

HB 2196: Kansas Unemployment Insurance Reform Summary

KS Unemployment Compensation Modernization & Improvement Council June 24, 2021

Presented By:

Phillip M. Hayes

Vice President

The Arnold Group (TAG)

Chairman, KS Employment Security Board of Review

Kansas Department of Labor

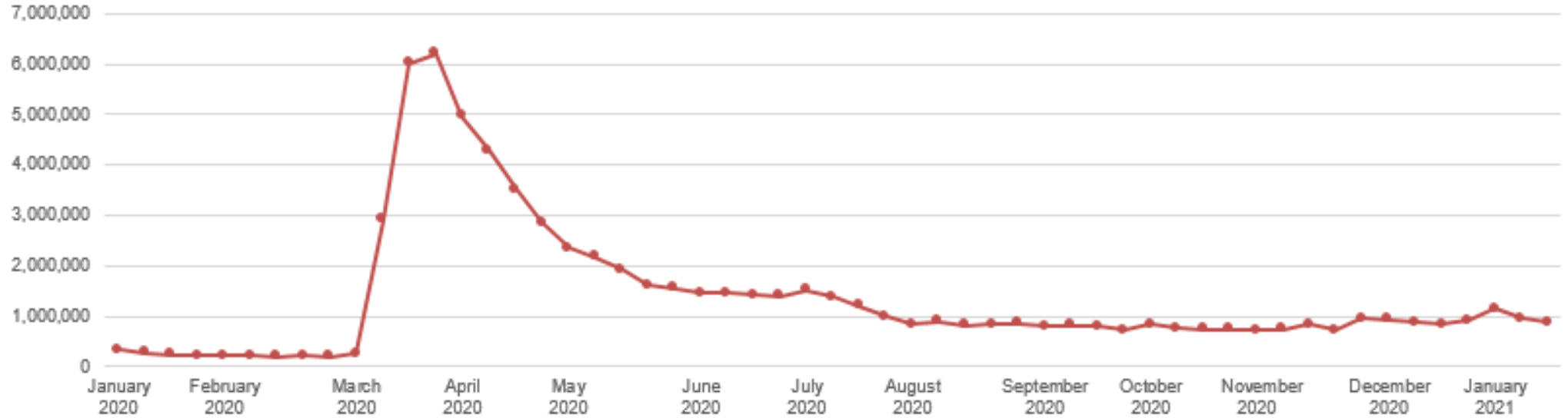
Employer Representative, KS Unemployment Compensation Modernization & Improvement Council
State of Kansas

Senate Substitute for Substitute HB 2196

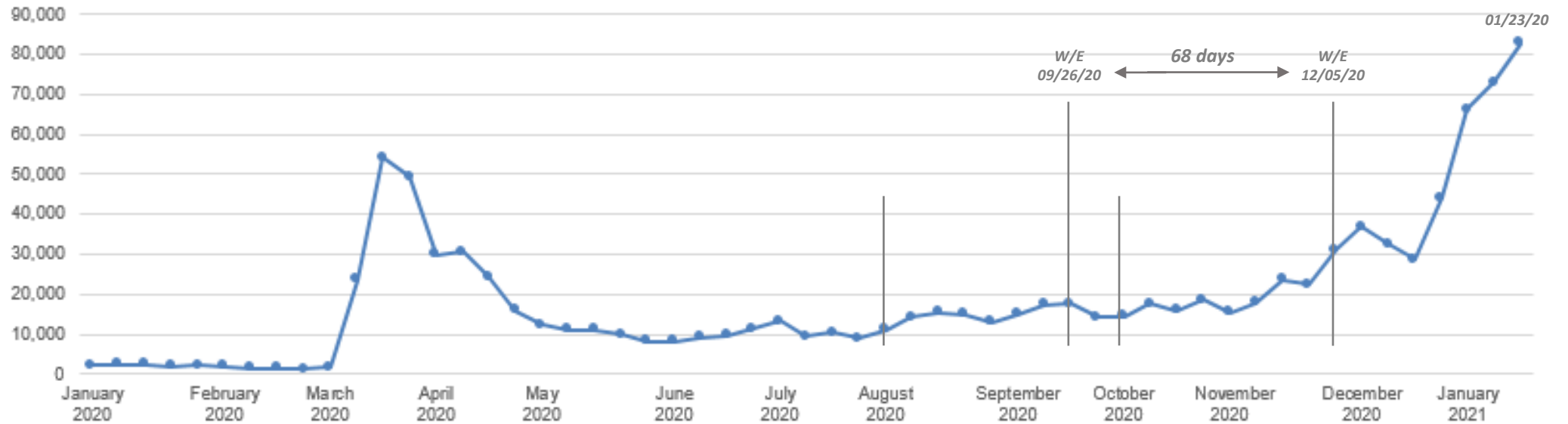


1. KS UI Fraud Aftermath & Legislative Response
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Initial Unemployment Claims (National)



Initial Unemployment Claims (Kansas)



Week Ending 01/23/21 Simple Snapshot

Filing Week: 1/23/2021 (Not Seasonally Adjusted)				
State	Population	Population %	Initial Claims	Initial Claim %
California	39,512,223	12.04%	53,299	6.10%
Kansas	2,913,314	0.89%	82,944	9.49%
Illinois	12,671,821	3.86%	108,808	12.45%
United States	328,239,523	100.00%	873,966	100.00%

January 26, 2021 – KS SHRM & Unemployment Insurance Services Testimony

- KS Senate and KS House Commerce Committees
- \$300M - \$600M Estimated UI Fraud in Kansas

