

## MINUTES OF THE HOUSE COMMITTEE ON BUSINESS, COMMERCE AND LABOR.

The meeting was called to order by Chairperson Al Lane at 9:05 a.m. on February 4, 1999 in Room 521-S of the Capitol.

All members were present except: Rep. Jerry Henry - excused  
Rep. Joe Humerickhouse - excused  
Rep. Gwen Welshimer - excused

Committee staff present: Bob Nugent, Revisor of Statutes  
Jerry Donaldson, Legislative Research Department  
Dennis Hodgins, Legislative Research Department  
Bev Adams, Committee Secretary

Conferees appearing before the committee: A. J. Kotich, KDHR  
Roger Aeschliman, KDHR  
Paul Bicknell, KDHR  
Terry Leatherman, KCCI

Others attending: See attached list

A memo was passed out to the committee from Jolene Grabill, Kansas Trial Lawyers Association, clarifying their position concerning a balloon amendment to **HB 2068** which was offered on February 3 by the bill's sponsor, Rep. Gregory. (See Attachment 1)

Rep. McCreary introduced his guest, Bob Courtney, Sumner County Commissioner, who is here today with Leadership Sumner County.

**Hearing on: HB 2049 - Modifications to wage payment act.**

A. J. Kotich, Chief Counsel, Kansas Department of Human Resources (KDHR), gave a brief background about the wage payment law. **House Bill 2049** would make it easier for Kansas employers to pay earned wages by electronic deposit. It would also resolve uncertainty regarding the statute of limitations for a "willful penalty" claim. Other changes would repeal surplus language in K.S.A. 44-315(b), and would broaden the application of the willful penalty. (See Attachment 2)

No others were present to testify for or against **HB 2049** and the hearing was closed.

**Hearing on: HB 2050 - Elimination of duplicate new employee reports.**

Roger Aeschliman, Acting Secretary, Kansas Department of Human Resources, appeared as a proponent for this bill which would make life a little bit easier and less complicated for businesses filing new employee reports and would be more efficient and cost effective for the Kansas Department of Human Resources. With the present method of new hire reporting they may receive the same name seven times on different forms that are now required to be filed. The department only needs the information once and passing this bill would reduce paperwork significantly. (See Attachment 3)

Paul Bicknell, Chief of Contributions, KDHR, emphasized that the department if making it as simple as possible for employers to submit this information. They can do it over the Internet, use a floppy disc or electronic transfer.

The Internet address for the department is [www.hr.state.ks.us](http://www.hr.state.ks.us) if you would like to visit their web site.

CONTINUATION SHEET

MINUTES OF THE HOUSE BUSINESS, COMMERCE AND LABOR COMMITTEE, Room 521-S Statehouse, at 9:05 a.m. on February 4, 1999.

Terry Leatherman, Kansas Chamber of Commerce and Industry (KCCI), expressed KCCI's support of **HB 2050**. It meets the government's need to have new hires reported to the state within 20 days of their start or return to work and also eliminates other reporting steps that are not needed. (See Attachment 4)

No others were present to testify for or against **HB 2050** and the hearing was closed.

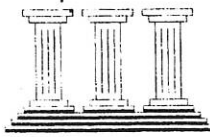
The meeting was adjourned at 9:26 a.m.

The next scheduled meeting is February 5, 1999.

# HOUSE BUSINESS, COMMERCE & LABOR COMMITTEE GUEST LIST

DATE February 4, 1999

NAME	REPRESENTING
<i>Gene M. Grubel</i>	<i>KTLA</i>
<i>[Signature]</i>	<i>KDHR</i>
<i>Roger Aeschliman</i>	<i>KDHR</i>
<i>PAUL BICKNELL</i>	<i>KDHR</i>
<i>Edwin (Skip) Saylor</i>	<i>KDHR</i>
<i>DON DOESKEN</i>	<i>KDHR</i>
<i>Hal Hudson</i>	<i>NFIB/Kansas</i>
<i>Mike Kettles</i>	<i>SRS</i>
<i>Elaine Frisbie</i>	<i>Division of the Budget</i>
<i>Bob Courtney</i>	<i>Somner County Commission</i>
<i>Martin Hawer</i>	<i>Hawer's Capital Report</i>
<i>Stacy Soldan</i>	<i>Hein + Weir chfd.</i>
<i>Susan Mahoney</i>	<i>Salisbury's Office</i>
<i>Brad Smoot</i>	<i>KC Chamber of Commerce</i>



