



LAWS OF ALASKA

1971

Source

SCSHB 304 am FCC

Chapter No.

106

AN ACT

Relating to employment security; and providing for an effective date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 23.20.085 is repealed and re-enacted to read:

Sec. 23.20.085. INTERSTATE BENEFIT PAYMENTS. (a) The department shall enter into reciprocal arrangements with appropriate and duly authorized agencies of other states or of the federal government, or both, so that potential rights to benefits under this chapter may constitute the basis for payment of claims by another state or by the federal government and potential rights to benefits accumulated under the law of another state or of the federal government may constitute the basis for the payment of claims by this state. These claims shall be paid under the provisions of this chapter or under the provisions of the law of the other state or of the federal government or under that combination of the provisions of both laws as is agreed upon as being fair and reasonable to all affected interests. No arrangement under this section may be entered into unless it contains provision for reimbursement to the fund for those claims paid on the basis of wages and service subject to the law of another state or of the federal government, and provision for reimbursement from the fund for those claims paid by another state or by the federal government on the basis of wages and service subject to this chapter. Reimbursements paid from the fund under this section are considered to be benefits for the purposes of this chapter.

(b) The department shall participate in any arrangements for the payment of benefits on the basis of combining an individual's wages and employment covered under this

chapter with his wages and employment covered under the unemployment insurance laws of other states which are approved by the United States Secretary of Labor in consultation with the state employment security agencies as reasonably calculated to assure the prompt and full payment of benefits in such situations and which arrangements shall include provisions for

(1) applying the base period of a single state law to a claim involving the combining of an individual's wages and employment covered under two or more state unemployment insurance laws, and

(2) avoiding the duplicate use of wages and employment by reason of the combining.

(c) For purposes of this section, the terms "other state" and "another state" are considered as including any state or territory of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and Canada, and where applicable are considered as including the federal government.

* Sec. 2. AS 23.20.130(b) is amended by adding new paragraphs to read:

(9) reimbursement of benefits paid under secs. 277, 278 and 326 of this chapter; and

(10) recovery of benefits paid from the unemployment compensation fund to individuals not entitled to them as provided by sec. 390 of this chapter.

* Sec. 3. AS 23.20 is amended by adding a new section to read:

Sec. 23.20.276. FINANCING BENEFITS PAID TO EMPLOYEES OF NONPROFIT ORGANIZATIONS, ELECTION. (a) Benefits paid to employees of nonprofit organizations shall be financed in accordance with the provisions of secs. 276 - 277 of this chapter. For the purposes of secs. 276 - 277 of this chapter a nonprofit organization is an organization, or group of organizations, described in sec. 501(c)(3) of the U. S. Internal Revenue Code and exempt from income tax under sec. 501(a) of that code.

(b) A nonprofit organization described in this section which, under sec. 525(a)(6) of this chapter, is, or becomes, subject to this chapter on or after January 1, 1972 shall pay contributions under the provisions of sec. 165 of this chapter, unless it elects, in accordance with this section, to pay to the department for the unemployment compensation fund an amount equal to the amount of regular benefits and of one-half of the extended benefits paid, that is attributable to service in the employ of the nonprofit organization, to individuals for weeks of unemployment which begin during the effective period of the election.

(c) A nonprofit organization which is, or becomes, subject to this chapter on January 1, 1972 may elect to become liable for payments in place of contributions for

a period of not less than one taxable year beginning with January 1, 1972 if it files with the department a written notice of its election within the 30-day period immediately following January 1, 1972, or within a like period immediately following the date of enactment of this subsection, whichever occurs later.

(d) A nonprofit organization which becomes subject to this chapter after January 1, 1972 may elect to become liable for payments in place of contributions for a period of not less than 12 months beginning with the date on which this subjection begins by filing a written notice of its election with the department not later than 30 days immediately following the date of the determination of the subjection.

