



EDUCATION and WORKFORCE DEVELOPMENT CABINET
OFFICE OF EMPLOYMENT AND TRAINING

Steven L. Beshear
Governor

Tax Enforcement Branch
275 East Main Street, 2-EH
Frankfort, KY 40621
502-564-2272
Fax 502-564-5442
[HTTPS://KEWES.KY.GOV](https://KEWES.KY.GOV)

Beth A. Brinly
Commissioner

Thomas O. Zawacki
Secretary

Buddy Hoskinson
Executive Director

Dear Kentucky Agricultural Employer:

Under Kentucky law (KRS 341.050), agricultural businesses are liable to pay unemployment insurance tax if either:

- (1) The employing unit paid wages of twenty thousand dollars (\$20,000) or more in a calendar quarter in either the current or preceding year for service performed in agricultural labor; or
- (2) The employing unit employed for some portion of a day in each of twenty (20) different calendar weeks, whether or not such weeks are consecutive, ten (10) or more workers (irrespective of whether the same workers were in employment in each of such weeks) performing service in agricultural labor.

To summarize: agricultural employers that have paid \$20,000 in total gross wages in a calendar quarter OR have for one day or more in twenty different calendar weeks had at least ten workers are liable to pay Unemployment Insurance taxes.

H2A and H2B workers should be counted along with all regular employees and legal alien workers toward the ten (10) employees in section (2). Wages paid to legal alien workers (green card, work visas, etc.) are covered by unemployment insurance, which means taxes should be paid on their wages. Wages paid to H2A and H2B workers are not covered and taxes do not need to be paid on their wages.

If you have any questions, do not hesitate to call our office at the number listed below.

Thank you for your cooperation.

Employer Status Section
UI Tax Enforcement Branch
Division of Unemployment Insurance
Office of Employment and Training
P O Box 948
Frankfort KY 40602-0948
(502) 564-2272
FAX (502) 564-5442





Publication 51 - Main Content

10. Federal Unemployment (FUTA) Tax

The Federal Unemployment Tax Act (FUTA), with state unemployment systems, provides for payments of unemployment compensation to workers who have lost their jobs. Most employers pay both a federal and a state unemployment tax. For a list of state unemployment agencies, visit the U.S. Department of Labor's website at www.workforcesecurity.doleta.gov/unemploy/agencies.asp. Only the employer pays FUTA tax; it is not withheld from the employees' wages. For more information, see the Instructions for Form 940.

For 2014, you must file Form 940, if you:

- Paid cash wages of \$20,000 or more to farmworkers in any calendar quarter in 2013 or 2014, or
- Employed 10 or more farmworkers during at least some part of a day (whether or not at the same time) during any 20 or more different weeks in 2013 or 20 or more different weeks in 2014.

To determine whether you meet either test above, you must count wages paid to aliens admitted on a temporary basis to the United States to perform farmwork, also known as "H-2A" visa workers. However, wages paid to "H-2A" visa workers are not subject to the FUTA tax.

Generally, farmworkers supplied by a **crew leader** are considered employees of the farm operator for purposes of the FUTA tax unless (a) the crew leader is registered under the Migrant and Seasonal Agricultural Worker Protection Act, or (b) substantially all of the workers supplied by the crew leader operate or maintain tractors, harvesting or crop-dusting machines, or other machines provided by the crew leader. Therefore, if (a) or (b) applies, the farmworkers are generally employees of the crew leader.

You must deposit FUTA tax by electronic funds transfer. The deposit rules for FUTA tax are different from those for income, social security, and Medicare taxes. See [Deposit rules for FUTA tax](#), later in this section.

FUTA tax rate. The FUTA tax rate is 6.0% for 2014. The tax applies to the first \$7,000 you pay to each employee as wages during the year. The \$7,000 is the federal wage base. Your state wage base may be different. Generally, you can take a credit against your FUTA tax for amounts you paid into state unemployment funds. The credit may be as much as 5.4% of wages subject to FUTA tax. If you are entitled to the maximum 5.4% credit, the FUTA tax rate after credit is 0.6%. You are entitled to the maximum credit if you paid your state unemployment taxes in full, on time, and on all the same wages as are subject to FUTA tax, and as long as the state is not determined to be a credit reduction state. See the Instructions for Form 940 to determine the credit.

In some states, the wages subject to state unemployment tax are the same as the wages subject to FUTA tax. However, certain states exclude some types of wages from state unemployment tax, even though they are subject to FUTA tax (for example, wages paid to corporate officers, certain payments of sick pay by unions, and certain fringe benefits). In such a case, you may be required to deposit more than 0.6% FUTA tax on those wages. See the Instructions for Form 940 for further guidance.

