

Unemployment Insurance Funding

Senate Finance Subcommittee

March 19, 2026

Presenters Paloma Harbour, Division Director, and
Lennon Weller, UI Actuarial Economist

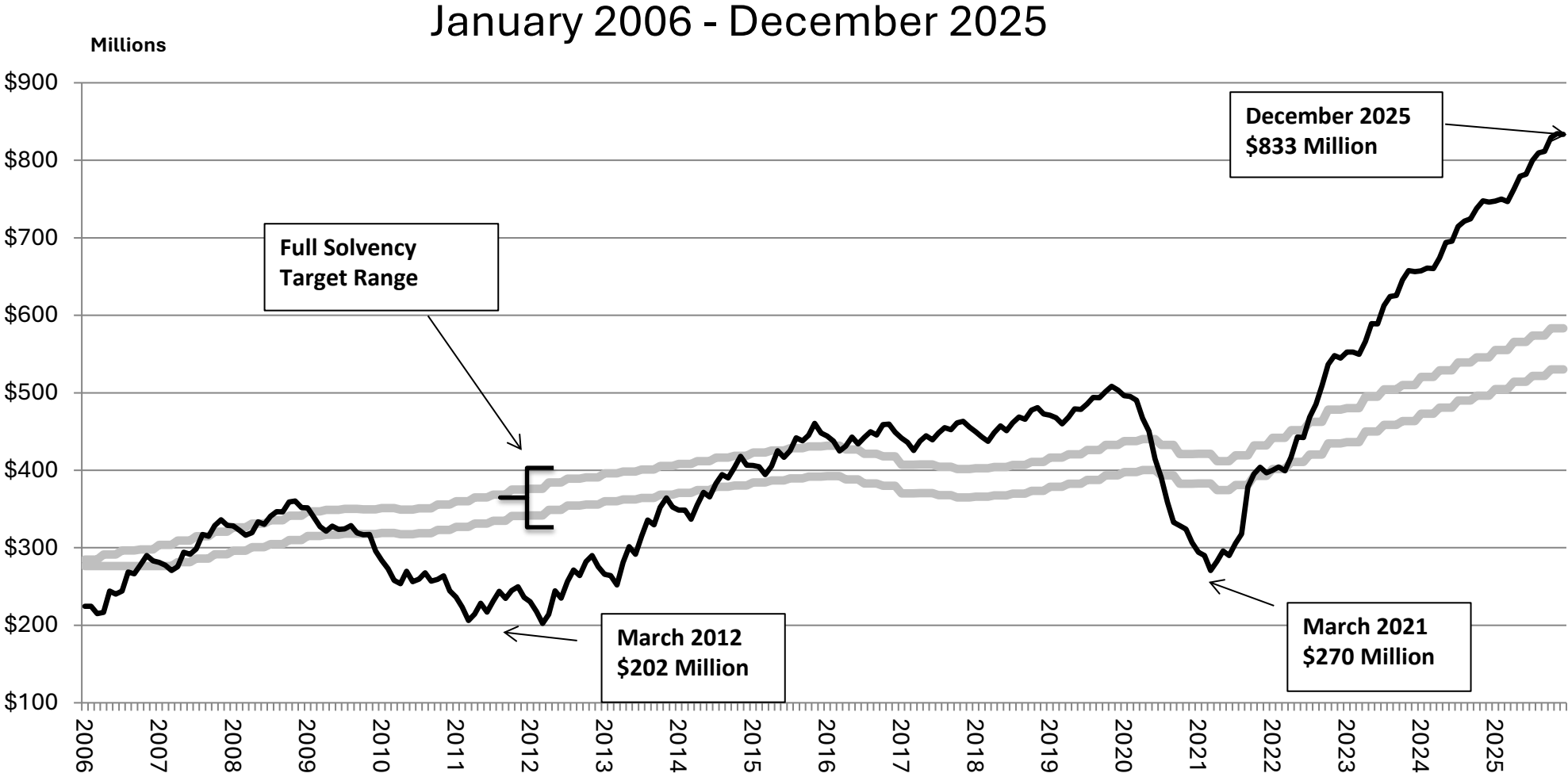


ALASKA DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT
Cathy Muñoz, Commissioner



Unemployment Insurance Trust Fund Balance

(\$ in millions)

