DEPARTMENT FOR WORKFORCE INVESTMENT
EDUCATION CABINET

DEAR KENTUCKY EMPLOYER:

AS YOU ARE A NEWLY ESTABLISHED ACCOUNT WITH THE DIVISION OF UNEMPLOYMENT INSURANCE, WE ARE TAKING THIS OPPORTUNITY TO PROVIDE YOU WITH INFORMATION CONCERNING OUR VIEW OF CERTAIN TYPES OF LABOR PRACTICES.

FOR UNEMPLOYMENT INSURANCE PURPOSES THE STATE OF KENTUCKY DOES NOT RECOGNIZE THE CONCEPTS OF PAYROLLING, COMMON PAYMASTER OR EMPLOYEE LEASING. IN ALL THREE OF THESE INSTANCES, EMPLOYEES MUST BE REPORTED BY THE ENTITY FOR WHICH THE SERVICE IS BEING PERFORMED, AND NOT BY OTHER ENTITIES, TEMPORARY AGENCIES, OR EMPLOYEE LEASING AGENCIES. THE DIVISION ALSO HAS STRICT GUIDELINES CONCERNING CONTRACT LABOR. THEREFORE, YOU SHOULD BE CAREFUL NOT TO CLASSIFY COVERED EMPLOYEES AS INDEPENDENT CONTRACTORS. TO DETERMINE THE PROPER EMPLOYER, WE LOOK AT THE USUAL COMMON LAW RULES APPLICABLE IN EMPLOYER-EMPLOYEE RELATIONSHIPS.

PAYROLLING IS WHERE THE WAGES ARE PAID AND REPORTED BY AN ENTITY OTHER THAN THE ACTUAL EMPLOYING UNIT. COMMON PAYMASTER IS WHERE AN INDIVIDUAL IS CONCURRENTLY EMPLOYED BY TWO OR MORE CLOSELY-HELD CORPORATIONS WITH ONE OF THE CORPORATIONS MAKING PAYMENT FOR SERVICES. EMPLOYEE LEASING IS WHERE, FOR A FEE, AN ENTITY PLACES THE EMPLOYEES OF A CLIENT ONTO THAT ENTITY'S PAYROLL AND LEASES THEM BACK TO THAT CLIENT ON A CONTINUING BASIS. THE EMPLOYEE LEASING COMPANY THEN REPORTS ALL WAGES AND PAYS ALL TAXES ON BEHALF OF THE CLIENT.

"TEMPORARY EMPLOYMENT" IS ANOTHER LABOR PRACTICE CLOSELY SCRUTINIZED. A TEMPORARY EMPLOYEE IS HIRED FOR A LIMITED TIME ONLY, FREQUENTLY TO MEET A PEAK DEMAND OR A SPECIAL RUSH JOB. SUCH AN EMPLOYEE IS HIRED WITH THE UNDERSTANDING THAT HIS EMPLOYMENT WILL END WITH COMPLETION OF THE PARTICULAR TASK FOR WHICH HE WAS HIRED. TEMPORARY EMPLOYMENT IS NOT REGULAR, BUT RATHER IS PERIODIC AND MAY BE RECURRING AND IS FORESEEABLE FOR A SHORT PERIOD OF TIME OR FOR A FIXED DURATION. THE PRIMARY DETERMINANTS IN THESE SITUATIONS ARE THE RELATIONSHIP OF THE ALLEGED TEMPORARY POSITION TO THE BUSINESS, AND THE ANTICIPATED DURATION OF THE PLACEMENT.

FAILURE TO REPORT ALL COVERED EMPLOYMENT DUE TO IMPROPER CLASSIFICATION CAN RESULT IN PENALTY AND INTEREST CHARGES. THEREFORE, IF YOU ARE ENGAGED IN ONE OR MORE OF THE ABOVE PRACTICES, PLEASE CONTACT THIS OFFICE SO THAT WE CAN ASSIST YOU IN MAKING A PROPER DETERMINATION. IF YOU HAVE QUESTIONS OR REQUIRE ADDITIONAL INFORMATION ABOUT OUR VIEW OF THESE PRACTICES, PLEASE DO NOT HESITATE TO CONTACT US.

