

1 IN THE SENATE

BY THE COMMITTEE ON
COMMERCE AND INDUSTRY

2 COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 41

3 IN THE LEGISLATURE OF THE TERRITORY OF ALASKA

4 TWENTY-THIRD SESSION

5 A BILL

6 For an Act entitled: "An Act relating to Employment Security,
7 amending Articles II, III, IV, V, VI, VII,
8 and X of the Alaska Employment Security Act
9 (Chapter 5, ESLA 1955); repealing Section
10 225 of Article II, Sec. 603 of Article
11 VI and Subsections (f), (g) and (h) of
12 Sec. 741 of Article VII of said Act, and
13 declaring an emergency."

14 BE IT ENACTED BY THE LEGISLATURE OF THE TERRITORY OF ALASKA:

15 Section 1, Sec. 205, Art. II of Ch. 5, ESLA 1955, is
16 hereby amended to read as follows:

17 Sec. 205. "Benefit year" means the PERIOD BEGINNING
18 WITH THE FIRST FULL CALENDAR WEEK IN JULY AND ENDING WITH
19 THE FOLLOWING CALENDAR YEAR WITH THE LAST CALENDAR WEEK
20 BEGINNING IN JUNE, PROVIDED THAT AFTER JUNE 30, 1956
21 "BENEFIT YEAR" MEANS one-year period beginning with the
22 FIRST day as of THE WEEK IN which an insured worker
23 first files a request for determination of his insured
24 status, and thereafter the one-year period beginning with
25 the FIRST day as of OF THE WEEK IN which he next
26 files such request after the end of his last preceding
27 benefit year. The filing of a notice of unemployment shall
28 be deemed a request for determination of insured status if
29 a current benefit year has not previously been established.

CS for SB #41

1 Sec. 2. Sec. 213, Art. II of Ch. 5, ESLA 1955, is hereby
2 amended to read as follows:

3 Sec. 213. "Employing unit" means the Territory of
4 Alaska and any individual or type of organization, any part-
5 nership, association, trust, estate, joint trust company,
6 insurance company or corporation, whether domestic or
7 foreign, or the receiver, referee in bankruptcy, trustee,
8 or successor of any of the foregoing, or the legal
9 representative of a deceased person, which has, or sub-
10 sequent to January 1, 1937 had one or more individuals
11 performing service for it within this Territory. All
12 individuals performing services within this Territory for
13 any employing unit which maintains two or more separate
14 establishments within this Territory shall be deemed to be
15 employed by a single employing unit for all the purposes of
16 this Act.

17 Sec. 3. A new subsection of Sec. 214, Art. II, Ch. 5,
18 ESLA 1955, is hereby enacted to read as follows:

19 (d) Service performed in the direct employ of the
20 Territory of Alaska after June 30, 1957.

21 Sec. 4. Art. II of Ch. 5, ESLA 1955, is hereby amended
22 by adding a new section to read as follows:

23 Sec. 220.1. The term "employment" shall not include
24 newsboys' services in selling or distributing newspapers
25 on the street or from house to house.

26 Sec. 5. Sec. 225, Art. II of Ch. 5, ESLA 1955 is hereby
27 repealed, effective January 1, 1958.

28 Sec. 6. Sec. 226, Art. II of Ch. 5, ESLA 1955, is hereby
29 amended to read as follows:

1 Sec. 228. Notwithstanding the provisions of Section
2 604, the term "employment" SHALL NOT INCLUDE as applied
3 to service performed in the employ of this Territory or
4 any of its political subdivisions BY AN ELECTED OFFICIAL
5 OR AN OFFICIAL COMPENSATED ON A FEE BASIS. shall not
6 include:

7 N (a) Employment as an elected or appointed public
8 E officer;

9 N (b) Employment as a member of a board, council,
10 committee, commission, or other similar body, unless such
11 M board, council, committee, commission, or such other body
12 A is composed exclusively of individuals otherwise in the
13 T full-time employ of the Territory or subdivision thereof;

14 T (c) Employment, of a professional or consulting
15 E nature, paid on a per diem or retainer basis;

16 R (d) Employment performed on a contract or fee basis;

17 (e) Employment of any individual on a temporary
18 N basis in case of fire, storm, earthquake, flood, or other
19 E similar emergency;

20 N (f) Employment, by an educational institution
21 supported wholly or substantially from public funds, of
22 M any student enrolled in such institution and carrying at
23 A least half its full-time schedule in the most recent
24 T school term, or any person as a teacher in such institutions;

25 T (g) Employment in a hospital, home, or other
26 E institution of the Territory of Alaska or subdivision
27 R thereof, by a patient or inmate thereof;

28 (h) Employment on an unemployment work-relief pro-
29 ject undertaken by this Territory or any subdivision thereof;

1 K (i) Employment as a member of the Alaska National
2 E Guard;

3 W (j) Part-time or occasional service in recreational
4 activities; or

5 (k) Past service in a regular annual school-year
6 N position (other than teaching) by an individual who still
7 E (when claiming benefits) has status therein as a school-
8 W year employee.

