

## **PROMOTING EMPLOYMENT ACROSS KANSAS (PEAK) RETAIN VS. REFUND BENEFIT PROCESS – WHAT’S THE DIFFERENCE?**

In most cases, the “retain” or “refund” PEAK benefit process will require having two withholding tax accounts with the Kansas Department of Revenue (KDOR). KDOR will set up two withholding tax accounts upon receiving a fully executed PEAK agreement from Commerce -- one “primary” account ending with a suffix of “01” (if you are an existing Kansas company with employees, you already have this withholding account set up) and a second “PEAK” account ending with a suffix of “50.”

All companies participating in PEAK are required to report PEAK Jobs’ wage and withholding details quarterly to Commerce using the quarterly report template on our web site at [www.kansascommerce.gov/PEAK](http://www.kansascommerce.gov/PEAK). Quarterly reporting commences upon the company’s Effective Date to begin receiving benefits and reports are due 45 days after the end of each quarter and annual program period.

**“Retain”** – The “retain as you go” benefit process involves remitting 5% of the PEAK-Eligible Job withholding tax to the PEAK “50” Account and retaining 95% of the PEAK-Eligible Job withholding tax. Under this process, the PEAK company is responsible for the following: 1) remitting 5% of PEAK-Eligible Job (defined as individuals with wages at or above the county median wage) withholding tax to the PEAK “50” account, at least monthly, with the company retaining 95% of PEAK-Eligible Job withholding tax; 2) remitting to KDOR, no less than monthly, 100% of withholding tax to the primary “01” account for any PEAK Jobs that have wages less than the median wage for the county in which the PEAK business facility is located; and 3) filing the Commerce PEAK quarterly reports. This benefit process is not well supported by payroll service providers so please check with your provider before electing this process.

**“Refund”** – The “refund” process eliminates the company having to make withholding tax deposits into two accounts. A \$20 annual fee for each PEAK-Eligible Job is assessed for this process. This method works as follows: 1) the PEAK company remits 100% of both the PEAK Job and PEAK-Eligible Job withholding tax to the primary “01” account at least monthly; 2) PEAK company submits quarterly report to Commerce for review; 3) upon satisfactory review for program compliance, Commerce forwards the quarterly report to KDOR; 4) KDOR issues a 95% refund for the PEAK-Eligible Jobs’ withholding tax based on the data in the Commerce quarterly report, minus \$5 for each PEAK-Eligible Job; and 5) KDOR will transfer the remaining 5% withholding tax for PEAK-Eligible Jobs from the primary “01” account to the PEAK “50” account. KDOR reserves the right to make any necessary adjustments discovered during end of year W-2 reconciliation or for situations arising during the year that are not reflected in the PEAK quarterly report(s).

If you have questions regarding the tax accounts, how to remit withholding tax, etc. please contact Kathleen Smith, KDOR, at 785.296.3070 or [Kathleen.smith@ks.gov](mailto:Kathleen.smith@ks.gov).

If you have questions regarding the Commerce quarterly report, please contact Evan Fisher at 785.296.3074 or [evan.fisher@ks.gov](mailto:evan.fisher@ks.gov).

Any other questions about the program can be directed to Brett Sayre, Commerce, at 785.296.5418 or [brett.sayre@ks.gov](mailto:brett.sayre@ks.gov).