



Unemployment Insurance

Kentucky employers pay unemployment insurance contributions on the first \$8,000 of wages for each employee, including officers of the corporation. A new employer pays at least 2.7% of covered wages during the first three years of operation. Thereafter, the employer's contribution rate is determined by its experience rating.

In 2004, employers have a minimum contribution rate of 0.5% of taxable wages for employers with the best reserve account balance ratio and a maximum rate of 9.25% for employers with the poorest reserve ratios. The average rate for experienced employers was 2.3% in 2003.

Source: Kentucky Cabinet for Economic Development

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