(e) A nonprofit organization which makes an election in accordance with (c) or (d) of this section will continue to be liable for payments in place of contributions until it files with the department a written notice terminating its election. The notice must be filed not later than 30 days before the beginning of the taxable year for which the termination will first be effective.

(f) A nonprofit organization which has been paying contributions under this chapter for a period after January 1, 1972 may change to a reimbursable basis by filing with the department not later than 30 days before the beginning of any taxable year a written notice of election to become liable for payments in place of contributions. This election is not terminable by the organization for that and the next taxable year.

(g) The department may for good cause extend the period within which a notice of election or a notice of termination must be filed and may permit an election to be retroactive in effect but not any earlier than with respect to benefits paid after December 31, 1971.

(h) The department, in accordance with such regulations as it may prescribe, shall notify each nonprofit organization of any determination which it may make of its status as an employer and of the effective date of any election which it makes and of any termination of election. These determinations are subject to reconsideration, appeal and review in accordance with the provisions of secs. 410 - 470 of this chapter.

* Sec. 4. AS 23.20 is amended by adding a new section to read:

Sec. 23.20.277. REIMBURSEMENT PAYMENTS BY NONPROFIT ORGANIZATIONS. (a) Payments in place of contributions by nonprofit organizations shall be made in accordance with the provisions of this section including either (b) or (c) of this section.

(b) At the end of each calendar quarter, or at the end of any other period as determined by the department, the department shall bill each nonprofit organization, or group of nonprofit organizations, which has elected to make payments in place of contributions for an amount equal

to the full amount of regular benefits plus one-half of the amount of extended benefits paid during the quarter or other prescribed period that is attributable to service in the employ of the nonprofit organization.

(c) Each nonprofit organization that has elected payments in place of contributions may request permission to make payments as provided in this subsection. This method of payment becomes effective upon approval by the department. At the end of each calendar quarter or at the end of any other period as determined by the department, the department shall bill each nonprofit organization for an amount representing one of the following:

(1) for 1972, .25 per cent of its total payroll for 1971;

(2) for years after 1972, that percentage of its total payroll for the immediately preceding calendar year as the department determines; the determination shall be based each year on the average benefit costs attributable to service in the employ of nonprofit organizations during the preceding calendar year;

(3) for any organization which did not pay wages throughout the four calendar quarters of the preceding calendar year, that percentage of its payroll during the year as the department determines.

(d) At the end of each taxable year, the department may modify the quarterly percentage of payroll thereafter payable by the nonprofit organization in order to minimize excess or insufficient payments.

(e) At the end of each taxable year, the department shall determine whether the total of payments for the year made by a nonprofit organization is less than, or in excess of, the total amount of regular benefits plus one-half of the amount of extended benefits paid to individuals during the taxable year based on wages attributable to service in the employ of the nonprofit organization. Each nonprofit organization whose total payments for the taxable year are less than the amount so determined is liable for payment of the unpaid balance to the fund in accordance with (f) of this section. If the total payments exceed the amount so determined for the taxable year, all or a part of the excess may, at the discretion of the department, be refunded from the fund or retained in the fund as part of the payments which may be required for the next taxable year.

(f) Payment of any bill rendered under (b) or (c) of this section shall be made not later than 30 days after the bill was mailed to the last known address of the nonprofit organization or was otherwise delivered to it, unless there has been an application for review and re-determination in accordance with (h) of this section.

(g) Payments made by any nonprofit organization under the provisions of this section may not be deducted or deductible, in whole or in part, from the remuneration of individuals in the employ of the organization; nor may

contributions be required of an employee on the basis of wages paid to that employee for services performed by him in employment for a nonprofit organization which makes an election to become liable for payments in place of contributions under sec. 276 of this chapter, and the wages are paid during the period of election.