9 Sec. 7. Sec. 229, Art. II, of Ch. 5, ESLA 1955, is hereby
10 amended to read as follows:

11 Sec. 229. The term "employment" shall not include
12 service performed ON AN UNEMPLOYMENT WORK-RELIEF PROJECT
13 UNDERTAKEN BY THIS TERRITORY OR ANY SUBDIVISION THEREOF,
14 in the employ of municipalities or other political sub-
15 divisions of Alaska, except as provided in Section 604 of
16 this Act.

17 Sec. 8. Sec. 254, Art. II of Ch. 5, ESLA 1955, is hereby
18 amended to read as follows:

19 Sec. 254. UNEMPLOYED INDIVIDUAL. An individual shall
20 be deemed to be "unemployed" in any week during which he
21 performs no services and with respect to which no re-
22 muneration is payable to him, or in any week of less
23 than full-time work if the remuneration payable to him with
24 respect to such week is less than his basic weekly benefit
25 amount plus ten dollars or one and one-half times his basic
26 weekly benefit amount, whichever amount is greater. The
27 provisions of this section shall be effective for all
28 persons whose claims are paid after July 1, 1957 excepting
29 the persons payment of whose claims have been delayed due

1 to court action.

2 Sec. 9. Sec. 302, Art. III of Ch. 5, ESLA 1955, is hereby
3 amended to read as follows:

4 Sec. 302. TERMS OF OFFICE. Except as provided in
5 this section and in Section 303 herein, each member shall
6 hold office for a term of four years. THE MEMBERS OF THE
7 COMMISSION AS OF JANUARY 1, 1955, SHALL CONSTITUTE THE
8 FIRST MEMBERS OF THE COMMISSION CREATED BY THIS ACT AND
9 THEIR TERMS OF OFFICE SHALL EXPIRE AS FOLLOWS: The term of
10 office of each Commissioner shall expire on the date estab-
11 lished herein which is closest to the date on which his
12 term would have expired by the law in effect at the time
13 of his appointment, except that any outgoing Commissioner
14 may continue to act until his successor is eligible and
15 assumes the duties of his office. The term of one manage-
16 ment member and one labor member shall expire FEBRUARY 1,
17 1957 March 1, 1959; the term of one labor member and one
18 management member shall expire on FEBRUARY 1, 1959
19 March 1, 1961; and the term of the member representing the
20 public shall expire on FEBRUARY 1, 1959 March 1, 1959.

21 IF PROVIDED THAT THE LONG AND SHORT TERMS OF THE SAID FIRST
22 LABOR AND MANAGEMENT MEMBERS RESPECTIVELY SHALL BE DETER-
23 MINED BY THEM BY LOT AT THEIR FIRST MEETING AFTER THE
24 EFFECTIVE DATE OF THIS ACT. The Governor, at any time,
25 after due notice and public hearing, may remove any member
26 of the Commission for neglect of duty, malfeasance in
27 office, or the commission of a crime involving moral
28 turpitude.

29 Sec. 10. A new subsection of Sec. 316, Art. III, Ch. 5, ESLA

1 1955, is hereby enacted to read as follows:

2 (c) This section shall supersede Chapter 30, SLA
3 1953 insofar as Chapter 30, SLA 1953 applies to records. Re-
4 ports, transcripts, and other papers, or reproductions there-
5 of, in the custody of the Commission.

6 Sec. 11. Subsection (a) of Sec. 401, Art. IV, Ch. 5,

7 ESLA 1955, is hereby amended to read as follows:

8 (a) [SUBJECT TO THE PROVISIONS OF SECTION 501 (c)]
9 all contributions collected under this Act, together with
10 any interest thereon collected pursuant to Section 511
11 herein;

12 Sec. 12. Sec. 402, Art. IV of Ch. 5, ESLA, 1955, is hereby
13 amended to read as follows:

14 Sec. 402. ACCOUNTS AND DEPOSIT. The Territorial
15 treasurer shall be ex-officio the treasurer and custodian
16 of the fund and shall administer such funds in accordance
17 with the direction of the Commission and shall issue his
18 checks or warrants upon it in accordance with such
19 regulations as the Commission may prescribe. He shall
20 maintain within the fund three separate accounts:

- 21 (a) a Clearing Account.
22 (b) an Unemployment Trust Fund Account, and
23 (c) a Benefit Account.

24 All moneys payable to the fund, upon receipt thereof by
25 the Commission shall be forwarded to the Treasurer who shall
26 immediately deposit them in the Clearing Account. Refunds
27 payable pursuant to Sections 227, 501(b) and 518 herein
28 may be paid from the Clearing Account upon checks or
29 warrants issued by the Treasurer under the direction of

1 the Commission. After clearance thereof, all of the moneys
2 in the Clearing Account shall be immediately deposited with
3 the Secretary of the Treasury of the United States of
4 America to the credit of the Account of this Territory in
5 the Unemployment Trust Fund, established and maintained
6 pursuant to Section 904 of the Social Security Act, as
7 amended, any provision of law in this Territory relating
8 to the deposit, administration, release, or disbursement
9 of moneys in the possession or custody of this Territory
10 to the contrary notwithstanding.

