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IN THE HOUSE

BY RULES COMMITTEE
BY REQUEST

HOUSE BILL NO.447

IN THE LEGISLATURE OF THE STATE OF ALASKA

FIRST LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to Employment Security; amending Articles II, III, V, and VII of the Alaska Employment Security Act (Ch. 5, ESLA 1955, as amended by Chapters 62, 75 and 169, SLA 1957 and by Chapters 46 and 97, SLA 1959); repealing Sec. 503 of Article V; repealing and reenacting Sec. 712 of Article VII; adding a new Article V (a) establishing variable tax rates; and providing for an effective date."

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

Section 1. Sec. 217 of Art. II, Ch. 5, ESLA 1955 is hereby amended to read as follows:

Sec. 217. The term "employment" shall include service covered by an election pursuant to Section 604, and service covered by an election duly approved by the Commissioner in accordance with an arrangement pursuant to Section 325.1 (a) of this Act during the effective period of such election service covered by an election duly approved by the Commissioner in accordance with an arrangement pursuant to Section 325, and service not otherwise covered under this Act, performed entirely without this territory, with respect to no part of which contributions are required and paid under the

1 UNEMPLOYMENT COMPENSATION LAW OF ANY OTHER STATE OR TERRITORY
2 IF THE INDIVIDUAL PERFORMING SUCH SERVICE IS A RESIDENT OF
3 THIS TERRITORY AND THE COMMISSION APPROVES THE ELECTION
4 FILED BY THE EMPLOYING UNIT FOR WHOM THE SERVICES ARE PER-
5 FORMED IN THE SAME MANNER AS FOR ELECTIONS FILED UNDER
6 SECTION 6047.

7 Sec. 2. Art. II, Ch. 5, ESLA 1955, as amended by Ch. 169,
8 SLA 1957 and Ch. 46, SLA 1959 is hereby amended by adding a new
9 section to read as follows:

10 Sec. 234.2 The term "employment" shall not include
11 service covered by an election duly approved by the agency
12 charged with the administration of any other State or
13 Federal employment security law, in accordance with an ar-
14 rangement pursuant to Section 325.1 (a) of this Act during
15 the effective period of such election.

16 Sec. 3. Art. II, Ch. 5, ESLA 1955, as amended by Ch. 169,
17 SLA 1957 and Ch. 46, SLA 1959 is hereby amended by adding a new
18 section to read as follows:

19 Sec. 249.1 Notwithstanding the provisions of Sections
20 240 and 242, neither the term "remuneration" nor the term
21 "wages" shall include the amount of any payment (including
22 any amount paid by an employer into a fund to provide for
23 any such payment) made to, or on behalf of, an employee
24 under a plan or system established by an employer which
25 makes provision for his employees generally, or for a class
26 or group of his employees, for the purpose of supplementing
27 unemployment benefits.

28 Sec. 4. Article II, Ch. 5, ESLA 1955 as amended by Ch.
29 169, SLA 1957 and Ch. 46, SLA 1959 is hereby amended by adding

1 a new section to read as follows:

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Sec. 251. A "statewide average annual wage" shall be assigned to each successive one-year period beginning July 1 and ending with the following June 30. "Statewide average annual wage" means the total wages paid to all individuals in employment during the calendar year next preceding the July 1st date which begins the year to which the average is assigned, divided by the average number of such individuals as determined by regulations of the Commissioner, with the resulting quotient rounded to the nearest even hundred dollar interval.

Sec. 306 of Act. III, Ch. 5, ESLA 1955 is hereby amended to read as follows:

Sec. 306. DUTIES AND POWERS OF THE COMMISSIONER. Subject to the provisions of Section 311 of this Article, the Commissioner shall appoint a Director whose duty it shall be to administer the provisions of this Act under such authority of the Commissioner as may be delegated to him by the Commissioner, with the exception that the Commissioner may not delegate ~~THE APPELLATE POWERS CONFERRED UPON IT BY THIS ACT, OR~~ the power to adopt, amend or rescind rules and regulations. The Commissioner shall prescribe the divisions, subdivisions and units of the organization to be directed by the Director to carry out the purposes of this Act. He ~~IT~~ may require bond of any person handling money or signing checks. He ~~IT~~ shall have an official seal which shall be judicially noticed. Not later than the first day of ~~January~~ ~~OCTOBER~~ of each year, the Commissioner shall submit to the Governor a report covering the administration