EMPLOYER STATUS SECTION
TAX STATUS AND ACCOUNTING BRANCH
DIVISION OF UNEMPLOYMENT INSURANCE
(502) 564-2272

UI-1.2
(REV. 07/95)

Division of Unemployment Insurance
Office of Employment & Training
Department for Workforce Investment
Education Cabinet

FILING REQUIREMENTS!

A recent revision to Kentucky's unemployment insurance regulations requires that all Kentucky employers with 10 or more employees file their quarterly unemployment report electronically. This change will take effect beginning with the Employer's Quarterly Unemployment Wage and Tax Report, form UI3, for the first quarter of 2006. This report will be due on or before May 1, 2006.

If you or a representative are currently filing UI3 reports electronically, there will be no change in the way you file.

The website for filing electronic reports is https://kewes.ky.gov (note that this is a secure website and that the *https* prefix is required for access). Use the Submit Quarterly Tax Report button to access the Account Login page. If you need a password, please e-mail your request to des.uit@ky.gov or call 502-564-2168.

Once logged in, you will be able to access the Submit Quarterly Tax Report area of the website. Please choose Option 1 or Option 2 when filing electronically.

Option 1 – File Upload, is for employers who wish to upload the required information. Any employer may use Option 1; however, employers with over 250 employees must use Option 1.

Option 2 – Web File is for employers who use the on-line form to create and submit a quarterly report. Due to timing issues, employers with more than 250 employees cannot use this option.

Option 3 *– Payroll-Processors, is for use only at the direction and approval of the Division of Unemployment Insurance. If you are a payroll-processing agency and need information about this option, please contact us at 502-564-2168.*

Once you have completed filing, print and retain the confirmation page for your records.

We believe that electronic filing will help the Kentucky Division of Unemployment Insurance provide better service to you and to our state's workforce through faster, more accurate recording of your tax and wage information.

Thank you for your cooperation.

"Equal Opportunity Employer/Program"
"Auxiliary aids and services are available upon request to individuals with disabilities"

Kentucky
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WHAT EVERY BUSINESS OWNER SHOULD KNOW

KENTUCKY WORKERS COMPENSATION INSURANCE

Every Kentucky employer with one or more employees is required to maintain workers compensation insurance. (KRS 342.630) There are no special exceptions for family member or part-time employees. Out of state employers performing any work in this state are required to have Kentucky workers compensation insurance. Keep in mind that workers often referred to as "*day labor* or *casual labor*" are generally considered employees under the Workers Compensation Act.

Exempted by statute are farm laborers, domestic servants working in a private home of an employer who has less than two employees, workers employed by a homeowner for residential maintenance, remodeling and repair lasting no more than 20 consecutive work days, members of an established religious sect with a conscientious objection to receiving benefits of any public or private insurance and employees protected by federal laws, including railroad and maritime workers.

Compliance with the Act

The Office of Workers Claims seeks compliance of all employers in the state. This is accomplished by regular inspections of employers to verify compliance. Non-compliant employers can be cited resulting in fines of $100 to $1,000 for each offense. The fine can be substantial since each employee and each day of violation shall constitute a separate offense. An injunction prohibiting the employer from doing business until it comes into compliance can be obtained. Additionally an employer may be held liable to an injured employee (or employee of an uninsured contractor or sub-contractor) for income benefits including lost wages and medical expenses. An employer may not deduct policy premiums from wages or salary of any employee entitled to benefits.

Kentucky does not sponsor a state-run insurance program. Therefore, it is the employer's responsibility to secure the insurance from a private carrier. Contact any Kentucky insurance agent that represents approved insurance companies to purchase a policy.

Contacting Us

This information form provides a brief explanation of the Workers Compensation Act. Additional information is available by contacting the Kentucky Department of Labor, Office of Workers Claims Enforcement Branch at 1-502-564-5550 or 1-800-731-5241. Our Internet Web site is www.labor.ky.gov/workersclaims.

Pursuant to KY Unemployment Insurance Laws and Regulations, *the following documents are to be posted* at conspicuous places on the premises at which payroll records are maintained.