(h) The amount due, specified in a bill from the department, is conclusive on the organization unless, not later than 15 days after the bill was mailed to its last known address or otherwise delivered to it, the organization files an application for redetermination by the department, setting out the grounds for the application. The department shall promptly review and reconsider the amount due specified in the bill and shall thereafter issue a redetermination in any case in which an application for redetermination has been filed. Any redetermination is conclusive on the organization unless, not later than 15 days after the redetermination was mailed to its last known address or otherwise delivered to it, the organization files an appeal to the commissioner, setting out the grounds for the appeal. Proceedings on appeal to the commissioner from the amount of a bill rendered under this subsection or a redetermination of the amount shall be in accordance with the provisions of secs. 410 - 455 of this chapter.

(i) Past due payments of amounts in place of contributions are subject to the same interest and penalties that, under secs. 185 - 195 of this chapter, apply to past due contributions.

(j) At the discretion of the department, a nonprofit organization that elects to become liable for payments in place of contributions under sec. 276 of this chapter is required, within 30 days after the effective date of its election, to execute and file with the department a surety bond approved by the department or it may elect instead to deposit with the department money or securities. The amount of the bond or deposit shall be determined by the department in accordance with regulations promulgated by the department.

(k) If a nonprofit organization is delinquent in making payments in place of contributions as required under this section, the department may terminate that organization's election to make payments in place of contributions as of the beginning of the next taxable year, and the termination is effective for that and the next taxable year.

(l) Each employer that is liable for payments in place of contributions shall pay to the department for the fund the amount of regular benefits plus the amount of one-half of extended benefits paid that are attributable to service in the employ of such an employer. If benefits paid to an individual are based on wages paid by more than one employer and one or more of these employers are liable for payments in place of contributions, the amount payable to the fund by each employer that is liable for payments shall be determined by the department in accordance with regulations promulgated by the department.

* Sec. 5. AS 23.20 is amended by adding a new section to read:

Sec. 23.20.278. FINANCING BENEFITS PAID TO EMPLOYEES OF STATE HOSPITALS AND INSTITUTIONS OF HIGHER EDUCATION. The state or an instrumentality of the state subject to this chapter, under sec. 525(a)(4) of this chapter, shall pay contributions under the provisions of sec. 165 of this chapter, unless it elects to reimburse the department for the unemployment compensation fund according to the provisions applicable to nonprofit organizations under sec. 277 of this chapter.

* Sec. 6. AS 23.20 is amended by adding a new section to read:

Sec. 23.20.326. ELECTIVE COVERAGE BY POLITICAL SUBDIVISIONS. (a) A political subdivision of the state has the right to elect to cover the service performed by employees of hospitals and institutions of higher education operated by the political subdivision.

(b) A political subdivision of the state which elects to cover the services of employees in an institution of higher education or hospital operated by the political subdivision shall cover the services of all employees in all institutions of higher education and all hospitals operated by the political subdivision except for the exclusions in sec. 526 of this chapter, and shall make payments in place of contributions with respect to benefits attributable to the employment as provided with respect to nonprofit organizations in sec. 277 of this chapter.

(c) An election under this section may be terminated by filing with the department written notice no later than 30 days before the last day of the calendar year in which the termination is to be effective. The termination becomes effective as of the first day of the next ensuing calendar year with respect to services performed after that date.

* Sec. 7. AS 23.20.350(b) is amended to read:

(b) Except as provided in (a) of this section, an individual's weekly benefit amount shown in the table set out in this section in the applicable column opposite the amount is the amount of his total base period wages as shown in column A. Each individual who establishes a benefit year is entitled to an augmented weekly benefit amount, as shown in the table set out in this section. The number of dependents shall be determined as of the date he establishes his benefit year, and shall be fixed for the duration of the benefit year.

