



# **HB 193, VERSION H**

## **UNEMPLOYMENT INSURANCE BENEFITS**

### **PAID PARENTAL LEAVE**

**REPRESENTATIVE CAROLYN HALL**

**HOUSE FINANCE COMMITTEE**

**MARCH 18, 2026**

# HB193: UNEMPLOYMENT BENEFITS; PAID PARENT LEAVE

- Updates the Unemployment Insurance weekly benefits
- Creates a Paid Parental Leave program

# UNEMPLOYMENT INSURANCE BENEFITS

- SOA requires employers to collect UI contributions on behalf of employees
  - Employers contribute 1%
  - Employees contribute .5%
- Alaska's employee contribution is unique: only 3 states have employee contributions.
- Private & public employers are familiar with UI & its payroll process

# UNEMPLOYMENT INSURANCE BENEFITS

- Current max taxable wage base: \$42k/year; max benefit: \$370/week
- Dependent benefit: \$24/week
- Last time UI benefits were adjusted: 2009
- Employer and employee contributions have not changed
- UI Trust Fund is significantly overcapitalized

# HB193: UNEMPLOYMENT INSURANCE UPDATES

- Increases max taxable wage base to \$85k/year & max benefit to \$817/week
- Adjusts dependent benefit to \$72/week
- Allows DOLWD to adjust UI wage base & weekly benefit for inflation

# PAID PARENTAL LEAVE

- Known to improve health & life outcomes of infants & parents of newborns
- Allows for bonding time with foster & adopted children
- Family Medical Leave Act (FMLA) provides job-protected, unpaid absences up to 12 weeks
  - In 2019, President Trump signed the National Defense Authorization Act, authorizing up to 12 weeks of Paid Parental Leave for federal employees
- Alaska Family Leave Act (AFLA) provides up to 18 weeks of unpaid absence for state employees & employers over a certain size

# PAID PARENTAL LEAVE

- Provides a well-known & highly valuable benefit at low cost
- Allows parents to re-enter the workforce without being penalized
- Alaska is in competition with many states for young, talented workers
- All other states are pursuing these policies. We cannot afford to be left behind



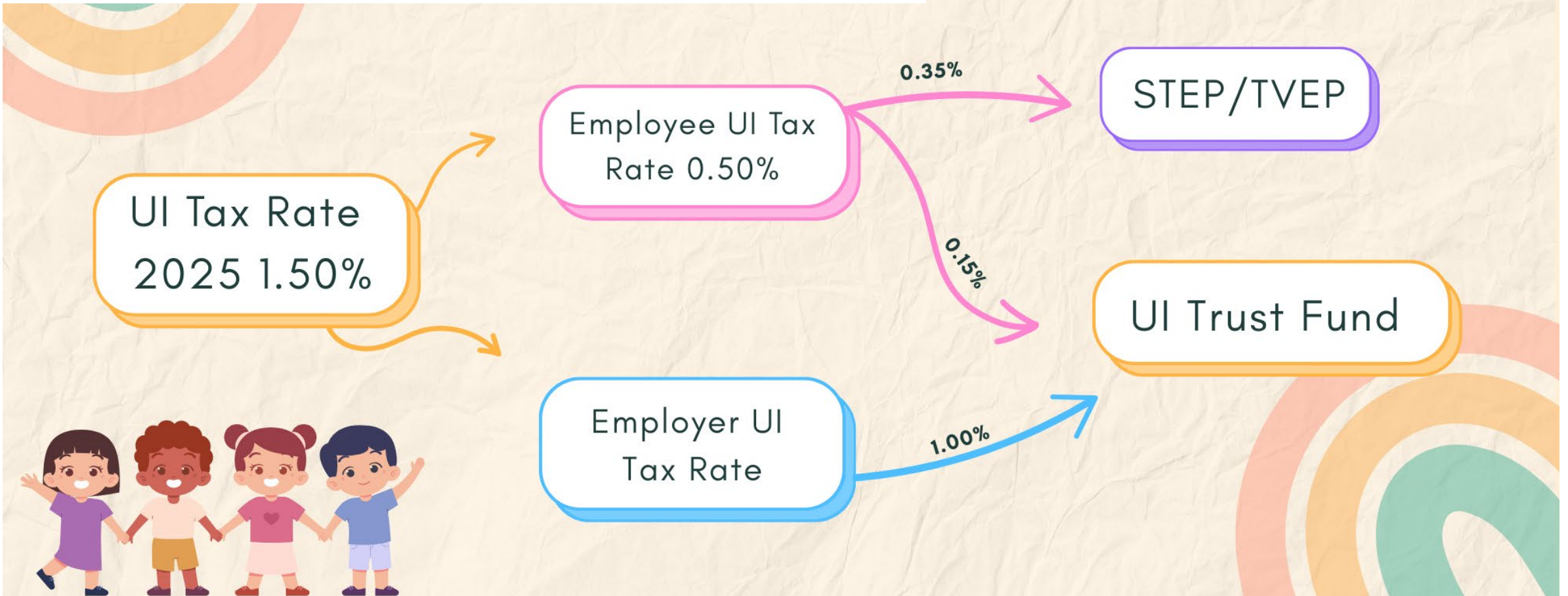
# HB193: PAID PARENTAL LEAVE

- Creates a Paid Parental Leave Program (PPL)
  - Covers adoption, fostering, childbirth, and placement of a child with a legal guardian in a Tribal or state court
- Gives DOLWD ability to set the PPL duration between 8 and 26 weeks
- Creates optional accelerated benefit
  - Participants can use 2x the benefit schedule for half the duration
- Runs concurrently with other benefits such as FMLA/AFLA
- Tax cut for employers
- **None of these changes require UGF**