11 The Benefit Account shall consist of moneys requisitioned
12 from this Territory's account in the Unemployment
13 Trust Fund for the purpose of paying benefits. Except as
14 herein otherwise provided, moneys in the Clearing and Bene-
15 fit AND EMPLOYEE CONTRIBUTION accounts may be deposited
16 by the Treasurer, under the direction of the Commission,
17 in any bank or public depository in which general funds
18 of the Territory may be deposited, but no public deposit
19 insurance charge or premium shall be paid out of the fund.
20 Money in these accounts shall not be commingled with other
21 Territorial funds, but shall be maintained in separate
22 accounts on the books of the depository bank. Such money
23 shall be secured by the depository law of this Territory;
24 and collateral pledged for this purpose shall be kept
25 separate and distinct from any collateral pledged to secure
26 other funds of the Territory. The Treasurer shall be
27 liable on his official bond for the faithful performance
28 of his duties in connection with the fund. All sums
29 recovered for losses sustained by the fund shall be

1 deposited therein.

2 Sec. 13. Sec. 404, Art. IV of Ch. 5, ESIA 1955, is hereby
3 amended to read as follows:

4 Sec. 404. WITHDRAWALS. In accordance with regulations
5 prescribed by the Commission, moneys shall be requisitioned
6 from the Territory's account in the Unemployment Trust
7 Fund solely for the payment of benefits and refunds.

8 (a) Benefit Payments. The Commission shall from time to
9 time requisition from the Unemployment Trust Fund such
10 amounts, not exceeding the amount standing to this
11 Territory's account therein, as it deems necessary for the
12 payment of benefits for a reasonable future period. Upon
13 receipt thereof the Treasurer shall deposit such moneys in
14 the Benefit Account and shall issue checks or warrants for
15 the payment of benefits solely from such Benefit Account.

16 (b) Refund Payments. If, at any time, moneys in the
17 Clearing Account are not sufficient to provide for refunds
18 payable pursuant to Section 227, 501(b) and 518 herein,
19 the Commission shall withdraw from the Unemployment Trust
20 Fund such amounts, not exceeding the amount standing to
21 this Territory's account herein, as are necessary for the
22 payment of such refunds. Upon receipt thereof the
23 Treasurer shall deposit such moneys in the Clearing
24 Account and shall issue checks or warrants for the payment
25 of such refunds from such account.

26 Expenditures of such moneys in the Benefit Account and re-
27 funds from the Clearing Account shall not be subject to any
28 provisions of law requiring specific appropriations or
29 other formal release by Territorial officers of money in

1 their custody. All checks or warrants issued by the
2 Treasurer for the payment of benefits and refunds shall
3 bear the signature of the Treasurer and countersignature of
4 the duly authorized agent of the Commission for that purpose.
5 Any balance of moneys requisitioned from the Unemployment
6 Trust Fund which remains unclaimed or unpaid in the Benefit
7 Account after the expiration of the period for which such
8 sums were requisitioned shall either be deducted from
9 estimates for, and may be utilized for the payment of,
10 benefits during succeeding periods, or, in the discretion
11 of the Commission, shall be redeposited with the Secretary
12 of the Treasury of the United States of America, to the
13 credit of this Territory's account in the Unemployment
14 Trust Fund, as provided in Section 402 herein.

15 Sec. 14. Sec. 501, Art. V of Ch. 5, ESLA 1955, is hereby
16 amended to read as follows:

17 Sec. 501. PAYMENT OF CONTRIBUTIONS. (a) Contributions
18 with respect to wages for employment shall accrue and
19 become payable by each employer for each calendar year in
20 which he is subject to this Act. Such contributions
21 shall become due and be paid by each employer to the
22 Commission for the fund in accordance with such regulations
23 as the Commission may prescribe and contributions payable
24 by the employer shall not be deducted in whole, or in part,
-25 from the wages of individuals in employment for such
26 employers.

27 (b) Contributions with respect to wages
28 paid on or after January 1, 1955 for employment shall
29 accrue and become payable until such time as contributions

1 shall be terminated pursuant to Section 502 of this
2 Article, by each individual who performs service in
3 employment for each calendar year in which such services
4 are subject to this Act.

5 The contributions required of each such individual, in
6 accordance with regulations prescribed by the Commission,
7 shall become payable, be deducted from his wages by his
8 employer, and be held in trust by the employer for the
9 Commission until such time as such employee contributions
10 are required by regulation to be deposited with the Com-
11 mission. Such funds shall not be subject to garnishment
12 or attachment in any fashion, and in the event of lien,
13 judgment or bankruptcy proceedings shall not be considered
14 as assets of the employer. Any employer who shall fail to
15 make such deductions from the wages of his employees shall
16 himself be liable to the Commission for the payment of such
17 required contributions, which shall be collected from him
18 in the same manner as is provided for the collection of
19 employer contributions.

20 If any employer shall convert to his own use or other-
21 wise misappropriate any funds so held in trust, he shall be
22 required to pay to the Commission for deposit in the
23 EMPLOYEE CONTRIBUTION ACCOUNT Clearing Account the
24 amount so converted or misappropriated, together with a
25 penalty equal to five times that amount but not less than
26 \$25.00. In addition, if such conversion or misappropriation
27 is willful, he shall be guilty of a misdemeanor and, upon
28 conviction thereof, shall be fined not more than \$200.00,
29 or imprisoned for not more than 60 days, or both.