Total Base Period Wages	Basic Weekly Benefit Amount	Augmented Weekly Benefit Amount with the Following Dependents					Benefit Duration Factor
		One	Two	Three	Four	Five	
Columns (A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
\$ 0-749.99	\$00	\$00	\$00	\$00	\$00	\$00	\$00
750-799.99	18	23	28	33	36	36	14

800- 899.99	19	24	29	34	38	38	16
900-1099.99	20	25	30	35	40	40	18
1100-1299.99	21	26	31	36	41	42	20
1300-1499.99	22	27	32	37	42	44	22
1500-1699.99	23	28	33	38	43	46	24
1700-1899.99	24	29	34	39	44	48	26
1900-2099.99	25	30	35	40	45	50	28
2100-2199.99	26	31	36	41	46	51	28
2200-2299.99	27	32	37	42	47	52	28
2300-2399.99	28	33	38	43	48	53	28
2400-2499.99	29	34	39	44	49	54	28
2500-2599.99	30	35	40	45	50	55	28
2600-2699.99	31	36	41	46	51	56	28
2700-2799.99	32	37	42	47	52	57	28
2800-2899.99	33	38	43	48	53	58	28
2900-2999.99	34	39	44	49	54	59	28
3000-3099.99	35	40	45	50	55	60	28
3100-3199.99	36	41	46	51	56	61	28
3200-3299.99	37	42	47	52	57	62	28
3300-3399.99	38	43	48	53	58	63	28
3400-3499.99	39	44	49	54	59	64	28
3500-3599.99	40	45	50	55	60	65	28
3600-3699.99	41	46	51	56	61	66	28
3700-3799.99	42	47	52	57	62	67	28
3800-3899.99	43	48	53	58	63	68	28
3900-3999.99	44	49	54	59	64	69	28
4000-4099.99	45	50	55	60	65	70	28
4100-4199.99	46	51	56	61	66	71	28
4200-4299.99	47	52	57	62	67	72	28
4300-4399.99	48	53	58	63	68	73	28
4400-4499.99	49	54	59	64	69	74	28
4500-4599.99	50	55	60	65	70	75	28
4600-4699.99	51	56	61	66	71	76	28
4700-4799.99	52	57	62	67	72	77	28
4800-4899.99	53	58	63	68	73	78	28
4900-4999.99	54	59	64	69	74	79	28
5000-5099.99	55	60	65	70	75	80	28
5100-5199.99	56	61	66	71	76	81	28
5200-5299.99	57	62	67	72	77	82	28
5300-5399.99	58	63	68	73	78	83	28
5400-5499.99	59	64	69	74	79	84	28
5500 and over	60	65	70	75	80	85	28

* Sec. 8. AS 23.20.355 is repealed.

* Sec. 9. AS 23.20.375 is amended by adding a new subsection to read:

(c) Benefits based on service in employment defined in secs. 525(a)(4), (5) and (6) of this chapter are payable in the same amount, on the same terms and subject to the same conditions as compensation payable on the basis of other service subject to this chapter; except that benefits based on service in an instructional, research or principal administrative capacity in an institution of higher education as defined in sec. 520 of this chapter may not be paid to an individual for any week of unemployment which begins during the period between two successive academic years, or during a similar period between two regular terms, whether or not successive, or during a period of paid sabbatical leave provided for in the individual's contract, if the individual has a contract or contracts to

perform services in any such capacity for any institution or institutions of higher education for both the academic years or both terms.

* Sec. 10. AS 23.20.520(12) is amended to read:

(12) "employing unit" means an individual or type of organization, partnership, association, trust, estate, joint trust company, insurance company or domestic or foreign corporation, or the receiver, referee in bankruptcy, trustee, or successor of one of these, or the legal representative of a deceased person, which has or subsequent to January 1, 1937, had one or more individuals performing service for it within the state; and individual performing services inside the state for an employing unit which maintains two or more separate establishments inside the state is considered as employed by a single employing unit for the purposes of this chapter; notwithstanding any provision in this chapter any employing unit which employs individuals whose services must be covered by the unemployment insurance laws of this state after December 31, 1971 as a condition of approval of the unemployment insurance laws of this state under sec. 3304(a) of the U. S. Internal Revenue Code of 1954, as amended, will be considered an employer as to those individuals and is subject to contributions on all wages paid after December 31, 1971, or reimbursement payments to cover benefits paid based on services performed after December 31, 1971, depending on the applicable law;