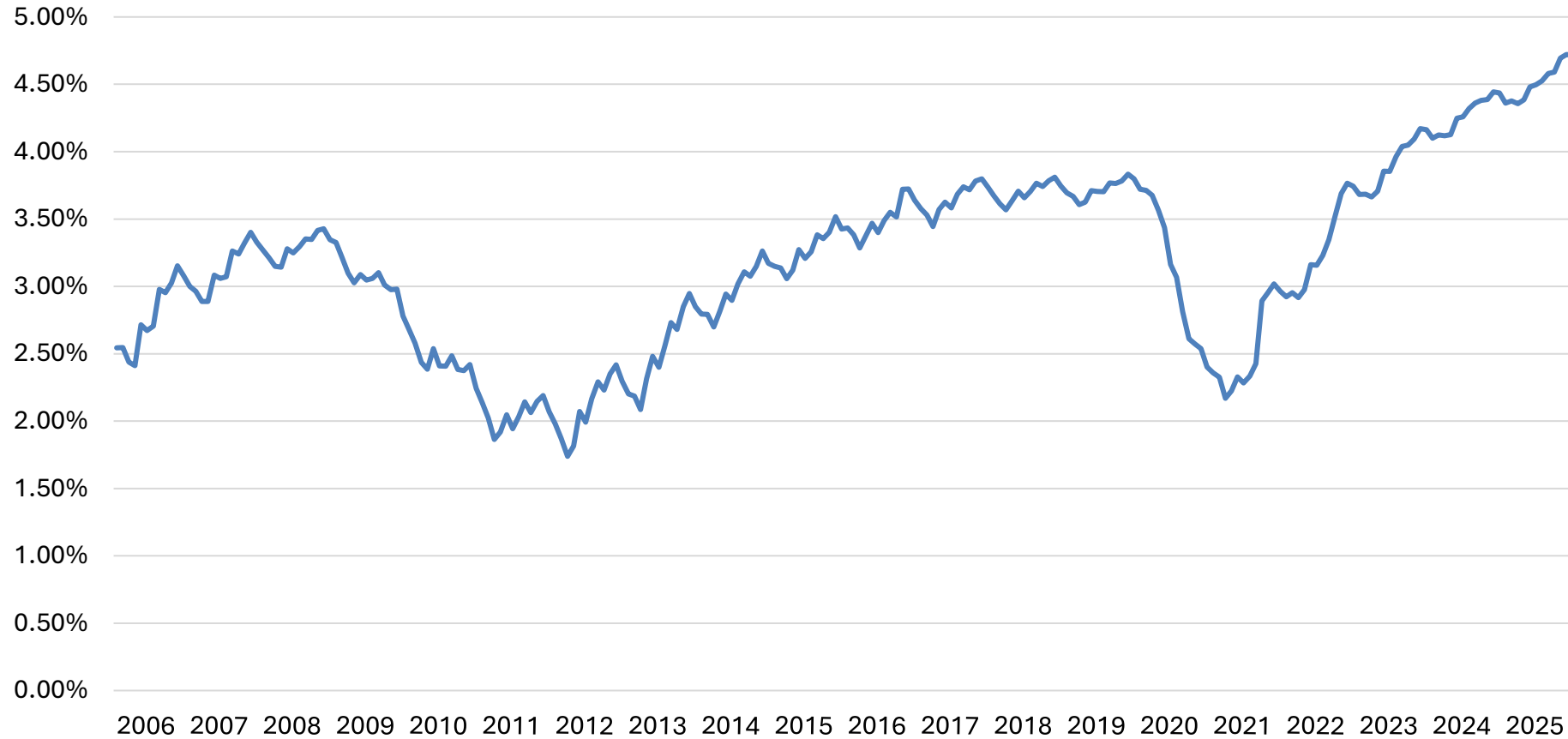


Alaska Department of Labor and Workforce Development, Research and Analysis Section, March 4, 2026