1 Each employer shall maintain a record of the amount so
2 deducted from the wages of each of his employees, and shall
3 furnish a statement of such deductions to each employee at
4 such times and in such manner as the Commission shall pre-
5 scribe by regulation. No such deduction shall be made from
6 those wages in excess of the first ~~/\$3,600.00/~~ \$4,200.00
7 of wages paid to an employee during any calendar year. In
8 the event that an employee earns wages totaling in excess
9 of ~~/\$3,600.00/~~ \$4,200.00 in one calendar year in the
10 employ of two or more employers, or in the event that any
11 one employer through error shall have made such deductions
12 from his wages in excess of ~~/\$3,600.00/~~ \$4,200.00 during
13 any one calendar year, the amount of such deductions in
14 excess of those required by this Act shall be refunded to
15 the employee by the Commission upon application therefor
16 in accordance with regulations prescribed by the Commission,
17 provided, that such application is made during the calendar
18 year immediately following the calendar year in which such
19 deductions were made.

20 /(c) THERE IS HEREBY ESTABLISHED AS A
21 SEPARATE FUND APART FROM ALL OTHER FUNDS OF THIS TERRITORY
22 AN EMPLOYEE CONTRIBUTION ACCOUNT WHICH SHALL BE ADMINISTER-
23 ED BY THE TERRITORIAL TREASURER IN ACCORDANCE WITH THE
24 DIRECTIONS OF THE COMMISSION. THIS FUND SHALL CONSIST OF
25 ANY CONTRIBUTIONS DEPOSITED WITH THE COMMISSION UNDER
26 PARAGRAPH (b) OF THIS SECTION. SUCH CONTRIBUTIONS SHALL
27 BE MAINTAINED IN THE EMPLOYEE CONTRIBUTION ACCOUNT UNTIL
28 THE COMMISSION IN ACCORDANCE WITH REGULATIONS PRESCRIBED
29 BY IT DETERMINES WHICH EMPLOYEES HAVE BEEN PAID WAGES OF

1 \$450.00 OR MORE DURING A CALENDAR YEAR. CONTRIBUTIONS
2 ON WAGES OF AN EMPLOYEE WHO HAS BEEN PAID \$450.00 OR MORE
3 DURING A CALENDAR YEAR SHALL THEREUPON BE DEPOSITED BY THE
4 TREASURER UPON ORDER OF THE COMMISSION INTO THE UNEMPLOY-
5 MENT COMPENSATION FUND ESTABLISHED PURSUANT TO SECTION
6 401. CONTRIBUTIONS ON WAGES OF AN EMPLOYEE WHO HAS BEEN
7 PAID LESS THAN \$450.00 DURING SUCH YEAR SHALL BE RETURNED
8 TO THE EMPLOYEE BY WARRANTS DRAWN UPON SAID EMPLOYEE
9 CONTRIBUTION ACCOUNT BY THE TREASURER UPON THE EMPLOYEE'S
10 APPLICATION THEREFOR IN ACCORDANCE WITH PRESCRIBED
11 REGULATIONS. IF NO APPLICATION FOR SUCH REFUND IS FILED
12 WITHIN ONE YEAR AFTER THE CALENDAR YEAR DURING WHICH THE
13 WAGES WERE PAID, THE CONTRIBUTIONS SHALL BE DEPOSITED BY
14 THE TREASURER IN THE UNEMPLOYMENT COMPENSATION FUND UPON
15 ORDER OF THE COMMISSION.7

16 Sec. 15. Sec. 502, Art. V of Ch. 5, ESLA 1955, is hereby
17 amended to read as follows:

18 Sec. 502. RATE OF CONTRIBUTIONS. Each employer shall
19 pay contributions equal to 2.7 percent of wages paid by him
20 during the calendar year with respect to employment
21 commencing January 1, 1955 except as otherwise provided in
22 Section 503. Each individual performing services in
23 employment for such employer, commencing JANUARY 1, 1955
24 JANUARY 1, 1957, shall pay contributions equal to one-half
25 of one percent of wages paid to him during the calendar
26 year with respect to employment. PROVIDED THAT THE
27 PROVISIONS OF THIS ARTICLE WITH RESPECT TO THE PAYMENT BY,
28 AND RATE OF, CONTRIBUTIONS FOR INDIVIDUALS IN THE EMPLOY-
29 MENT OF EMPLOYERS SHALL TERMINATE WITH CONTRIBUTIONS DUE

1 FOR WAGES PAID THROUGH DECEMBER 31, 1956.7

2 In the payment of any contributions a fractional part of
3 cent shall be disregarded unless it amounts to one-half
4 cent more, in which case it shall be increased to one
5 cent.

6 Sec. 16. Sec. 503, Art. V of Ch. 5, ESLA 1955, is hereby
7 amended to read as follows:

8 Sec. 503. BASE OF CONTRIBUTIONS. For the purposes of
9 sections 501 and 502 of this Article and subsequent to
10 DECEMBER 31, 1954 December 31, 1956, wages shall not
11 include that part of remuneration which EXCEEDS \$ 3,600.00
12 after remuneration equal to \$4,200.00 has been paid in a
13 calendar year to ANY an individual UNLESS SAID EXCESS BE-
14 COMES by an employer or his predecessor with respect to
15 employment during any calendar year, his paid to such
16 individual by such employer during such calendar year unless
17 that part of the remuneration is subject to a tax under a
18 Federal law imposing a tax against which credit may be
19 taken for contributions required to be paid into a State
20 unemployment fund. For the purposes of this section, the
21 term employment shall include service constituting employ-
22 ment under any employment security law of another State or
23 of the Federal Government.

