

MINUTES OF THE ~~House~~ COMMITTEE ON Labor and Industry

Held in Room 526-S, at the Statehouse at 9:00 a. m./~~P.M.~~,

on March 1, 1983.

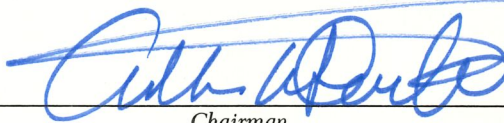
All members were present except:

Representative Jim Holderman/Excused

The next meeting of the Committee will be held at 9:00 a. m./~~P.M.~~,

on March 2, 1983.

These minutes of the meeting held on _____, 19____ were considered, corrected and approved.


Chairman

The conferees appearing before the Committee were:

Representative Lee Hamm
Jim Snyder, KS Funeral Directors and Embalmers Assn.
Mr. Wayne Maichel, KS AFLCIO
John Peterson, KS Cemetery Assoc.
Bryce Moore, Director of Workmans' Compensation
Bill Morrissey, Workmans' Compensation
Representative David Heinemann
Arnold Berman, Dept. of Human Resources

Chairman Douville called the meeting to order at 9:05 a.m.

Representative Hamm was called to the speakers stand and gave testimony regarding H.B. 2120, attachment #1.

Mr. Jim Snyder was called to the speakers stand and gave testimony in support of H.B. 2120.

Mr. Wayne Maichel gave testimony in support of H.B. 2120.

Mr. John Peterson gave testimony in support of H.B. 2120

Mr. Bryce Moore furnished the committee with attachment #2.
A discussion followed.

Chairman Douville then turned the attention of the committee to H.B. 2270 and H.B. 2461. A discussion followed with Mr. Bill Morrissey answering questions pertaining to these bills.

Representative Sutter made a motion that the committee pass favorably H.B. 2461. The motion was seconded by Representative Green. There was no further discussion. A vote was taken and the motion was carried.

Jim Wilson from the Revisors' Office noted that the bill needed a technical amendment. Representative Moore made a motion that the committee include this amendment in H.B. 2461. The motion was seconded by Representative Sutter. A vote was taken and the motion was carried..

Chairman Douville called Representative David Heinemann to the speakers stand. The committee was given attachment #3 which Representative Heinemann went over with the committee. There was also a discussion of H.B. 2077.

Mr. Arnold Berman went over attachment #4 with the committee.

Chairman Douville adjourned the meeting at 9:45 a.m.

Guest list

3-1-83

Jim Snyder	KFDA	Topeka
Bill Morrissey	Dept of Human Resources	"
B Moore	" "	"
Bill Sneed	Ks Dept of Ins	Topeka
Wayne Marchel	Kans. AFL-CIO	Topeka
Ralph McGeer	" " " "	" "
Arnold Berman	DHR	Topeka

FROM: Rep. Lee Hamm

Testimony before the Labor & Industry Committee

March 1, 1983 - HB 2120

HB 2120 simply provides for an increase from \$2000 to \$5000, the amount the employer pays in the event of the death of an employee who has no dependents. This action is prompted by two deaths in my area in the past year; oil field drilling accidents. In the instance of one boy, who was killed, it was reported the company involved paid \$10,000 out of the kindness of it's heart, to help the family. The one I'm most acquainted with was Tom Shanley, whose father, Jim, I've known since high school days and played baseball against him. Jim was going to be here today but because of a heart attack, he felt he better not try making the trip. Tom Shanley had been on the job 13 days, a derrick hand, he had gone up the derrick about 20 feet to undo a jollygraft line, fell and broke his neck. He was alive at the well which was out in the middle of nowhere. He was loaded in a private car, taken nine miles to meet the ambulance. It is not known whether he died of the injury or from mishandling, but it doesn't make any difference, he is dead.

This particular section of the Workmen's Compensation Law seems to me to be one of the most unfair laws we have. How much is a man's life worth? If I drive an automobile I am required, by state law, to carry a minimum liability insurance of \$25,000 bodily injury, \$50,000 bodily injury two or more plus \$10,000 property damage plus uninsured motorist for same as first liability. It just seems to me a case of discrimination against the workers.