* Sec. 11. AS 23.20.520(17) is amended to read:

(17) "insured worker" means an individual who, with respect to a base period, meets the wage and employment requirements of sec. 350 of this chapter;

* Sec. 12. AS 23.20.520(19) is amended to read:

(19) "state" includes the states of the United States of America, the District of Columbia and the Commonwealth of Puerto Rico;

* Sec. 13. AS 23.20.520 is amended by adding new paragraphs to read:

(23) "hospital" means any institution primarily engaged in the treatment of emotional or physical disability which provides, on a regular basis, 24-hour a day bed care under the supervision of licensed medical personnel and those components, of other institutions, which are primarily engaged in the treatment of emotional or physical disability and which provide, on a regular basis, 24-hour a day bed care under the supervision of licensed medical personnel;

(24) "institution of higher education" for the purposes of this chapter, means an educational institution which

(A) admits as regular students only individuals having a certificate of graduation from a high school, or the recognized equivalent of a

high school graduation certificate; and

(B) is legally authorized in this state to provide a program of education beyond high school; and

(C) provides an educational program for which it awards a bachelor's or higher degree, or provides a program which is acceptable for full credit toward either degree, a program of post-graduate or post-doctoral studies, or a program of training to prepare students for gainful employment in a recognized occupation; and

(D) is a public or other nonprofit institution;

(25) "contributions" and "payments in place of contributions" when used in this chapter, whether singular or plural, means the money payments to be made to the state unemployment compensation fund and are considered to be taxes due to the state.

* Sec. 14. AS 23.20.525 is repealed and re-enacted to read:

Sec. 23.20.525. EMPLOYMENT DEFINED. (a) In this chapter, unless the context otherwise requires, "employment" means

(1) service performed by an individual for wages or by an officer of a corporation, including service in interstate commerce;

(2) service performed by an individual who under (10) of this subsection has the status of an employee;

(3) service performed by an individual other than an individual who is an employee under (1) or (2) of this subsection who performs services for remuneration for any person

(A) as an agent-driver or commission-driver engaged in distributing meat products, vegetable products, fruit products, bakery products, beverages, or laundry or dry-cleaning services, for his principal; or

(B) as a traveling or city salesman, other than as an agent-driver or commission-driver, engaged upon a full-time basis in the solicitation on behalf of, and the transmission to, his principal of orders from wholesalers, retailers, contractors, or operators of hotels, restaurants, or other similar establishments for merchandise for resale or supplies for use in their business operations; however, for all purposes of (3) of this subsection, the term "employment" includes services described in this subparagraph and (A) of this paragraph, performed after December 31, 1971, only if

(1) the contract of service contemplates that substantially all of the services are to be performed personally by the individual;

(ii) the individual does not have a substantial investment in facilities used in connection with the performance of the services (other than in facilities for transportation); and

(iii) the services are not in the nature of a single transaction that is not part of a continuing relationship with the person for whom the services are performed;

(4) service performed after December 31, 1971 by an individual in the employ of this state or any instrumentality of this state, or in the employ of this state and one or more states or their instrumentalities, for a hospital or institution of higher education in this state (except service described in sec. 526(d) of this chapter) if the service is excluded from the term "employment" solely by reason of sec. 3306(c)(7) of the Federal Unemployment Tax Act;

(5) service performed in the employ of a political subdivision of this state or a wholly owned instrumentality of a political subdivision of this state, if coverage is elected under sec. 325 or sec. 326 of this chapter;

