

Kansas Administrative Regulations

Department of Labor—Division of Employment

Article 2.—Unemployment Insurance; Contributing, Reimbursing and Rated Governmental Employment

50-2-23. Payments under employers' plans on account of sickness or accident disability.

(a) Payment by third parties.

(1) Any third party making a payment on account of sickness or accident disability when the payment is not excluded from the term "wages" under paragraph (2) of K.S.A. 44-703(o) shall be treated as the employer with respect to the wages, unless the third party promptly notifies the employer for whom the services are normally rendered of the amount of wages paid. Thereafter, the employer, and not the third party, shall be required to report and pay the contributions due with respect to the wages. The written notice shall be provided by the third party promptly following the end of each calendar quarter so the employer for whom services are normally rendered may report the wages and pay contributions when due each quarter. The written notice shall contain the following information:

(A) The name of the employee paid sick pay; and

(B) The social security account number of the employee paid the sick pay; and

(C) The total amount of sick pay paid to the employee during the calendar quarter.

(2) A third party making a payment on account of sickness or accident disability to an employee as an agent for the employer or making such a payment directly to the employer shall not be treated as the employer under paragraph (1) with respect to the payment unless the agreement between the third party and the employer so provides. The third party shall not be considered an agent of the employer if the third party bears an insurance risk. If the third party bears no insurance risk and is reimbursed on a cost plus fee basis, the third party shall be considered an agent of the employer whether or not the third party is responsible for making determinations regarding the eligibility of the employer's individual employees for payments. If the third party is paid an insurance

premium and is not reimbursed on a cost plus fee basis, the third party shall not be considered an agent of the employer, and shall be treated as the employer as provided in paragraph (1).

(b) Special rules.

(1) For the purposes of paragraph (1) of subsection (a), the last employer for whom the employee worked prior to becoming sick or disabled or for whom the employee was working at the time the employee became sick or disabled shall be deemed to be the employer for whom services are normally rendered, if the employer made contributions on behalf of the employee to the plan or system under which the employee is being paid.

(2) For purposes of subsection (a), when payments on account of sickness or accident disability are made to employees by a third party insurer pursuant to a contract of insurance with a multi-employer plan which is obligated to make payments on account of sickness or accident disability to the employees pursuant to a collective bargaining agreement, and if the third party insurer making the payments complies with the requirements of paragraph (1) of subsection (a) and notifies the plan of the amount of wages paid each employee within the time required for notification of the employer, then the plan, not the third party insurer, shall be required to report and pay the contributions due with respect to the wages. If the plan notifies the employer for whom services are normally rendered of the amount of wages paid each employee within six business days of receipt of the notification, the employer, not the plan, shall be required to report and pay the contributions due with respect to the wages.

(Authorized by K.S.A. 44-714 as amended by L. 1986, Ch. 191, Sec. 4; implementing K.S.A. 1985 Supp. 44-703, as amended by L. 1986, Ch. 190, Sec. 1; effective, T-87-40, Dec. 8, 1986; effective May 1, 1987.)

***** Authenticated Kansas Administrative Regulation *****