KS UI Benefits: Pre-MFA (Identity Verification) Solution

							Full Totals & Averages Since WE 3/21 (45 Weeks)		Four (4) Week Average 1/2/2021 — 1/23/2021	
Week Ending							Totals	Weekly Averages	4 Wk Totals	4 Wk Avg.
1	Kansas Trust Fund Balance	\$ 400,600,000	\$ 375,300,000	\$ 338,700,000	\$ 302,200,000	\$ 273,300,000	\$ 246,900,000			
2	# Weeks Trust Fund to ZERO - KS Only benefits (KS Only - UI)	13.34	12.11	9.76	7.31	6.13	7.67			
3	# Years Trust Fund to ZERO - KS Only benefits (KS Only - UI)	0.26	0.23	0.19	0.14	0.12	0.15			
4	Projected Date of KS Trust Fund Bankruptcy	3/22/2021	3/20/2021	3/11/2021	3/1/2021	2/27/2021	3/17/2021	USDOL Reports 82,944 Initial KS Claims for W/E 01/23/21		
5	Regular Claims									
6	Initial Claims	34,624	30,074	45,743	69,404	76,513	25,489	1,086,282	24,140	217,149
7	Call Center	788	618	1,009	1,537	1,167	620	137,048	3,046	4,333
8	Internet	33,836	29,456	44,734	67,867	75,346	24,869	949,233	21,094	212,816
9	Internet %	97.72%	97.95%	97.79%	97.79%	98.47%	97.57%	87.38%	87.38%	88.00%
10	Continued Claims	83,628	85,172	92,961	103,909	102,561	75,883	3,333,059	74,068	375,314
11	Total Payments Summary	\$ 53,000,447	\$ 38,471,191	\$ 43,050,837	\$ 43,105,488	\$ 45,875,429	\$ 34,871,425	\$ 2,718,679,314	\$ 60,415,096	\$ 166,903,179
12	Regular Unemployment Insurance (KS Only - UI)	\$ 30,028,587	\$ 30,984,021	\$ 34,716,769	\$ 41,323,096	\$ 44,570,345	\$ 32,201,874	\$ 1,064,965,627	\$ 23,665,903	\$ 152,812,084
13	Fed Pandemic Unemployment Comp (FPUC)	\$ 1,538,982	\$ 554,292	\$ 463,431	\$ 468,465	\$ 393,411	\$ 1,842,006	\$ 1,223,599,739	\$ 30,589,993	\$ 3,167,313
14	Pandemic Unemployment Assistance (PUA)	\$ 2,823,305	\$ 1,154,186	\$ 945,198	\$ 613,613	\$ 396,788	\$ 478,256	\$ 186,754,172	\$ 5,335,833	\$ 2,433,855
15	Pandemic Emergency Unemployment Comp (PEUC)	\$ 7,059,897	\$ 5,475,620	\$ 5,065,189	\$ 522,261	\$ 355,432	\$ 260,237	\$ 113,915,565	\$ 3,350,458	\$ 6,203,119
16	State Extended Benefits (EB)	\$ 2,005,220	\$ 234,372	\$ 123,452	\$ 78,004	\$ 65,083	\$ 31,073	\$ 11,769,965	\$ 452,691	\$ 297,612
17	Lost Wages Assistance (LWA)	\$ 9,544,456	\$ 68,700	\$ 1,736,798	\$ 100,049	\$ 94,370	\$ 57,979	\$ 117,674,246	\$ 7,354,640	\$ 1,989,196
18	Regular Unemployment Insurance (KS Only - UI)									
19	# Weeks Compensated	72,519	73,816	81,888	96,336	103,325	74,279	2,984,184	66,315	355,828
20	Final Payments	1,187	998	980	1,119	926	776	56,482	1,255	3,801
21	Individuals Receiving Payments	63,256	66,142	71,525	82,089	91,377	66,883	2,588,864	57,530	311,874
22	Average Weekly Benefit Amount	\$ 414.08	\$ 419.75	\$ 423.95	\$ 428.95	\$ 431.36	\$ 433.53	\$ 16,120.12	\$ 358.22	\$ 1,717.79
23	Pandemic Unemployment Assistance (PUA)									
24	Initial Claims	5,656	3,509	2,625	6,951	7,574	5,416	206,263	7,639	22,566
25	Continued Claims	48,392	15,442	20,812	31,124	37,822	31,602	2,896,878	107,292	121,360
26	# Weeks Compensated	11,307	4,130	4,200	2,689	1,397	1,402	688,580	19,674	9,688
27	Pandemic Emergency Unemployment Comp (PEUC)									
28	Initial Claims	1,368	925	765	14	22	9	39,717	1,471	810
29	Continued Claims	20,341	16,168	13,874	867	766	371	316,786	11,733	15,878
30	# Weeks Compensated	21,260	16,697	14,047	1,216	995	452	328,791	12,177	16,710
31	State Extended Benefits (EB)									
32	Initial Claims	2,647	214	40	14	10	8	9,873	395	72
33	Continued Claims	4,808	253	158	159	158	62	24,333	973	537
34	# Weeks Compensated	6,572	701	270	238	199	61	39,847	1,594	768

Gov. Kelly: “Shut down Unemployment Servers” | 01/27/21

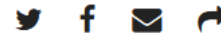
The Wichita Eagle

STATE

Kansas to shut down unemployment servers this weekend as part of fight against fraud

BY MEGAN STRINGER

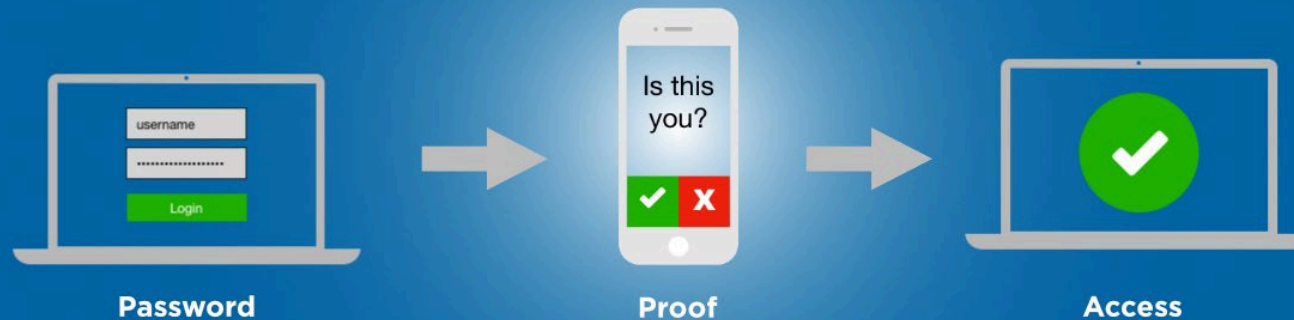
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Kansas Governor Laura Kelly answers questions about unemployment fraud claims and security upgrades to the Department of Labor's website. (Jan. 27, 2021) BY GOVERNOR LAURA KELLY/FACEBOOK