Successor employer. If you have acquired a business from someone else, you may be able to claim a special credit as a successor employer. See the Instructions for Form 940.

Deposit rules for FUTA tax. Generally, deposit FUTA tax quarterly. To figure your FUTA tax, multiply .006 times the amount of wages paid to each employee during the quarter. This amount may need to be adjusted, however, depending on your entitlement to the credit for state unemployment contributions. See the Instructions for Form 940. When an employee's wages reach \$7,000, do not figure any additional FUTA tax for that employee. If the FUTA tax for the quarter (plus any undeposited FUTA tax from prior quarters) is more than \$500, deposit the FUTA tax by electronic funds transfer as explained in [section 7](#), by the last day of the month following the end of the quarter. If the amount is \$500 or less, you do not have to deposit it, but you must add it to the amount of tax for the next quarter to determine whether a deposit is required for that quarter.

If your liability for the fourth quarter (plus any undeposited amount from any earlier quarter) is over \$500, deposit the entire amount by the due date of Form 940 (January 31). If it is \$500 or less, you can make a deposit, pay the tax

APPLICATION FOR UNEMPLOYMENT INSURANCE
EMPLOYER RESERVE ACCOUNT

UI-1 (R. 3/05)

PART I - IDENTIFICATION AND TYPE OF EMPLOYMENT: To be completed by all employers

1. Business Name & Mailing Address: _____
 Legal Entity Name _____
 Business Name _____
 Address _____
 Address _____
 Address _____
 City _____ State _____ Zip Code _____
2. Telephone Number: (____) _____
 Fax Number: (____) _____
 E-Mail: _____
3. Federal Employer Identification Number: _____
4. If you have previously been assigned a Kentucky Employer Identification Number by this Division, enter it here: _____

5. Check type of employment and complete the remainder of the form as indicated:

- New Business Employer - Parts II and III
 Domestic Employer - Parts II and IV
 Agricultural Employer - Parts II and V
 Acquired all or part of an existing business - Parts II and VI
- New 501(c)(3) Non-Profit Employer - Part I Only*
 Governmental Entity - Part I Only*
 * Form UI-1S will be sent to you upon return of this form.
- Resumed Employment - Part II
 Enter Date Employment Resumed _____

PART II - GENERAL INFORMATION

6. Describe MAJOR Business Activity IN KENTUCKY (BE SPECIFIC)
- (a) Retail Trade (Product) _____ (g) Agricultural (Type) _____
 (b) Service (Type) _____ (h) Wholesale Trade (Product) _____
 (c) Construction (Type) _____ (i) Manufacturing (Product) _____
 Residential Non-residential (j) Mining (Product) _____
 _____ (k) Other (Explain) _____
 (d) Information/Publishing/Broadcasting/Internet _____
 (e) Finance/Insurance/Real Estate (Product) _____
 (f) Transportation/Communication/Utilities (Type) _____
7. Is this establishment primarily engaged in performing services for other units or locations for this company? YES NO
 If "YES", indicate the nature of activity of this establishment:
 (a) Central Administrative Office (c) Storage (warehouse)
 (b) Research, development or testing (d) Other (specify) _____
8. Identification of Owner, Partners (General or Limited), Corporate Officers, Members, etc. (Attach additional sheet if necessary)

SOCIAL SECURITY #	FIRST NAME	M.I.	LAST NAME	TITLE	TELEPHONE #	RESIDENCE ADDRESS

- 8a. Does this business share substantially common ownership, management or control (including common parent company) with any business currently or previously operating in Kentucky? Yes. If yes, provide name, address and Kentucky Employer ID Number (if known) below. No

9. Name, Mailing Address and Telephone Number of person with payroll records (if different from above): _____

10. Type of Organization: Sole Proprietorship Partnership Corporation LLC* Other

* LLCs only: Have you elected treatment as an S-corporation for federal tax purposes? YES NO

11. Provide the following information for each establishment or location in Kentucky:

Physical Location of Business in Kentucky (Street, City, Zip Code) If none, provide the worksite or home address of employee in Kentucky. An account cannot be established unless work is performed in Kentucky.

County	No. of Workers

Check here if you wish to file a separate wage and tax report for each location.

12. Prior to beginning employment in Kentucky, were you subject in the current or preceding year under the unemployment compensation law of any other state? YES NO If "YES", what State: _____

PART III - NEW BUSINESS EMPLOYMENT (Do not include agricultural or domestic employment.) (INCLUDE CORPORATE OFFICERS.)

