

Kansas Department of Labor
401 SW Topeka Blvd.
Topeka, KS 66603-3182
Telephone: 785-296-5029

SURETY BOND AGREEMENT
TO GUARANTEE PAYMENT IN LIEU OF CONTRIBUTIONS

The employer, hereinafter referred to as the Principal, operating a business listed below, is subject to the Kansas employment security law and has applied to the Department of Labor to be a reimbursing employer.

The company listed below and hereinafter referred to as the Surety, is authorized to transact business in Kansas as surety.

The Principal and the Surety are held and firmly bound unto the State of Kansas, Department of Labor, in lawful money of the United States, in the amount listed below as Bond Amount.

If the Principal well and faithfully complies with all the provisions of the employment security law and its rules and regulations relating to payments in lieu of contributions, penalty, interest and court costs, this obligation shall be null and void and of no effect. Otherwise, this obligation is continuing. It will remain in full force and effect from the approval date by the Department of Labor until it is determined by the department that this bond is no longer required, as provided by KSA 44-710(e)(2)(G) and KAR 50-2-18, which are incorporated by reference.

We bind ourselves, our executors, administrators, assigns and successors firmly by these presents. This bond is effective on and after the _____ day of _____, _____.

**The bond must be accompanied by power of attorney for attorney-in-fact.
 If attorney-in-fact is not a resident of Kansas, a Kansas Resident Agent of Surety must countersign.**

<u>SURETY</u>		<u>PRINCIPAL</u>
Company		Employer
Street Address		Street Address
City, State, ZIP+4		City, State, ZIP+4
Telephone		Telephone
Signature (Attorney-in-Fact)	Date	Signature (Principal)
Countersigned (Resident Agent, if required)	Date	Title of Signatory
Location in Kansas where countersigned by Resident Agent		Date
Bond Number: _____		Principal's Kansas UI Tax Account Number
Bond Amount: _____		

Kansas Department of Labor Approval Authority

Signature

Title

Date

KSA 44-710(e)(2)(G)

EMPLOYMENT SECURITY LAW, PAYMENTS IN LIEU OF CONTRIBUTIONS

In the discretion of the secretary, any employer who elects to become liable for payments in lieu of contributions and any nonprofit organization or group of nonprofit organizations described in section 501(c)(3) of the federal internal revenue code of 1986 or governmental reimbursing employer or Indian tribe or tribal unit who is delinquent in filing reports or in making payments of amounts certified by the secretary under this section shall be required within 60 days after the effective date of such election, in the case of an eligible employer so electing, or after the date of notification to the delinquent employer under this subsection (e)(2)(G), in the case of a delinquent employer, to execute and file with the secretary a surety bond, except that the employer may elect, in lieu of a surety bond, to deposit with the secretary money or securities as approved by the secretary or to purchase and deliver to an escrow agent a certificate of deposit to guarantee payment. The amount of the bond, deposit or escrow agreement required by this subsection (e)(2)(G) shall not exceed 5.4% of the organization's taxable wages paid for employment by the eligible employer during the four calendar quarters immediately preceding the effective date of the election or the date of notification, in the case of a delinquent employer. If the employer did not pay wages in each of such four calendar quarters, the amount of the bond or deposit shall be as determined by the secretary. Upon the failure of an employer to comply with this subsection (e)(2)(G) within the time limits imposed or to maintain the required bond or deposit, the secretary may terminate the election of such eligible employer or delinquent employer, as the case may be, to make payments in lieu of contributions, and such termination shall be effective for the current and next calendar year.

KAR 50-2-18

SURETY BOND OR SURETY DEPOSIT REQUIREMENTS FOR REIMBURSING EMPLOYERS

- (a) Each employer who elects to become liable for payments in lieu of contributions in accordance with KSA 44-710(e)(1), and amendments thereto, shall be required to file with the secretary a surety bond or surety deposit as set forth in KSA 44-710(e)(2)(G), and amendments thereto.
- (b) Minimum time period. The bond or deposit shall be required for a minimum period of four complete calendar years. If, at the close of that time period, the employer has a history of timely reporting and prompt payment of reimbursing the employer's quarterly benefit charges, the surety bond or deposit shall no longer be required by the secretary.
- (c) Termination of inactivity. Any reimbursing employer who ceases to be an employer under the Kansas employment security law while a surety bond or deposit is in effect shall be required to maintain that bond or deposit for a minimum period of three years after required reporting of wages ends.
- (d) Surety amount when wages not paid during four calendar quarters immediately preceding effective date of election. The surety amount shall not exceed 5.4% of an estimate of the organization's taxable wages for a four calendar quarter period. If an organization has an increase in employment during the time a surety bond or deposit is required, the organization may be required by the secretary or designee to increase the amount of the bond or deposit. The employer shall be notified of the increase within 60 days after the beginning of the calendar year in which the change is to be effective, and the employer shall have 30 days from the date of mailing of the notice to file the increased surety bond or deposit.