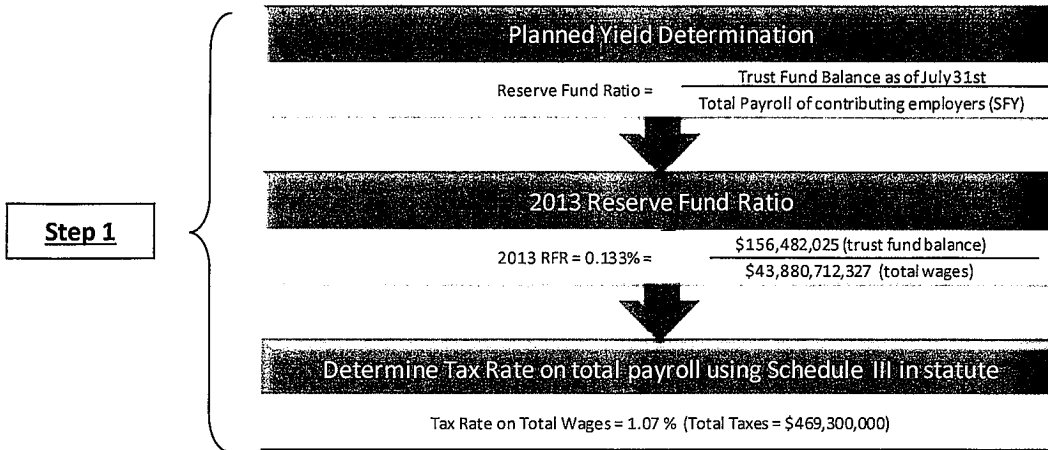
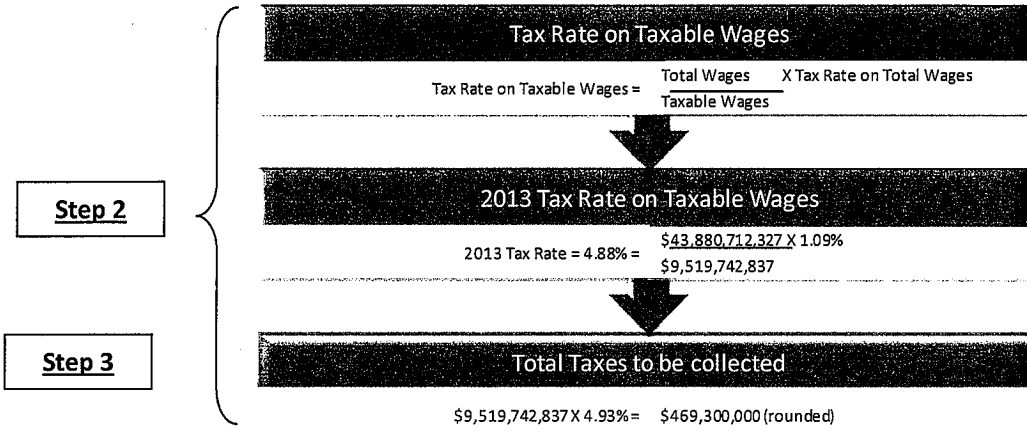


UI tax amount and tax rate determination with taxable wage base of \$8,000 - Kansas