KANSAS TRIAL LAWYERS ASSOCIATION

*Lawyers Representing Consumers*

February 4, 1999

To: Members of the House Business Commerce and Labor Committee  
From: Jolene Grabill, Kansas Trial Lawyers Association  
CC: Rep. Dave Gregory  
Mike Helbert, KTLA Vice President for Legislation  
Terry Humphrey, KTLA Executive Director  
Wayne Maichel, Kansas AFL-CIO  
RE: Clarification on House Bill 2068

The purpose of this memo is to clarify the position of the Kansas Trial Lawyers Association with regard to the balloon amendment on House Bill 2068 presented to the committee yesterday by the bill's sponsor, Rep. Gregory.

Immediately after the close of the hearing yesterday it was discovered that Rep. Gregory's balloon amendment contained a major revision to line 22 of page 5 which was not discussed during the hearing and of which several conferees on the bill, including the Kansas Trial Lawyers Association, were not aware.

In his testimony, KTLA Legislative Vice-President Mike Helbert addressed the printed version of the bill and the balloon amendments discussed during the committee hearing. He was not aware of the balloon amendment changing the word "employee's" to the word "employer's" in line 22 of page 5 of the bill. The confusing sounding exchange between Representative Rehorn and Mr. Helbert regarding the rebuttable presumption that employees had in fact received the personnel manual resulted from their working from two different versions of the bill.

In fact, KTLA opposes the substitution of the word "employer's" for the word "employee's" on line 22 of page 5 of the bill. Although a simple substitution of one word, this change would significantly alter the meaning of the bill.

KTLA stands strongly in opposition to the substitution of the word "employer's" for the word "employee's" in line 22 of page 5 of HB 2068.

In discussions with the Kansas AFL-CIO upon the close of the hearing, it was determined that they too were not aware of this word substitution in the Gregory balloon and, if aware, would have opposed the change.

HOUSE BUSINESS, COMMERCE & LABOR COMM.  
2-4-99  
Attachment 1

*Terry Humphrey, Executive Director*

**Testimony on 1999 House Bill 2049:  
Amendments to the Kansas Wage Payment Act**  
By A.J. Kotich, Chief Counsel, Kansas Department of Human Resources

H 2049 was introduced at the request of the Secretary of Human Resources to amend the Kansas wage payment act at K.S.A. 44-314(a) and K.S.A. 44-315(b).

The bill amends K.S.A. 44-314(a) to make it easier for Kansas employers to pay earned wages by electronic deposit. The current statute requires the employer to submit a direct deposit "plan" for approval by the Secretary of Human Resources. The amendment eliminates this requirement, and simply requires the employer to obtain the written consent of the employee.

The bill also amends K.S.A. 44-315(b) to resolve uncertainty regarding the statute of limitations for a "willful penalty" claim. The current law allows employees who have quit or been discharged to claim a monetary penalty of up to 100% of the unpaid wages, if their former employer knowingly and willfully failed to pay their earned wages when due.

The amendment eliminates two reference to "damages" in K.S.A. 44-315(b) to make clear that the award is a "statutory penalty" rather than a form of compensatory damages. This is an important clarification, because a claim for a statutory penalty must be brought within one year, pursuant to K.S.A. 60-514; while an action based on a liability created by a statute, other than a penalty or forfeiture, must be brought within three years, pursuant to K.S.A. 60-512(2).

The bill also repeals surplus language in K.S.A. 44-315(b) regarding the effect of a bankruptcy or court appeal on the calculation of the penalty. These provisions never come into play, and can be safely eliminated in the interest of clarity.

Finally, the bill broadens the application of the willful penalty, so it can be claimed by current employees, as well as by employees who have quit or been discharged. The employment status of the claimant would no longer be a factor in determining whether the willful penalty should be assessed.

The elimination of prior review of employer direct deposit plans would save several hours of Legal Services staff time each week. Those resources would be redirected to agency head review of initial orders and other wage payment tasks.

The adjustments to the penalty provision of K.S.A. 44-315(b) are technical in nature, and will simply clarify and improve the application of the law to individual cases. We do not expect these changes to affect the number of cases filed or the resources needed to process claims.

PLEASE NOTE: In Section 1(b) of the bill (at page one, line 28), the words “whichever is smaller” have been inadvertently stricken from the statute. These words should be restored, to ensure the 100% penalty is a maximum, not a minimum.