MFA Implemented between Jan. 31 – Feb. 2, 2021

Multi-Factor Authentication



KS UI Benefits: Post-MFA (Identity Verification) Solution

							Full Totals & Averages Since WE 3/21 (51 Weeks)		Four (4) Week Average 2/13/2021 — 3/6/2021	
Week Ending							Totals	Weekly Averages	4 Wk Totals	4 Wk Avg.
1	Kansas Trust Fund Balance	\$ 246,900,000	\$ 265,000,000	\$ 268,800,000	\$ 272,900,000	\$ 275,200,000	\$ 264,900,000			
2	# Weeks Trust Fund to ZERO - KS Only benefits (KS Only - UI)	59.86	464.71	39.94	150.53	35.65	26.62			
3	# Years Trust Fund to ZERO - KS Only benefits (KS Only - UI)	1.15	8.94	0.77	2.89	0.69	0.51			
4	Projected Date of KS Trust Fund Bankruptcy	3/25/2022	1/2/2030	11/19/2021	1/9/2024	11/3/2021	9/8/2021			
5	Regular Claims									
6	Initial Claims	16,927	4,905	6,630	3,774	3,227	2,267	1,124,012	22,039	15,898
7	Call Center	841	390	2,761	483	600	433	142,556	2,795	4,277
8	Internet	16,116	4,515	3,869	3,291	2,627	1,834	981,485	19,245	11,621
9	Internet %	95.21%	92.05%	58.36%	87.20%	81.41%	80.90%	87.32%	87.32%	73.10%
10	Continued Claims	79,792	22,058	23,219	27,960	16,898	24,463	3,527,449	69,166	92,540
11	Total Payments Summary	\$ 15,210,006	\$ 1,315,738	\$ 13,377,139	\$ 14,604,395	\$ 26,193,410	\$ 24,393,968	\$ 2,813,773,970	\$ 55,172,039	\$ 78,568,912
12	Regular Unemployment Insurance (KS Only - UI)	\$ 4,124,778	\$ 570,254	\$ 6,729,527	\$ 1,812,958	\$ 7,720,081	\$ 9,949,817	\$1,095,873,042	\$ 21,487,707	\$ 26,212,383
13	Fed Pandemic Unemployment Comp (FPUC)	\$ 10,762,655	\$ 523,091	\$ 5,957,046	\$ 6,416,421	\$ 12,346,592	\$ 10,560,935	\$ 1,270,166,479	\$ 27,612,315	\$ 35,280,994
14	Pandemic Unemployment Assistance (PUA)	\$ 286,148	\$ 194,109	\$ 215,867	\$ 906,153	\$ 680,781	\$ 991,568	\$ 190,028,798	\$ 4,634,849	\$ 2,794,369
15	Pandemic Emergency Unemployment Comp (PEUC)	\$ 18,282	\$ 9,984	\$ 399,330	\$ 5,421,986	\$ 5,355,438	\$ 2,795,415	\$ 127,916,000	\$ 3,197,900	\$ 13,972,169
16	State Extended Benefits (EB)	\$ 1,343	\$ -	\$ 75,369	\$ 43,577	\$ 75,818	\$ 82,433	\$ 12,048,505	\$ 376,516	\$ 277,197
17	Lost Wages Assistance (LWA)	\$ 16,800	\$ 18,300	\$ -	\$ 3,300	\$ 14,700	\$ 13,800	\$ 117,741,146	\$ 5,351,870	\$ 31,800
18	Regular Unemployment Insurance (KS Only - UI)									
19	# Weeks Compensated	14,193	1,526	17,083	4,698	18,331	25,099	3,065,114	60,100	65,211
20	Final Payments	431	26	476	98	444	860	58,817	1,153	1,878
21	Individuals Receiving Payments	12,265	863	10,832	2,777	13,279	13,720	2,642,600	51,816	40,608
22	Average Weekly Benefit Amount	\$ 290.62	\$ 373.69	\$ 393.93	\$ 385.90	\$ 421.15	\$ 396.42	\$ 18,381.83	\$ 360.43	\$ 1,597.40
23	Pandemic Unemployment Assistance (PUA)									
24	Initial Claims	4,142	3,574	2,411	1,304	767	522	218,983	6,636	5,004
25	Continued Claims	30,057	40,546	37,919	28,218	21,833	19,070	3,074,521	93,167	107,040
26	# Weeks Compensated	455	690	837	6,458	2,232	3,643	702,895	17,144	13,170
27	Pandemic Emergency Unemployment Comp (PEUC)									
28	Initial Claims	60	145	22	81	42	26	40,093	1,215	171
29	Continued Claims	501	413	472	1,330	4,583	6,934	331,019	10,031	13,319
30	# Weeks Compensated	52	25	1,231	18,532	5,908	8,612	363,151	11,005	34,283
31	State Extended Benefits (EB)									
32	Initial Claims	34	42	24	8	2	26	10,009	323	60
33	Continued Claims	84	70	32	19	32	23	24,593	793	106
34	# Weeks Compensated	19	-	272	89	178	256	40,661	1,312	795

KS UI Benefits: Pre- VS. Post-MFA 4 Week Comparison

01/02/2021 – 01/23/2021:

- Average Weekly Kansas Regular UI Benefits:
 - **\$38,203,021**

————— *MFA Implemented between Jan. 31 – Feb. 2, 2021* —————

02/13/21 – 03/06/2021:

- Average Weekly Kansas Regular UI Benefits:
 - **\$6,553,096**

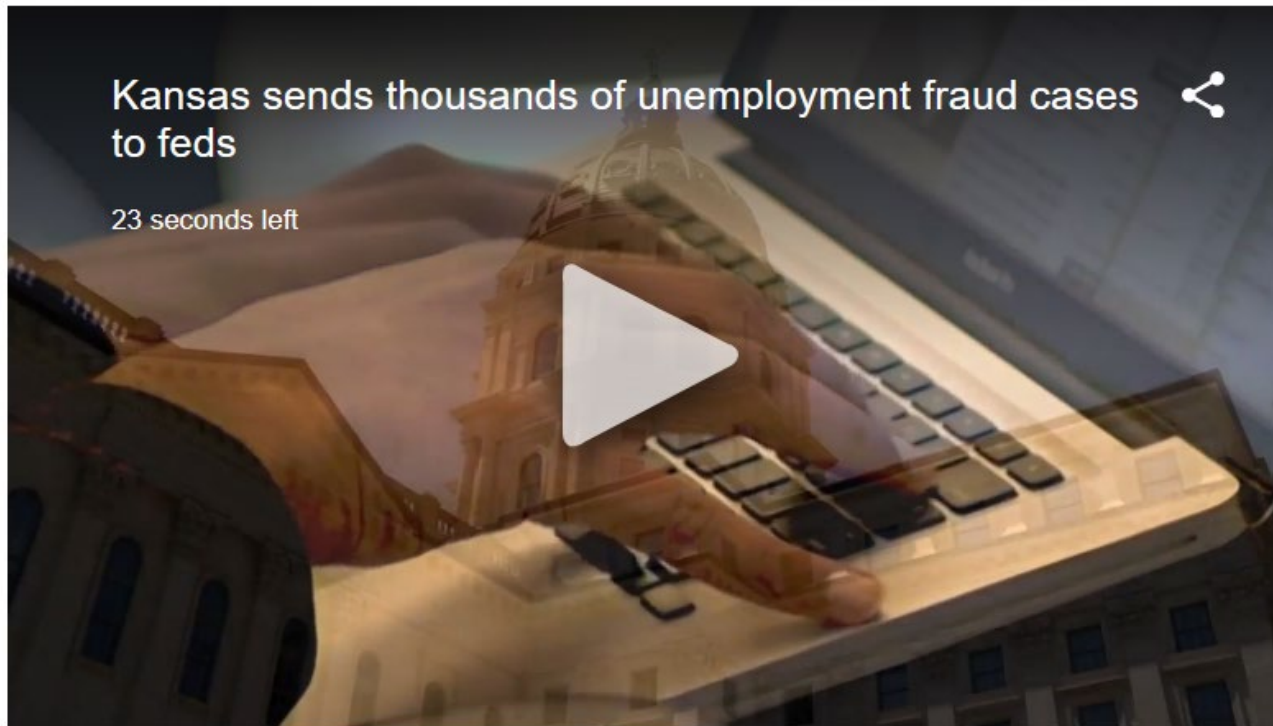
***Average Weekly Benefits
decreased 82.85% with MFA***

Estimates for Unemployment Fraud in Kansas

- | | |
|-------------------------|---|
| 1. KS SHRM: | \$300M – \$600M (Jan. 2021) |
| 2. KS LPA (Part 1): | \$600M (Feb. 2021) <ul style="list-style-type: none">• <i>\$200M in <u>state</u> funds</i>• <i>\$400M in <u>federal</u> funds</i> |
| • <i>KDOL Response:</i> | <i>\$290M (Feb. 2021)</i> <ul style="list-style-type: none">• <i>\$140M in <u>state</u> funds</i>• <i>\$150M in <u>federal</u> funds</i> |
| 3. KS LPA (Part 2): | \$TBD (Jul. 2021) |
| 4. Independent Audit: | \$TBD (May 2022 – Initial) |
| 5. Independent Audit: | \$TBD (Sept. 2022 – Final) |

KDOL Reports 50,000 fake UI claims to Feds | 02/23/21

Kansas turns over 50,000 fake unemployment claims to federal investigators



TOPEKA, Kan. —

The Kansas Department of Labor has referred more than 50,000 cases of fraud to investigators, and stopped payments on another 500,000 cases. Those are just cases from January 1, 2020 through December 31, 2020.