24 Sec. 17. Sec. 504, Art. V. of Ch. 5, ESLA 1955, is hereby
25 amended to read as follows:

26 Sec. 504. RECORDS AND ANALYSIS OF EXPERIENCE WITH
27 UNEMPLOYMENT RISK. For the last half of the calendar year
28 1955 and for each calendar year thereafter separate
29 accounts shall be maintained for each employer and claimant

1 to secure sufficient facts and studies upon which future
2 legislatures could determine whether an experience rating
3 system should be adopted to require contributions from
4 employers based upon their experience with unemployment
5 risk and, if so, the most equitable system for accomplishing
6 this purpose consistent with the solvency of the Unemploy-
7 ment Compensation Fund. The Commission is hereby directed
8 to make and present to the 1959 session of the legislature
9 a formal documented study containing information and data
10 necessary to assist the legislature in determining if an
11 experience rating system should be adopted, and if so, the
12 most equitable system for Alaska.

13 Sec. 18. Sec. 515, Art. V. of Ch. 5, ESLA 1955, is hereby
14 amended to read as follows:

15 Sec. 515. NOTICE OF ASSESSMENT, DISTRAINT, SEIZURE
16 AND SALE. At any time after the Commission shall find that
17 any contribution, including interest or penalty thereon,
18 has become delinquent, the Commission may issue a notice of
19 assessment specifying the amount due, which notice of
20 assessment shall be served on the delinquent employer by the
21 marshal of the judicial division wherein service is made, or
22 by his deputy, or by any duly authorized representative of
23 the Commission; or by certified or registered mail, with
24 return receipt requested. In the case of service by mail
25 the notice must be deposited in the post office, addressed
26 to the delinquent employer at his last known address; and
27 the postage paid. The service shall be deemed to be made
28 on the day OF SUCH DEPOSIT IN THE POST OFFICE of delivery
29 shown on the delivery receipt; however, in the event it

1 appears the addressee is deliberately avoiding service, then
2 service shall be deemed to be made on the day of mailing.
3 If the amount so assessed is not paid within thirty days
4 after such personal service or mailing of said notice, the
5 Commission or its duly authorized representative may collect
6 the amount stated in the assessment by the distraint, seizure
7 and sale of the property, goods, chattels and effects of
8 said delinquent employer, except as is provided in Section
9 517 of this Act. There shall be exempt from distraint and
10 sales under this section such goods and property as are
11 exempt from execution under the laws of this Territory.

12 Sec. 19, Art. V of Ch. 5, ESLA 1955, is hereby amended
13 to include the following:

14 N Sec. 516.1. NOTICE AND ORDER TO WITHHOLD AND
15 E DELIVER. The Commission, or its authorized representative,
16 W is hereby authorized to issue to any person, firm,
17 corporation, political subdivision or department of the
18 M territory, a notice and order to withhold and deliver
19 A property of any kind whatsoever when the Commission, or its
20 T authorized representative has reason to believe that there
21 T is in the possession of such person, firm, corporation,
22 E political subdivision or department, property which is due,
23 R owing, or belonging to any person, firm, or corporation upon
24 whom a notice and order of assessment has, at least 30 days
25 prior to issuance of said notice and order to withhold and
26 N deliver, been served by the Employment Security Commission
27 E of the Territory for unemployment compensation contributions,
28 W penalties, or interest.

29 The notice and order to withhold and deliver shall be

1 N served by the Marshal of the Judicial Division wherein the
2 E service is made, or by his deputy, or by any duly authorized
3 W representative of the Commission. Any person, firm, corpora-
4 tion, political subdivision or department upon whom service
5 M has been made is hereby required to answer the notice within
6 A ten days exclusive of the day of service, under oath and in
7 T writing, and shall make true answers to the matters inquired
8 T of in the notice.

9 E In the event there is in the possession of any such
10 R person, firm, corporation, political subdivision or depart-
11 ment, any property, credits or money, which may be subject to
12 N the claim of the Employment Security Commission of the Terri-
13 E tory, such property shall be delivered forthwith to the Commi-
14 W sion or its duly authorized representative upon demand to be
15 held in trust by the Commission for application on the
16 M indebtedness involved or for return, without interest,
17 A in accordance with final determination of liability or
18 T nonliability, or in the alternative, there shall be
19 T furnished a good and sufficient bond satisfactory to the
20 E Commission conditioned upon final determination of
21 R liability.

22 Should any person, firm or corporation fail to make
23 answer to an order to withhold and deliver within the time
24 prescribed herein, it shall be lawful for the District Court
25 of the Judicial Division in which said order was served,
26 after the time to answer such order has expired, to render
27 judgment by default against such person, firm or corporation
28 for the full amount claimed by the Commission in the notice
29 to withhold and deliver, together with costs.