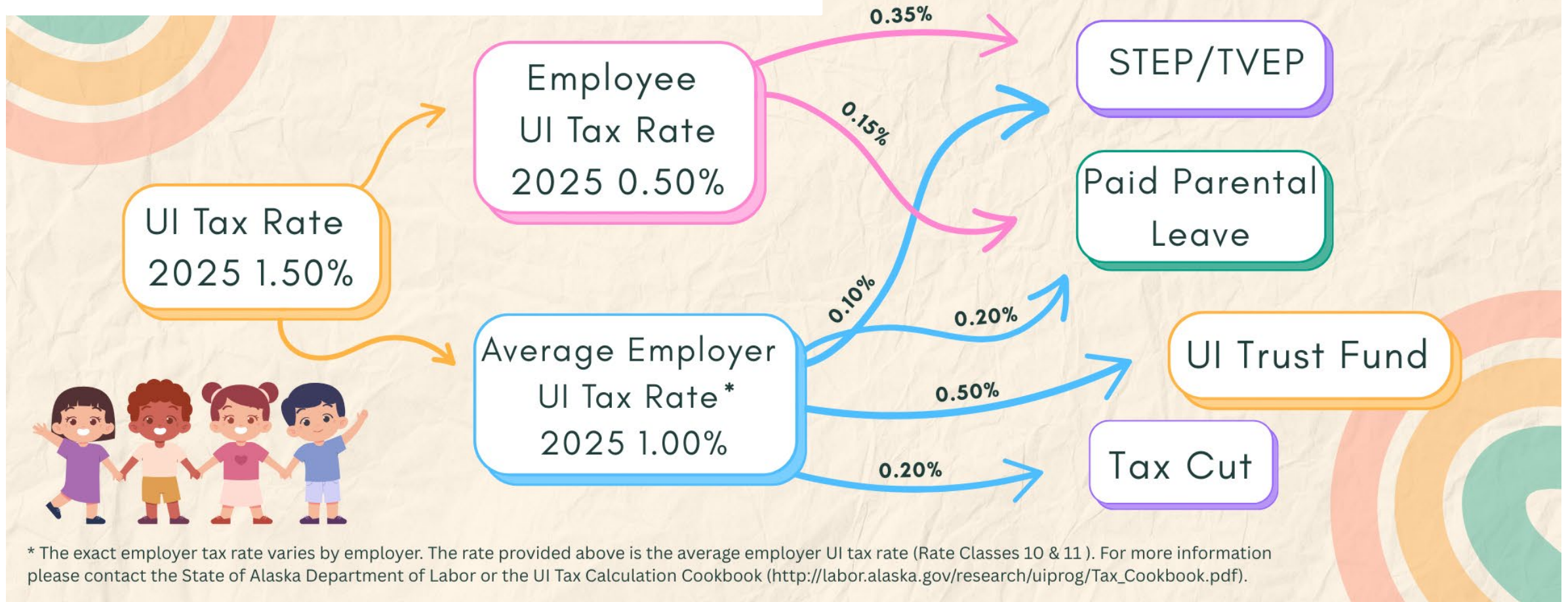
## HB193: OTHER CHANGES

- Directs DOLWD to conduct actuarial studies on the PPL fund
- Allows DOLWD to adjust UI wage base & benefit for inflation
- Allows DOLWD to protect UI fund solvency
- Increases funding for STEP at the request of DOLWD

# CURRENT UNEMPLOYMENT INSURANCE FLOWCHART



# HB 193 PAID PARENTAL LEAVE FLOW CHART



\* The exact employer tax rate varies by employer. The rate provided above is the average employer UI tax rate (Rate Classes 10 & 11). For more information please contact the State of Alaska Department of Labor or the UI Tax Calculation Cookbook ([http://labor.alaska.gov/research/uiprogram/Tax\\_Cookbook.pdf](http://labor.alaska.gov/research/uiprogram/Tax_Cookbook.pdf)).

# HB 193: STAKEHOLDER POLICY RECOMMENDATIONS

- Reduce the PPL benefit from 8-26 weeks to 8-12 weeks
- Consider setting a threshold for number of employees
- Exempt businesses that have a leave program as good as PPL or more generous
- Clarify the qualifying purpose is \$2,500 in wages earned per quarter for 2 quarters = \$5k total (& not cumulative)
- Exempt seasonal employers

# HB 193: STAKEHOLDER POLICY RECOMMENDATIONS

- Reduce the UI max taxable wage base from \$85k/year to \$54,500/year & weekly benefit from \$817/week to \$525/week
- Improve alignment between the PPL bill language & UI statute regarding contributions
- Polish the snap back language to ensure UI fund solvency
- Exempt PPL from the sweep
- Effective date: January 1, 2029

**THANK YOU**

**QUESTIONS?**