These 50,000 cases do NOT include the avalanche of claims submitted in January of 2021.

by: Heidi Schmidt

Posted: Feb 23, 2021 / 05:11 PM CST / Updated: Feb 23, 2021 / 05:11 PM CST

KDOL MFA: Fraudulent Login Attempts & BOT Attacks

**Cumulative Totals*

Bots and fraudulent login attempts stopped since 2/3/21:

- 02/08/21: >1.0M
- 03/08/21: 6.12M
- 04/05/21: 6.56M
- 05/10/21: 7.61M
- 06/03/21: 7.80M



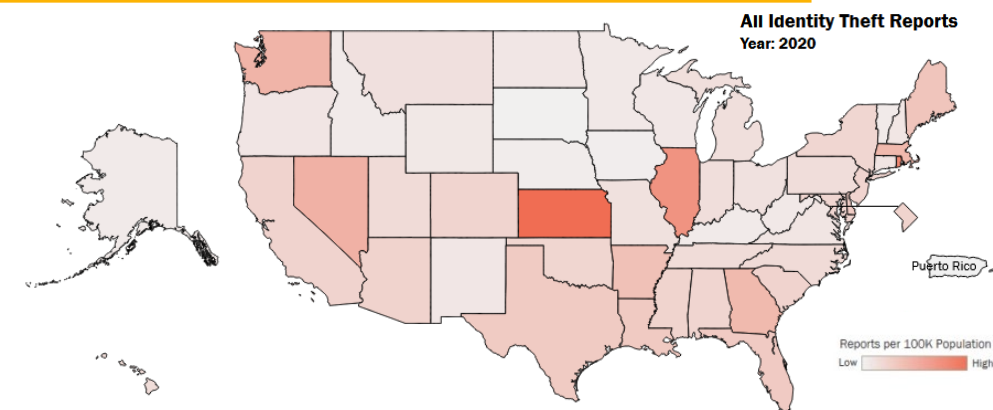
Identity Theft | Kansas was #1 in 2020 | 04/28/21

Rank	State	Identity theft reports in 2019	Identity theft reports in 2020	% increase in identity theft reports 2019-2020
1	Kansas	2,272	43,211	1801.9%
2	Rhode Island	1,145	12,621	1002.3%
3	Maine	809	7,183	787.9%
4	Washington	7,111	54,247	662.9%
5	Illinois	23,142	135,038	483.5%
6	Massachusetts	8,607	45,575	429.5%
7	Arkansas	4,524	17,470	286.2%
8	Oklahoma	3,706	13,797	272.3%
9	Montana	706	2,439	245.5%
10	Colorado	6,274	20,762	230.9%

Methodology: Federal Trade Commission data on identity theft reports from 2019 and 2020 were used to compile this report.

Source:

<https://public.tableau.com/profile/federal.trade.commission#!/vizhome/FraudandIDTheftMaps/IDTheftbyState>



All Identity Theft Reports

Kansas

Year	Rank	Reports per 100K		# of Reports	
		#	YoY % Change	#	YoY % Change
2021 (1Q)	2	1,239	233.96%	36,096	-16.46%
2020	1	371	1852.63%	43,210	1801.85%
2019	39	19	5.56%	2,272	6.12%
2018	35	18	0.00%	2,141	2.00%
2017	34	18		2,099	

ID theft outbreak in Kansas

Kansas led the country in per-capita reports of identity theft, with 1,483 reports for every 100,000 residents. When metro areas across the U.S. were analyzed, four in Kansas led all others: Topeka had 1,925 reports for every 100,000 persons; Lawrence, 1,717; Wichita, 1,395; and Manhattan, 1,207. In fifth place was Tuscaloosa, Alabama, with 1,195 identity theft reports for every 100,000 residents.

Kansas UI Benefits Snapshot – Most Recent 4 Weeks

						Full Pandemic Summary		Four (4) Week Summary	
						Since WE 03/21/20 (66 Weeks)		05/29/21— 06/19/21	
Week Ending		5/29/2021	6/5/2021	6/12/2021	6/19/2021	Totals	Weekly Averages	Most Recent 4 Week Totals	Most Recent 4 Week Averages
1	Kansas Trust Fund Balance	\$ 404,500,000	\$ 400,900,000	\$ 396,700,000	\$ 392,100,000				
2	# Weeks Trust Fund to ZERO - KS Only benefits (KS Only - UI)	85.65	87.31	84.72	78.32				
3	# Years Trust Fund to ZERO - KS Only benefits (KS Only - UI)	1.65	1.68	1.63	1.51				
4	Projected Date of KS Trust Fund Bankruptcy	1/18/2023	2/6/2023	1/26/2023	12/19/2022				
5	Regular Claims								
6	Initial Claims	2,122	1,650	1,622	1,437	1,156,613	17,524	6,831	1,708
7	Call Center	1,039	583	850	547	153,724	2,329	3,019	755
8	Internet	1,224	1,067	772	890	1,002,989	15,197	3,953	988
9	Internet %	57.68%	64.67%	47.60%	61.93%	86.72%	86.72%	57.87%	57.87%
10	Continued Claims	11,249	10,343	11,036	11,388	3,694,779	55,982	44,016	11,004
11	Total UI Payments Summary (KS & Federal)	\$ 19,291,606	\$ 17,842,421	\$ 19,012,834	\$ 20,886,566	\$ 3,140,750,945	\$ 47,587,136	\$ 77,033,427	\$ 19,258,357
12	Regular Unemployment Insurance (KS Only - UI)	\$ 4,722,661	\$ 4,591,690	\$ 4,682,584	\$ 5,006,118	\$ 1,167,585,069	\$ 17,690,683	\$ 19,003,053	\$ 4,750,763
13	Fed Pandemic Unemployment Comp (FPUC)	\$ 8,936,191	\$ 8,062,485	\$ 8,591,968	\$ 9,309,700	\$ 1,413,189,079	\$ 23,167,034	\$ 34,900,344	\$ 8,725,086
14	Pandemic Unemployment Assistance (PUA)	\$ 1,135,579	\$ 1,067,796	\$ 1,151,506	\$ 928,008	\$ 205,770,425	\$ 3,674,472	\$ 4,282,889	\$ 1,070,722
15	Pandemic Emergency Unemployment Comp (PEUC)	\$ 4,487,854	\$ 4,115,510	\$ 4,577,056	\$ 5,617,821	\$ 209,662,304	\$ 3,812,042	\$ 18,798,241	\$ 4,699,560
16	State Extended Benefits (EB)	\$ 9,321	\$ 4,940	\$ 9,720	\$ 24,919	\$ 12,431,708	\$ 264,504	\$ 48,900	\$ 12,225
17	Lost Wages Assistance (LWA)	\$ -	\$ -	\$ -	\$ -	\$ 132,112,360	\$ 3,570,604	\$ -	\$ -
18	Regular Unemployment Insurance (KS Only - UI)								
19	# Weeks Compensated	12,216	11,015	12,189	12,843	3,247,196	49,200	48,263	12,066
20	Final Payments	240	222	279	253	63,227	958	994	249
21	Individuals Receiving Payments	9,198	8,792	9,008	9,072	2,778,982	42,106	36,070	9,018
22	Average Weekly Benefit Amount	\$ 386.60	\$ 416.86	\$ 384.16	\$ 389.79	\$ 24,321.60	\$ 368.51	\$ 1,577.41	\$ 394.35
23	Pandemic Unemployment Assistance (PUA)								
24	Initial Claims	230	197	172	178	222,848	4,643	777	194
25	Continued Claims	6,028	6,485	6,724	7,021	3,225,295	67,194	26,258	6,565
26	# Weeks Compensated	4,198	3,752	4,335	3,603	765,247	13,665	15,888	3,972
27	Individuals Receiving Payments		1,875	1,936	1,943	5,754	1,918	5,754	1,918
28	Pandemic Emergency Unemployment Comp (PEUC)								
29	Initial Claims	111	105	134	145	43,449	905	495	124
30	Continued Claims	11,384	11,342	11,647	12,019	490,216	10,213	46,392	11,598
31	# Weeks Compensated	11,682	11,131	11,908	15,182	580,912	12,102	49,903	12,476
32	Individuals Receiving Payments		7,421	7,106	8,217	22,744	7,581	22,744	7,581
33	State Extended Benefits (EB)								
34	Initial Claims	-	-	-	-	10,039	218	-	-
35	Continued Claims	9	7	6	26	24,880	541	48	12
36	# Weeks Compensated	31	17	28	95	42,025	914	171	43
37	Individuals Receiving Payments		4	9	27	40	13	40	13

