The Commonwealth of Kentucky

Kentucky Unemployment Insurance Portal (KUIP) Employer and Third-Party Administrator (TPA) Frequently Asked Questions

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This document answers frequently asked questions about KUIP and the Unemployment Insurance (UI) system modernization project. It will be regularly updated to reflect new questions and feedback, maintaining its relevance and accuracy.

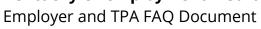If you have a question that is not addressed in this document, please submit here.

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General KUIP Questions

1. **What is the Kentucky Unemployment Insurance Portal (KUIP) Project?**
   KUIP is a modernization initiative to replace Kentucky's outdated UI system with a more efficient, accurate and user-friendly platform.

2. **What will the new UI system do?**
   The new UI system will make it easier to keep up with legislative and policy changes, empower claimants with modern claim management tools, help employers and TPAs to better oversee accounts, and streamline daily tasks for all users.

3. **What is the timeline for the implementation of the new UI system, and what are the key milestones?**
   The new UI system is expected to be fully implemented by 2028, with two main phases: the Tax Phase and the Benefits and Appeals Phase. The Tax Phase, scheduled to launch in 2026, focuses on allowing employers and TPAs to easily understand their assigned rates, make payments, and manage accounts. The Benefits and Appeals Phase, scheduled to deploy in 2028, empowers Kentuckians to submit claims, review payments, appeal decisions, and get UI payments quickly.

4. **What measures are being taken to make the new UI system more user-friendly?**
   The new UI system is being designed to make it easier for everyone to use. It will feature easier navigation, streamlined processes and helpful tips for users.

Wage Reporting Questions

Wage Adjustments and Authorizations

1. **Will employers and TPAs be able to perform wage adjustments in the new UI system?**

   Yes, employers and TPAs will be able to adjust previously submitted wage reports in the new UI system, which will automatically recalculate the amounts due. They also will be able to claim out-of-state wage credits on their own by using new self-service tools.

2. **Will two TPAs be able to report wages for the same employer in the same quarter?**

   No, only one TPA will be able to report wages for a specific unit or location per quarter. However, employers will be able to authorize multiple TPAs for different functions (i.e., wage submission, payments or responding to claims) during the same period. Alternatively, employers may authorize the same function for multiple TPAs over different periods.

3. **If only one TPA will be able to submit wages per quarter, how will incorrect submissions by a previous TPA handled?**

   Employers can set start and end dates for TPA authorizations so TPAs will only be able to submit wages for the authorized time period. If a TPA submits wages in error, the employer must update the authorization to designate the correct TPA for the period in question.

4. **Will a second wage submission override or adjust a first wage submission?**

   If a wage report has already been submitted, the new UI system will prompt the user to either override the previous report or add to the original report when submitting a second report.

Wage Report Uploads and File Processing

5. **Will employers and TPAs be able to see who submitted reports or payments?**

   Yes, the *Wage Submission History* and *Payment Search* screens will show which user submitted each wage report or payment.

Wage Calculations and Tax Information

6. **Will TPAs be able to see gross wages, excess wages, and taxable wages for each employer?**

   Yes. After entering gross wages, the new UI system will calculate excess and taxable wages automatically.

7. **Will TPAs be able to see taxable wages calculated for each individual employee to identify discrepancies?**

   Yes, TPAs will be able to view excess wages for each employee on the *Wage Detail History* screen, allowing them to compare taxable wage calculations between their system and Kentucky's new UI system.

8. **Will TPAs be able to see tax rates for individual employers?**

   Yes, TPAs will be able to view and download rate files listing all their employers and respective tax rates.

9. **How will excess wages be calculated for reimbursable employers in the new system?**

   All gross wages reported for reimbursable employers will be considered excess wages because none of the gross wages reported will be taxable.

Out-of-State Wages

10. **Will TPAs have to manually enter out-of-state wages or taxes for employers?**

    Yes, TPAs will need to manually enter taxable wages paid out-of-state to obtain credits. Credits will be applied immediately upon submission.

11. **Will out-of-state wage amounts be included in wage reporting uploads?**
    Yes, employers and TPAs will report out-of-state wages via file upload in the new UI system.

