



# Workers Compensation Funding Commission

Records Retention Schedule

Prepared by the State Records Branch  
Public Records Division

Approved by the State Archives and Records Commission



Kentucky Department for  
Libraries and Archives

This records retention schedule governs retention and disposal of records created, used and maintained by the Workers Compensation Funding Commission. **Government records in Kentucky can only be disposed of with the approval of the State Archives and Records Commission (the Commission). If records do not appear on a Commission-approved records retention schedule, agencies should not destroy those records.** This agency-specific schedule was drafted by Workers Compensation Funding Commission personnel and Archives and Records Management Division staff, and reviewed and approved by the Commission. This schedule provides the legal authority for Workers Compensation Funding Commission to destroy the records listed, after the appropriate retention periods have passed.

Workers Compensation Funding Commission personnel should use this agency-specific schedule in combination with the *General Schedule for State Agencies (General Schedule)*, also approved by the Commission. The *General Schedule* applies to records that are created, used and maintained by staff at all or most state agencies. Agency-specific retention schedules are used only by specific agencies and apply to records that are created only by a particular state agency, or to records that a state agency is required to retain longer than the approved time period on the *General Schedule*. The *General Schedule* and agency-specific retention schedule should cover all records for Workers Compensation Funding Commission.

This retention schedule applies to state agency records and information regardless of how it is created or stored. For example, information created and sent using e-mail is as much a public record as materials created or maintained in paper. Kentucky law defines public records, in part, as "documentary materials, *regardless of physical form or characteristics*, which are prepared, owned, used, in the possession of or retained by a public agency" (KRS 171.410[1]). This means that records management standards and principles apply to all forms of recorded information, from creation to final disposition, regardless of the medium. Records retention scheduling is important in developing, using, and managing computer systems and other electronic devices. Records management practices encourage cost-effective use of electronic media through accurate retention scheduling and legal destruction of records.

**All state government employees are responsible for maintaining records according to the retention schedule, whether those records are stored electronically or in paper. Information must be accessible to the appropriate parties until all legal, fiscal, and administrative retention periods are met, regardless of the records storage medium.**

This retention schedule covers the content of records created by Workers Compensation Funding Commission, including records created or stored using computers and computer systems. The *General Schedule for Electronic and Related Records* applies to records related to computers or a computer system. Examples of these include system documentation and use records, backup files, or website format and control records.

### **Audits and Legal Action**

Agency records may be subject to fiscal, compliance or procedural audit. If an agency should maintain records longer than the approved retention period, as may be the case with some federal audits, then all affected records should be retained until the audit has been completed and the retention period met. In no case should records that are subject to audit be destroyed until the audit has been completed and retention periods met, or the records have been officially exempt from any audit requirements.

Records may also be involved in legal or investigative actions, such as lawsuits, administrative hearings or open records matters. These records must be retained at least until all legal or

investigative matters have concluded, regardless of retention period. This includes all appeals of lawsuits.

### **Vital Records**

Vital records are essential to the continued functioning of an agency during and after an emergency. Vital records are also essential to the protection of the rights and interests of an agency and of the individuals for whose rights and interests it has a responsibility. Vital records are identified in the retention schedule with a (V).

### **Confidential Records**

While all records created, used and maintained by government agency personnel are public records, not all of those records are open to public inspection. Whether a record is open to public inspection is determined by the state's Open Records laws and other relevant state or federal statutes and regulations. Restriction of public inspection of confidential records may apply to the whole record or only to certain information contained in the record.

Kentucky's public records are considered open for public inspection unless there is some specific law or regulation that exempts them. Agency personnel who believe certain records are confidential should submit a citation from Kentucky Revised Statutes, Administrative Regulations, Code of Federal Regulations, or similar authority. **State agency heads have the responsibility to know all the appropriate confidentiality laws, statutes and regulations that apply to the records maintained by their agency and to see that those laws are enforced.** Even though a record series may or may not be marked confidential on a retention schedule, contradictory laws or regulations that are passed after the schedule has been approved must be honored.

### **Copies of Records**

Agency personnel often make copies of records for internal use or reference purposes. Agencies should designate one copy as the official copy and make sure it is retained according to the records retention schedule. Agencies can destroy all other copies when no longer useful.