1. Unemployment Compensation Modernization Council

- Comprised of 13 members*:
 - 3 Employer Reps | 3 Employee Reps | 6 Kansas Legislators | 1 KDOL Member

Employer Representatives:

- Shawana Woods
- Jeff Oswald
- Phillip Hayes

Employee Representatives:

- Jake Williams
- Shelbye Smith
- Katie Givens

Kansas State Senators:

- Senator Rob Olson, Vice Chair
- Senator Caryn Tyson
- Senator Jeff Pittman

Kansas State Representatives:

- **Rep. Sean Tarwater, Chair**
- Rep. Susan Estes
- Rep. Stephanie Clayton

KS Department of Labor Representative:

- Secretary Amber Shultz

1. Unemployment Compensation Modernization Council

- Can suggest to Sec. of Labor rules and regulations necessary to carry out its function
- Primary focus includes examining/recommending:
 - Changes to the UI system
 - Claim-filing and benefits disbursement process and any future changes thereto
 - Technological infrastructure
 - Improvements to system responsiveness, integrity, security, and data verification
 - Data sharing methods across systems related to UI compensation to maximize efficiency
- Conduct audit of the UI system (Prelim report 5/1/22; Final report 9/1/22)
 - Examine effects of fraudulent claims and improper payments from 3/15/20-3/31/22, and the response by KDOL to such claims
 - Examine amounts and nature of such claims, fraud processes and methods, and the potential for recovery of fraudulent payments
 - Evaluate likelihood of a data breach contributing to fraud and improper network architecture allowing a potential breach to have occurred
 - Including info on the implementation of all program integrity elements and guidance issued by the U.S. DOL and NASWA
- Three year sunset provision of the Council

1. Unemployment Compensation Modernization Council

- Issue an initial report within 14 days of the Council's first meeting describing the state of the process by which individuals file UI claims and receive UI benefits and planned improvements to the process
- In coordination with the Secretary of Labor:
 - Develop a strategic staffing plan to address substantial changes in numbers of claims, including the prospective use and sources of additional employee
 - Publish all points of contact for UI inquiries or claims to KDOL's website
 - Recommend for adoption rules and regulations for creating a uniform UI complaint submission process
 - Adopt and periodically review a definition of "substantial disruption" in the benefit application and determination process

1. Unemployment Compensation Modernization Council

- **Secretary of Labor – Additional Responsibilities Related to the Modernization Council**
 - Post all materials from Council meetings on a public website maintained by the Secretary;
 - Develop the initial written strategic staffing plan, review it annually, and revise it as necessary. After each review, the most recent version would be provided to the Council and published on a public website maintained by the Secretary;
 - Notify the Council Chairperson of any unauthorized third-party access or acquisition of records within five days of becoming aware of such an event; and
 - Notify the Council members of any substantial disruption in the benefit application and determination process.
- **Secretary of Labor / Designee Status Reports to the Modernization Council**
 - On or before the 15th day of each month and the last day of each month to the Council
 - Initial report requirements, but not limited to information regarding the
 - Timeline
 - Progress
 - Budget
 - Overall status of the UI IT system upgrade
 - Once upgrade completed, report to include information on
 - system performance
 - process updates

2. Modernization of Kansas Unemployment IT System

New Technology & Platform

- System Components, Features & Benefits
- **UI System Program Integrity Elements/Guidance**

Bottom Line

- Modern, reliable, responsive and modifiable
- 12/31/22 Implementation deadline
- Continual development, customization, enhancements, and upgrades



System Components, Features & Benefits Considerations

1. Efficient Benefit Claims & Payment Management

- Claims Management
- Eligibility and Payment Processes
- Monetary and Non-Monetary Determinations
- Overpayment and Collections Management
- Fraud Prevention
- Accounting and Auditing

2. Integrated Tax Management Functionality

- Account Registration
- Tax and Wage Reports
- Adjustments and Payments
- Delinquencies and Collections
- Tax Audit Assignments
- Tax Performance Systems

3. Comprehensive Appeals Filing and Tracking

- Appeal Filing and Management
- Hearings and Decisions
- Correspondence and Notices
- Integrated Workflow
- Self-Service Features
- Federal Reporting



UI IT System: Program Integrity Elements/Guidance

1. **Social security administration cross-matching** for purpose of validating social security numbers supplied by a claimant
 2. Checking of **new hire records** against the national directorate of new hires to verify eligibility
 3. Verification of **immigration status or citizenship** and confirmation of benefit applicant information through the systematic alien verification for entitlement program
 4. Comparison of applicant information to **local, state and federal prison databases** through incarceration cross-matches
 5. Detection of **duplicate claims** by applicants filed in other states or other unemployment insurance programs through utilization of the interstate connection network, interstate benefits cross-match, the state identification inquiry state claims and overpayment file and the interstate benefits 8606 application for overpayment recoveries for Kansas claims filed from a state other than Kansas
 6. Identification of **internet protocol addresses** linked to multiple claims or to claims filed outside of the United States
 7. Use of **data mining and data analytics** to detect and prevent fraud when a claim is filed, and on an ongoing basis **throughout the lifecycle of a claim**, by using current and future functionalities to include suspicious actor repository, suspicious email domains, foreign internet protocol addresses, multi-state cross-match, identity verification, fraud alert systems and other assets provided by the unemployment insurance integrity center
- If/when the unemployment compensation modernization and improvement council is inactive or dissolved
 - Secretary of Labor shall implement and utilize all new program integrity elements and guidance issued by the United States department of labor and the national association of state workforce agencies, including the integrity data hub, **within 60 days of the issuance of such guidance**

3. Employment Security Review Board / *Temporary Expansion*

- Temporarily doubles the Employment Security Review Board through June 30, 2024
- Currently composed of three members, will consist of six members
 - No more than four of the members belonging to the same political party rather than two as in current law
 - Board may sit in panels of three members with no more than two members belonging to the same political party, for the purpose of hearing and deciding cases before the Board
 - Provide that a member's appointment specifically for the term of the effective date of the bill through June 30, 2024
 - will not count as a term for purposes of the prohibition currently preventing a Board member from serving more than two consecutive terms