12. **Will out-of-state wage reporting be used for real-time taxable wage calculations?**
    Yes.

13. **Will the out-of-state wage field be required when reporting wages?**
    No.

Error Handling and File Validation

14. **Will employers and TPAs see all errors in a file they upload, instead of handling them in batches?**
    Yes, all errors in an uploaded wage file will be displayed. Wage files with error rates exceeding 20% will be rejected.

15. **If there is an error in one file, will the entire file error out? What will the threshold be for a file to error out?**
    No, the new UI system will only reject a file if 20% or more of its records contain errors, or if there is a fatal error. If fewer than 20% of the records have errors, the file will be accepted and can be uploaded. If a fatal error is detected, the entire file will be rejected and will not be uploaded.

16. **Will the error percentage be calculated based on a set number of errors within the file?**
    Yes, the error percentage will be based on the number of records with errors compared to the total number of records in the file. Files with more than 20% errors will not be uploaded.

17. **Will ELC publish examples of hard and soft errors before the new UI system goes live?**
    Yes, ELC will provide examples of hard (i.e. fatal) and soft errors (i.e., non-fatal) in the ICESA (Interstate Conference of Employment Security Agencies) and Delimited File Format Reference Guides that will be shared with employers and TPAs before the new UI system goes live.

File Formats and Uploads

18. **Will the format of the upload file change?**
    Yes, the new UI system will use a leaner ICESA file format or a Delimited CSV file format for wage reporting. ICESA and Delimited File Format Reference Guides will be shared with employers and TPAs before the new UI system goes live.

19. **Will Social Security Number corrections be allowed for past returns?**
    Yes.

20. **Will the new wage file allow for zero-wage reports to be filed?**
    Yes, TPAs will be able to upload a bulk zero-wage report file for applicable employers. Zero-wage reports will be filed in a separate location from non-zero wage reports in the new UI system.

Reporting and Reconciliation

21. **Will a report be available after filing that TPAs can use as a reconciliation tool for current quarter filings and payments?**
    Yes, TPAs will be able to view and download payment distribution files corresponding to bulk wage filings as a reconciliation tool for current quarter filings and payments.

22. **Will employers be able to file a report on the same day they register an account, even if it's the last day of a reporting month?**
    Yes, employers will receive their account number immediately after registering and will be able to file a report right away, even on the last day of a reporting month.

Payments Questions

Payment Scheduling and Methods

1. **Will employers and TPAs be able to schedule payments?**
   Yes, employers and TPAs will be able to schedule payments up to the payment due date in the new UI system.

2. **Will ACH (Automated Clearinghouse) credit be a payment option?**
   Yes, the new UI system will offer ACH credit in addition to ACH debit and credit card payment options.

3. **Will ACH debit be a bulk e-file option?**
   Yes, employers and TPAs will be able to make bulk electronic payments using ACH debit.

4. **Will reimbursable employers be able to make payments online?**
   Yes, reimbursable employers will be able to make payments online using ACH debit and credit card.

5. **Will ACH payments need to be submitted in one lump sum?**
   No, while the new UI system will allow TPAs to make a single-bulk payment for multiple employers, bulk payment will not be required. TPAs will also be able to make individual payments for each employer.

Bulk Payments and File Uploads

6. **Will TPAs be able to process payments by an individual employer in a bulk upload?**
   Yes, TPAs will be able to make bulk payments electronically for multiple employers.

7. **Will TPAs be limited to 50 taxpayers in a file to make a bulk payment?**
   No, there will be no limit on the number of taxpayers in a bulk payment file in the new UI system.

8. **If TPAs upload 50 or more taxpayers in one file, will the new UI system provide a breakdown of payments by taxpayer before submitting the payment?**
Yes, the new UI system will allow TPAs to view and download payment distribution files corresponding to the bulk wage filing before submitting payment.

9. **Will TPAs be able to see the amount due by individual employers to balance the payment?**
Yes.

