

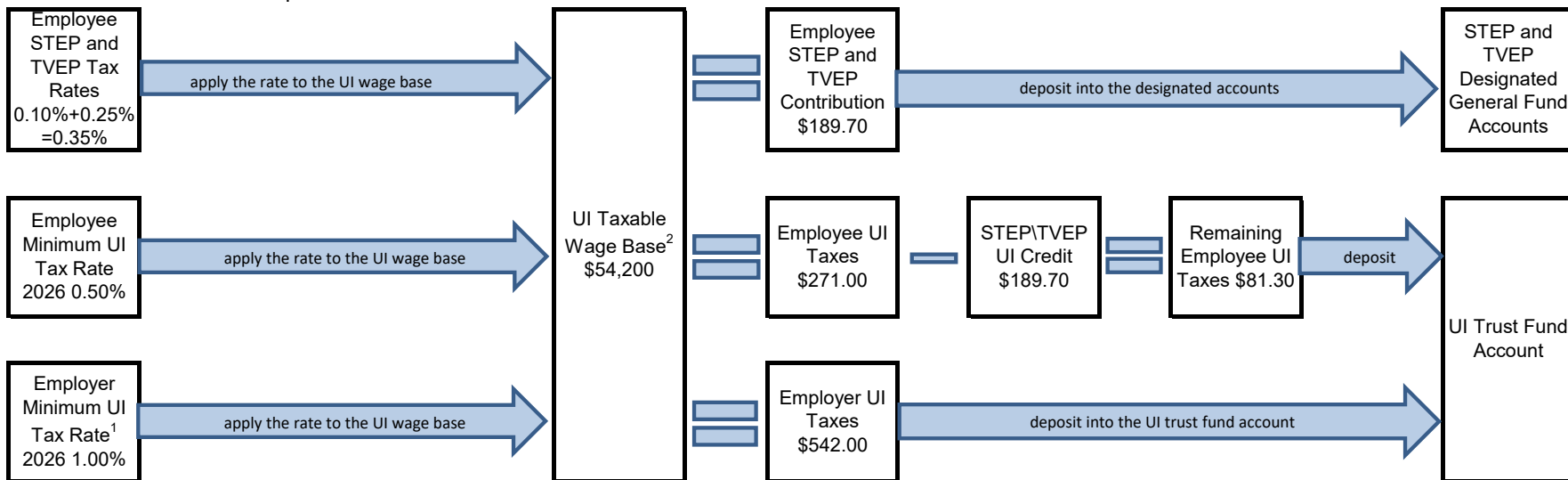
Current State of Alaska UI, STEP, TVEP Tax Flow Chart:

Unemployment Insurance (UI)

State Training and Employment Program (STEP)

Technical and Vocational Education Program (TVEP)

The employee STEP and TVEP tax rates are set in statute (AS 23.15.630 and AS 23.15.835 respectively) and are applied to the annual UI taxable wage base. The calculations provided below are per employee, assume the maximum wage for 2026, and are based on the 2026 UI tax rate.



1) UI tax rates are calculated each year to ensure solvency of the UI trust fund account and cover benefit payments. The exact employer contribution rate varies by employer. The rate provided above is the average employer UI tax rate (rate classes 10 & 11). For more information, please reference the UI Tax Calculation Cookbook at <https://live.laborstats.alaska.gov/article/unemployment-insurance-research-program>. All 20 non-penalty employer rate classes are currently at the statutory minimum due to current UI Trust Fund solvency.

2) The UI taxable wage base per employee is calculated each year as 75% of the average annual wage in Alaska (AS 23.20.175).