4. Employment Security Rate Table Changes

- Provides updated fund control table for the purpose of making solvency or credit adjustments to maintain the Employment Security Fund balance beginning in rate year 2022
- Replaces the current uniform solvency rate adjustments to the standard rate schedule with **six new solvency rate schedules** and **six new credit rate schedules** providing for *solvency and credit rating adjustments to be made **according to the experience rating of employers***
 - Trust fund replenishment is more evenly spread out and avoids disproportionately penalizing employers who use the fund the least
 - Provides **fair and proportional trust fund solvency/credit adjustments** for each and every rated employer

5. Notify Recipients of UI Benefits of Tax Liability

- Requires Secretary of Labor to inform a claimant of the federal and state tax consequences related to UI benefits on the initial determination of benefits notice
- Explanations of the following would be required:
 - KDOL income tax withholding agreement form K-BEN 233
 - Tax withholding elections
 - Tax withholding process and estimated weekly and maximum withholding amounts



6. UI Trust Fund Data Reporting

- Requires certain data related to the UI Trust Fund be published on website maintained by the Secretary
 - Most recent 20 fiscal years:
 - Distributions of taxable wages by experience factor for each fiscal year, to include:
 - Rate group
 - Reserve ratio lower limit
 - Number of accounts
 - Taxable wages
 - Summaries of active positive eligible, active ineligible, and active negative accounts
 - Average high-cost benefit (AHCB) rate summary data:
 - Average high-cost benefit rate in effect, and
 - Benefit cost rate for fiscal years used for AHCB

MEMO

Date: October 15, 2019

To: Angela Berland, Director
Labor Market Information Services

From: John Cahill, Chief Information Officer
Information Technology

Subject: Distribution of Taxable Wages by Experience Factor for State Fiscal Year 2019

I hereby certify these computations are correct and the data are as reported by employers subject to the provisions of the Kansas Employment Security Law.

Rate Group	Reserve Ratio (Lower Limit)	Number of Accounts	SFY 2019 Taxable Wages
1	0.18590	13,210	\$1,568,674,399
2	0.17875	1,746	\$334,800,150
3	0.17160	1,823	\$548,079,676
4	0.16445	2,315	\$657,191,668
5	0.15730	3,737	\$1,123,692,921
6	0.15015	2,775	\$1,206,966,293
7	0.14300	2,890	\$1,262,419,329
8	0.13585	3,129	\$1,343,779,754
9	0.12870	3,072	\$1,119,373,656
10	0.12155	3,170	\$1,141,655,825
11	0.11440	2,547	\$974,017,941
12	0.10725	2,869	\$826,218,336
13	0.10010	2,474	\$688,322,030
14	0.09295	2,016	\$448,601,037
15	0.08580	1,132	\$354,265,075
16	0.07865	1,541	\$269,686,805
17	0.07150	799	\$172,834,151
18	0.06435	709	\$164,443,572
19	0.05720	458	\$89,275,332
20	0.05005	495	\$51,863,379
21	0.04290	220	\$36,598,270
22	0.03575	198	\$46,051,413

Employer Tax Rates & Trust Fund Data

Current and Recent Taxable Wage Base

Current and Recent Weekly Benefit Amounts

Current and Recent Tax Rates by Industry

Trust Fund Data

H.B. 2196 requires the Secretary of Labor to publish certain certified data related to the UI Trust Fund on a publicly accessible website maintained by the Secretary. Below is a spreadsheet containing UI Trust Fund data for FY 2002 - FY 2021. At this time, data for FY 2002 - FY 2011 is incomplete. Updates to these numbers will be published once available.

UI Trust Fund Data FY 2002 - 2021

7. “My Re-Employment Plan” & Work Skills Training Services

- Require secretaries of Labor and Commerce to jointly establish and implement programs providing **re-employment and work skills training** services to UI benefit recipients
- Claimants receiving benefits for three continuous weeks, will be required to provide:
 - Resume
 - Work history
 - Skills list
 - Job Search Plan
- Requires secretaries of Labor & Commerce to jointly implement a work skills training or retraining program in collaboration w/ KANSASWORKS system
- Secretary of Labor report annually on status and progress of the reemployment services and work skills training programs to the House & Senate Commerce Committees during first month of each Legislative Session

K-BEN 960 (3-17) Page 1 of 2

My Reemployment Plan

WHO:
Claimant Name: _____ SSN: _____
Are you a member of a union hiring hall? If YES, **JUST PROVIDE** your Union Hiring Hall #, sign and return. # _____
Are you on a temporary layoff? If YES and your return date is within 4 weeks, **JUST PROVIDE** the date, sign and return. _____

WHY:
Studies show that workers who transition from layoff to their next job the fastest understand the importance of making themselves a good match for their next employer. Being a good match means understanding the interests, skills and values that you possess that will get you hired.

STOP FAILURE to return this form in seven (7) days will result in a DENIAL of BENEFITS and possible overpayment of benefits.

HOW:
☐ Online at: <http://careeronestop.org/Toolkit/Skills/skills-matcher.aspx>
☐ In person at the Workforce Center. Find your local office by calling (877) 509-6757 or go to www.kansasworks.com.

WHEN:
I will set aside 30 minutes in the next week to complete my skills assessment on:

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
a.m.	a.m.	a.m.	a.m.	a.m.	a.m.	a.m.
p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.

RESULTS:
I completed My Skills/My Future Assessment on (mm/dd/yyyy): _____
My top three skills are: _____ 2. _____ 3. _____
My top three jobs are: _____ 2. _____ 3. _____

To avoid interruption of unemployment benefits, return this form within seven (7) days. Both sides must be completed and returned.

MAIL: Unemployment Contact Center
P.O. Box 3539
Topeka, KS 66601-3539
FAX: (785) 296-3249

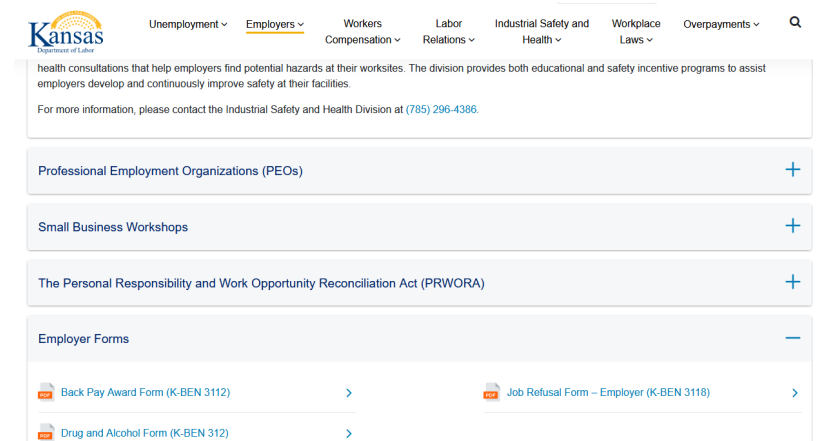
I certify that I have completed the self-assessment either online or at a Workforce Center and that falsifying this form can lead to substantial penalties.
Signature: _____ Date: _____
Keep a copy of your self-assessment. You will find it helpful in looking for work. You are now ready to make a Job Search Plan on page two.