To prove a “willful” violation under K.S.A. 44-315(b), a claimant must show that the employer had a “design, intent or purpose” to cause injury. See Weinzirl v. The Wells Group, Inc. 234 Kan. 1016, 1021, 1023 (1984). Other courts have ruled that “willfully” means “conduct that is purposeful and intentional and not accidental.”

For example, to establish a “willful” violation under the federal Fair Labor Standards Act, the United States Supreme Court has ruled that there must be evidence that the defendant “knew or showed reckless disregard for the matter of whether its conduct was prohibited.” McLaughlin v. Richland Shoe Co., 486 U.S. 128, 108 S.Ct. 1677, 100 L.Ed.2d 115 (1988).

I stand ready to answer any questions the committee may have concerning this bill.  
Thank you for your attention.

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Session of 1999

HOUSE BILL No. 2049

By Committee on Business, Commerce and Labor

1-20

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9 AN ACT concerning payment of compensation; amending K.S.A. 44-315  
10 and K.S.A. 1998 Supp. 44-314 and repealing the existing sections.  
11

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

13 Section 1. K.S.A. 44-315 is hereby amended to read as follows: 44-  
14 315. (a) Whenever an employer discharges an employee or whenever an  
15 employee quits or resigns, the employer shall pay the employee's earned  
16 wages not later than the next regular payday upon which he or she would  
17 have been paid if still employed as provided under K.S.A. 44-314 either  
18 through the regular pay channels or by mail postmarked within the dead-  
19 lines herein specified if requested by the employee.

20 (b) If an employer ~~knowingly willfully~~ fails to pay an employee wages  
21 as required by K.S.A. 44-314, and amendments thereto, or as required  
22 under subsection (a) of this section, such employer shall be liable ~~therefor~~  
23 *to the employee for the wages due* and also shall be ~~additionally liable for~~  
24 ~~damages to the employee for a penalty~~ in the fixed amount of ~~one percent~~  
25 ~~(1%) 1%~~ of the unpaid wages for each day, except Sunday and legal hol-  
26 idays, upon which such failure continues after the eighth day after the  
27 day upon which payment is required or in an amount equal to *100% of*  
28 ~~the unpaid wages, whichever is smaller, except that such penalty shall~~  
29 ~~apply only in the event of a willful violation. For the purpose of such~~  
30 ~~additional damages, the failure to pay shall not be deemed to continue~~  
31 ~~after the date of the filing of a petition in bankruptcy with respect to the~~  
32 ~~employer if he or she is adjudicated bankrupt upon such petition nor shall~~  
33 ~~it be deemed to continue after an appeal is filed under K.S.A. 44-322a,~~  
34 ~~until the decision on appeal becomes final.~~

35 Sec. 2. K.S.A. 1998 Supp. 44-314 is hereby amended to read as fol-  
36 lows: 44-314. (a) Every employer shall pay all wages due to the employees  
37 of the employer at least once during each calendar month, on regular  
38 paydays designated in advance by the employer, in lawful money of the  
39 United States or with checks or drafts which are negotiable in the com-  
40 munity wherein the place of employment is located. ~~In lieu of payment~~  
41 ~~by money, checks or drafts, the secretary may approve for any employer~~  
42 ~~a plan of payment by bank deposits to employee's accounts or, with the~~  
43 ~~written consent of the employee, by electronic deposit to an employee's~~

HB 2049



- 1 *account at a financial institution.*
- 2 (b) The end of the pay period for which payment is made on a regular
- 3 payday shall be not more than 15 days before such regular payday unless
- 4 a variance in such requirement is authorized by state or federal law.
- 5 Sec. 3. K.S.A. 44-315 and K.S.A. 1998 Supp. 44-314 are hereby
- 6 repealed.
- 7 Sec. 4. This act shall take effect and be in force from and after its
- 8 publication in the statute book.





# Proposed Wage Payment Legislation

## Proposal # 1: Direct Deposit

**“44-314. Pay periods.** (a) Every employer shall pay all wages due to his or her employees at least once during each calendar month, on regular paydays designated in advance by the employer, in lawful money of the United States, ~~or with checks or drafts which are negotiable in the community wherein the place of employment is located, or, with the written consent of the employee, by electronic deposit to an employee's account at a bank, credit union, savings and loan, or other financial institution.~~ ~~In lieu of payment by money, checks or drafts, the secretary may approve for any employer a plan of payment by bank deposits to employee's accounts.~~”

Comment: Kansas is the only state in the nation which requires government approval of a “plan” before wages can be paid by electronic deposit. This requirement is not well-known, and has been widely ignored. Most employers who offer direct deposit to their employees have not obtained the prior approval of the Secretary.