1 and operation of this Act during the preceding fiscal year
2 ended June 30 and shall make such recommendations for amend-
3 ments to this Act as the Commissioner deems proper. Such
4 report shall include a balance sheet of the moneys in the
5 fund in which there shall be provided, if possible, a
6 reserve against the liability in future years to pay bene-
7 fits. Whenever the Commissioner believes that a change in
8 contribution or benefit rates will become necessary to pro-
9 tect the solvency of the fund, he ~~IT~~ shall promptly so
10 inform the Governor and the Legislature, and make recommend-
11 ations with respect thereto.

12 Sec. 6. Sec. 325 of Art. III, Ch. 5, ESLA 1955 is hereby
13 amended to read as follows:

14 Sec. 325. INTERSTATE ARRANGEMENTS ~~ARRANGEMENTS WITH~~
15 STATES OR FEDERAL GOVERNMENT. The Commissioner is
16 authorized to enter into arrangements whereby the facilities
17 and services provided under this Act, and the facilities
18 and services provided under the employment security law of
19 any other state may be utilized for the making of claims
20 and the payment of benefits under this Act or under the
21 employment security act of such state. ~~THE COMMISSION IS~~
22 ~~HEREBY AUTHORIZED TO ENTER INTO ARRANGEMENTS WITH THE AP-~~
23 ~~PROPRIATE AGENCIES OF OTHER STATES OR THE FEDERAL GOVERN-~~
24 ~~MENT WHEREBY INDIVIDUALS PERFORMING SERVICES IN THIS~~
25 ~~TERRITORY AND OTHER STATES FOR A SINGLE EMPLOYING UNIT~~
26 ~~UNDER CIRCUMSTANCES NOT SPECIFICALLY PROVIDED FOR IN SECTIONS~~
27 ~~214 TO 218 HEREIN, OR UNDER SIMILAR PROVISIONS IN THE UN-~~
28 ~~EMPLOYMENT COMPENSATION LAWS OF SUCH OTHER STATES, SHALL BE~~
29 ~~DEEMED TO BE ENGAGED IN EMPLOYMENT PERFORMED ENTIRELY WITH-~~

1 IN THIS TERRITORY OR WITHIN ONE OF SUCH OTHER STATES AND
2 WHEREBY POTENTIAL RIGHTS TO BENEFITS ACCUMULATED UNDER THE
3 UNEMPLOYMENT COMPENSATION LAWS OF ONE OR MORE STATES OR
4 UNDER SUCH A LAW OF THE FEDERAL GOVERNMENT, OR BOTH, MAY
5 CONSTITUTE THE BASIS FOR THE PAYMENT OF BENEFITS THROUGH A
6 SINGLE APPROPRIATE AGENCY UNDER TERMS WHICH THE COMMISSION
7 FINDS TO BE FAIR AND REASONABLE AS TO ALL AFFECTED INTERESTS
8 AND WILL NOT RESULT IN ANY SUBSTANTIAL LOSS TO THE FUND.⁷
9 Sec. 7. Art. III, Ch. 5, ESLA 1955, as amended by Ch. 75
10 and Ch. 169, SLA 1957 is hereby amended by adding a new section
11 to read as follows:

12 Sec. 325.1 (a) RECIPROCAL COVERAGE. The Commissioner
13 is hereby authorized to enter into reciprocal arrangements
14 with appropriate and duly authorized agencies of other
15 states or of the Federal Government, or both, whereby,
16 N notwithstanding the provisions of Section 761:

17 E (1) Service performed by an individual for
18 W a single employing unit for which service is custom-
19 arily performed by such individual in more than one
20 M state shall be deemed to be service performed entirely
21 A within any one of the states in which (A) any part of
22 T such individual's service is performed, or (B) such
23 T individual has his residence, or (C) the employing
24 E unit maintains a place of business: Provided, that
25 R there is in effect, as to such service, an approved
26 election by an employing unit with the acquiescence of
27 N such individual, pursuant to which service performed
28 E by such individual for such employing unit is deemed
29 W to be performed entirely within such state; and

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(2) Service performed by not more than three individuals, on any portion of a day but not necessarily simultaneously, for a single employing unit which customarily operates in more than one state shall be deemed to be service performed entirely within the state in which such employing unit maintains the headquarters of its business: Provided, that there is in effect, as to such service, an approved election by an employing unit with the affirmative consent of each such individual, pursuant to which service performed by such individual for such employing unit is deemed to be performed entirely within such state.