Updated: January 21, 2026

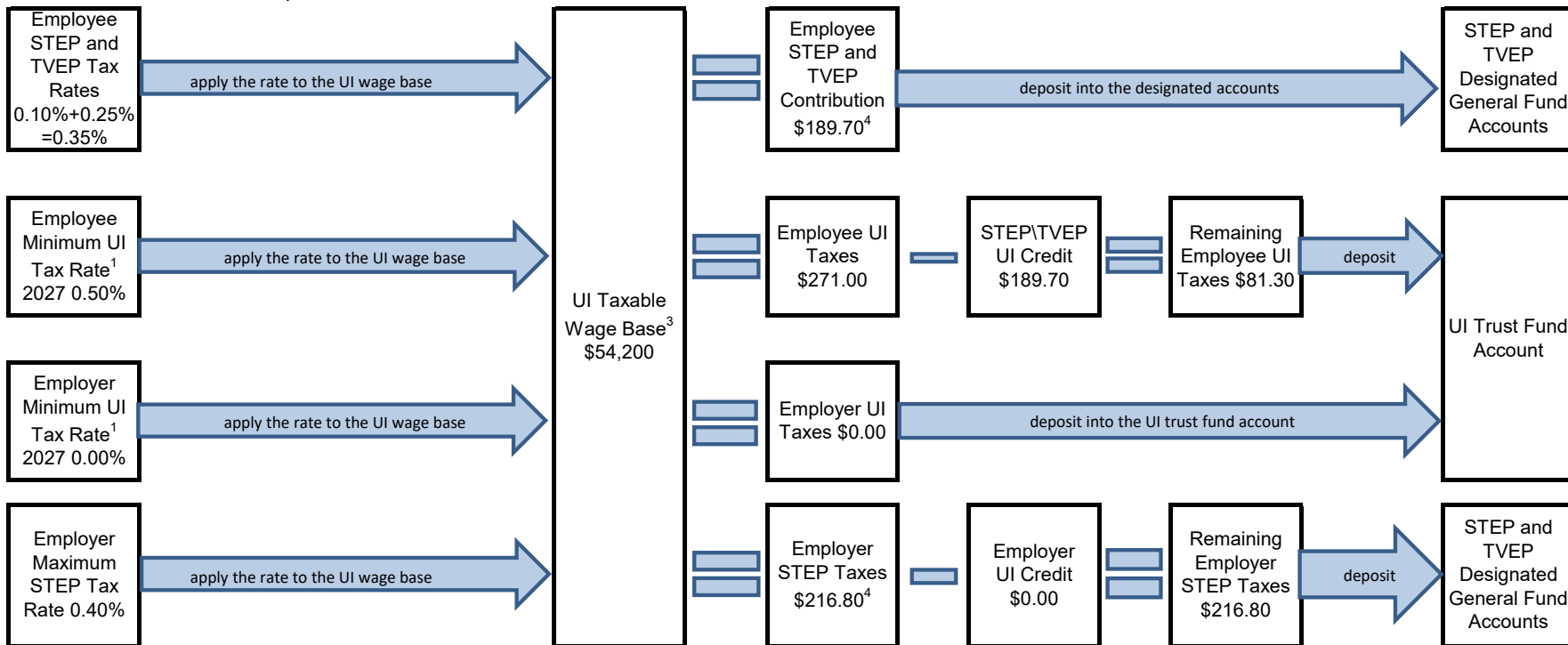
SB217 Employer Contributions UI, STEP, TVEP Tax Flow Chart:

Unemployment Insurance (UI)

State Training and Employment Program (STEP)

Technical and Vocational Education Program (TVEP)

New employer STEP tax rate added to statute (AS 23.15.630) and applied to the annual UI taxable wage base. Employer UI tax rate minimum change to zero. Employer UI taxes are credited to employer STEP taxes. The calculations provided below are per employee, assume the maximum wage for 2026, and are based on projected 2027 UI tax rates assuming conditions remain the same.



1) UI tax rates are calculated each year to ensure solvency of the UI trust fund account and cover benefit payments. The exact employer contribution rate varies by employer. The rate provided above is the average employer UI tax rate (rate classes 10 & 11). For more information, please reference the UI Tax Calculation Cookbook at <https://live.laborstats.alaska.gov/article/unemployment-insurance-research-program>. All 20 non-penalty employer rate classes are currently at the statutory minimum due to current UI Trust Fund solvency.

2) The 2026 UI taxable wage base was used since the 2027 taxable wage base is not yet known. The UI taxable wage base per employee is calculated each year as 75% of the average annual wage in Alaska (AS 23.20.175).

For further information, please contact Paloma Harbour (907) 465-5543 or paloma.harbour@alaska.gov.

Updated: January 21, 2026