Lee Hamm

Tom Shanley had no "dependents"; he left a father and mother and five brothers and sisters. His father, Jim, has been on the police force in Pratt ever since I can remember, not an overly paid position. Jim didn't want Tom buried as a welfare case. He paid the modest funeral expenses of \$3,695.17. Like a lot of us, inexperienced in Workmen's Comp, he didn't know what to do. He hired a lawyer, who charged him \$500 to help him recover the \$2,000 due. Tom had bills around town amounting to \$600. Jim, his father, paid all these saying there had not been a Shanley leave this world owing anybody anything and such wouldn't be the case now. Jim had to borrow the money to pay his son's bills and give him a decent burial besides a monument for the grave at \$300. The bills are now at a total of \$5,095.17.

I ask the Committee, "is this amount requested in this Bill, too much to ask for"?

Wallace D/D 11-17-82 (Atchison, Kansas)
Rockwell International; Self-Insured

3-1-83 #2

Casket & Services	\$2,625.15
Two Slabs Concrete	258.75
Printing of information	15.00
Six Death Certificates	13.00
Flowers	65.00
Organist	5.00
Pianist	5.00
Grave	225.00
Open & Close Grave	175.00
Cemetary Fee	60.00
Total	<u>\$3,446.90</u>

Michael D/D 2-26-82 (Garden City, Kansas)
General Adjustment Bureau (Norb Mueller)

Casket & Services	\$3,047.41
Cement Box	385.00
Tax on Vault	13.48
Cash Loan to Client	
Cemetary Space	800.00
Open & Close Grave	100.00
Seven Certificates	14.50
Flowers	50.00
Total	<u>\$4,410.39</u>

Jerry - D/D 3-18-82 (Pratt, Kansas)
Travelers Insurance Company (Dennis Donahoo)

Professional & Personal	\$ 560.00
Funeral Home Facilities	365.00
Casket	1,213.00
Outer Receptacle	306.00
Cash Advances	429.25
Eight Copus Death Cert.	17.00
Organist	15.00
Vocalist	30.00
Open & Close Cemetary	140.00
Tent & Equipment	55.00
Family Flowers	77.25
Tax	45.57
Total	<u>\$3,253.07</u>

James D/D 5-82 (Mankato, Kansas)

Funeral Services	
Casket, Embalming, Prep. Body	\$1,450.00
Vault	400.00
Transport	200.00
Grave Open & Close	125.00
Minister	35.00
Flowers	50.00
Music	20.00
Death Certificate	9.00
Telephone	25.00
Tax	35.25
Total	<u>\$2,349.25</u>

Atch 2

Mortuary (ambulance, Funeral, Services)	\$1,427.00
Outside Container	295.00
Cement Vault	
Flower	85.00
Cemetery (open & close grave)	200.00
Two Lots	360.00
Tax	33.86
Total	<u>\$2,470.86</u>

Note

None of the above listed Headstone expenses. It is our understanding this expense generally runs from \$250.00 to \$550.00.

October 4, 1982

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Mike Dealy
719 Howerton
Garden City, Kansas 67846

David J. Heinemann
206 West Pine
Garden City, Kansas 67846

Dear Representative Heinemann,

I am writing to you seeking your assistance in a matter involving the Kansas Department of Human Resources, Division of Employment.

I am a widower with three children. The oldest is seven years old and the youngest is 18 months. Due to the ages of the children and the traumatic loss of their mother I hired a woman to care for the children while I am at work. I felt the children needed the familiar and secure surroundings of their home, instead of being placed in a day-care center. Also my wife and I believed the family is the corner stone of our society. My wife chose to stay home and care for our family and provide the needed direction and love which some children unfortunately do without in today's world. In keeping with my wife's beliefs I followed her example and, as I previously mentioned hired a very fine lady to care for my children. I was contacted by Jerry Cloud, field representative for the Division of Employment, and was informed by him I was in violation of Kansas statutes. Because, I had not paid unemployment tax to the State for the woman taking care of my children. It seems the law requires a person to pay unemployment tax if they pay domestic or household help \$1,000.00 or more per quarter. In addition to this I would be required to, "keep true and accurate work records, containing such information as the commissioner may prescribe. Such records shall be open to inspection and subject to being copied by the commissioner or his authroized representatives at any reasonable time and shall be preserved for a period of five (5) years from the due date of the contributions...." K.S.A. 44-714(F). Also, I would be subject to audits and penalties which could run as high as \$200.00 a day or 60 days imprisonment or both.

I feel a great injustice in the law is taking place. The full weight of the State of Kansas is being brought to bear on me. Because, I chose to care for my children at home. For this, a state agency wants to tax me for providing this needed care for my children.