1 Sec. 20. Sec. 517, Art. V of Ch. 5, ESLA 1955, is hereby
2 amended to read as follows:

3 Sec. 517. PETITION FOR HEARING AND SUMMARY JUDGMENT.

4 When any notice of assessment has been delivered or mailed
5 to a delinquent employer, as heretofore provided, such
6 employer may within thirty days thereafter file a petition
7 in writing with the Commission, stating that such
8 assessment is unjust or incorrect and requesting a hearing
9 thereon. Such petition shall set forth the reasons why the
10 assessment is objected to and the amount of contributions,
11 if any, which said employer admits to be due the Commission.
12 If no such petition is filed with the Commission within
13 said thirty days, said assessment shall be prima facie just
14 and correct; Provided, that in such cases the Commission
15 may properly entertain a subsequent application for refund,
16 and hearing thereon if denied, in accordance with Section
17 518 herein. The filing of a petition on a disputed
18 assessment with the Commission shall stay the sale provided
19 for in Section 516 herein until a final decision thereon
20 shall have been made, but the filing of such petition shall
21 not affect the right of the Commission to perfect a lien,
22 as provided in Section 514 herein. After granting the
23 petitioner reasonable opportunity for fair hearing, the
24 Commission shall make a decision on the petition. The
25 Commission's decision shall be final unless the petitioner
26 initiates a proceeding for judicial review substantially in
27 the manner provided by Section 809. Whenever any order and
28 notice of assessment shall have become final in accordance
29 with the provisions of this act, the District Court shall

1 upon application of the Commission enter a judgment in the
2 amount provided for in said order and notice of assessment
3 and said judgment shall have and be given the same effect
4 as if entered pursuant to civil action instituted in said
5 Court.

6 Sec. 21. Art. V of Ch. 5, ESLA 1955, is hereby amended by
7 adding a new section to read as follows:

8 N Sec. 527. LIMITATION OF ACTIONS AND UNCOLLECTIBLE
9 E ACCOUNTS. The Commission shall commence action for the
10 W collection of contributions (including interest and
11 penalties), imposed by this act by assessment or suit with-
12 M in five years after a return is filed. No proceedings for
13 A the collection of such amounts shall be begun after the
14 T expiration of such period; Provided, however, that this
15 T provision shall not become effective until January 1, 1958.
16 E In case of a false or fraudulent return with intent to
17 R evade contributions, or in the event of a failure to file
18 a return, the contributions may be assessed, or a proceed-
19 N ing in court for the collection of such contributions may
20 E be begun, at any time.

21 W The Commission may charge off as uncollectible and no
22 longer an asset of the unemployment compensation fund any
23 N delinquent contributions at any time after five years from
24 E the date of delinquency, if the Commission is satisfied
25 W that there are no available and lawful means by which such
26 contributions may thereafter be collected.

27 Sec. 22. Sec. 603, Art. VI of Ch. 5, ESLA 1955, is hereby
28 repealed.

29 Sec. 23. Subsection (a) of Sec. 604, Art. VI, of Ch. 5,

1 ESLA 1955, is hereby amended to read as follows:

2 (a) Any service performed for an employing unit,
3 including TERRITORIAL DEPARTMENTS AND AGENCIES,7 muni-
4 cipalities, and other political subdivisions of Alaska,
5 which is excluded under the definition of employment in
6 Article II, and with respect to which no payments are
7 required under the employment security law of another
8 State or of the Federal Government, may be deemed to
9 constitute employment for all purposes of this Act,
10 provided that the Commission has approved a written election
11 to that effect filed by the employing unit for which the
12 service is performed, as of the date stated in such approval,
13 No election shall be approved by the Commission unless it
14 (1) includes all the service of the type specified in each
15 establishment or place of business for which the election
16 is made, and (2) is made for not less than two calendar
17 years.

18 Sec. 24. Sec. 712, Art. VII, Ch. 5, ESLA 1955, is hereby
19 amended to read as follows:

20 Sec. 712. Amount of Benefits. (a) Qualifying wages.
21 To qualify for benefits an individual shall have earned
22 wages in his base period totalling not less than one and
23 one-fourth times the aggregate amount of wages earned by
24 him in that calendar quarter of his base period in which
25 he earned the highest amount of wages, and all his wages
26 for such base period must equal not less than the minimum
27 amount required for benefits under subsection (b), below.

28 (b) Weekly benefits amount. Except as provided
29 in subsection (a), above, an individual's weekly benefit