Unemployment Insurance Trust Fund Reserve Ratio Trend

January 2006 - December 2025

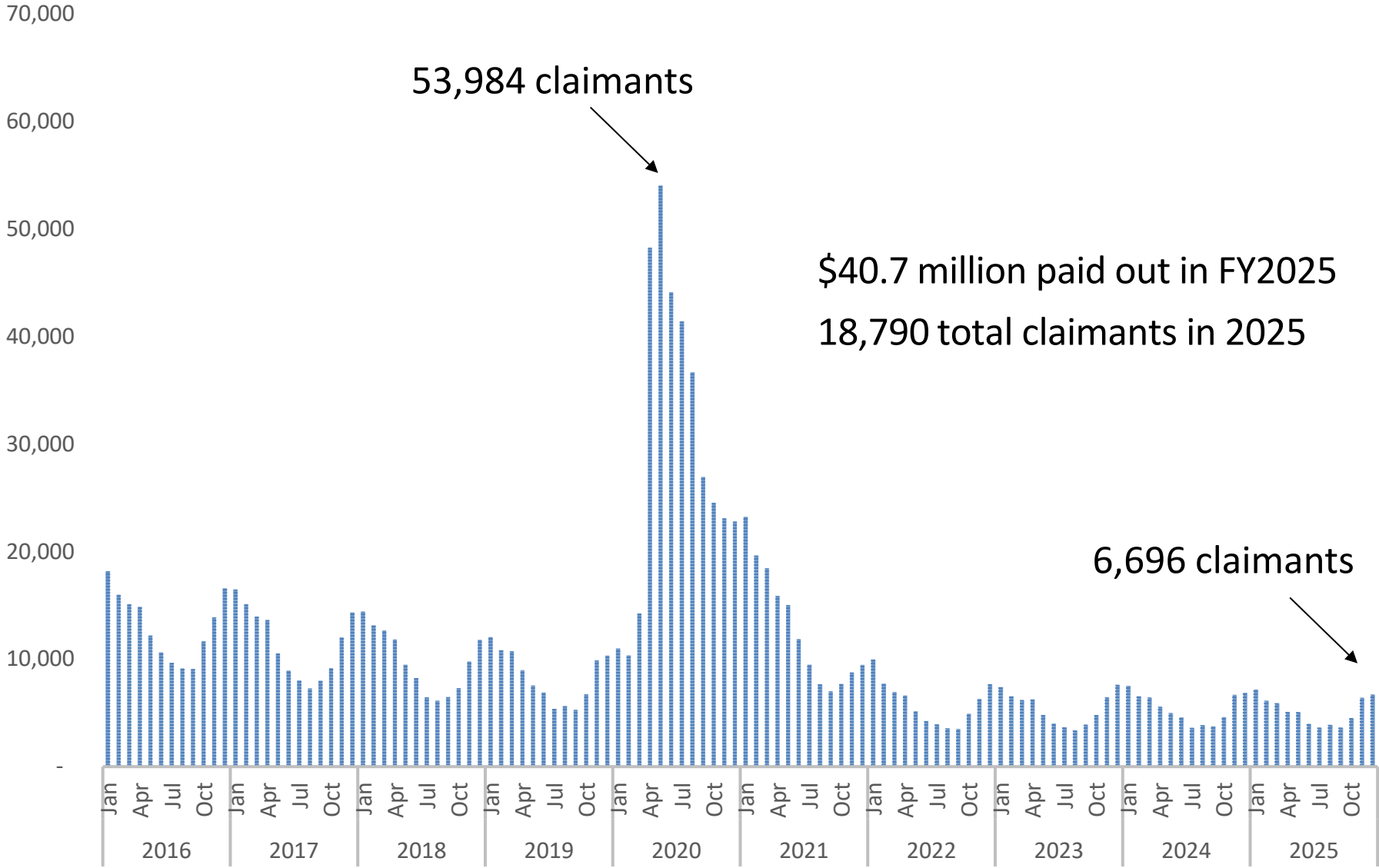


Note: Reserve ratio is the UI Trust Fund balance as a percentage of total wages. The statutory target reserve ratio is 3.0 to 3.3 percent.

Alaska Department of Labor and Workforce Development, Research and Analysis Section, March 4, 2026