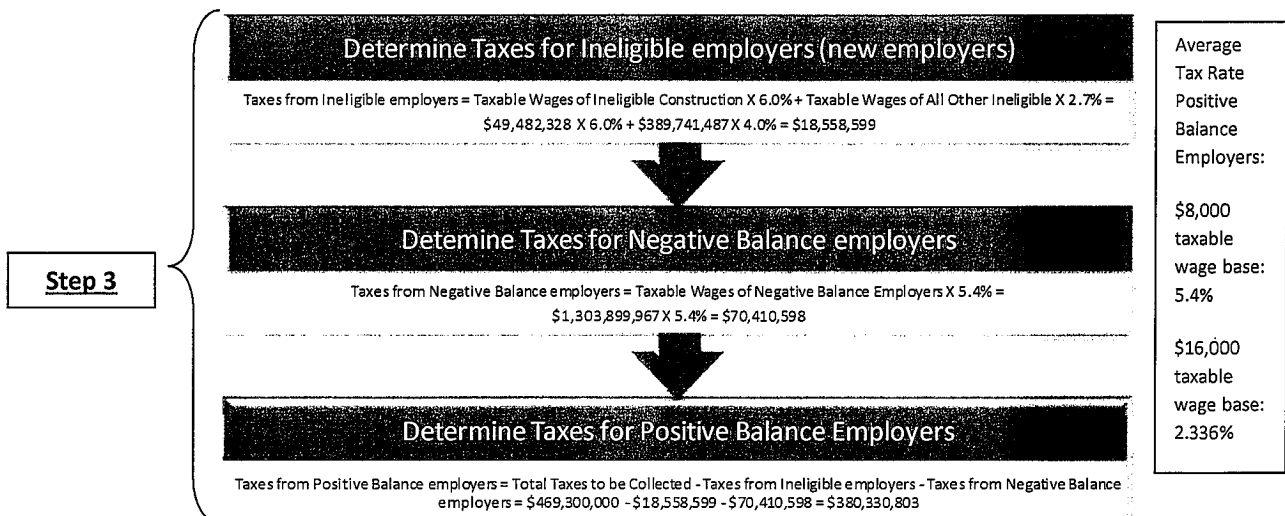
Step 1 below calculates the reserve fund ratio for 2015. This is used to determine the tax rate on total wages. As evident below, taxable wages have no role in determining the tax rate paid.



Step 2 involves calculating the tax rate on taxable payroll (first \$8,000 of the annual pay) and calculating the total taxes to be collected

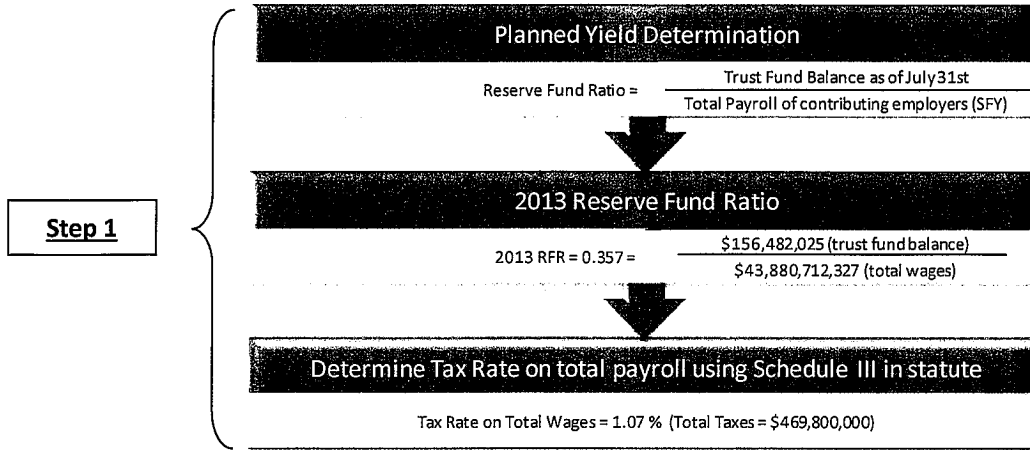


Step 3 requires calculating the taxes to be collected by the three types of employers 1) Ineligible (new), 2) Negative Balance, and 3) Positive Balance Employers. Note that this example does not take into account HB 2676, which sets the tax rates for positive balance employers through CY 20148.