The amendment would take our agency out of the business of approving direct deposit plans. Kansas Administrative Regulation K.A.R. 49-20-1(b), which defines “plan of payment”, would be rescinded if this amendment becomes law. The regulation defines an approveable plan as follows:

**K.A.R. 49-20-1. Definitions.** (b) “Plan of payment,” as used in K.S.A. 44-314, shall mean a method agreed to in advance by an employee in which the employer makes bank deposits for the employee on or before the regular payday in an amount equal to the payroll amount, plus any additional amount required by the depository as a service charge, upon which the employee may draw an amount equivalent to the employee's wages less authorized deductions. Under such a plan of payment, the employer shall give a statement of earnings to the employee and the bank shall provide one free check to the employee. (Emphasis added).

Because of substantial cost savings, many Kansas employers prefer to pay their employees by direct deposit, rather than by cash or check; and some employers have tried to require participation in direct deposit, as a condition of employment. However, we have been advising employers that, unless there is a change in our statute or our regulation, participation in direct deposit must be voluntary, and employees who refuse to participate in direct deposit must be paid by cash or check. Most employees find direct deposit to be a great convenience, but some do not.

To encourage voluntary participation in direct deposit, employers have typically offered to set up free, limited-use accounts through the employer's bank for employees who do not already have a checking or savings account. Nevertheless, even with this incentive, most employers have not been able to achieve 100% participation in direct deposit.

Our proposal retains the current voluntary nature of direct deposit, by including the phrase "with the written consent of the employee". If this phrase is deleted from our proposal, employers would be able to pay all of their employees by direct deposit, without obtaining the consent of individual employees. However, there is some concern that mandatory direct deposit would have a negative impact on low-income workers, who could not afford the service fees needed to maintain a bank account.

Because of the widespread employer interest in mandatory direct deposit, a hearing on this question is recommended. The Kansas Department of Administration, Division of Personnel Services has asked to be notified of this bill so they can testify in favor of the concept. Other potential conferees include private employers and representatives of financial institutions, social service agencies, and automated clearing houses.

**Proposal #2: Willful Failure to Pay Earned Wages**

**“44-315. Separation prior to payday; damages penalty for willful non-payment.**

(a) Whenever an employer discharges an employee, or whenever an employee quits or resigns, the employer shall pay the employee’s earned wages not later than the next regular payday upon which he or she would have been paid if still employed as provided under K.S.A. 44-314, either through the regular pay channels or by mail postmarked within the deadline herein specified, if requested by the employee.

(b) If an employer ~~knowingly willfully~~ fails to pay an employee wages as required by K.S.A. 44-314 or as required under subsection (a) of this subsection, such employer shall be liable ~~therefore to the employee for the wages due~~, and shall also be additionally liable to the employee for damages for a penalty in the fixed amount of one percent (1%) of the unpaid wages for each day, except Sundays and legal holidays, upon which such failure continues after the eighth day after the day upon which payment is required, or 100% of ~~in an amount equal to the unpaid wages~~, whichever is smaller, ~~except that such penalty shall apply only in the event of a willful violation. For the purpose of such additional damages, the failure to pay shall not be deemed to continue after the date of the filing of a petition in bankruptcy with respect to the employer if he or she is adjudicated bankrupt upon such petition, nor shall it be deemed to continue after an appeal is filed under K.S.A. 44-322a, until the decision on appeal becomes final.”~~

Comment: Under current law, an employer is liable to an employee for what is termed both “damages” and a “penalty”, of 1% per day, up to a maximum of 100% of the earned wages, if the employer knowingly and willfully fails to pay earned wages when due, to an employee who has

resigned or been discharged. The damages/penalty cannot be assessed in connection with a good faith dispute whether wages were due, even if the employee proves actual losses. Moreover, the damages/penalty can be awarded only if wages are left unpaid after termination of the employment relationship. No damages/penalty can be claimed by an employee who remains on the job.