(6) service performed by an individual in a calendar quarter after June 30, 1962 in the employ of an organization exempt from income tax under sec. 501(a) of the U. S. Internal Revenue Code (other than an organization described in sec. 401(a)) or under sec. 521 of the U. S. Internal Revenue Code, if the remuneration for the service is \$250 or more; notwithstanding the provisions of this paragraph, services performed after December 31, 1971 by an individual in the employ of a religious, charitable, educational or other organization described in sec. 501-(c)(3) of the U. S. Internal Revenue Code which is exempt from income tax under sec. 501(a) of that code, constitutes employment for the purposes of this chapter even though remuneration for the services is less than \$250 in a calendar quarter, but only if the organization had four or more individuals in employment for some portion of a day in each of 20 different weeks, whether or not the weeks were consecutive, within either the current or preceding calendar year, regardless of whether the individuals were employed at the same moment of time;

(7) service of an individual who is a citizen of the United States, performed outside the United States (except in Canada or the Virgin Islands), after December 31, 1971 in the employ of an American employer, or of this state or of any of its instrumentalities or any of its political subdivisions, (other than service which is considered "employment" under the provisions of (11) or (12) of this subsection or the parallel provisions of the law of another state), if

(A) the employer's principal place of business in the United States is located in this state; or

(B) the employer has no place of business in the United States, but

(i) the employer is an individual who is a resident of this state; or

(ii) the employer is a corporation which is organized under the laws of this state; or

(iii) the employer is a partnership or a trust and the number of the partners or trustees who are residents of this state is greater than the number who are residents of any one other state; or

(C) none of the criteria in (A) and (B) of this paragraph is met but the employer has elected coverage in this state or, the employer having failed to elect coverage in any state, the individual has filed a claim for benefits, based on service described in this paragraph, under the law of this state;

(8) notwithstanding the provisions of (11) of this subsection, all service performed by an officer or member of the crew of an American vessel or in connection with the vessel, if the operating office, from which the operations of vessels operating on navigable waters inside, or inside and outside the United States are ordinarily and regularly supervised, managed, directed and controlled, is inside this state;

(9) notwithstanding any other provisions of this section, service with respect to which tax is required to be paid under any federal law imposing a tax against which credit may be taken for contributions required to be paid into a state unemployment fund or which as a condition for full tax credit against the tax imposed by the Federal Unemployment Tax Act is required to be covered under this chapter;

(10) service performed by an individual whether or not the common-law relationship of master and servant exists, unless and until it is shown to the satisfaction of the department that

(A) the individual has been and will continue to be free from control and direction in connection with the performance of the service, both under his contract for the performance of service and in fact;

(B) the service is performed either outside the usual course of the business for which the service is performed or is performed outside of all the places of business of the enterprise for which the service is performed; and

(C) the individual is customarily engaged in an independently established trade, occupation, profession, or business of the same nature as that involved in the service performed;

(11) an individual's entire service performed inside or both inside and outside this state if the service is localized in this state; service is considered to be localized inside a state or territory if

(A) the service is performed entirely inside the state or territory; or

(B) the service is performed both inside and outside the state or territory but the service performed outside the state or territory is incidental to the individual's service inside the state or territory; for example, where it is temporary or transitory in nature or consists of isolated transactions;

(12) an individual's entire service performed inside or both inside and outside this state if the service is not localized in a state or territory but some of the service is performed in this state and

(A) the individual's base of operations is in this state; or

(B) if there is no base of operations, then the place from which the service is directed or controlled is in this state; or

(C) the individual's base of operations or place from which the service is directed or controlled is not in a state or territory in which some part of the service is performed, but the individual's residence is in this state;

(13) service covered by an election under sec. 325 of this chapter, and service covered by an election approved by the commissioner in accordance with an arrangement under sec. 90(a) of this chapter during the effective period of the election.

(b) An "American employer", for purposes of (a)(7) of this section, means a person who is

(1) an individual who is a resident of the United States; or

(2) a partnership if two-thirds or more of the partners are residents of the United States; or

(3) a trust, if all of the trustees are residents of the United States; or

(4) a corporation organized under the laws of the United States or of any state.