I therefore, ask you to intercede on behlaf of myself and my children, and introduce a bill increasing the \$1,000.00 per quarter minimum amount for

Feb 3

David J. Heinemann
October 4, 1982
Page 2

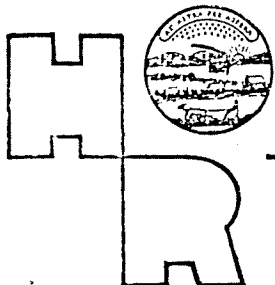
tax liability to \$2,000.00 per quarter. Thereby, exempting me and people with similar situations from the liability of the tax.

Sincerely,

Mike Dealy

Mike Dealy

MD:jah



Human Resources

DIVISION OF EMPLOYMENT

401 TOPEKA AVENUE TOPEKA, KANSAS 66603
913-296-5000

November 3, 1982

3201 RDL:aq 173930

Phyllis McConnell
Box 36
Copeland, Kansas 67837

Subject: Request for Review and
Redetermination of Employer
Status under the Kansas
Employment Security Law

Dear Ms. McConnell:

The Kansas Employment Security Law under K.S.A. 44-703(h)(5) states:
"Any employing unit which paid cash remuneration of \$1,000 or more in
any calendar quarter in the current or preceding calendar year to
individuals employed in domestic service as defined in subsection (aa)
of this section." This means that any employing unit which meets this
definition is required to pay unemployment tax on all wages of their
employees.

K.S.A. 44-703(aa) states: "Domestic Service" means any service for a
person in the operation and maintenance of a private household,
as distinguished from service as an employee in the pursuit of an employer's
trade, occupation, profession, enterprise or vocation."

The definition for employing unit is found in K.S.A. 44-703(g). It states:
"Employing Unit" means any individual or type of organization
which has in its employ one or more individuals performing services
for it within this state."

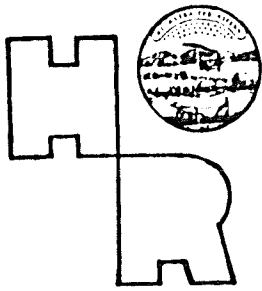
I can understand the hardship that an additional expense can put on an
account with limited funds available. However, once the liability
provisions of the Kansas Employment Security Law are met, we may not
arbitrarily state who will or will not pay the unemployment taxes.

If you have any further questions regarding this matter, please contact
me.

Cordially yours,

Robert D. Lueker
Supv. Admin. Operations (Tax)

3-1-83 #4



KANSAS DEPARTMENT OF

Human Resources

OFFICE OF THE SECRETARY

401 TOPEKA AVENUE TOPEKA, KANSAS 66603

913-296-7474

January 31, 1983

Mr. Lynn Muchmore, Director
Department of Administration
Division of the Budget
Room 152-E, State Capitol Building
Topeka, Kansas 66612

Re: Fiscal Note on House Bill No. 2077

Dear Mr. Muchmore:

The only change in House Bill No. 2077 appears on Page 5, line 0164. This change to K.S.A. 44-703(h) (5) has the affect of changing the definition of "employer" as it relates to an employing unit which employs individuals in domestic service. It would change the dollar criteria for establishing liability under the Kansas Employment Security Law from payment of cash remuneration of \$1,000 to \$2,500 or more in any calendar quarter in the current or preceding calendar year.

The enactment of this provision would not result in any savings to Kansas employers. Federal law requires coverage of domestic employers if during any calendar quarter in the calendar year or the preceding calendar year paid wages in cash of \$1,000 or more for domestic service. The exemption from coverage of employers which paid \$1,000 or more but less than \$2,500 in a calendar quarter under State law would only mean that the employer would meet the Federal definition and would have to pay the full 3.5 percent tax on this employment to the Federal Government. If the employer was assigned a rate of less than 2.7% in the state, this employer would actually wind up paying more rather than less unemployment taxes without providing unemployment insurance coverage for their employees.

Kansas was required under Federal conformity to extend coverage to domestic employers who paid cash wages of \$1,000 or more in a calendar quarter as a result of the Unemployment Compensation Amendments of 1976 (Public Law 94-566). Enactment of the amendment in House Bill No. 2077 would result in Kansas' Law not being in conformity with the Federal requirements.

If Kansas was found to be out of conformity, the fiscal impact upon Kansas employers would be severe. Based upon FY 1982 wage data, this would amount to additional tax payments from Kansas employers in calendar year 1983 of an estimated \$139,200,000.

Sincerely yours,

Harvey L. Ludwick, Ed.D.
Secretary of Human Resources

Feb. 4