(b) COOPERATION WITH AGENCIES OF FOREIGN GOVERNMENTS. To the extent permissible under the laws and Constitution of the United States, the Commissioner is authorized to enter into arrangements of the character provided in this section with the agency of a foreign government administering an employment security law.

Sec. 8. Subsec. (b) of Sec. 501, Art. V, Ch. 5, ESLA 1955 as amended by Ch. 169, SLA 1957 is hereby amended to read as follows:

(b) Contributions with respect to wages paid on or after January 1, 1955 for employment shall accrue and become payable UNTIL SUCH TIME AS CONTRIBUTIONS SHALL BE TERMINATED PURSUANT TO SECTION 502 OF THIS ARTICLE, by each individual who performs service in employment for each calendar year in which such services are subject to this Act.

The contributions required from BY each such individual, in accordance with regulations prescribed by the

1 Commissioner, shall become payable, be deducted from his
2 wages by his employer, and be held in trust by the employer
3 for the Commissioner until such time as such employee contri-
4 butions are required by regulation to be deposited with the
5 Commissioner. Such funds shall not be subject to garnishment
6 or attachment in any fashion, and in the event of lien,
7 judgment or bankruptcy proceedings shall not be considered
8 as assets of the employer. Any employer who shall fail to
9 make such deductions from the wages of his employees shall
10 himself be liable to the Commissioner for the payment of
11 such required contributions, which shall be collected from
12 him in the same manner as is provided for the collection of
13 employer contributions.

14 If any employer shall convert to his own use or other-
15 wise misappropriate any funds so held in trust, he shall
16 be required to pay to the Commissioner for deposit in the
17 Clearing Account the amount so converted or misappropriated,
18 together with a penalty equal to five times that amount but
19 not less than \$25.00. In addition, if such conversion or
20 misappropriation is willful, he shall be guilty of a mis-
21 demeanor and, upon conviction thereof, shall be fined not
22 more than \$200.00, or imprisoned for not more than 60 days,
23 or both.

24 Each employer shall maintain a record of the amount so
25 deducted from the wages of each of his employees, and shall
26 furnish a statement of such deductions to each employee at
27 such times and in such manner as the Commissioner shall
28 prescribe by regulation. NO SUCH DEDUCTION SHALL BE MADE
29 FROM THOSE WAGES IN EXCESS OF THE FIRST \$4,200.00 OF WAGES

1 PAID TO AN EMPLOYEE DURING ANY CALENDAR YEAR. IN THE
2 EVENT THAT AN EMPLOYEE EARNS WAGES TOTALING IN EXCESS OF
3 \$4,200.00 IN ONE CALENDAR YEAR IN THE EMPLOY OF TWO OR MORE
4 EMPLOYERS, OR IN THE EVENT THAT ANY ONE EMPLOYER THROUGH
5 ERROR SHALL HAVE MADE SUCH DEDUCTIONS FROM HIS WAGES IN EX-
6 CESS OF \$4,200.00 DURING ANY ONE CALENDAR YEAR, THE AMOUNT
7 OF SUCH DEDUCTIONS IN EXCESS OF THOSE REQUIRED BY THIS ACT
8 SHALL BE REFUNDED TO THE EMPLOYEE BY THE COMMISSION UPON
9 APPLICATION THEREFOR IN ACCORDANCE WITH REGULATIONS PRE-
10 SCRIBED BY THE COMMISSION, PROVIDED, THAT SUCH APPLICATION
11 IS MADE DURING THE CALENDAR YEAR IMMEDIATELY FOLLOWING THE
12 CALENDAR YEAR IN WHICH SUCH DEDUCTIONS WERE MADE.7