1 amount shall be the amount shown in the table below, in
2 the applicable column opposite the amount of his total
3 base period wages as shown in column A. 7; PROVIDED, THAT
4 FOR ANY WEEK WITH RESPECT TO WHICH AN INDIVIDUAL WHILE
5 OUTSIDE THE TERRITORY FILES A CLAIM FOR BENEFITS THE
6 WEEKLY BENEFIT AMOUNT SHALL NOT EXCEED \$25.00, AND AN
7 INDIVIDUAL WHO FILES SUCH CLAIMS SHALL NOT BE PAID FOR
8 MORE THAN TWENTY-SIX WEEKS OF TOTAL UNEMPLOYMENT. FOR
9 THE DURATION OF A BENEFIT YEAR NO DEPENDENT WHO HAS BEEN
10 CLAIMED BY A CLAIMANT AND ALLOWED AS SUCH SHALL BE INCLUDED
11 AS A DEPENDENT WITH REGARD TO ANY OTHER CLAIMANT. 7 Each
12 individual who establishes a benefit year on or after
13 May 1, 1957 shall be entitled to an augmented weekly benefit
14 amount, as shown in the table below, if on the date he
15 establishes his benefit year he has dependents who are
16 in the Territory. The number of dependents shall be
17 determined as of the date he establishes his benefit year,
18 and shall be fixed for the duration of such benefit
19 year. Each individual who has an unexpired benefit
20 year on April 30, 1957 shall be entitled to an augmented
21 weekly benefit amount as determined by the number of
22 his dependents who are in the Territory as of April 30,
23 1957 and such augmented weekly benefit amount shall
24 remain fixed for the balance of his benefit year.
25
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1	Total	Basic	Augmented weekly					MAXIMUM	Benefit
2	Base Period	Weekly	benefit amount with the					POTENTIAL	Duration
3	Wages	Benefit	following dependents					BENEFITS	Factor
4		Amount							
5			One	Two	Three	Four	Five		
6	Columns (A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(H)
7	0-449.99								
8	0-499.99	\$00	\$00	\$00	\$00	\$00	\$00	\$00	00
9	450-599.99								
10	500-599.99	10	15	20	20	20	20	150	15
11	600-699.99	11	16	21	22	22	22	176	16
12	700-799.99	12	17	22	24	24	24	204	17
13	800-899.99	13	18	23	26	26	26	234	18
14	900-999.99	14	19	24	28	28	28	266	19
15	1000-1099.99	15	20	25	30	30	30	300	20
16	1100-1199.99	16	21	26	31	32	32	336	21
17	1200-1299.99	17	22	27	32	34	34	374	22
18	1300-1399.99	18	23	28	33	36	36	414	23
19	1400-1499.99	19	24	29	34	38	38	456	24
20	1500-1599.99	20	25	30	35	40	40	500	25
21	1600-1699.99	21	26	31	36	41	42	546	26
22	1700-1799.99	22	27	32	37	42	44	572	26
23	1800-1899.99	23	28	33	38	43	46	598	26
24	1900-1999.99	24	29	34	39	44	48	624	26
25	2000-2099.99	25	30	35	40	45	50	650	26
26	2100-2199.99	26	31	36	41	46	51	676	26
27	2200-2299.99	27	32	37	42	47	52	702	26
28	2300-2399.99	28	33	38	43	48	53	728	26
29	2400-2499.99	29	34	39	44	49	54	754	26

1	2500-2599.99	30	35	40	45	50	55	<u>780</u>	<u>26</u>
2	2600-2699.99	31	36	41	46	51	56	<u>806</u>	<u>26</u>
3	2700-2799.99	32	37	42	47	52	57	<u>832</u>	<u>26</u>
4	2800-2899.99	33	38	43	48	53	58	<u>858</u>	<u>26</u>
5	2900-2999.99	34	39	44	49	54	59	<u>884</u>	<u>26</u>
6	3000-3099.99	35	40	45	50	55	60	<u>910</u>	<u>26</u>
7	3100-3199.99	36	41	46	51	56	61	<u>936</u>	<u>26</u>
8	3200-3299.99	37	42	47	52	57	62	<u>962</u>	<u>26</u>
9	3300-3399.99	38	43	48	53	58	63	<u>988</u>	<u>26</u>
10	3400-3499.99	39	44	49	54	59	64	<u>1014</u>	<u>26</u>
11	3500-3599.99	40	45	50	55	60	65	<u>1040</u>	<u>26</u>
12	3600-3699.99	41	46	51	56	61	66	<u>1066</u>	<u>26</u>
13	3700-3799.99	42	47	52	57	62	67	<u>1092</u>	<u>26</u>
14	3800-3899.99	43	48	53	58	63	68	<u>1118</u>	<u>26</u>
15	3900-3999.99	44	49	54	59	64	69	<u>1144</u>	<u>26</u>
16	4000-and over	45	50	55	60	65	70	<u>1170</u>	<u>26</u>

17 (c) Maximum potential benefits. SUBJECT TO THE
18 RESTRICTIONS CONTAINED IN SECTION 712 (b), THE The
19 maximum potential benefits of any individual in a benefit
20 year shall be the AMOUNT product of his weekly benefit
21 amount, as shown in the applicable column B, C, D, E, F, or
22 G, multiplied by the benefit duration factor in column H of
23 the above table on the line on which in column B/A, there
24 appears his BASIC WEEKLY BENEFIT AMOUNT total base
25 period wages. PROVIDED, HOWEVER, DEPENDENTS' ALLOWANCES
26 SHALL BE IN ADDITION TO THE MAXIMUM POTENTIAL BENEFITS IN
27 COLUMN H OF THE ABOVE TABLE.

28 (d) Definition of dependent. "Dependent" means
29 an individual's unmarried child (including stepchild and

1 legally adopted child) under 18 years of age, and who is
2 principally supported by such individual; except that an
3 individual's unmarried child (including stepchild and
4 legally adopted child) who because of infirmity is prevent-
5 ed from engaging in a gainful occupation and who is
6 principally dependent upon such individual for support,
7 shall be deemed to be a dependent for the purpose of this
8 provision regardless of age. For the duration of a benefit
9 year no dependent who has been claimed by a claimant and
10 allowed as such shall be included as a dependent with regard
11 to any other claimant. NO INDIVIDUAL SHALL BE ENTITLED
12 TO AN AUGMENTED WEEKLY BENEFIT AMOUNT ON ACCOUNT OF ANY
13 DEPENDENT IF EITHER SUCH INDIVIDUAL OR SUCH DEPENDENT ARE
14 WITHOUT THE TERRITORY.7

15 (e) THE PROVISIONS OF THIS SECTION SHALL BE
16 EFFECTIVE ON AND AFTER JULY 3, 1955.7 Interstate Payment
17 Restrictions. Notwithstanding the above subsections of
18 this section, if an individual files a claim for benefits
19 while outside of Alaska his benefits for such week shall be
20 restricted as follows:

- 21 1. he shall not be paid an augmented weekly
22 benefit amount,
- 23 2. he shall not be paid more than \$25.00, and
- 24 3. his maximum potential benefits shall be
25 reduced by the amount he would have received if such
26 claim had been filed within Alaska.