* Sec. 15. AS 23.20 is amended by adding a new section to read:

Sec. 23.20.526. EXCLUSIONS FROM DEFINITIONS OF EMPLOYMENT. (a) In this chapter, unless the context otherwise requires, "employment" does not include

(1) domestic service in a private home;

(2) newsboys' services in selling or distributing newspapers on the street or from house to house;

(3) service not in the course of the employing unit's trade or business performed in a calendar quarter by an individual, unless the cash remuneration paid for the service is \$50 or more and the service is performed by an individual who is regularly employed by the employing unit to perform the service; an individual is here considered to be regularly employed to perform service not in the course of an employing unit's trade or business during a calendar quarter only if he performs the service for some portion of the day on each of some 24 days during the quarter or during the preceding calendar quarter;

(4) service performed by an individual in the employ of his son, daughter, or spouse, and service performed by a child under the age of 18 in the employ of his father or mother;

(5) service with respect to which unemployment insurance is payable under an unemployment insurance program established by an Act of Congress;

(6) service performed in the employ of a foreign government (including service as a consular or other officer or employee or a nondiplomatic representative);

(7) service performed in the employ of an instrumentality wholly owned by a foreign government if

(A) the service is of a character similar to that performed in foreign countries by employees of the United States government or its instrumentalities; and

(B) the department finds that the United States Secretary of State has certified to the United States Secretary of the Treasury that the foreign government, with respect to whose instrumentality exemption is claimed, grants an equivalent exemption with respect to similar service performed in the foreign country by employees of the United States government and its instrumentalities;

(8) service performed by an insurance agent, insurance solicitor, a real estate broker, a real estate salesman or a securities salesman to the extent he is compensated by commission, unless the service is required to be covered under the Federal Unemployment Tax Act as amended;

(9) notwithstanding sec. 525(a)(11) of this chapter, service performed by an officer or member of the crew of an American vessel on or in connection with the vessel, if the operating office, from which the operations of the vessel operating on navigable waters inside or outside and outside the United States are ordinarily and regularly supervised, managed, directed and controlled, is outside this state;

(10) service performed on or in connection with

a vessel not an American vessel by an individual if he performed service on and in connection with the vessel when outside the United States;

(11) service performed in the employ of the United States government or an instrumentality of the United States exempt under the Constitution of the United States from the contributions imposed by this chapter, except that to the extent that the Congress of the United States permits states to require an instrumentality of the United States to make payments into an unemployment fund under a state employment security law, all of the provisions of this chapter apply to the instrumentalities, and to service performed for the instrumentalities in the same manner, to the same extent, and on the same terms as to all other employers, employing units, individuals, and service; however, if this state is not certified for any year by the Secretary of Labor under sec. 3304(c) of the Federal Unemployment Tax Act, the payments required of the instrumentalities with respect to the year shall be refunded by the department from the fund in the same manner and within the same period as is provided in sec. 225 of this chapter with respect to contributions erroneously collected;

(12) service performed in the employ of another state, or political subdivision of another state, or an instrumentality of another state or political subdivision which is wholly owned by another state or its political subdivision, or a service performed in the employ of an instrumentality of another state or its political subdivisions to the extent that the instrumentality is, with respect to the service, exempt under the Constitution of the United States from the tax imposed by sec. 3301 of the Federal Unemployment Tax Act;

(13) service performed in the employ of an international organization;

(14) service covered by an election approved by the agency charged with the administration of any other state or federal employment security law, in accordance with an arrangement under sec. 90(a) of this chapter during the effective period of the election;

(15) service performed by an individual in agricultural labor; the term "agricultural labor" means remunerated service

(A) on a farm, in the employ of any person in connection with cultivating the soil, or in connection with raising or harvesting any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training, and management of livestock, bees, poultry, and fur-bearing animals and wildlife;