Refunds and Payment History

10. **Will employers and TPAs be able to request refunds in the new UI system?**
Yes, employers and TPAs will be able to request refunds. Refunds will be issued via check from eMARS (Kentucky's state refund system) and made payable to the employer on record. Electronic refunds will not be available due to state accounting system limitations.

11. **Will employers be able to view their payment history and how their payments are applied?**
Yes, employers will be able to view payment history and payment application details within their account on the *Transaction Summary* screen. They will also be able to view outstanding debts, credits, and a history of how each payment was applied.

IRS Notices and Recertification

12. **Will TPAs be able to view and receive recertification letters to send to the IRS in case of a 940 notice?**
Yes.

Amendments and Adjustments

13. **Will amendments be made via bulk upload, or must they be manually entered?**
Employers and TPAs will be able to use bulk uploads for amendments.

14. **Will amended returns be available in the new UI system?**

    Yes, employers and authorized TPAs will be able to make amendments to previously reported wages in the new UI system.

TPA Authorization Questions

TPA Authorization Process

1. **Will employers be required to authorize TPAs?**
   Yes, employers will be required to authorize TPAs in the new UI system. To facilitate this process, TPAs will be able to initiate authorization requests to employers.

2. **Will there be changes to the Power of Attorney (POA) process for assigning TPAs?**
   Yes, the POA requirement will be eliminated. Employers will be able to log in and authorize TPAs for specific functions, and TPAs will be able to request authorization from employers. Before the new system launches, the Education and Labor Cabinet (ELC) will allow large TPAs (representing 100 or more employers) to submit a file of current employers for a one-time authorization.

3. **Will TPAs and employers be able to view the same information on an employer account?**
   No, TPAs will only have access to information and activities the employer has specifically authorized (i.e., wage reporting, tax payments, etc.).

4. **Will there be multiple TPA Accounts for one bulk filer?**
   No, only one TPA account (i.e., TPA ID) will be created per TPA with a unique Federal Employer Identification Number (FEIN). Each TPA account can have secondary users managed by a TPA administrator.

5. **Will different TPA users have different access levels (i.e., one with full access, one with view-only)?**
   No, if an employer authorizes a TPA account for a specified function, all users linked to that TPA ID will be able to perform that function.

6. **Will multiple TPAs have the same role for an employer?**
   No, each role will be assigned to only one TPA at a time. Employers will be able to authorize multiple TPAs for different functions during the same period, or the same function for different periods, but only one TPA will be able to report wages for a given quarter for a specific unit or location.

Employer and TPA Account Setup

7. **What actions will employers need to take to set up an account?**
   Employers will have to create a user account in the new UI system and link it to their existing business account, which will be converted from the old UI system. Employers will be able to set up their login and password (and reset their login and password, if needed). The employer's Account Administrator will be able to create secondary users and authorize TPAs. More details on the process for setting up an employer account will be provided before the new UI system goes live.

8. **Will TPAs be able to close accounts online?**
   Yes, TPAs will be able to inactivate an employer account if given access to that function by the employer.

9. **Will login information from the legacy UI system roll over?**
   No, login information from the old UI system will not roll over. Employers will need to set up their user account by creating a new login and password. Details on the process for setting up user accounts will be provided before the new UI system goes live.

10. **Will employers set up their accounts online?**
    Yes, registration and account creation will be fully online; paper registration will no longer be available.

11. **Will employers be notified if an auditor registers an account on their behalf?**
    Yes, employers will receive a notification if an auditor registers an account on their behalf. The employer must then create a user account to access the account.

12. **Will employers be able to reset their own passwords?**
    Yes, employers will be able to reset passwords using self-service with multi-factor authentication (MFA). OUI staff will not have access to employer passwords.

13. **Will TPAs be able to complete the registration process for employers?**
No, employers will be required to establish their own accounts. TPAs will not be able to complete the registration process on an employer's behalf. ELC will provide TPAs with additional details on the process employers should follow to register in the system before the new UI system goes live.

Authorization Timing and Grace Periods

14. **Will TPAs be able to file or pay on behalf of employers before being authorized?**
No, TPAs will not have access to employer accounts or file on an employer's behalf without full authorization.

