Proposed Amendments for SB No. 154
For Senate Committee on Commerce
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Office of Revisor of Statutes
February 23, 2015

Senate Commerce Committee
Date: 3-24-15
Attachment: 1

SENATE BILL No. 154

By Committee on Commerce

2-5

AN ACT concerning employment security law; relating to determination of benefits; employer classification and rates; amending K.S.A. 2014 Supp. 44-704 and 44-710a and repealing the existing sections.

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

Section 1. K.S.A. 2014 Supp. 44-704 is hereby amended to read as follows: 44-704. (a) *Payment of benefits.* All benefits provided herein shall be payable from the fund. All benefits shall be paid through the secretary of labor, in accordance with such rules and regulations as the secretary may adopt. Benefits based on service in employment defined in ~~subsections (i)(3)(E) and (i)(3)(F) of~~ K.S.A. 44-703*(i)(3)(E) and (i)(3)(F)*, and amendments thereto, shall be payable in the same amount, on the same terms and subject to the same conditions as compensation payable on the basis of other service subject to this act except as provided in ~~subsection (e) of~~ K.S.A. 44-705*(e)* and ~~subsection (e)(2)~~ of K.S.A. 44-711*(e)(2)*, and amendments thereto.

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

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

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

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

(c) *Maximum weekly benefit amount.* On July 1 of each year, the secretary shall determine the maximum weekly benefit amount by computing 60% of the average weekly wages paid to employees in insured work during the previous calendar year and shall prior to that date announce the maximum weekly benefit amount so determined, by publication in the Kansas register. Such computation shall be made by dividing the gross wages reported as paid for insured work during the

0.100 but less than 0.200...1.09
Less than 0.100%...1.10

~~(B)~~*(C)* *Adjustment to taxable wages. For rate year 2015 and prior rate years,* the planned yield as a percent of total wages, as determined in this subsection (a)~~(3)~~*(4)*, 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, except, with regard to a year in which the taxable wage base changes. The taxable wages used in the calculation for such a year and the following year shall be an estimate of what the taxable wages would have been if the new taxable wage base had been in effect during all of the preceding fiscal year ending June 30.

~~(C)~~*(D)* *Effective rates.* (i) *For rate year 2016 and ensuing rate years, employer contribution rates to be effective for the ensuing calendar year shall be determined by the fund control table contained in this section. The average high cost multiple of the trust fund as of the computation date shall determine the contribution schedule in effect for the next rate year. For purposes of subsection (a)(4)(D)(i) and (v), the average high cost multiple is the reserve fund ratio, as defined by subsection (a)(4)(A), divided by the average high benefit cost rate. The average high benefit cost rate shall be determined by averaging the three highest benefit cost rates over the last 20 years from the preceding fiscal year which ended June 30. The high benefit cost rate is defined by dividing total benefits paid in the fiscal year by total payrolls for covered employers in the fiscal year.*

Fund Control Table

Lower AHCM Threshold	*Upper AHCM Threshold*	*Solvency Adjustment to Standard Rate*
- *1000.00000*	*0.19999*	*1.60%*
0.20000	~~*0.29999*~~ 0.44999	*1.40%*
~~*0.30000*~~ 0.45000	~~*0.44999*~~ 0.59999	*1.20%*
~~*0.45000*~~ 0.60000	~~*0.59999*~~ 0.74999	*1.00%*
~~*0.60000*~~ 0.75000	~~*0.99999*~~ 1.14999	*0.00%*
~~*1.00000*~~ 1.15000	~~*1.14999*~~ 1000.0000	~~*-0.20%*~~ -0.50%
~~*1.15000*~~	~~*1.34999*~~	~~*-0.40%*~~
~~*1.35000*~~	~~*1000.00000*~~	~~*-0.60%*~~

(ii) For rate year 2016 and ensuing rate years, eligible employers shall be classified according to the Standard Rate Schedule in this section, subject to any adjustment pursuant to the effective rate schedule for that rate year.

STANDARD RATE SCHEDULE

Rate Group	*Lower Reserve Ratio Limit*	*Upper Reserve Ratio Limit*	*Standard Rate*
1	*18.590*	*1,000,000.000*	*0.20%*

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