13 Sec. 9. Sec. 502 of Art. V, Ch. 5, ESLA 1955 as amended by
14 Ch. 169, SLA 1957 is hereby amended to read as follows:

15 Sec. 502. RATE OF CONTRIBUTIONS. Each employer shall
16 pay contributions equal to 2.7 percent of all wages paid
17 by him DURING THE CALENDAR YEAR7 with respect to employment
18 during the period January 1, 1960 through June 30, 1960.
19 COMMENCING JANUARY 1, 1955 EXCEPT AS OTHERWISE PROVIDED
20 IN SECTION 503.7 Each individual performing services in
21 employment for such employer during such period COM-
22 MENCING JANUARY 1, 1957,7 shall pay contributions equal to
23 one-half of one percent of all wages paid to him DURING THE
24 CALENDAR YEAR7 with respect to such employment UNTIL JULY
25 1, 19617.

26 Beginning July 1, 1960, each employer shall pay contri-
27 butions equal to 2.8 percent and his employees shall pay
28 contributions equal to .5 percent of wages paid by him and
29 received by them with respect to employment except as

1 otherwise provided in Section 503 and Article V (a).

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

6 Sec. 10. Sec. 503 of Art. V, Ch. 5, ESLA 1955 as amended
7 by Ch. 169, SLA 1957 is hereby repealed.

8 Sec. 11. Art. V, Ch. 5, ESLA 1955, as amended by Ch. 169,
9 SLA 1957 is hereby amended by adding a new section to read as
10 follows:

11 N Sec. 528. SERVICE OF PROCESS. Process for assessment
12 E and collection of contributions may be served both within
13 W and without this State, and in addition to any other method
14 N of service provided for in this Act, service may be made by
15 E certified or registered mail.
16 W

17 Sec. 12. Ch. 5, ESLA 1955 is hereby amended by adding a
18 new article to read as follows:

19 N ARTICLE V (a)

20 E EXPERIENCE RATING

21 W Sec. 551. As used in this Article, the following terms
22 have the meaning ascribed to them.

23 M Sec. 552. For the purpose of computing rates for the
24 A period July 1, 1960 through December 31, 1960 "computation
25 T date" means December 31, 1959. Effective June 30, 1960
26 T "computation date" means June 30 of the year immediately
27 E preceding the calendar year for which the contribution rates
28 are effective.

29 R Sec. 553. (a) "Payroll" means all wages paid by an
employer to individuals in his employ for service in employ-

ment as defined in this Act.

(b) "Quarterly payroll" means the wages paid by such employer during a calendar quarter.

(c) Applicable to payroll of calendar year 1959 and the first six months of 1960, "ratable payroll" means an employer's total payroll for four consecutive quarters ending with the computation date; thereafter, "ratable payroll" means so much of an employer's payroll for the four consecutive calendar quarters ending on the computation date as is subject to payment of contributions. For the purpose of determining the rate for a newly subject employer and his employees under this Article the definition of employment in force at the time that the employer becomes subject to the Act shall apply to service performed for him prior to the date on which he becomes subject.

Sec. 554. "Qualifying period" means the three-year period of twelve consecutive calendar quarters ending on the computation date. Provided that, for any employer who has not been liable for contributions hereunder during each of the twelve calendar quarters ending with the computation date, "qualifying period" means the period ending with the computation date and beginning with the first calendar quarter in which such employer was liable for contributions hereunder but in no event less than the four consecutive calendar quarters ending with the computation date. Employers who have been subject to the Act less than four calendar quarters immediately preceding the computation date, and their employees, shall not be entitled to a rate determination under this Article but shall pay contributions at the standard

1 N rates specified in Section 502. An employing unit is sub-
2 E
3 W ject to the Act beginning with the start of the first quarter
4 M in which he is liable for contributions, and ending with
5 A the end of the calendar quarter in which he files closing
6 T contribution and wage reports pursuant to regulations of
7 E
8 R the Commissioner.

7 N Sec. 555. ELIGIBLE EMPLOYER. An employer shall be
8 E eligible for a rate determination in accordance with the
9 W provisions of this Article and the Commissioner's regula-
10 tions if the employer has been subject to the Act throughout
11 M not less than the four consecutive calendar quarters ending
12 A with the computation date. Notwithstanding any other pro-
13 T visions of this Article, no employer shall be eligible for
14 T a rate determination pursuant to this Article if, with
15 E respect to any calendar quarter in or preceding his quali-
16 R fying period the employer has failed to file any contribu-
17 tion or payroll reports or to pay any contributions
18 N required by this Act within 60 days following the computation
19 E date or within 10 days after the Commissioner or his rep-
20 W resentative has mailed the employer written notice of such
21 delinquency and/or failure to file reports, by registered
22 M or certified mail to his last known address, whichever
23 A is the later date.