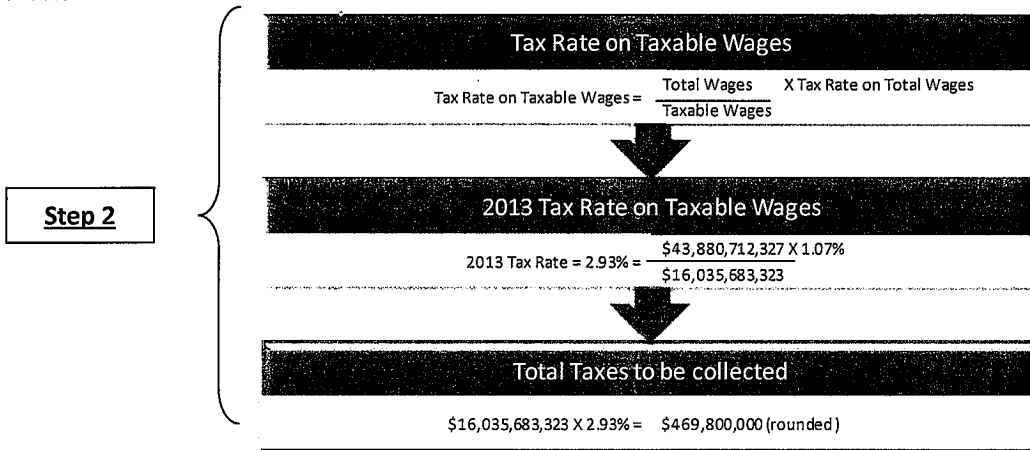


UI tax amount and tax rate determination with taxable wage base of \$16000 - Kansas

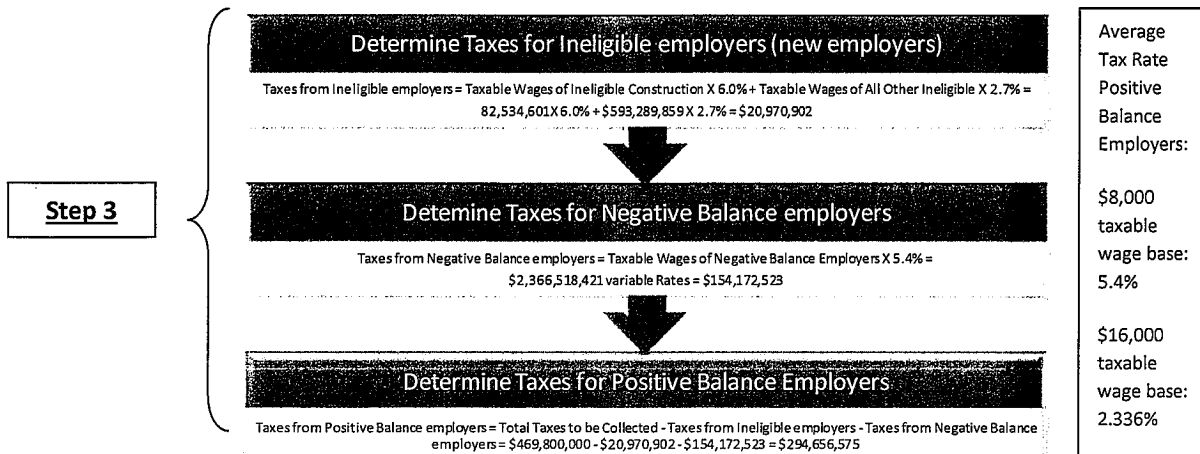
Step 1 below calculates the reserve fund ratio for 2013. This is used to determine the tax rate on total wages. As evident below, taxable wages have no role in determining the tax rate paid.



Step 2 involves calculating the tax rate on taxable payroll (first \$16,000 of the annual pay) and calculating the total taxes to be collected



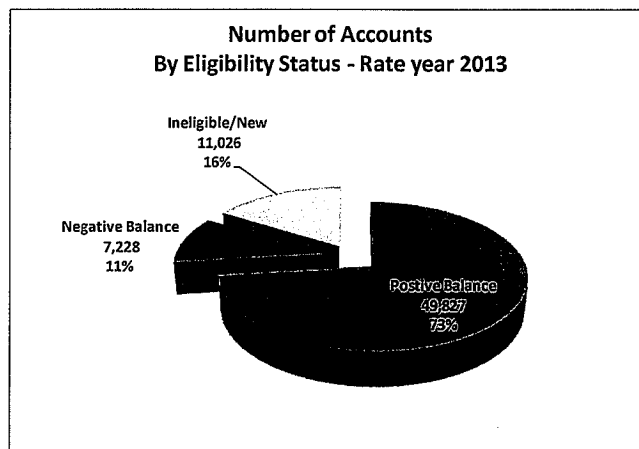
Step 3 requires calculating the taxes to be collected by the three types of employers 1) Ineligible (new), 2) Negative Balance, and 3) Positive Balance Employers. As seen below, increasing the taxable wage base results in Ineligible and Negative balance employers paying more taxes, which will reduce the amount of taxes to be paid by positive balance employers and therefore reducing their tax rates. Note that this example does not take into account HB 2676, which sets the tax rates for positive balance employers through CY 2014, since it is assumed that HB 2676 will be allowed to expire if the taxable wage base is increased. **For 2013, Positive Balance Employers would have saved \$65,442,331 if the taxable wage base was \$16,000 (before adjusting for HB 2676).**