Since the damages/penalty is punitive in nature, rather than compensatory, it appears to be a "statutory penalty" for the employer's egregious conduct, rather than liquidated damages for breach of contract. This is an important distinction, because it determines the applicable statute of limitations. Since no statute of limitation is set forth in the wage payment law, we must look to the Kansas Code of Civil Procedure for guidance in determining the applicable limitations period. There we find that a claim for a statutory penalty must be brought within one year, pursuant to K.S.A. 60-514; while an action based on a liability created by a statute, other than a penalty or forfeiture, must be brought within three years, pursuant to K.S.A. 60-512(2).

The proposed amendment to K.S.A. 44-315(b) is intended to eliminate confusion regarding the applicable statute of limitations, by removing all references to "damages". Surplus language regarding the effect of bankruptcies and appeals would also be eliminated. Finally, a reference to K.S.A. 44-314 has been added, so the statutory penalty can be assessed when an employer willfully withholds earned wages from a current employee.

To prove a "willful" violation under this section, an employee must show that the employer had a "design, intent or purpose" to cause injury. See Weinzirl v. The Wells Group, Inc. 234 Kan. 1016, 1021, 1023 (1984). Other courts have ruled that "willfully" means "conduct that is purposeful and intentional and not accidental." For example, to establish a "willful" violation under the federal Fair Labor Standards Act, there must be evidence that the defendant "knew or showed reckless disregard for the matter of whether its conduct was prohibited." McLaughlin v. Richland Shoe Co., 486 U.S. 128, 108 S.Ct. 1677, 100 L.Ed.2d 115 (1988).

STATE OF KANSAS  
**DEPARTMENT OF HUMAN RESOURCES**



Bill Graves, Governor

Wayne L. Franklin, Secretary

**OFFICE OF THE SECRETARY**

401 S.W. Topeka Boulevard, Topeka, Kansas 66603-3182

Phone: (785) 296-7474

Fax: (785) 368-6294

E-mail: wfranklin@hr.state.ks.us

**REDUCING PAPERWORK IN NEW HIRES REPORTING**

**TESTIMONY TO THE HOUSE COMMITTEE ON  
BUSINESS, COMMERCE AND LABOR**

Thursday, February 4, 1999

By Roger Aeschliman

Acting Secretary, Kansas Department of Human Resources

Chairman Lane, Representative Ruff, and Representatives:

July 1, 1997, the Kansas Department of Human Resources was given the responsibility for creating, maintaining, and operating a database of newly hired employees in Kansas. This responsibility was given to my department as very small part of a broad piece of Child Support Enforcement legislation.

While Child Support Enforcement, Federal mandates, the operations of the Department of Social and Rehabilitation Services, and the question of government intrusiveness are all dynamic subjects and of interest to many in the Legislature, the small bill before you today is not about any of those things. I have neither the expertise nor desire to discuss or debate those subjects. As I promised Chairman Lane two weeks ago, if the debate moves into those areas in an unretrievable manner I will abandon this effort to reduce paperwork and streamline government.

What you have before you today is a chance to make life a little bit easier and less complicated for businesses in Kansas and also to make KDHR operations more efficient and cost-effective. If you will pass this bill out and keep it clean of other entanglements you will eliminate two pieces of paper for businesses to fill out, file and mail in, in favor of making a copy of a document they already produce. You will eliminate senseless confusion and duplication at KDHR through the repeated processing of duplicate names and employment, and through the receipt of non-standards forms currently submitted by business and industry in Kansas.

Here are the details:

The current Kansas new hires reporting law requires that businesses ask all employees whether they owe child support and to fill out a form known as the "I-9" supplement. If the answer is no, the form goes in the individual's personnel file. If the

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2-4-99

Attachment 3

1

answer is yes, that form goes into the individual file and is also sent to KDHR within 20 days of the hire. We have provided a form for this purpose, but many employers take advantage of the law which allows alternative forms to be used. We have received this data in many, many forms, which requires non-standard data entry and interpretation of the data. Data entry is efficient and effective when it is routine and standard. It is not when it's not.

Current Kansas law also requires that all employers report all employees hired at the end of each quarter and that this supplements the current Unemployment Insurance quarterly reporting. While we have provided a form for this, many employers take advantage of the law allowing them to report on an alternative form. Inefficient. Further, this report contains the names of all the people already submitted on the previous "I-9" supplement.

Then the employer goes ahead and submits the quarterly UI report, repeating all the data already submitted on the other two forms, but also including all other employees for UI tax purposes.