13. Do you have a quarterly payroll of at least \$1,500.00? YES NO
 If "YES" in what month and year did this first occur? Month _____ Year _____
14. Do you employ at least one worker in 20 different calendar weeks during a calendar year? YES NO
 If "YES" in what month and year did the 20th week occur? Month _____ Year _____
- If you answered "NO" to both #13 and #14, stop here. File this form only when you meet one of these requirements. If "YES" to either, proceed.
15. Date on which you first employed a worker in Kentucky (month, day, year): _____
16. Date you first paid wages in Kentucky (month, day, year): _____

Signature: I hereby affirm that I am authorized to sign this report on behalf of the indicated employer, and further affirm that the information provided herein is complete and accurate to the best of my knowledge. I understand that I may be subject to the full penalty of the law for knowingly making a false statement. (KRS 341.990)

SIGNATURE

TITLE

DATE

EMPLOYER'S QUARTERLY UNEMPLOYMENT TAX WORKSHEET

Keep top portion for your records.

DO NOT STAPLE OR PAPERCLIP ADDITIONAL PAGES TOGETHER OR ATTACH ANYTHING TO REPORT. ENCLOSE ADDITIONAL WAGE PAGES WITH REPORT.

1. Enter total gross wages from line 1 on reverse (enter here and on line 1 of the report)
2. Enter excess wages (over taxable wage base per worker per year; see table on reverse side) for this quarter. (enter here and on line 2 of the report) **Line 2 can never exceed line 1.**
3. Subtract line 2 from line 1 (enter here and on line 3 of the report)
4. Multiply line 3 by your tax rate of _____ % (_____). This is the only portion of your payment which is reportable to the IRS on your 940 Federal Unemployment Tax Return (enter here and on line 4 of the report)
5. Multiply line 3 by your surcharge rate of **0.22** % (**0.0022**). (enter here and on line 5 of your report)
6. If this report will be mailed after the due date of _____, add line 4 & 5 and multiply by 1.5% (.015) interest for each month or fraction of a month past due (enter here and on line 6 of the report) +
7. If this report will be mailed after the due date of _____, include penalty as follows:
\$25 mailed on or after _____ \$75 mailed on or after _____ . Add an additional \$100 if another report has been late this calendar year (enter here and on line 7 of the report) +
8. Add prior amount due or subtract overpayment
9. Total amount due (add lines 4,5, 6 and 7, and add or subtract line 8) (enter here and on line 9 of the report)

If there has been a change in the status of your account, complete below, cut to separate from worksheet, and return.

UI-3.2 (R.5/2011)

ACCOUNT STATUS INFORMATION

KEIN	Name
<input type="checkbox"/> Request for cancellation (date business closed) _____	
<input type="checkbox"/> Request for inactive status (date of last employment) _____	
<input type="checkbox"/> Change location address to: _____ Street _____ City _____ State _____ ZIP code _____	
<input type="checkbox"/> Change mailing address to: _____ Street _____ City _____ State _____ ZIP code _____	

Change of business name - Name change only

Form UI21, Report Change in Ownership or Discontinuance of Business in Whole or Part, is available online @ <http://oet.ky.gov>

Please mail Form UI21, Report Change in Ownership or Discontinuance of Business in Whole or Part, upon receipt of this UI3.

Types of Ownership Changes Requiring Form UI-21:

Individual to Partnership	Partnership to Corporation	Corporation to Corporation
Individual to Corporation	Partnership to Partnership	Corporation to LLC or LLP
Individual to Individual	Partnership to Individual	Corporation to Partnership
Individual to LLC or LLP	Partnership to LLC or LLP	Corporation to Individual

The statements indicated are hereby certified to be correct to the best knowledge and belief of the undersigned who is duly authorized to sign this report.

Signature Date

Detach report and submit with payment on or before the due date. Make check payable to Treasurer, Kentucky Unemployment Insurance Fund.

Employer's Quarterly Unemployment Wage and Tax Report

UI-3

Number of Employees

How many workers earned wages in the pay period including the 12th of each month?

KEIN	Rate	1 ST Mo.	<table border="1" style="width: 100%; height: 100%; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td></tr> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td></tr> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td></tr> </table>						
FEIN		2 ND Mo.							
Qtr/Yr		3 RD Mo.							
Due Date									

	Dollars	Cents
1. Gross Wages		
2. Excess Wages		
3. Taxable Wages		
4. Tax Due		
5. Surcharge		
6. Interest Due		
7. Penalty Due		
8. Prior Amount Due or Overpayment		
9. Total Amount Due		

UI39913

Division of Unemployment Insurance
P.O. Box 2003
Frankfort, KY 40602-2003