Unemployment Claims and Benefits

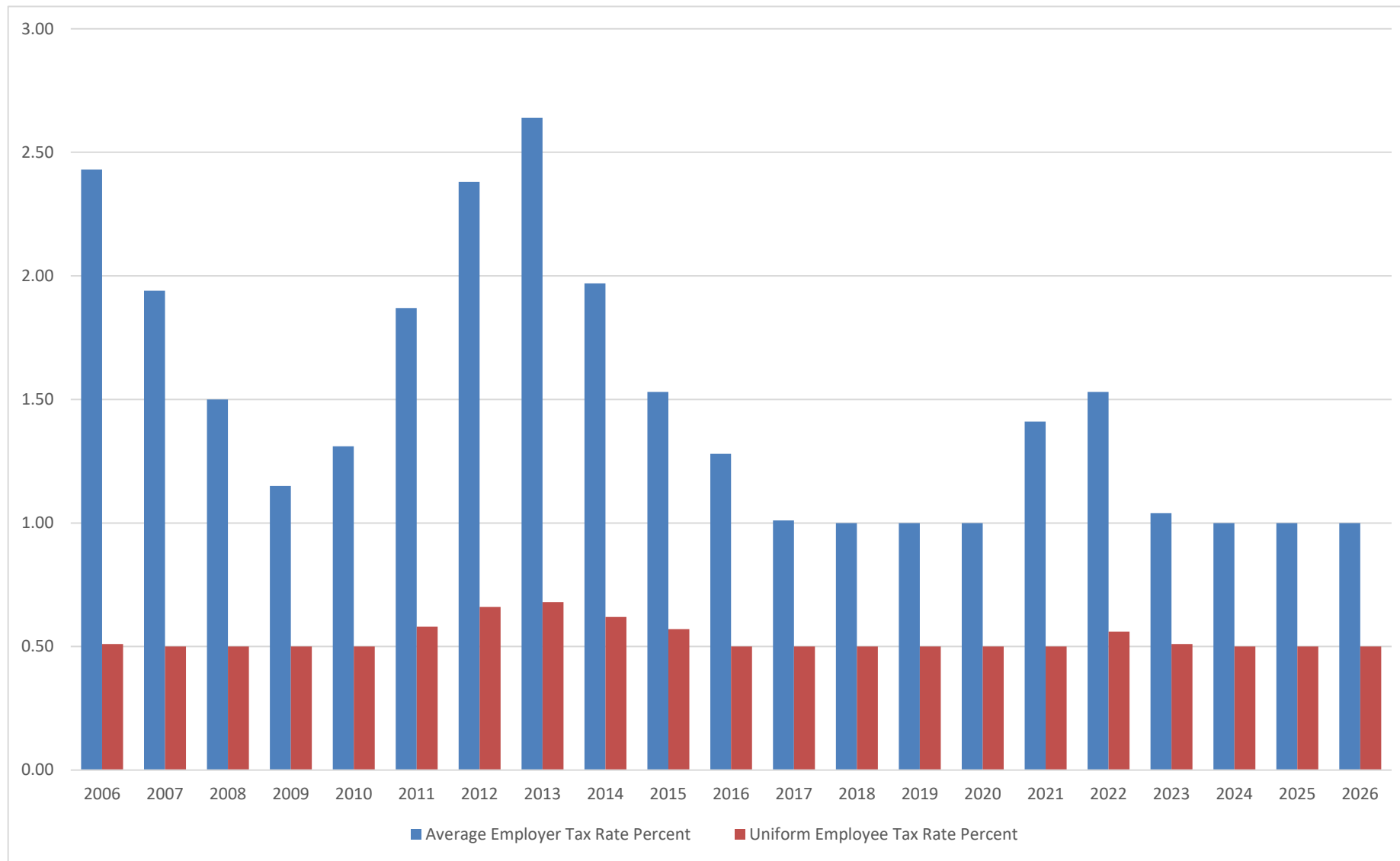


Unemployment Insurance (UI) Tax Rate Calculations 2026 (Whole Dollars)

23-Jan-26	SFY 2022	SFY 2023	SFY 2024	SFY 2025
(1) Benefit Costs (Benefits - Reimb. - Interest)	65,839,182	45,487,371	45,269,318	40,720,923
(2) Total Wages (taxable employers)	14,010,159,662	15,282,115,986	16,336,589,777	17,381,530,724
(3) Taxable Wages				10,852,857,547
(4) Benefit Costs for 3 previous SFY's				131,477,612
(5) Total Wages, First 3 of Last 4 SFY's				45,628,865,425
(6) 3-Yr Benefit Costs/Total Wages (4)/(5)	131,477,612	÷	45,628,865,425	0.002881
(7) Taxable/Total Wages, Last SFY (3)/(2)	10,852,857,547	÷	17,381,530,724	0.624390
(8) Average Benefit Cost Rate (ABCR) (6)/(7)				0.004615
(9) U.I. Trust Fund Reserve Balance on 9/30				811,365,166
(10) Total Wages Paid, Last SFY				17,381,530,724
(11) UI Trust Fund Reserve Rate (9)/(10)				0.046680
(12) Trust Fund Solvency Adjustment (TFSA)				-0.0040
(13) Average Employer Tax Rate: (0.73 x ABCR X Exp.Factor) + TFSA = (0.73 x #8 x 1.00) + #12				-0.06 %
(14) Average Employee Tax Rate: (0.27 x ABCR) = (0.27 x #8)				0.12 %

