

1 IN THE HOUSE

BY MR. KENDALL

2 HOUSE BILL NO. 337

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIRST LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act Entitled: "An Act relating to Employment Security;  
7 amending Articles II, V, VI and VII of the  
8 Alaska Employment Security Act (Ch. 5,  
9 ESLA 1955 as amended by Chapters 62, 75  
10 and 169, SLA 1957 and Chapters 46 and 97,  
11 SLA 1959); adding new Sections 234.2 and  
12 251; repealing and reenacting Section 712;  
13 repealing Sections 220.2 and 229 of Article  
14 II; and providing for an effective date."

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

16 Section 1. Sec. 213 of Article II, Ch. 5, ESLA 1955, is  
17 hereby amended to read as follows:

18 Sec. 213. "Employing unit" means any individual or  
19 type of organization, including the State government, any  
20 of its political subdivisions or instrumentalities. any  
21 partnership, association, trust, estate, joint trust company,  
22 insurance company or corporation, whether domestic or for-  
23 eign, or the receiver, referee in bankruptcy, trustee, or  
24 successor of any of the foregoing, or the legal representa-  
25 tive of a deceased person, which has, or subsequent to  
26 January 1, 1937 had one or more individuals performing  
27 service for it within this State ~~TERRITORY~~. All individ-  
28 uals performing services within this State ~~TERRITORY~~ for  
29 any employing unit which maintains two or more separate

1 establishments within this State TERRITORY shall be deemed  
2 to be employed by a single employing unit for all the pur-  
3 poses of this Act.

4 Sec. 2. Sec. 214 of Article II, Ch. 5, ESLA 1955, is here-  
5 by amended to read as follows:

6 Sec. 214. "Employment" means:

7 (a) Any service performed prior to January 1,  
8 1955, which was employment as defined in this section prior  
9 to such date, and subject to the other provisions of this  
10 section, service performed after December 31, 1954, by an  
11 individual for wages or by an officer of a corporation,  
12 including service in interstate commerce;

13 (b) Notwithstanding Section 215 all service per-  
14 formed after December 31, 1954, by an officer or member of  
15 the crew of an American vessel on or in connection with such  
16 vessel, if the operating office, from which the operations  
17 of such vessel operating on navigable waters within, or  
18 within and without, the United States are ordinarily and  
19 regularly supervised, managed, directed and controlled, is  
20 within this State TERRITORY; and

21 (c) Notwithstanding any other provisions of this  
22 Article, service with respect to which a tax is required to  
23 be paid under any Federal law imposing a tax against which  
24 credit may be taken for contributions required to be paid  
25 into a State unemployment fund.

26 (d) Service performed after January 1, 1960 by an  
27 individual for this State or any political subdivision  
28 thereof, or any instrumentality of any one or more of the  
29 foregoing which is wholly owned by this State or by one or

1 more of its political subdivisions.

2 Sec. 3. Sec. 220.2 as added to the Alaska Employment  
3 Security Act by Ch. 169, SLA 1957 is hereby repealed.

4 Sec. 4. Sec. 229 of Article II, Ch. 5, ESLA 1955 as amended  
5 by Ch. 169, SLA 1957 is hereby repealed.

6 Sec. 5. Article II, Ch. 5, ESLA 1955 as amended by Ch.  
7 169, SLA 1957 and Ch. 46, SLA 1959 is hereby amended by adding  
8 a new section to read as follows:

9 N Sec. 234.2 The term "employment" shall not include  
10 E service performed on an unemployment work relief project  
11 W undertaken by this State or any subdivision thereof.

12 Sec. 6. Article II, Ch. 5, ESLA 1955 as amended by Ch.  
13 169, SLA 1957 and Ch. 46, SLA 1959 is hereby amended by adding  
14 a new section to read as follows:

15 N Sec. 251. A "statewide average annual wage" shall be  
16 E assigned to each successive one-year period beginning July  
17 W 1 and ending with the following June 30. "Statewide  
18 M average annual wage" means the total wages paid to all in-  
19 A dividuals in employment during the calendar year next  
20 T preceding the July 1st date which begins the year to which  
21 R the average is assigned, divided by the average number of such  
22 N individuals, with the resulting quotient rounded to the  
23 E nearest even hundred dollar interval.

24 Sec. 7. Subsec. (b) of Sec. 501, Art. V, Ch. 5, ESLA 1955  
25 as amended by Ch. 169, SLA 1957 is hereby amended to read as  
26 follows:

27 (b) Contributions with respect to wages paid on or  
28 after January 1, 1960 ~~1955~~ for employment shall accrue and  
29 become payable UNTIL SUCH TIME AS CONTRIBUTIONS SHALL BE

1 TERMINATED PURSUANT TO SECTION 502 OF THIS ARTICLE, 7 by  
2 each individual who performs service in employment for  
3 each calendar year in which such services are subject to  
4 this Act.

5 The contributions required from BY 7 each such indiv-  
6 idual, in accordance with regulations prescribed by the  
7 Commissioner, shall become payable, be deducted from his  
8 wages by his employer, and be held in trust by the employer  
9 for the Commissioner until such time as such employee con-  
10 tributions are required by regulation to be deposited with  
11 the Commissioner. Such funds shall not be subject to  
12 garnishment or attachment in any fashion, and in the event  
13 of lien, judgment or bankruptcy proceedings shall not be  
14 considered as assets of the employer. Any employer who  
15 shall fail to make such deductions from the wages of his  
16 employees shall himself be liable to the Commissioner for  
17 the payment of such required contributions, which shall be  
18 collected from him in the same manner as is provided for  
19 the collection of 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 Commissioner for deposit in the Clear-  
23 ing Account the amount so converted or misappropriated, to-  
24 gether with a penalty equal to five times that amount but  
25 not less than \$25.00. In addition, if such conversion or  
26 misappropriation is willful, he shall be guilty of a mis-  
27 demeanor and, upon conviction thereof, shall be fined not  
28 more than \$200.00, or imprisoned for not more than 60 days,  
29 or both.