When it's all said and done, the employer will send in random "I-9" supplements throughout the year, then send in a new hires report every quarter, and send in quarterly UI reporting, all duplicating the other.

The reason for all this is that the Kansas Legislature was very eager to reduce the paperwork burden on businesses in the state. It also was clear in its intent to be as least intrusive as possible into private affairs. These great intents resulted in the exact opposite. We are gathering this data in the least efficient manner for both the private and public sectors.

The Federal government requires that all employers report all new hires within 20 days. In order to comply with the superseding federal law, many businesses in Kansas already do this using the standard W-4 withholding certificate. Yet in an effort to also comply with Kansas implementing law, they also send in "I-9" supplements, quarterly new hires reporting, and regular UI quarterly reports. In some cases we receive the same name from the same employer seven times: Once on the W-4, once on the "I-9," once on the quarterly new hires report, and then four times on quarterly UI reporting. All of those reports get entered into either the new hires database, or into the UI employee file databases and are then matched against the state and federal child support enforcement databases.

And all they really need to do is just make a copy of the W-4 and mail it, fax it, e-mail it, or even enter it totally automatically on-line right into the database through the Internet. We don't care how we get it, we just want to get it once, and they only want to send it once.

Mr. Chairman and distinguished committee members: Let my people go!!

I ask that you pass this bill out favorably and place it on the consent calendar as a reflection of its non-controversial and highly desirable nature.



# **NEW HIRE REPORTING FORMS**

- 1. New Hire Report (Attachment to Form I-9) – K-CNS 104**
- 2. Quarterly New Hire Summary – K-CNS 110**
- 3. Employer’s Quarterly Wage Report and Contribution Return – K-CNS 100**
- 4. Employee’s Withholding Allowance Certificate – Form W-4**



# NEW HIRE REPORT

(Attachment to Form I-9) – (May be copied for future use.)

## SECTION #1

Employee's Name: \_\_\_\_\_ Social Security Number: \_\_\_\_\_

Employee's Home Address: *street* \_\_\_\_\_

*city* \_\_\_\_\_ *state* \_\_\_\_\_ *zip* \_\_\_\_\_

Employer's Name: \_\_\_\_\_ Employer's FEIN: \_\_\_\_\_

Employer's Business Address: *street* \_\_\_\_\_

*city* \_\_\_\_\_ *state* \_\_\_\_\_ *zip* \_\_\_\_\_

## SECTION #2

### Employee Certification

Are you currently or have you been ordered by a court to pay child support?  Yes  No

I certify under penalty of perjury under the laws of the state of Kansas that the foregoing is true and correct.

\_\_\_\_\_  
*Date Signed (month/day/year)*

\_\_\_\_\_  
*Employee's Signature*

If the employee answers "yes" to the question in Section #2, this form must be mailed to:

NEW HIRE SERVICES  
KANSAS DEPARTMENT OF HUMAN RESOURCES  
PO BOX 3510  
TOPEKA KS 66601-3510

OR FAX TO: 1-888-219-7798 (toll free)

within 20 days of the hiring, rehiring or return to work of the employee.

## SECTION #3

### Voluntary Rapid Reporting

Instead of asking each new employee whether he or she is subject to a child support order, you may prefer to rapidly report **ALL** newly hired, rehired and returning employees. If you choose to voluntarily report in this manner, it will not be necessary to file this Form K-CNS 104. Instead, you may simply send a copy of each new employee's completed Form W-4 **EMPLOYEE'S WITHHOLDING ALLOWANCE CERTIFICATE** to the address or fax number shown in Section #2. Please be sure to complete the employer information on lines 8 and 10 of the W-4 form (employer name, address, and identification number), and send a copy of the form to us within 20 days of hiring, rehiring or return to work.

If you have any questions about New Hire reporting, please call 1-888-219-7801 ext. 100 (toll free).

3-4



**SUPPLEMENT TO EMPLOYEE'S  
 QUARTERLY WAGE REPORT  
 AND CONTRIBUTION RETURN**

**QUARTERLY NEW HIRE SUMMARY**

1. Employer's Name. Please indicate any changes on change notice.

3. QUARTER ENDING:

MARCH 31

JUNE 30

2. Serial Number:

SEPTEMBER 30

DECEMBER 31

FILL IN THE YEAR FOR THE QUARTER BEING REPORTED

4. SOCIAL SECURITY NUMBER			5. EMPLOYEE'S NAME	6. ADDRESS
000	00	0000	Last Name, 1st Initial, 2nd Initial	City, State & Zip Code
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				
16.				3-5
17.				