8. Work Refusal Provisions

- Requires Secretary of Labor to develop procedures enabling employers to notify KDOL when a UI claimant **refuses to return to work** *OR* **refuses an offer of employment**
 - Upon receipt of notification, requires Secretary to determine if the offered employment is suitable, considering wages offered are comparable to claimant's recent employment, work duties correspond to claimant's education level and work experience, and wages offered are at least amount of claimant's max weekly UI benefits
- Requires Secretary, within **10 business days** of receiving work refusal notification from an employer, to notify claimant who refused work information:
 - A summary of the claimant's duties to accept suitable work;
 - A statement that claimant has been or may be disqualified from receiving benefits;
 - An explanation of what constitutes suitable work; and
 - Instructions for contesting a denial of claim based upon a report by an employer that the claimant has refused an offer of suitable work

Employers Can Report Job Seekers Who Refuse Job Offer

- Employers are in a very competitive market looking for employees with a 3.5% unemployment rate
- Requirement to maintain eligibility for UI benefits:
 - Perform three work search activities each week
 - At least two weekly work search activities (application OR resume submissions)
 - At least one other activity:
 - Additional job application(s)
 - Attendance at job fairs
 - Resume review courses
 - Workforce Center services
 - Browsing job posting websites, etc.
- **Refusing work can disqualify individuals** from unemployment insurance
 - Employers should report ALL job refusals



When/Who to Report? ALL Job Refusals Can be Reported

GETTING KANSANS BACK TO WORK: EMPLOYER GUIDANCE FOR HANDLING JOB REFUSALS

The U.S. Department of Labor (DOL) has released updated resources for employers, workers and states as businesses begin to reopen across the nation.

The DOL emphasized it will take the cooperation of employers, employees and state agencies to prevent unemployment fraud. Claimants should be educated on state requirements that failure to accept suitable work offers may lead to denial of unemployment benefits.

The Kansas Department of Labor (KDOL) states an individual is not eligible for unemployment benefits if they fail to accept suitable work without good cause if a *valid, bona fide offer* (must include acknowledgement from the claimant/job seeker) of work is made. Beginning May 13, 2021, KDOL is required by law (House Bill 2196) to investigate all reported job refusals *within 10 days*. The following considerations will be investigated:

- **Suitability:**
 - Skills
 - Training
 - Experience
 - Capabilities needed for the job
- **Labor Market Conditions:**
 - Prospects for work
 - Number of jobs available in their occupations or skills area, etc.
 - Job/working conditions

KDOL will investigate all reported job refusals

- if the job is determined to be suitable, KDOL will also investigate if they had good cause for refusing work;
 - availability issues such as illness, hospitalization, lack of childcare or transportation, etc. will disqualify an individual;
- if the job is determined to be suitable and the individual failed to accept the work without good cause, they may be disqualified for benefits.

No action can be taken and the claimant may continue to receive benefits if a refusal is not reported.

Kansas employers can report ALL job refusals with this form:



bit.ly/KSjobrefusal

9. Unemployment Rate Thresholds for Maximum Benefits

- Raises minimum threshold for receiving a maximum of 20 weeks of UI benefits from a 3-month seasonally adjusted average unemployment rate of 4.5% to 5.0% for weeks beginning September 5, 2021
 - Federal Reserve Defines Full Employment at 5.0% - 5.2%
 - Recent Kansas UI Rates:
 - Nov. 2020: 5.6%; Revised to 5.1%
 - Dec. 2020: 3.8%; Revised to 4.7%
 - Jan. 2021: 3.5%; Revised to 3.4%
 - Feb. 2021: 3.2%; Revised to 3.8%
 - Mar. 2021: 3.7%; No Revision
 - Apr. 2021: 3.5%; Revision TBD
 - May 2021: TBA on 06/18/21

Previous Statute:

- | | |
|------------------|----------|
| • <4.5%: | 16 weeks |
| • 4.5% to <6.0%: | 20 weeks |
| • =>6.0%: | 26 weeks |

New Statute:

- | | |
|------------------|----------|
| • <5.0%: | 16 weeks |
| • 5.0% to <6.0%: | 20 weeks |
| • =>6.0%: | 26 weeks |

10. Disqualification for Fraudulent/Misleading Statements

- Benefit Disqualifications:
 - First occurrence is shortened from five years to a **one year disqualification**
 - Second and future occurrences lead to a **five year disqualification**
 - Disqualification periods do not start until collection of overpayment, 25% penalty and interest
- Establishes a crime classified as a severity level 5 nonperson felony for any individual who makes fraudulent or misleading statements to obtain UI benefits if they meet the following criteria:
 - Failed to engage in employment as defined in statute;
 - Failed to perform any services for wages within the state not within the meaning of employment;
 - Made such fraudulent or misleading statements while purporting to be another individual without their consent; and
 - Communicated or caused to be communicated false statements or representations on 3 or more occasions during a 30-day period while purporting to be another individual without that individual's consent.

DISQUALIFIED



11. Employer Account Protections & Payment Certification

- Requires employers to be held harmless and not owe any amount to the State for:
 - Any paid claim reported as fraudulent to Sec. of Labor, unless claim determined to be legitimate
 - Any claim that has been improperly paid, as would be defined by the bill
- Requires Secretary of Labor to make immediate restitution to employers, without requiring a hearing or a request from the employer, as follows:
 - Credit account of any contributing, governmental rated, or reimbursing employer for any paid benefits determined to be due to fraud or improper payment between 3/15/20 – 12/31/22;
 - Forward Facing Provision: Refund “reimbursing employers,” who repay State for claims paid on their behalf, for any claim paid after 3/15/20, that is or is reported to be fraudulent by employer, unless determined to be otherwise by the Secretary
 - Look Back Provision: After reviewing all reimbursing employer accounts, apply credits for any unrecovered charges for fraudulent or erroneously paid claims
- For purposes of both restitution and indemnification:
 - Any determination w/ respect to legitimacy of a claim is subject to appeal; and
 - No time limit to dispute a fraudulent claim or related appeals for benefits paid between 3/15/20 and 12/31/22
 - “Improper payments” defined as any payment that, according to legally applicable requirements, should not have been made or was in the incorrect amount.



12. Federal Relief Aid Transfers

- Provides for lesser of an aggregate of **\$500M** or max amount available, as determined by the Director of the Budget, to be transferred from special revenue funds to the Employment Security Fund during **FY 2021 (\$250M)** and **FY 2022 (\$250M)**
 - Total amount to include:
 - Fraud/Improper payments identified by the new Kansas Unemployment Insurance Modernization and Improvement Council Audit (3/15/20-3/31/22)
 - Fraud/Improper payments between 4/1/22 and 12/31/22
 - Transfers made up of moneys identified by Director of the Budget to be unencumbered coronavirus relief funds that may be spent at discretion of the State & provided by federal legislation enacted in response to COVID-19
 - In the event the transfers of federal coronavirus relief funds to the Employment Security Fund are not made, the bill would stipulate contributing employers would pay contributions as set forth in the standard rate schedule for rate year 2022 and 2023, and no solvency credit or adjustment would apply

13. Annual KS UI Trust Fund Projections Report



- Three Years of Reporting
 - Calendar Years 2022 – 2024
 - To House & Senate Commerce Committees
- Reporting Requirements:
 - Actual & Projected Amount of UI Claims
 - Actual & Projected Employer Contributions
 - Actual & Projected UI Trust Fund Balance

14. Federal UI Program Restrictions



- Specifies that any federal UI program established in response to a pandemic is not to be continued using state contributions after the federal program ends

15. Shared Work Program Modifications



- Requires Secretary of Labor to create and manage a promotional campaign for the Shared Work Program
 - Includes educational communications with other state agencies and stakeholders, including Governor's office, legislators, workforce investment boards, labor unions, and local, regional, or state chambers of commerce
- Eligibility of employees to participate in the program would be expanded from those whose hours of work are reduced by 20 to 40 percent of normal weekly hours to those whose hours of work are reduced by **10 to 50 percent of normal weekly hours**
- **Permits negative account employers (N1-N11) to be approved for the Program if their most recent calculated reserve ratio has improved from the previous reporting year's reserve ratio**
- Clarifies eligibility for UI benefits pursuant to a Program agreement would not be conditioned upon work search or work availability limitations otherwise generally required of UI benefit recipients

16. ID Verification - Law Enforcement Agency Partnership

Home > Unemployment > Report Fraud > Law Enforcement Identity Verification

Identity Verification for Law Enforcement Officers

Download the Identity Verification form and submit to the online portal.