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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 Commissioner shall pre-  
5            scribe by regulation. No such deduction shall be made  
6            from those wages IN EXCESS OF THE FIRST \$4,200.00 OF  
7            WAGES paid to an employee during any calendar year in  
8            excess of the statewide average annual wage in effect on  
9            January 1 of such year. In the event that an employee earns  
10           wages totaling in excess of such statewide average \$4,200.-  
11           00 in one calendar year in the employ of two or more em-  
12           ployers, or in the event that any one employer through error  
13           shall have made such deductions from his wages in excess of  
14           such average \$4,200.00 during any one calendar year, the  
15           amount of such deductions in excess of those required by this  
16           Act shall be refunded to the employee by the Commissioner  
17           upon application therefor in accordance with regulations pre-  
18           scribed by the Commissioner, provided, that such application  
19           is made during the calendar year immediately following the  
20           calendar year in which such deductions were made.

21           Sec. 8. Sec. 502 of Article V, Ch. 5, ESLA 1955 as amended  
22           by Ch. 169, SLA 1957, is hereby amended to read as follows:

23           Sec. 502. RATE OF CONTRIBUTIONS. Each employer shall  
24           pay contributions equal to 3.3 2.7 percent of wages paid  
25           by him during the calendar year with respect to employment  
26           commencing January 1, 1960 1957 except as otherwise pro-  
27           vided in Section 503. Each individual performing services  
28           in employment for such employer, commencing January 1, 1960,  
29           1957 shall pay contributions equal to one-half of one

1 percent of wages paid to him during the calendar year with  
2 respect to employment UNTIL JULY 1, 19617.

3 IN THE PAYMENT OF ANY CONTRIBUTIONS A FRACTIONAL PART  
4 OF A CENT SHALL BE DISREGARDED UNLESS IT AMOUNTS TO ONE-  
5 HALF CENT OR MORE, IN WHICH CASE IT SHALL BE INCREASED TO  
6 ONE CENT.7

7 Sec. 9. Sec. 503 of Article V, Ch. 5, ESLA 1955 as amended  
8 by Ch. 169, SLA 1957 is hereby amended to read as follows:

9 Sec. 503. BASE OF CONTRIBUTIONS. For the purposes of  
10 Sections 501 and 502 of this Article and subsequent to  
11 December 31, 1959 19567, wages shall not include that part  
12 of remuneration which, after remuneration equal to the  
13 statewide average annual wage in effect on January 1 of  
14 that year \$4,200.007 has been paid in a calendar year to  
15 an individual by an employer or his predecessor with respect  
16 to employment, DURING ANY CALENDAR YEAR7 is paid to such  
17 individual by such employer during such calendar year  
18 unless that part of the remuneration is subject to a tax  
19 under a Federal law imposing a tax against which credit may  
20 be taken for contributions required to be paid into a State  
21 unemployment fund. For the purposes of this section, the  
22 term "employment" shall include service constituting employ-  
23 ment under any employment security law of another State or  
24 of the Federal Government.

25 Sec. 10. Subsec. (a) of Sec. 604 of Article VI, Ch. 5,  
26 ESLA 1955 is hereby amended to read as follows:

27 (a) Any service performed for an employing unit ,  
28 INCLUDING TERRITORIAL DEPARTMENTS AND AGENCIES, MUNICIPALI-  
29 TIES, AND OTHER POLITICAL SUBDIVISIONS OF ALASKA,7 which is

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

13 Sec. 11. Sec. 712 of Article VII, Ch. 5, ESLA 1955 as  
14 amended by Chapters 62 and 169, SLA 1957 is hereby repealed and  
15 reenacted to read as follows:

16 Sec. 712. AMOUNT OF BENEFITS. (a) QUALIFYING WAGES.  
17 To qualify for benefits an individual shall have earned,  
18 in his base period, wages in employment totaling not less  
19 than one and one-fourth times the aggregate amount of such  
20 wages earned by him in that calendar quarter of his base  
21 period in which he earned the highest amount of wages, and  
22 all his wages for such base period must equal not less than  
23 \$500.00.

24 (b) WEEKLY BENEFIT AMOUNT. Except as provided in  
25 subsection (a) above, an individual's weekly benefit amount  
26 shall be 1/10<sup>4</sup>th of his total wages in employment paid  
27 during his base period but not more than 1/10<sup>4</sup>th of the  
28 statewide average annual wage, nor less than \$10.00, and  
29 if not a multiple of one dollar shall be computed to the

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next higher multiple of one dollar.

(c) MAXIMUM POTENTIAL BENEFITS. The maximum potential benefits of any individual in a benefit year shall be the amount equal to twenty-six times his weekly benefit amount.

(d) INTERSTATE PAYMENT RESTRICTIONS. Notwithstanding the above subsections of this section, if an individual files a claim for benefits while outside of Alaska his benefits for such week shall be restricted as follows:

1. he shall not be paid more than \$25.00, and
2. his maximum potential benefits shall be reduced by the amount he would have received if such claim had been filed within Alaska.

(e) This section shall apply to benefit years established on or after July 1, 1960, but shall not affect benefits, including allowance for dependents, or duration of benefits for benefit years established before July 1, 1960.

Sec. 12. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.