# Form W-4 (1998)

**Purpose.** Complete Form W-4 so your employer can withhold the correct Federal income tax from your pay. Because your tax situation may change, you may want to refigure your withholding each year.

**Exemption from withholding.** If you are exempt, complete only lines 1, 2, 3, 4, and 7, and sign the form to validate it. Your exemption for 1998 expires February 16, 1999.

**Note:** You cannot claim exemption from withholding if (1) your income exceeds \$700 and includes unearned income (e.g., interest and dividends) and (2) another person can claim you as a dependent on their tax return.

**Basic instructions.** If you are not exempt, complete the Personal Allowances Worksheet. The worksheets on page 2 adjust your

withholding allowances based on itemized deductions, adjustments to income, or two-earner/two-job situations. Complete all worksheets that apply. They will help you figure the number of withholding allowances you are entitled to claim. However, you may claim fewer allowances.

**New—Child tax and higher education credits.** For details on adjusting withholding for these and other credits, see Pub. 918, *Is My Withholding Correct for 1998?*

**Head of household.** Generally, you may claim head of household filing status on your tax return only if you are unmarried and pay more than 50% of the costs of keeping up a home for yourself and your dependent(s) or other qualifying individuals.

**Nonwage income.** If you have a large amount of nonwage income, such as interest or dividends, you should consider making estimated tax payments using Form 1040-ES. Otherwise, you may owe additional tax.

**Two earners/two jobs.** If you have a working spouse or more than one job, figure the total number of allowances you are entitled to claim on all jobs using worksheets from only one W-4. Your withholding will usually be most accurate when all allowances are claimed on the W-4 filed for the highest paying job and zero allowances are claimed for the others.

**Check your withholding.** After your W-4 takes effect, use Pub. 919 to see how the dollar amount you are having withheld compares to your estimated total annual tax. Get Pub. 919 especially if you used the Two-Earner/Two-Job Worksheet and your earnings exceed \$160,000 (Single) or \$200,000 (Married). To order Pub. 919, call 1-800-829-3678. Check your telephone directory for the IRS assistance number for further help.

**Sign this form.** Form W-4 is not valid unless you sign it.

## Personal Allowances Worksheet

A Enter "1" for yourself if no one else can claim you as a dependent A 1

B Enter "1" if: B \_\_\_\_\_

- You are single and have only one job; or
- You are married, have only one job, and your spouse does not work; or
- Your wages from a second job or your spouse's wages (or the total of both) are \$1,000 or less.

C Enter "1" for your spouse. But, you may choose to enter -0- if you are married and have either a working spouse or more than one job. (This may help you avoid having too little tax withheld.) C \_\_\_\_\_

D Enter number of dependents (other than your spouse or yourself) you will claim on your tax return D \_\_\_\_\_

E Enter "1" if you will file as head of household on your tax return (see conditions under Head of household above) E \_\_\_\_\_

F Enter "1" if you have at least \$1,500 of child or dependent care expenses for which you plan to claim a credit F \_\_\_\_\_

G **New—Child Tax Credit:** G 2

- If your total income will be between \$16,500 and \$47,000 (\$21,000 and \$60,000 if married), enter "1" for each eligible child.
- If your total income will be between \$47,000 and \$80,000 (\$60,000 and \$115,000 if married), enter "1" if you have two or three eligible children, or enter "2" if you have four or more.

H Add lines A through G and enter total here. **Note:** This amount may be different from the number of exemptions you claim on your return. H 3

**For accuracy, complete all worksheets that apply.**

- If you plan to itemize or claim adjustments to income and want to reduce your withholding, see the Deductions and Adjustments Worksheet on page 2.
- If you are single, have more than one job, and your combined earnings from all jobs exceed \$32,000 OR if you are married and have a working spouse or more than one job, and the combined earnings from all jobs exceed \$55,000, see the Two-Earner/Two-Job Worksheet on page 2 to avoid having too little tax withheld.
- If neither of the above situations applies, stop here and enter the number from line H on line 5 of Form W-4 below.

Cut here and give the certificate to your employer. Keep the top part for your records.