### **Updating the Retention Schedule**

Per 725 KAR 1:010, the head of each state government agency is required to designate a member of his or her staff to serve as a records officer. The agency records officer represents that agency in its records-related work with the Archives and Records Management Division. The agency records officer is responsible for assisting the Archives and Records Management Division in drafting a records retention schedule, and in finding any schedule updates to bring before the Commission. The retention schedule should be reviewed on a regular basis to suggest appropriate changes to the Commission.

## **Workers' Compensation Funding Commission**

The Kentucky Workers' Compensation Funding Commission was created in 1987 for the purposes of controlling, investing, and managing the funds collected to support the Commonwealth's workers' compensation program. The Funding Commission is required to establish the annual assessment rates necessary to fund the various programs.

In addition to funding the payment of Special Fund liabilities, the Kentucky Coal Workers' Pneumoconiosis Fund, and the Uninsured Employers Fund, these assessments finance the administrative operations of the Funding Commission and all programs in the Kentucky Labor Cabinet except Employment Standards, Apprenticeship and Training, and Labor-Management Relations and Mediation.

The Funding Commission operated under KRS 342 and is governed by a Board of Directors consisting of seven members. Board members include the Secretaries of Labor, Economic Development, and Finance & Administration Cabinets. In addition, The Governor appoints four members who represent labor, insurance companies writing workers' compensation insurance, employers, and self-insured employers and groups.

RECORDS RETENTION SCHEDULE

Signature Page

Workers' Compensation Funding Commission

June 1994

Agency

Schedule Date

June 14, 2001

Unit

Change Date

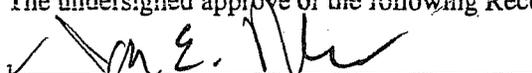
6/14/01

Date Approved by Commission

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APPROVALS

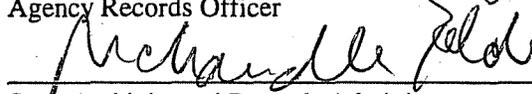
The undersigned approve of the following Records Retention Schedule or Change:

  
Agency Head

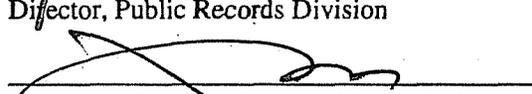
6/5/01  
Date of Approval

  
Agency Records Officer

6/5/01  
Date of Approval

  
State Archivist and Records Administrator  
Director, Public Records Division

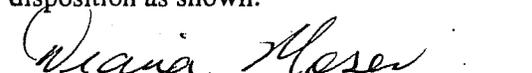
6/14/2001  
Date of Approval

  
Chairman, State Archives and Records Commission

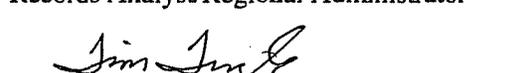
6/14/01  
Date of Approval

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The undersigned Public Records Division staff have examined the record items and recommend the disposition as shown:

  
Records Analyst/Regional Administrator

6/13/01  
Date of Approval

  
Appraisal Archivist

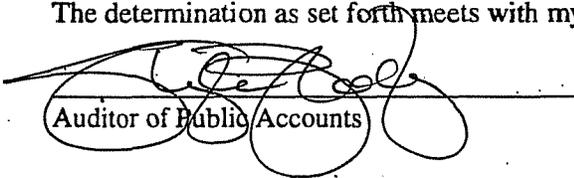
6/12/01  
Date of Approval

  
State/Local Records Branch Manager

6/13/01  
Date of Approval

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The determination as set forth meets with my approval.