Distribution of UI Taxes by Quarter

		Qtr. 1 (April)	Qtr. 2 (July)	Qtr. 3 (Oct.)	Qtr. 4 (Jan.)	Total
	Wage Distribution (\$40,000 Avg. Annual Salary)	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$40,000.00
Positive Balance - Average Rates	Positive Balance Employer \$8000 Taxable Wages (Avg. Rate = 5.4%)	\$432.00	\$0.00	\$0.00	\$0.00	\$432.00
	Positive Balance Employer \$16,000 Taxable Wages (Avg. Rate = 2.34%)	\$234.00	\$140.40	\$0.00	\$0.00	\$374.40
Positive Balance - Lowest Rates (Rate group 1)	Positive Balance Employer \$8000 Taxable Wages (Lowest Rate w/o HB 2676 = 0.43%)	\$34.40	\$0.00	\$0.00	\$0.00	\$34.40
	Positive Balance Employer \$16,000 Taxable Wages (Lowest Rate = 0.06%)	\$6.00	\$3.60	\$0.00	\$0.00	\$9.60
Positive Balance - Highest Rates (Rate Group 51)	Positive Balance Employer \$8000 Taxable Wages (Highest Rate = 5.4%)	\$432.00	\$0.00	\$0.00	\$0.00	\$432.00
	Positive Balance Employer \$16,000 Taxable Wages (Highest Rate = 4.67%)	\$467.00	\$280.20	\$0.00	\$0.00	\$747.20
Negative Balance - Lowest Rate (Rate Group 1)	Negative Balance Employer \$8000 Taxable Wages (Lowest Rate in 2015 = 5.6%)	\$448.00	\$0.00	\$0.00	\$0.00	\$448.00
	Negative Balance Employer \$16,000 Taxable Wages (Lowest Rate = 5.5%)	\$550.00	\$330.00	\$0.00	\$0.00	\$880.00
Negative Balance - Highest Rate (Rate group 20)	Negative Balance Employer \$8000 Taxable Wages (Highest Rate in 2015 = 9.4%)	\$752.00	\$0.00	\$0.00	\$0.00	\$752.00
	Negative Balance Employer \$16,000 Taxable Wages (Highest Rate = 7.4%)	\$740.00	\$444.00	\$0.00	\$0.00	\$1,184.00

	2015 Taxes		2015 Taxes	
	W/ \$8,000 Taxable Wage Base w/ current tax rates for negative balance	% of Total Taxes	W/ \$16,000 Taxable Wage Base & New Negative Balance Rates & New rates for ineligible All Other Industries	% of Total Taxes
Positive Balance	\$380,330,803	81.0%	\$294,656,575	62.7%
Negative Balance**	\$70,410,598	15.0%	\$154,172,523	32.8%
Ineligible/New	\$18,558,599	4.0%	\$20,970,902	4.5%
Total	\$469,300,000		\$469,800,000	