Form <b>W-4</b> Department of the Treasury Internal Revenue Service	<h2>Employee's Withholding Allowance Certificate</h2> <p>► For Privacy Act and Paperwork Reduction Act Notice, see page 2.</p>	OMB No. 1545-0010 <h1 style="font-size: 2em;">1998</h1>				
1 Type or print your first name and middle initial <span style="float:right">Last name</span> [Redacted]		2 Your social security number 511 162 4223				
Home address (number and street or rural route) 1213 SE 33 <sup>rd</sup>		3 <input checked="" type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Married, but withhold at higher Single rate. <i>Note: If married, but legally separated, or spouse is a nonresident alien, check the Single box.</i> 4 If your last name differs from that on your social security card, check here and call 1-800-772-1213 for a new card. <span style="float:right">► <input type="checkbox"/></span>				
City or town, state, and ZIP code Topeka KS 66605						
5 Total number of allowances you are claiming (from line H above or from the worksheets on page 2 if they apply)		<table border="1" style="width: 100px; height: 20px;"> <tr><td style="width: 10px;">5</td><td style="width: 10px;">1</td></tr> <tr><td style="width: 10px;">6</td><td style="width: 10px;">0</td></tr> </table>	5	1	6	0
5	1					
6	0					
6 Additional amount, if any, you want withheld from each paycheck		<table border="1" style="width: 100px; height: 20px;"> <tr><td style="width: 10px;">6</td><td style="width: 10px;">0</td></tr> </table>	6	0		
6	0					
7 I claim exemption from withholding for 1998, and I certify that I meet BOTH of the following conditions for exemption: <ul style="list-style-type: none"> <li>• Last year I had a right to a refund of ALL Federal income tax withheld because I had NO tax liability AND</li> <li>• This year I expect a refund of ALL Federal income tax withheld because I expect to have NO tax liability.</li> </ul> If you meet both conditions, enter "EXEMPT" here <span style="float:right">► <u>7</u></span>						
Under penalties of perjury, I certify that I am entitled to the number of withholding allowances claimed on this certificate or entitled to claim exempt status.						
Employee's signature ► [Redacted Signature]		Date ► 1-4-99				
8 Employer's name and address (Employer: Complete 8 and 10 only if sending to the IRS) [Redacted] 6101 Broadmoor Suite # 101 Mission, KS 66202		9 Office code (optional) 10 Employer identification number 48 1024512				

# LEGISLATIVE TESTIMONY



*The Unified Voice of Business*

835 SW Topeka Blvd. • Topeka, KS 66612-1671 • 785-357-6321 • Fax: 785-357-4732 • E-mail: [kcci@kansaschamber.org](mailto:kcci@kansaschamber.org) • [www.kansaschamber.org](http://www.kansaschamber.org)

HB 2050

February 4, 1999

## KANSAS CHAMBER OF COMMERCE AND INDUSTRY

Testimony Before the

House Committee on Business, Commerce and Labor

by

Terry Leatherman  
Executive Director  
Kansas Industrial Council

Mr. Chairman and members of the Committee:

I am Terry Leatherman, with the Kansas Chamber of Commerce and Industry. Thank you for this opportunity to briefly express KCCI's support for HB 2050.

The Kansas Chamber of Commerce and Industry (KCCI) is a statewide organization dedicated to the promotion of economic growth and job creation within Kansas, and to the protection and support of the private competitive enterprise system.

KCCI is comprised of more than 3,000 businesses which includes 200 local and regional chambers of commerce and trade organizations which represent over 161,000 business men and women. The organization represents both large and small employers in Kansas, with 47% of KCCI's members having less than 25 employees, and 77% having less than 100 employees. KCCI receives no government funding.

The KCCI Board of Directors establishes policies through the work of hundreds of the organization's members who make up its various committees. These policies are the guiding principles of the organization and translate into views such as those expressed here.

Through state and federal action, Kansas employers have been enlisted into the effort to make parents meet their child support responsibilities. With the government policy firmly in place to have prompt reporting of newly hired workers, businesses today are mainly concerned with efficient compliance of government requirements.

HOUSE BUSINESS, COMMERCE & LABOR COMM.  
2-4-99  
Attachment 4



HB 2050 meets the government's need to have new hires reported to the state within 20 days of their start or return to work. The bill also eliminates other reporting steps that are not needed. KCCI applauds the authors of this legislation for simplifying the new hire reporting process, and would urge the Committee recommend HB 2050 for passage to the Kansas House of Representatives.

Thank you again for the opportunity to comment on HB 2050. I would be happy to attempt to answer any questions.