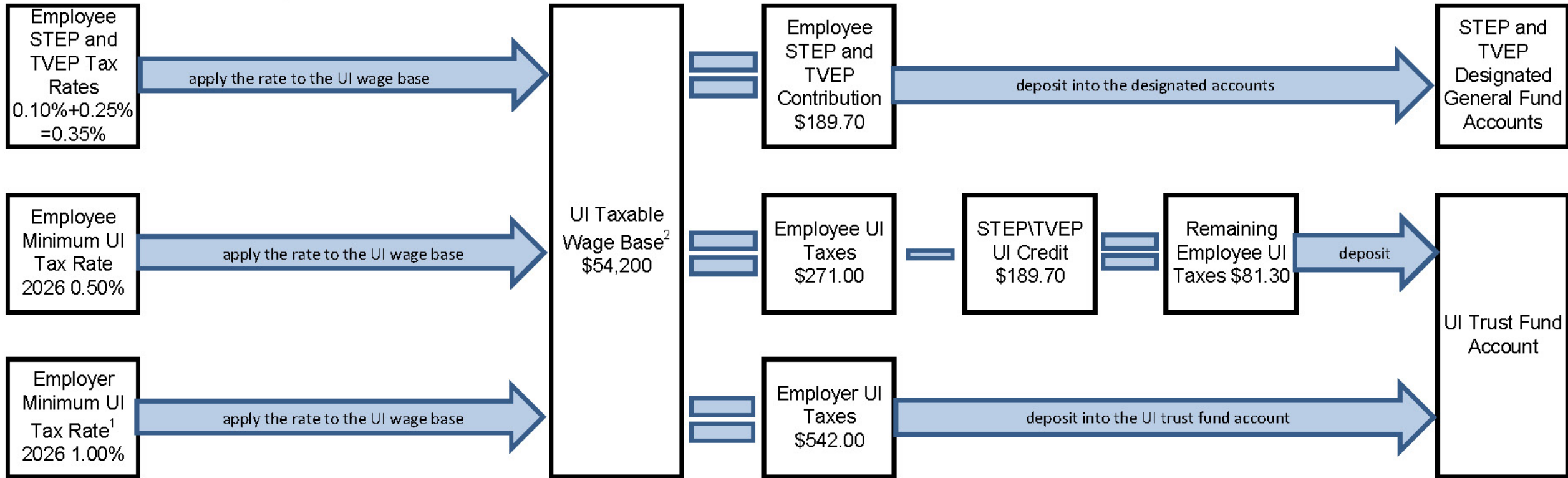


Employer and Employee Tax Rates



Unemployment and Training Programs Tax Flow Chart

Unemployment Insurance (UI) State Training and Employment Program (STEP) Technical and Vocational Education Program (TVEP)



1. The UI Tax rate is calculated each year to ensure solvency of the trust fund account to cover benefit payments.

2. The exact employer tax rate varies by employer. The rate provided above is the average employer UI tax rate (rate classes 10 & 11).

Employer Unemployment Tax Rate Classes

Rate Class	CY2019 Rates	CY2020 Rates	CY2021 Rates	CY2022 Rates	CY2023 Rates	CY2024 Rates	CY2025 Rates	CY2026 Rates
1	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
2	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
3	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
4	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
5	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
6	1.00%	1.00%	1.02%	1.00%	1.00%	1.00%	1.00%	1.00%
7	1.00%	1.00%	1.08%	1.08%	1.00%	1.00%	1.00%	1.00%
8	1.00%	1.00%	1.19%	1.23%	1.00%	1.00%	1.00%	1.00%
9	1.00%	1.00%	1.30%	1.38%	1.00%	1.00%	1.00%	1.00%
10	1.00%	1.00%	1.41%	1.53%	1.04%	1.00%	1.00%	1.00%
11	1.00%	1.00%	1.41%	1.53%	1.04%	1.00%	1.00%	1.00%
12	1.00%	1.00%	1.52%	1.69%	1.17%	1.00%	1.00%	1.00%
13	1.00%	1.00%	1.63%	1.84%	1.31%	1.00%	1.00%	1.00%
14	1.00%	1.00%	1.74%	1.99%	1.45%	1.00%	1.00%	1.00%
15	1.01%	1.00%	1.80%	2.06%	1.52%	1.00%	1.00%	1.00%
16	1.07%	1.00%	1.85%	2.14%	1.59%	1.00%	1.00%	1.00%
17	1.12%	1.00%	1.91%	2.22%	1.66%	1.02%	1.00%	1.00%
18	1.17%	1.00%	1.96%	2.29%	1.73%	1.06%	1.00%	1.00%
19	1.22%	1.05%	2.02%	2.37%	1.79%	1.11%	1.00%	1.00%
20	1.28%	1.09%	2.07%	2.44%	1.86%	1.16%	1.00%	1.00%
21	5.40%	5.40%	5.40%	5.40%	5.40%	5.40%	5.40%	5.40%



PREPARING ALASKANS FOR THE JOBS OF TODAY — AND TOMORROW

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