15. **Will there be a grace period for penalties and interest if authorization is delayed?**
No, Kentucky statutes do not allow abatement of interest or penalties.

16. **Will there be a forum for TPAs to escalate authorization challenges?**
ELC is considering a dedicated channel to assist TPAs with onboarding and employer authorization. More details will be shared before the new UI system goes live.

17. **Will ELC "grandfather" large groups of employers for a TPA to avoid individual re-authorization?**
No; however, ELC will allow large TPAs (representing 100 or more employers) to submit a bulk file of existing authorizations at or immediately after go-live for a one-time association.

18. **Will ELC provide instructions for employer TPA authorization?**
Yes, ELC will share instructions with employers and TPAs for the authorization process before the new UI system goes live.

Transition and Bulk Authorization

19. **How will the new UI system operate for TPAs handling both Tax and Benefits functions during the transition?**
    After the Tax system launch begins, TPAs will see benefit charges against employer accounts in the Tax system. Other Benefits functions will remain the same in the old UI system until the Benefits and Appeals Phase goes live.

20. **Will ELC consider a Memorandum of Understanding (MOU) relationship with TPAs?**
    No, however, ELC will allow a one-time bulk authorization for large TPAs (those representing 100 or more employers). Outside of this one-time bulk authorization, ELC will not adopt an MOU relationship.

21. **Will TPAs still receive mailed documents (i.e., benefit charges, wage audits) after go-live?**
    No, only documents with appeal rights will be mailed by USPS per Kentucky statute. Benefits-related correspondence will not be available electronically until the Benefits and Appeals Phase starts.

Account Numbers and Data Management

22. **Will employer IDs (KEINs) be changing?**
    Yes, all employers will have a new KEIN in KUIP. Employers and TPAs will not be able to file wages or make payments using their old KEIN. Employers registering for the first time in the new UI system will be assigned a KEIN in the new format following the launch of the Tax phase. More details will be provided on the new KEINs before the new UI system begins.

23. **Will Kentucky's new UI system be similar to the UI systems in Colorado or Michigan?**
    Yes, but it will be tailored to Kentucky's rules and requirements.

24. **Will there be a data exchange for TPAs to validate new KEINs for employers?**
    ELC is exploring the process for TPAs to validate new KEINs for employers. More details will be shared before the new UI system goes live.

25. **Will TPAs be able to see and export a list of all associated employers?**
Yes, TPAs will be able to view and download rate files listing all their employers and respective tax rates.

26. **How will employers receive their new account numbers?**
ELC is still defining the process for distributing new KEINs. More details will be provided on the process before the new UI system launches.

27. **Will reimbursable employers have unique account numbers?**
No, reimbursable employers will not have unique account numbers; however, reimbursable employers will have an indicator flag visible to OUI staff.

28. **Will existing account numbers be converted to the new format?**
Yes, existing account numbers will be converted to the 9-digit KEIN format. The new UI system will not support both formats.

TPA Portal Access and Roles

29. **Will TPAs be able to see activities for all employers at once in the new UI system?**
Yes, TPAs will be able to search, filter and select among all their authorized employers, upload bulk-wage reports, and make bulk payments in the new UI system.

30. **Will TPAs be able to serve as account administrators for their employers?**
Yes, employers will be able to authorize TPAs for the "Edit Account Maintenance" role, so they can manage the account on the employer's behalf. With this role, TPAs will be able to view account maintenance, manage benefit charges, wage reports and tax payments, submit appeals, and assign roles.

31. **Which authorizations will TPAs receive during bulk authorization at go-live?**

    Large TPAs (representing 100 or more employers) will be authorized to submit wages and make payments during the bulk process, as long as the required information is submitted.

32. **What will happen if multiple TPAs list the same employer during bulk authorization?**

    ELC is still determining the process for situations where multiple TPAs list the same employer during bulk authorization. More details will be shared before the new UI system goes live.

33. **When an employer ends a relationship with a TPA, who will be responsible for making updates in the new UI system?**

    It will be the employer's responsibility to end the TPA relationship in the new UI system. Employers will be able to update TPAs in their Account Role Assignments. TPAs may contact ELC for assistance if needed.