  
Auditor of Public Accounts

6.13.01  
Date of Approval

STATE ARCHIVES AND RECORDS COMMISSION  
Public Records Division  
Kentucky Department for Libraries and Archives

STATE AGENCY RECORDS  
RETENTION SCHEDULE

Labor Cabinet  
Workers' Compensation Funding Commission

Record Group  
Number  
1610

Series	Records Title and Description	Function and Use
04381	<b>Annual Collection and Audit Report File</b>	This series documents the collection and auditing of special fund assessments by the Commission as required annually of insurance carriers and group self-insurers. The Workers' Compensation Funding Commission has the responsibility to control, invest, and manage the funds collected under the terms of KRS 342. The funds are used to fund the liabilities of the Special Fund and the operations of the state Workers' Compensation program, other programs within the Labor Cabinet, and the Uninsured Employers Fund within the Attorney General's Office. The Commission collects two separate assessments: one is imposed on state workers' compensation premiums received by all insurance carriers and group self-insurers, and on a calculation-based premium equivalent for employers carrying their own insurance; the second assessment is imposed on premiums received from employers in the severance or processing of coal. This series facilitates the audit function of the Commission by determining the soundness of the funding mechanism, as stated by regulation, and allows the it to recommend changes deemed necessary in the level of assessments by class of employers.
	<b>Access Restrictions</b>	KRS 131.190 (1)
	<b>Contents</b>	Series contains: Correspondence; list of insureds; Standard Industrial Classification (SIC) Code for each insured; premium reported and Special Fund assessments collected; summary of premiums repaid and Special Fund assessments collected by the SIC Code
	<b>Retention and Disposition</b>	Transfer to the State Records Center one (1) year after receipt of audit reports for an additional seven (7) years. Total retention is eight (8) years after receipt of audit reports.
04382	<b>Quarterly Assessment Record File (Batch sheets) (V)</b>	Closed Series: This series documented the quarterly assessments and collections from insurance carriers, self-insured groups, and self-insured employers to the Workers' Compensation Funding Commission, as required in KRS 342.122 (4) and KRS 342.1223 (2)(g). It reflected total dollar amounts received by the Commission by the assessment rate or percentage rate specified in the statutes. In particular, it documented what was required to operate the Special Fund, the Commission, and the Uninsured Employers' Fund, which the Attorney General's Office oversees. NOTE: Series is no longer received in a batch sheet format. The same information is now reported in series 04383, Quarterly Premium Reports.
	<b>Access Restrictions</b>	None
	<b>Contents</b>	Series contains: Copy of check received from insurance carrier; batch sheet documenting date; pay-in voucher number; amount; first and last validation number of amounts
	<b>Retention and Disposition</b>	Retain for one (1) year. Transfer to the State Records Center for and additional eleven (11) years. Total retention is twelve (12) years. Destroy after audit.
04383	<b>Quarterly Premium Reports (V)</b>	This series documents the tax return filed by the insurance carrier or self-insured group representing their self-determined assessment liability, and the respective payment. The payment is based on a time period, a rate that was set by the Workers' Compensation Funding Commission, as approved by the legislature, and determined by premiums written upon which the appropriate assessment rate is imposed. It is not unusual for a report to include three or more assessment rates for the same reporting period, where activity on a policy, corrections or dividends are still applicable.
	<b>Access Restrictions</b>	KRS 131.190 (1)
	<b>Contents</b>	Series contains: Premium written for the quarter; various assessment rates of policy effective date; assessment associated with written premium; carrier name; reporting quarter; signature of appropriate officer
	<b>Retention and Disposition</b>	Transfer to the State Records Center one (1) year after closure of audit for an additional eleven (11) years. Total retention is twelve (12) years after audit closure.

STATE ARCHIVES AND RECORDS COMMISSION  
Public Records Division  
Kentucky Department for Libraries and Archives

STATE AGENCY RECORDS  
RETENTION SCHEDULE

Labor Cabinet  
Workers' Compensation Funding Commission

Record Group  
Number  
1610

Series	Records Title and Description	Function and Use
04384	<b>Audit File</b>	This series documents the completed audits of workers' compensation special fund assessments imposed on insurance carriers, self-insured groups, and self-insured employers, based upon premium volume. Audits are required by KRS 342.122-1231, and are completed every three years, with almost 600 reporting entities.
	<b>Access Restrictions</b>	KRS 131.190 (1)
	<b>Contents</b>	Series contains: Verification of the quarterly premium reports; recalculation of quarterly assessments; reconciliation of the Department of Insurance records; reconciliation to carrier's financial records; correspondence; final audit results, with assessment or refund
	<b>Retention and Disposition</b>	Transfer to the State Records Center three (3) years after closure of audit for an additional five (5) years.