	\$8,000 Taxable Wage Base	\$16,000 Taxable Wage Base	Number of Employers
Rate Group	Tax Rate		
1	0.43	0.06	4,213
2	0.69	0.09	2,653
3	1.39	0.19	2,646
4	2.08	0.28	1,927
5	2.77	0.37	1,456
6	3.47	0.47	1,573
7	4.16	0.56	1,120
8	4.85	0.65	986
9	5.40	0.75	1,167
10	5.40	0.84	969
11	5.40	0.93	567
12	5.40	1.03	1,883
13	5.40	1.12	1,508
14	5.40	1.21	663
15	5.40	1.31	661
16	5.40	1.40	708
17	5.40	1.50	329
18	5.40	1.59	780
19	5.40	1.68	682
20	5.40	1.78	474
21	5.40	1.87	79
22	5.40	1.96	226
23	5.40	2.06	455
24	5.40	2.15	613
25	5.40	2.24	594
26	5.40	2.34	704
27	5.40	2.43	629
28	5.40	2.52	758
29	5.40	2.62	649
30	5.40	2.71	490
31	5.40	2.80	599
32	5.40	2.90	731
33	5.40	2.99	1,016
34	5.40	3.08	764
35	5.40	3.18	714
36	5.40	3.27	785
37	5.40	3.36	736
38	5.40	3.46	645
39	5.40	3.55	797
40	5.40	3.64	650
41	5.40	3.74	765
42	5.40	3.83	1,109
43	5.40	3.92	636
44	5.40	4.02	325
45	5.40	4.11	655
46	5.40	4.20	867
47	5.40	4.30	402
48	5.40	4.39	679
49	5.40	4.49	571
50	5.40	4.58	619
51	5.40	4.67	3,600
		Total	49,827

Total of 32,162 employers from rate group 1 to 30 will see their per employee cost reduced

Total of 17,665 employers from rate group 31 to 51 will see their per employee cost increase

Unemployment Insurance Kansas Department of Labor

Secretary of Labor

Lana Gordon

Labor Market Information Services

Director/Chief Labor Economist

Inayat Noormohmad



Initial & Continued Claims

Initial and Continued Claims

CY 2002-2012

Calendar Year	REG		WORKSHARE ^a		EUCC08 ^b		EB ^c		
	Individuals Receiving Payments	Initial Claims	Continued Claims	Initial Claims	Continued Claims	Initial Claims	Continued Claims	Initial Claims	Continued Claims
2002	112,662	182,656	1,443,587						
2003	126,075	198,398	1,574,682						
2004	104,403	144,479	1,199,429						
2005	81,993	127,056	1,021,082	2,520	12,454				
2006	74,019	128,815	887,185	1,976	8,720				
2007	76,115	137,682	897,500	2,621	11,400				
2008	101,868	181,575	1,108,076	17,885	101,201	18,191	82,864		
2009	179,365	298,620	2,366,839	23,368	227,205	58,287	852,761	6,907	54,339
2010	171,439	198,226	1,785,506	11,765	89,051	57,700	1,286,245	15,427	110,640
2011	140,352	176,216	1,513,528	3,723	31,132	63,647	1,052,450	9,952	86,488
2012	125,007	168,001	1,426,649	5,130	19,939	38,622	657,251	3,462	28,509

^aIndividuals Receiving Payments include all program types (Regular, EUC, EB, and Workshare)

^bHistorical workshare data not available prior to 2005

^cEUC program began July 6, 2008

^dEB program began July 5, 2009

Source: Kansas Department of Labor, Labor Market Information Services

Fraud & Non-Fraud Overpayments

Reason for Overpayments

2008-2012

Total Causes for Overpayment	2008	2009	2010	2011	2012
Fraud	966	2,182	4,533	6,636	6,198
Non Fraud	4,430	11,374	18,026	17,735	24,383
Grand Total	5,396	13,556	22,559	24,371	30,581

Source: Kansas Department of Labor, Labor Market Information Services

Reason for Overpayments (Dollar Amounts)

2008-2012

Total Causes for Overpayment	2008	2009	2010	2011	2012
Fraud	\$1,900,324	\$4,170,940	\$9,618,367	\$11,611,481	\$10,028,920
Non Fraud	\$4,792,838	\$14,044,467	\$26,166,468	\$23,279,654	\$26,768,575
Grand Total	\$6,693,162	\$18,215,407	\$35,784,835	\$34,891,135	\$36,797,495

