

Senate Bill 159

*“An Act relating to
unemployment benefits.”*

SPONSORED BY SENATOR MIA COSTELLO

Current Comparison: Annual Worker vs. Seasonal Worker

WORKER #1

- TOTAL INCOME: \$48,000
- QUARTERLY INCOME

Q1	Q2	Q3	Q4
\$12,000	\$12,000	\$12,000	\$12,000

- UNEMPLOYMENT BENEFITS
\$370/week for **26 weeks**

WORKER #2

- TOTAL INCOME: \$48,000
- QUARTERLY INCOME

Q1	Q2	Q3	Q4
\$0	\$24,000	\$24,000	\$0

- UNEMPLOYMENT BENEFITS
\$370/week for **20 weeks**

When facing the same job market, why would we tell Worker #2 that he won't get as many weeks of unemployment as Worker #1?

SB 159 Treats Alaska's Workforce Equally and Fairly

When jobs are scarce, they're scarce for everyone. When jobs are abundant, there are more options for everyone.

SB 159 takes that into account by giving individuals who are unemployed at the same time the same duration of unemployment benefits, since they are facing the same job market.

By tying the duration of unemployment benefits to the unemployment rate, applicants will have the same amount of time available to find new employment, and that time frame will increase when there are fewer job openings.

SB 159 Ties the Duration of Benefits to the Unemployment Rate

- When the economy is doing well, and the unemployment rate is below 5%, SB 159 would cap the number of weeks of benefits an individual could receive at 14.
- For every half-percent increase in the unemployment rate, individuals would receive one additional week unemployment benefit payments, up to 26 weeks.

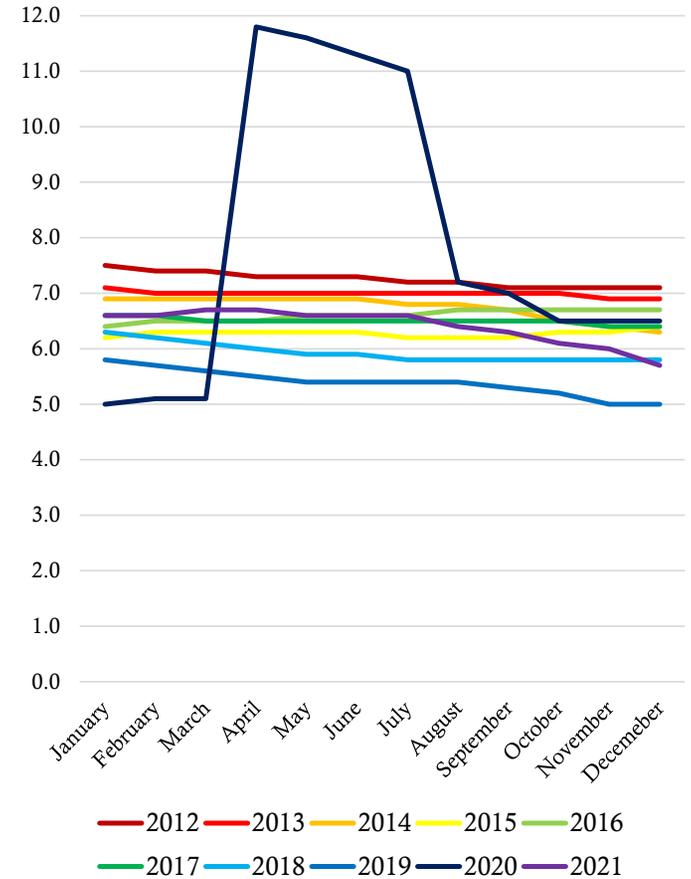
Unemployment Rate	Weeks of Benefits
Up to 5.00%	14
5.01-5.50%	15
5.51-6.00%	16
6.01-6.50%	17
6.51-7.00%	18
7.01-7.50%	19
7.51-8.00%	20
8.01-8.50%	21
8.51-9.00%	22
9.01-9.50%	23
9.51-10.00%	24
10.01-10.50%	25
10.51% and Above	26

Seasonally Adjusted Unemployment Rate in Alaska

Quarterly Average Unemployment Rate for Applicants throughout the Year

	For Jan-Mar (Q4)	For Apr-June (Q1)	For July-Sept (Q2)	For Oct-Dec (Q3)
2012		7.4	7.4	7.3
2013	7.1	7.0	7.0	7.0
2014	6.9	6.9	6.9	6.8
2015	6.4	6.3	6.3	6.2
2016	6.3	6.5	6.6	6.7
2017	6.7	6.6	6.5	6.5
2018	6.4	6.2	5.9	5.8
2019	5.8	5.7	5.4	5.4
2020	5.1	5.1	11.6	8.4
2021	6.5	6.6	6.6	6.4
2022	5.9			

Seasonally Adjusted Unemployment Rate in Alaska, 2012–2021



SB 159 Does Not Change the Weekly Benefit Amount

- Looking at the worksheet to the right, the bottom section – “Determine the DURATION of your benefits by calculating your EARNINGS RATIO” – would no longer be used under SB 159.
- The top two sections of the worksheet would still be used in determining the amount of weekly benefit each individual can receive, based on wages prior to loss of employment.

CALCULATING YOUR WEEKLY BENEFIT AMOUNT AND DURATION Alaska Department of Labor and Workforce Development

Identify your **BASE PERIOD**. Your base period is the first four of the last five completed calendar quarters prior to filing your claim for Unemployment Insurance.

- If you are not eligible for benefits using the standard base period, the alternate base period will be used to calculate your claim.

What is the amount of gross wages paid to you in each quarter of your base period? Enter the amounts in the boxes below.

[.....STANDARD BASE PERIOD.....]					The quarter in which you file your claim
Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 5	
[.....ALTERNATE BASE PERIOD.....]					
Add the amounts in the boxes marked Quarters 1, 2, 3 and 4. (or 2,3,4 & 5 for alternate base period)					Quarter 1 _____ Quarter 2 _____ Quarter 3 _____ Quarter 4 _____ Total: _____

To calculate your WEEKLY BENEFIT AMOUNT:

- List the **total** amount from above (this amount is your total base period wages): _____
- From the boxes marked quarters 1, 2, 3 and 4, list the amount with the highest \$ amount: _____
- Determine the percent (%) of wages in your highest quarter (Line B divided by line A times 100 equals percent);

$$\text{(Line B)} \div \text{(Line A)} \times 100 = \text{_____} \%$$
 - If the percentage calculated on line C is less than 90%, go directly to the Benefits Table on the back of this page to determine your weekly benefit amount based on the wages on line A.
 - If the percentage calculated above is 90% or greater, compute the wages to be used in determining your weekly benefit amount by subtracting line B from line A, and multiplying this amount by 10 (line A minus line B times 10 equals). Using the amount calculated below, go to the Benefits Table on the back of this page to determine your weekly benefit amount.

$$\text{(Line A)} - \text{(Line B)} \times 10 = \text{_____}$$

Determine the DURATION of your benefits by calculating your EARNINGS RATIO

The earnings ratio is your total base period wages divided by the quarter in your base period that has the most wages (line A divided by line B equals Earnings Ratio).

$$\text{(Line A)} \div \text{(Line B)} = \text{_____}$$

DURATION TABLE	
Earnings Ratio	Duration (The number of weeks you are able to collect benefits)
Less than 1.49	16
1.50 – 1.99	18
2.00 – 2.49	20
2.50 – 2.99	22
3.00 – 3.49	24
3.50 or more	26

SEE BACK OF PAGE FOR BENEFITS TABLE, AND INFORMATION ON DEPENDENTS ALLOWANCE

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Thank You
