



Unemployment Insurance
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Delia García, Secretary

Laura Kelly, Governor

Jan. 28, 2020

The Honorable Julia Lynn
Kansas State Capitol - State Senate
300 SW 10th St., Room 445-S
Topeka, KS 66612

Re: Annual Report to the Standing Committee on Commerce of the Senate on Investigations into Misclassification of Employees

Ms. Chairwoman and Members of the Committee:

On behalf of Secretary Delia García, I present the following information concerning worker misclassification for calendar year 2019 pursuant to K.S.A. 44-769. I am also sharing this information with the Standing Committee on Commerce, Labor and Economic Development of the House of Representatives. Further, a copy will also be made available to committee staff.

Investigations initiated: **16,162**

Investigations closed: **15,984**

With no assessment being made: **15,621**

With assessment being made: **476**, which include the following:

Estimate of the amount of unreported payroll: **\$27,524,212.17**

Amount of unpaid contributions or other amounts required to be paid under the Employment Security Law related to such unreported payroll amount: **\$650,432.70**

Actual Contributions: **\$2,165,639.56**

Reported Contributions **\$1,588,996.49**

Actual Misclassified Contributions Due: **\$ 576,643.07**

Total Contributions Paid: **\$1,665,090.40**

Total amount of interest assessed: **\$ 73,100.76**

Total amount of penalties assessed: **\$ 688.87**

Employers found to be employing undocumented workers: **110**

The total amounts collected for each of the categories listed in subsection (b) of K.S.A. 44-769:

Total Contributions Paid: **\$1,665,090.40**

Total Interest and Penalty Paid: **\$ 3,148.89**

If you have any questions or would like additional information on this subject, please contact me.

Respectfully,

Laurel Klein Searles
Director of Unemployment Insurance

CC: Delfía García, Kansas Secretary of Labor
 Brett Flachsbarth, Deputy Secretary
 Nicole Struckhoff, Chief of Unemployment Insurance Tax
 Ronda Kirk, Auditor/Special Investigations Unit
 Larry Alley, Vice-Chair
 Tom Holland, Ranking Minority Member