Source: Kansas Department of Labor, Labor Market Information Services

Decision Reversals & Overpayments

Reversals & Overpayments in Kansas

2008 - 2012

Year	Reversal by Board of Review		Reversal by Referee	
	Total	Amounts	Total	Amounts
2008	11	\$39,781	831	\$1,850,408
2009	2	\$1,090	1,415	\$3,930,503
2010	1	\$1,876	2,350	\$7,262,694
2011	1	\$3,052	1,388	\$4,473,244
2012	1	\$5,846	1,927	\$6,798,255

Source: Kansas Department of Labor, Labor Market Information Services

Non-Citizenship Issues

Non-U.S. Citizen Denials and Total Unemployment Claims

2008-2012

Year	Non- U.S. Citizen Denials	Initial Claims	Percentage of Denials
2008	667	181,575	0.4%
2009	610	298,620	0.2%
2010	298	198,226	0.2%
2011	237	176,216	0.1%
2012	154	168,001	0.1%

Source: Kansas Department of Labor, Labor Market Information Services

Non-Citizen Overpayments in Kansas

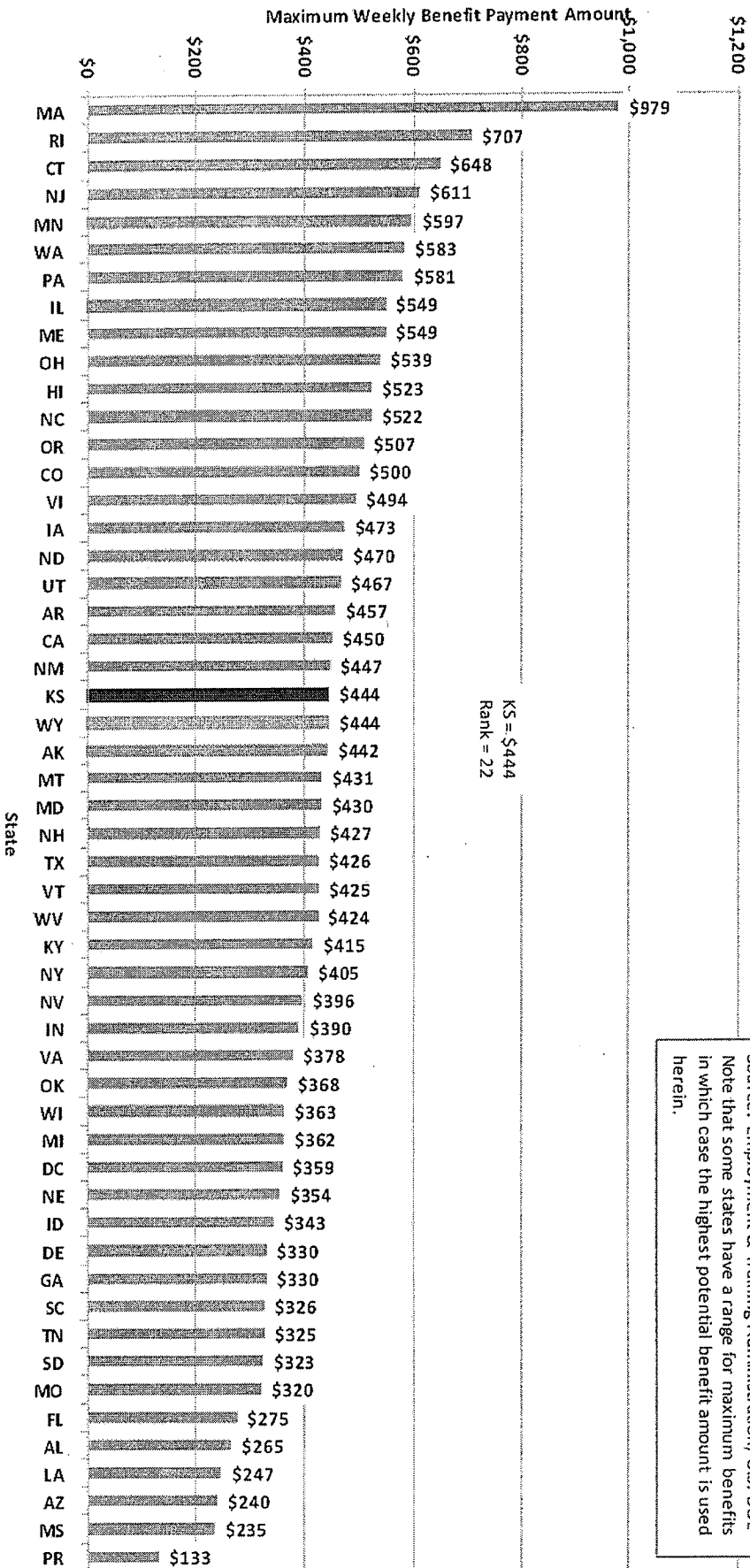
2008 -2012

	2008		2009		2010		2011		2012	
	Total	Amounts	Total	Amounts	Total	Amounts	Total	Amounts	Total	Amounts
Non-Citizen	17	\$32,277	39	\$56,224	63	\$222,147	26	\$133,101	19	\$64,538