(B) in the employ of the owner or tenant or other operator of a farm, in connection with the operation, management, conservation, improvement, or maintenance of the farm and its tools and equipment, or in salvaging timber or clearing land of brush and

other debris left by a hurricane, if the major part of the service is performed on a farm;

(C) in connection with the production or harvesting of any commodity defined as an agricultural commodity in sec. 15(g) of the Agricultural Marketing Act, as amended (46 Stat. 1550, sec. 3; 12 U.S.C. 1141j), or in connection with the operation or maintenance of ditches, canals, reservoirs, or waterways, not owned or operated for profit, used exclusively for supplying and storing water for farming purposes;

(D) in the employ of the operator of a farm in handling, planting, drying, packing, packaging, processing, freezing, grading, storing or delivering to storage or to market or to a carrier for transportation to market, in its unmanufactured state, any agricultural or horticultural commodity; but only if the operator produced more than one-half of the commodity with respect to which the service is performed except as stated in (b) of this section;

(E) in the employ of a group of operators of farms (or a cooperative organization of which the operators are members) in the performance of service described in (D) of this paragraph, but only if the operators produced more than one-half of the commodity with respect to which the service is performed;

(F) on a farm operated for profit if the service is not in the course of the employer's trade or business or is domestic service in a private home of the employer.

(16) except as provided in sec. 525(a)(4) of this chapter, service performed in the employ of the state or a political subdivision of the state unless coverage is elected under sec. 325 or sec. 326 of this chapter;

(17) service performed after December 31, 1971, by nurses, technicians, and other professional employees of hospitals no part of the net earnings of which inures to the benefit of a private shareholder or individual, unless the service is required to be covered under the Federal Unemployment Tax Act;

(18) service performed by employees of state-assisted agricultural fairs.

(b) Notwithstanding any other provision of this section, the provisions of (a)(15)(D) and (E) of this section are not applicable to service performed in connection with commercial canning or commercial freezing or in connection with any agricultural or horticultural commodity after its delivery to a terminal market for distribution for consumption.

(c) As used in (a)(15) of this section, "farm" includes stock, dairy, poultry, fruit, fur-bearing animal, and truck farms, plantations, ranches, nurseries, ranges, greenhouses or other similar structures used primarily for the raising of agricultural or horticultural commodities, and orchards.

(d) For the purposes of sec. 525(a)(4), (5) and (6) of this chapter, the term "employment" does not apply to service performed

(1) by a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry or by a member of a religious order in the exercise of duties required by the order;

(2) in a facility conducted for the purpose of carrying out a program of rehabilitation for individuals whose earning capacity is impaired by age or physical or mental deficiency or injury or providing remunerative work for individuals who, because of their impaired physical or mental capacity, cannot be readily absorbed in the competitive labor market by an individual receiving the rehabilitation or remunerative work;

(3) as part of an unemployment work-relief or work-training program assisted or financed in whole or in part by any federal agency or any agency of a state or political subdivision thereof, by an individual receiving work relief or work training;

(4) for a state hospital by an inmate of a prison or correctional institution;

(5) in the employ of a school, college, or university, if the service is performed by a student who is enrolled and is regularly attending classes at the school, college or university;

(6) by an individual under the age of 22 who is enrolled at a nonprofit or public educational institution which normally maintains a regular faculty and curriculum and normally has a regularly organized body of students in attendance at the place where its educational activities are carried on as a student in a full-time program, taken for credit at the institution, which combines academic instruction with work experience, if the service is an integral part of the program, and the institution has so certified to the employer, except that this paragraph does not apply to service performed in a program established for or on behalf of an employer or group of employers;

(7) in the employ of a hospital, if the service is performed by a patient of the hospital, as defined in sec. 520 of this chapter.

* Sec. 16. AS 23.20.380(6), (7) and (8) are repealed.

* Sec. 17. This Act takes effect January 1, 1972.