27 Sec. 25. Sec. 713, Art. VII of Ch. 5, ESLA 1955, is hereby
28 amended to read as follows:

29 Sec. 713. EARNINGS DEDUCTED FROM WEEKLY BENEFIT AMOUNT.

1 Each eligible individual who is unemployed in any week shall
2 be paid with respect to such week a benefit in an amount
3 equal to his basic or augmented weekly benefit amount less
4 that part of the remuneration, whether or not covered by
5 this Act, payable to him with respect to such week which
6 is in excess of ten dollars or one-half of his basic
7 weekly benefit amount, whichever amount is greater.
8 Such benefit, if not a multiple of one dollar, shall be
9 computed to the next higher multiple of one dollar. The
10 provisions of this section shall be EFFECTIVE ON AND AFTER
11 JULY 3, 1955 applicable to all claims paid on and after
12 July 1, 1957 excepting claims the payment of which has
13 been delayed due to court action.

14 Sec. 26. Subsection (a) of Sec. 741, Art. VII, Ch. 5, ESLA
15 1955, is hereby amended to read as follows:

16 (a) He was not able to work or was not available
17 for suitable work for such week. Provided (1) that no Alaska
18 resident shall be considered ineligible for receipt of
19 unemployment benefits for any week because of failure to
20 comply with the provisions of this subsection when such
21 failure is caused by his non-commercial fishing and
22 hunting necessary for the survival of himself and his
23 dependents during an uninterrupted period of unemployment
24 following a week for which he has filed a compensable
25 claim, provided that no suitable work has been offered him
26 for any part of said week and (2) that for purposes of
27 this subsection a woman shall be deemed to be unable to
28 work for the period within eight weeks before the week of
29 anticipated date of childbirth and four weeks after the

1 week in which a child is born alive to such woman.

2 Sec. 27. Subsection (f) of Sec. 741, Art. VII, Ch. 5,
3 ESLA 1955, is hereby repealed.

4 Sec. 28. Subsection (g) of Sec. 741, Art. VII, Ch. 5,
5 ESLA 1955, is hereby repealed.

6 Sec. 29. Subsection (h) of Sec. 741, Art. VII, Ch. 5,
7 ESLA 1955, is hereby repealed and the following subsection is
8 renumbered subsection (f) and the reference to Section 741 (j)
9 in Sections 702, 802 and 806, of Ch. 5, ESLA 1955, are hereby
10 amended to read: 741 (f).

11 Sec. 30. Subsection (k) of Sec. 741, Art. VII, Ch. 5,
12 ESLA 1955, is hereby amended to read as follows:

13 / ~~(k)~~ (g) Within the twenty-four calendar months
14 immediately preceding such week he has, with intent to
15 defraud by obtaining any benefits not due under this Act,
16 made a false statement or representation of a material
17 fact knowing it to be false or knowingly failed to dis-
18 close a material fact, in which case he shall be dis-
19 qualified for the week in which the Commission makes such
20 determination and for the twenty-six weeks immediately
21 following such week □, and for the week or weeks with
22 respect to which the false statement or representation was
23 made.

24 Sec. 31. Sec. 1013 of Art. X, Ch. 5, ESLA 1955, is hereby
25 amended to read as follows:

26 Sec. 1013. STUDY OF BENEFIT FORMULAS. THE COMMISSION
27 IS HEREBY DIRECTED TO OBTAIN SUCH INFORMATION AND CONDUCT
28 SUCH STUDIES AS WILL ENABLE THAT NEXT LEGISLATURE TO JUDGE
29 THE MERITS OF BENEFIT FORMULAS OTHER THAN THE TYPE

1 PRESCRIBED IN THIS ACT, WITH SPECIAL REFERENCE TO A
2 FORMULA BY WHICH BENEFIT RIGHTS WOULD BE DETERMINED
3 ACCORDING TO HIGH QUARTER WAGES. 7 STUDIES TO BE CONDUCTED.

4 The Commission is directed to continue studies heretofore
5 required by Section 1013, Ch. 5, ESIA 1955, and further to
6 collect such data and to conduct such studies as will
7 enable the next legislature to establish qualifying
8 requirements and provide a benefit formula which would
9 eliminate inequities between claimants in different parts
10 of the Territory and between claimants who have demonstrated
11 their attachment to the labor force by a comparable number
12 of weeks of employment during their base periods.

13 Sec. 32. An emergency is hereby declared to exist and this Act
14 shall be in full force and effect from and after the date of its
15 passage and approval.

16 CS for SB #41

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