) and (iv) unless, upon calculation of the yield requirement of the fund for any given year, the secretary of human resources determines that any rate group other than rate groups 19, 20 and 21 must pay contributions at a rate equal to the maximum effective contribution rate in order to achieve the required yield, in which case the secretary shall implement a new maximum effective employer contribution rate, augmented in increments of ten-hundredths of one percent (0.10%) until it is determined by the secretary that only rate groups 19, 20 and 21 shall be required to contribute at the maximum effective contribution rate to achieve the required yield; and (vi) in no instance shall the secretary authorize a maximum effective employer contribution rate greater than four and thirty-hundredths percent (4.30%).

(b) *Successor classification.* (1) For the purposes of this subsection whenever any employing unit (whether or not an "employing unit" within the meaning of paragraph (g) of K.S.A. 1978 Supp. 44-703 and amendments thereto), acquires or in any manner succeeds to substantially all the employing enterprises, organization, trade or business or substantially all the assets of an employer, excepting in any such case any assets retained by such employer incident to the liquidation of his or her obligations and who intends to continue such organization, trade, or business, shall acquire the experience rating account of the predecessor employer consisting of the predecessor's actual contribution and benefit experience and annual payrolls. If the successor employing unit was an employer subject to this act prior to the date of the acquisition, his or her rate of contribution for the period from such date to the end of the then current contribution year shall be the same as the rate with respect to the period immediately preceding the date of acquisition. If the successor was not an employer prior to the date of acquisition, his or her rate shall be the rate applicable to the predecessor employer or employers with respect to the period immediately preceding the date of acquisition provided there was only one predecessor or there were only predecessors with identical rates; in the event that the predecessors' rates are not identical, the successor's rate shall be a newly computed rate based upon the combined experience of the predecessors as of the computation date immediately preceding the date of acquisition.

(2) Whenever any employing unit (whether or not an "employing unit" within the meaning of subsection (g) of K.S.A. 1978 Supp. 44-703 and amendments thereto), acquires or in any manner succeeds to all of the organization, trade, business or assets of an employer at one or more separate and distinct establishments

#1

Atch. 1

Number of Negative Account Employers  
by Industry Division  
Rate Year 1983

55,269  
Total Employers

Active Negative  
Balance Employers

Industry Division

<u>Industry Division</u>	<u>Active Negative Balance Employers</u>
<u>Total</u> .....	<u>3,256</u>
Agriculture, Forestry, Fisheries.....	76
Mining.....	73
Contract Construction.....	1,453
Manufacturing.....	209
Transportation, Communication and Public Utilities.....	186
Wholesale Trade.....	205
Retail Trade.....	401
Finance, Insurance, and Real Estate.....	113
Services.....	539
Government.....	1

Kansas Department of Human Resources  
Research and Analysis Section  
Division of Staff Services  
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