Source: Kansas Department of Labor, Labor Market Information Services

Maximum Weekly Benefit Amounts by State

Maximum Weekly Benefit Payment Amount U.S. States and Territories 2012

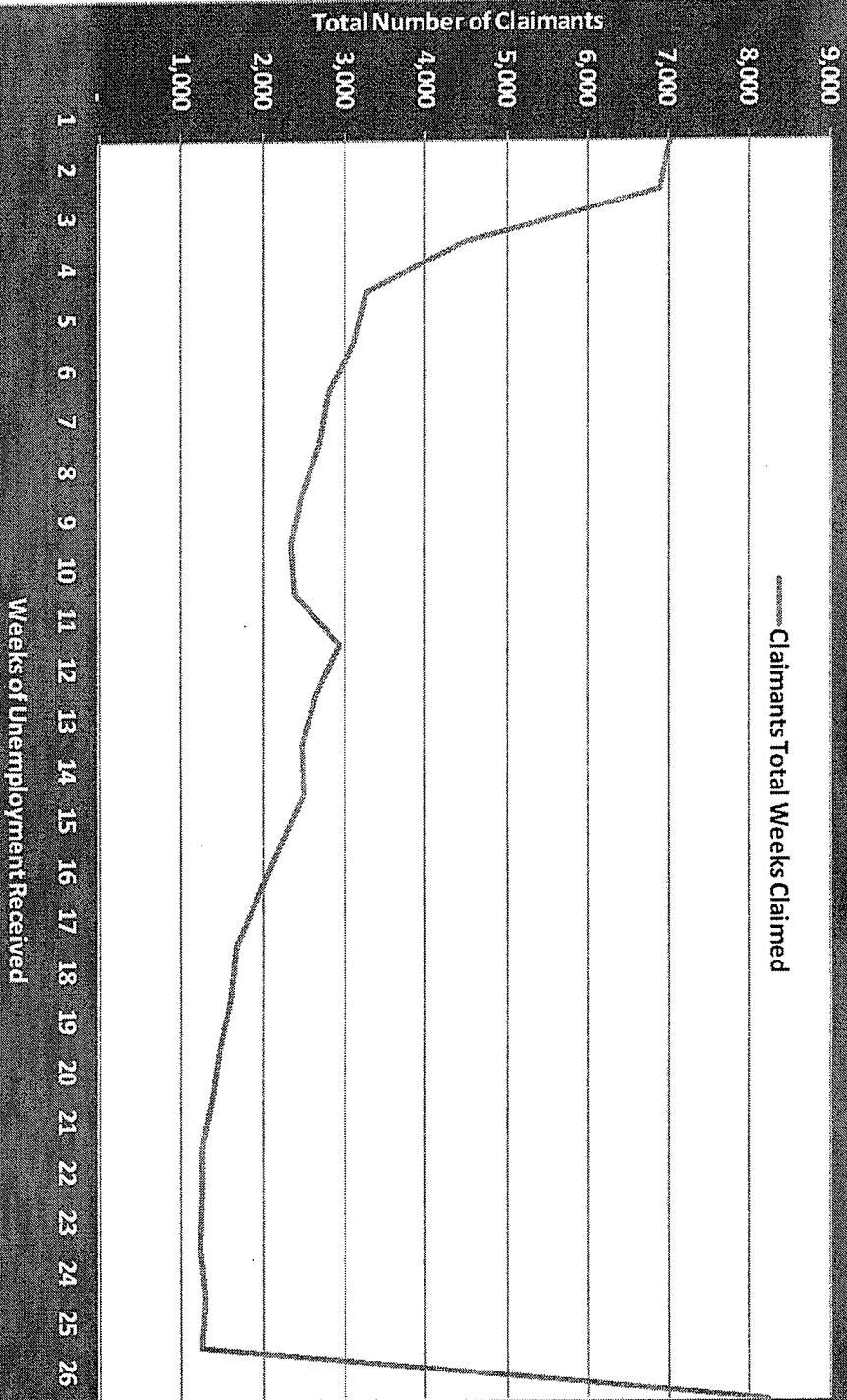


Source: Employment & Training Administration, U.S. DOL
Note that some states have a range for maximum benefits in which case the highest potential benefit amount is used herein.

The 2013 maximum weekly benefit amounts for states have not been released from the US Department of Labor at this time.

Claimant Exhaustion of UI by Weeks

Number of Claimants Receiving Regular UI Benefits and Count of Weeks Received
2012

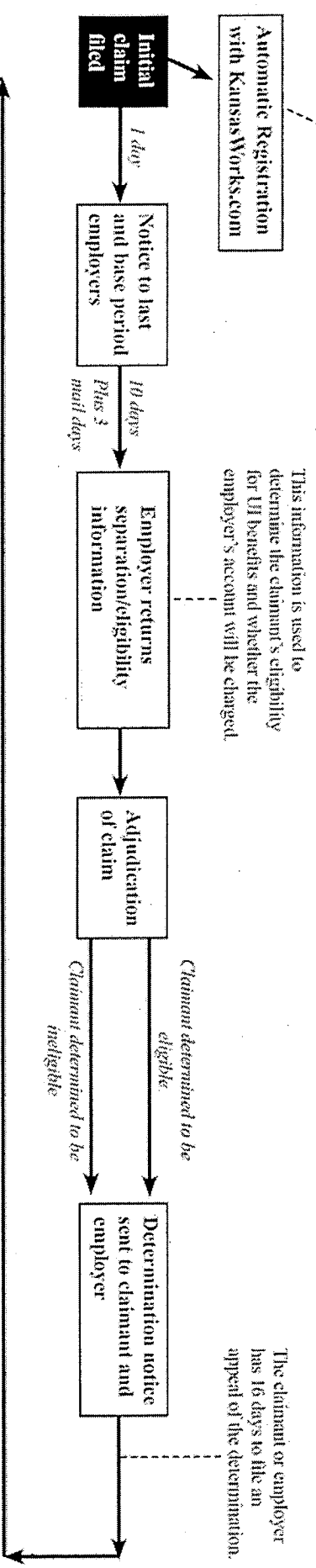


In 2012, there was a total of 8,239 claimants who received 26 weeks of benefits out of a total of 72,823 claimants on regular Unemployment benefits.



UI Initial Claim and Employer Notification Process

Claimants who are permanently severed from employment must look for work each week to maintain eligibility. Those who are temporarily laid off or are members of a placement union do not need to seek work but must be available to accept a recall to work.



The claimant or the employer has 16 days to file an appeal of the Appeal Judge's determination.

This information is used to determine the claimant's eligibility for UI benefits and whether the employer's account will be changed.

The claimant or employer has 16 days to file an appeal of the determination.

Permanently unemployed workers are assessed to determine the likelihood they will exhaust their UI benefits. Those determined to have a greater than 51% chance of exhausting are placed into a pool from which they are scheduled to receive re-employment services from their local workforce center.

Thank You

Questions?

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