KRS 341.090

NOTICE
TO
RECIPIENTS OF WORKERS' COMPENSATION
ABOUT
ELIGIBILITY FOR UNEMPLOYMENT INSURANCE

IF YOU RECEIVE WORKERS'COMPENSATION,
YOU MAY BE ABLE TO USE WAGES YOU EARNED BEFORE YOUR INJURY
TO ESTABLISH AN UNEMPLOYMENT INSURANCE CLAIM

WHEN YOU ARE ABLE TO RETURN TO WORK,
BUT YOUR EMPLOYER DOES NOT HAVE A JOB FOR YOU,
AND YOU CAN'T FIND OTHER WORK, OR
YOU RETURN TO WORK BUT
ARE LAID OFF BEFORE YOU EARN ENOUGH WAGE CREDITS TO ESTABLISH
A REGULAR U.I. CLAIM,
YOU MAY BE ELIGIBLE TO USE WAGES YOU EARNED BEFORE
YOUR INJURY TO ESTABLISH A CLAIM, IF

One.... YOU FILE A CLAIM NO LATER THAN THE FOURTH WEEK OF YOUR UNEMPLOYMENT AFTER YOU WORKERS' COMPENSATION ENDS, AND

Two.... YOU DID NOT EARN WAGES BECAUSE OF YOUR INJURY FOR AT LEAST SEVEN WEEKS IN A BASE PERIOD QUARTER.

Employers or insurance carriers are required by KRS 341.090 to advise a worker eligible for workers' compensation of the above provisions of the law within 30 days prior to the expiration of the worker's compensation claim.

VISIT YOUR LOCAL UNEMPLOYMENT INSURANCE OFFICE FOR MORE INFORMATION

POS-UI-5.2
(REV. 05/04)

EDUCATION CABINET
DEPARTMENT FOR EMPLOYMENT SERVICES
DIVISION OF UNEMPLOYMENT INSURANCE
275 EAST MAIN STREET
FRANKFORT, KY 40621

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This firm is an employer subject to the
KENTUCKY UNEMPLOYMENT INSURANCE LAW

INFORMATION ABOUT
Unemployment Insurance Benefits

IMPORTANT: To be ELIGIBLE to draw benefits, you:

1. MUST be ABLE AND AVAILABLE for WORK.

2. MUST be making a REASONABLE EFFORT to obtain work.

3. MUST have:

   (a) Earned AT LEAST $750 in ONE QUARTER of your BASE PERIOD;

   (b) TOTAL base period wages EQUAL to at LEAST 1 1/2 TIMES your HIGH QUARTER wages and TOTAL base period wages OUTSIDE the HIGH QUARTER must be at least $750; and

   (c) wages in the last SIX MONTHS of your base period EQUAL to NOT LESS than 8 TIMES your WEEKLY BENEFIT RATE.

TOTAL UNEMPLOYMENT

IF YOU LOSE YOUR JOB OR EXPERIENCE A REDUCTION IN HOURS:

1. Register for work and file a claim for benefits. A claim may be filed on the Internet at (www.oet.ky.gov) or call the Call Center at (859)547-3362 Monday through Friday 7:30 a.m. thru 5:30 p.m. EST. This is not a toll free number.

2. After filing your initial claim, file continuing claims for each week during which you are unemployed via the internet site or toll-free number for continued claims, (866) 291-2926.

WEEKLY BENEFIT RATE

Your weekly benefit rate will be 1.3078 percent of your total base period wages.

PARTIAL UNEMPLOYMENT

You may claim PARTIAL benefits when:

You are still employed by your regular employer but are working less than your normal full-time hours, if

(a) Your earnings during a week are less than 1 1/4 times your weekly rate and you work less than full-time; and

(b) Your reduced hours are due to lack of available work, and not to any other cause-such as illness, disability, vacation leave, or personal reasons.

CONTRIBUTIONS TO THE BENEFIT FUND ARE PAID BY EMPLOYERS.
NO DEDUCTIONS ARE MADE FROM EMPLOYEES' PAY FOR THAT PURPOSE.

— IMPORTANT NOTICE —

UNDER THE LAW AN INDIVIDUAL MAY BE PENALIZED, FINED OR IMPRISONED, FOR FALSE STATEMENTS MADE FOR THE PURPOSE OF SECURING BENEFITS NOT OTHERWISE DUE OR FOR INCREASING THE AMOUNT OF BENEFITS.

POS-UI-5.1
(REV. 01/07)

Education Cabinet
DEPARTMENT FOR WORKFORCE INVESTMENT
OFFICE OF EMPLOYMENT AND TRAINING
DIVSION OF UNEMPLOYMENT INSURANCE
275 EAST MAIN STREET
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