[DOWNLOAD FORM](#)

Expand All

- Overview
- Identity Verification for LEOs Frequently Asked Questions
- Participating Law Enforcement Agencies**

**38 Law Enforcement Agencies
participating as of 6/9/21**

KANSAS DEPARTMENT OF LABOR
www.dol.ks.gov

IDENTITY VERIFICATION –LAW ENFORCEMENT OFFICE

K-FRD 102 (4-21)

Information collected on this form is for identification of a claimant for unemployment compensation benefits. Once completed this form is confidential pursuant to K.S.A. 44-714(e) and K.A.R. 50-4-2. Unauthorized disclosure of the completed form may result in civil and criminal penalties.

Section A (completed by claimant applying for unemployment compensation benefits):

Name: _____ Social Security number: _____
Address: _____ City: _____ State: _____ ZIP: _____
Date of Birth: _____ Phone: _____ Email: _____

Section B (completed by Law Enforcement Officer of a Kansas law enforcement agency that has jurisdiction over the location of the claimant's residence or last known place of employment in Kansas, or if all Kansas law enforcement agencies having jurisdiction over those locations have declined to participate, then by a participating law enforcement agency and the Secretary of Labor approves such submission from such law enforcement agency):

I, _____ attest that the individual identified above provided me with the following forms of identification and have checked the boxes for each. NOTE: An individual must provide one or two of the forms below based on the federal [Form I-9 requirements](#) (See page 3); all documents must be unexpired:

- ☐ Driver's license or identification card issued by a state or outlying territory of the U.S., provided it contains a photograph or information including information such as name, address, date of birth, gender, height and eye color.
- ☐ I.D. card issued by federal, state or local government agencies or entities, provided it contains a photograph or information including information such as name, address, date of birth, gender, height and eye color.
- ☐ School I.D. with photograph
- ☐ U.S. Military or draft record
- ☐ U.S. Passport or U.S. Passport Card
- ☐ Voter registration card
- ☐ Military dependent's I.D. card
- ☐ Permanent Resident card
- ☐ Native American Tribal document
- ☐ U.S. Coast Guard Merchant Mariner Document (MMD) card
- ☐ Driver's license issued by a Canadian government authority

Acceptable documents for individuals **under the age of 18** who are unable to present a document listed above:

- ☐ School record or report card
- ☐ Clinic, doctor or hospital record
- ☐ Day care or nursery school record

For minors under the age of 18 and certain individuals with disabilities who are unable to produce any of the listed identity documents, special notations may be used in place of a List B document of the I-9 form. A complete list of acceptable documentation can be found at: <https://www.uscis.gov/i-9-central/form-i-9-acceptable-documents>

Section C - Benefit Payment Information

- ☐ Debit Card sent to the above address

☐ Direct Deposit
Bank Routing no. _____
Acct. no. _____

Routing Number: 123456789 Account Number: 123456789123 Check Number: 0001

Claimant Certification: I certify that the information I have provided is correct and complete, and I understand the willful or intentional misrepresentation or failure to disclose a material fact is punishable under the Kansas Employment Security Law and any other penalties available under state and federal law.

Printed name: _____ Signature: _____ Date: _____

LEO Certification:

Printed name: _____ Title: _____

Signature: _____ Date: _____

Phone Number: _____ Email: _____

ORI Number: _____ Law Enforcement Agency Name: _____

Additional Provisions in HB 2196

17. Clarifies that individuals of identity theft are not liable for fraudulent UI claims made using their stolen identity
18. Amends a provision of the Employment Security Law pertaining to the quarterly reporting of tax and wage data
 - Under current law, professional employer organizations, or independent businesses that provide leased employees to a client, are prohibited from including a client company's owners and officers in the same UI quarterly report as that company's employees
 - The bill removes the prohibition
19. Revises the Employment Security Law by excluding from the definition of "employment" contractual services performed by a petroleum landman
 - Such services are defined to include mineral rights management and negotiations, development of minerals, research of public and private property records, and title work. For purposes of the bill, "minerals" includes oil, natural gas, or petroleum
 - Such services are not to include services performed for 501(c)(3) organizations exempt from federal income taxation
20. Requires KDOL and the Department for Children and Families (DCF) to enter into a memorandum of understanding to provide for the transfer of information between agencies providing that, upon notification that a UI claimant has become employed, the Secretary of Labor shall notify DCF to determine the UI claimant's eligibility for state or federal benefits provided or facilitated by DCF

Additional Provisions in HB 2196

21. Provides if the contributions collected from negative account balance employers and paid into the Employment Security Interest Assessment Fund for the purpose of paying interest on unemployment advances provided by the federal government exceed the amount of interest owed, any excess amount shall be transferred to the Employment Security Trust Fund.
 - The bill prohibits any expenditures from the Employment Security Interest Assessment Fund other than the payment of principal and interest on such advances from the federal government.
22. The bill requires the Department of Labor to develop a form for claimants to establish their identity before a Kansas law enforcement officer.
 - The form is limited to one page in length and the Secretary of Labor shall use those forms of identification identified by the I-9 list.
 - The completion of the form and submission by the law enforcement agency require the Secretary to presume the claimant's identity has been confirmed for purposes of UI law.
 - Law enforcement officers, agencies, and the state or any political subdivision of the state receive immunity from civil or criminal liability related to the use of the form if the officer acts in good faith and exercises due care.

2021 Kansas UI Updates & Consolidated Resources

UI FRAUD RESOURCES

- ⏪ KDOL Homepage
- ⏪ KS UI Fraud Reporting
- ⏪ KS LEA ID Verification
- ⏪ USDOL UI Fraud
- ⏪ USDOL ID Theft
- ⏪ FTC ID Theft
- ⏪ IRS Emp.-Rel. Theft
- ⏪ IRS ID Theft Tools
- ⏪ Free Credit Report
- ⏪ *my*SocialSecurity

KS UI INFORMATION

- KS Self-Service Portal ⏩
- My ReEmployment ⏩
- Employee UI FAQ ⏩
- Employer UI FAQ ⏩
- Employer Help Desk ⏩
- KS Job Refusals Guide ⏩
- Shared Work Program ⏩
- Tax Rates/Trust Fund ⏩
- UI Weekly Review ⏩
- US Borrowing Summ. ⏩

<https://www.the-arnold-group.com/KSUlupdate/>

Questions / Comments?



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