24 T Reports made arbitrarily for an employer by the Com-
25 T missioner pursuant to Section 519 shall not entitle an
26 E employer to a rate determination pursuant to this Article
27 R but such reports may be used to establish a rate determina-
28 N tion pursuant to this Article in the discretion of the
29 W Commissioner.

1 N Each employer who, for the reasons set out in this
2 E section, does not qualify for a rate determination under
3 W this Article shall pay contributions at the highest rate
4 provided in this Article.

5 Sec. 556. QUARTERLY DECLINE QUOTIENTS. The Commission-
6 er shall determine each eligible employer's contribution rate
7 N by the procedures set out in this and the following sections.
8 E He shall array such employer's quarterly payrolls in chron-
9 W ological order beginning with the first calendar quarter in
10 the qualifying period and ending with the last calendar
11 M quarter in the period. Whenever an employer's payroll in a
12 A calendar quarter is less than the payroll in the preceding
13 T quarter in the qualifying period, the quarterly decline
14 T quotient shall be computed to at least nine decimal places
15 E by dividing the amount of the decline by the amount of the
16 R payroll in the preceding calendar quarter.

17 For the purpose of computing quarterly decline quotients,
18 the Commissioner may, by regulation, prescribe: (a) the
19 N manner in which wages paid in the form of annual bonuses or
20 E other lump-sum payments for service performed over a period
21 W of more than three months shall be apportioned among the
22 calendar quarters of the calendar year in which such service
23 was performed; and (b) the method for making adjustments in
24 M quarterly payrolls to eliminate the effect upon quarterly
25 A decline quotients resulting from unemployment which would not
26 T be compensable by reason of the labor dispute provision of
27 T Section 741 (1).

28 E The Commissioner shall determine the sum of each
29 R eligible employer's decline quotients and shall weight

1 N such sum by adding to it 1.000000000 for each quarter in
2 E the employer's qualifying period in which he has no payroll,
3 W which quarter immediately succeeds a quarter in which he
4 has no payroll. Each eligible employer's average quarterly
5 M decline quotient shall be computed to the ninth decimal place
6 A by dividing the sum of the quarterly decline quotients for
7 T such employer (weighted when required by this section) by
8 T the number of quarters in his qualifying period less one.

9 E Sec. 557. RATE DETERMINATION. The Commissioner shall
10 R then determine each eligible employer's ratable payroll as
11 defined in Section 553. He shall then array all eligible
12 N employers in the order of their average quarterly decline
13 E quotients beginning with the smallest average decline
14 W quotient and shall determine, with respect to each employer
15 in the array, the cumulative ratable payroll during the
16 M four consecutive quarters ending with the computation date
17 A of such employer together with all employers who precede
18 T him on the list.

19 T The Commissioner shall segregate the arrayed employers
20 E into groups in accordance with cumulative ratable payroll.
21 R The limits of the groups shall be those set out in Column
22 B of the table below. Each of such groups shall be identi-
23 fied by the rate class number in Column A which is opposite
24 the figures in Column B which represent the percentage limits
25 of each group. Each employer in the array shall be assigned
26 to the rate class in which the greater part of such employer's
27 N ratable payroll falls except that if one-half of the employ-
28 E er's ratable payroll falls in one class, and one-half in
29 W another, he shall be assigned to the lower numbered rate

1 N class in which one-half of his ratable payroll falls. Pro-
 2 E vided, that no employer shall be assigned to a higher number-
 3 W ed rate class than is assigned to another employer with the
 4 same average quarterly decline quotient. Each eligible
 5 M employer shall be assigned the contribution rate in Column
 6 A C which is opposite such employer's rate class in Column A.

7 T	A	B		C
8 T	Rate Class	Arrayed Employer's Cumulative Payroll Limits (Percent of State Total Ratable Payroll)		Contribution Rate (Percent)
9 E		More than	Equal to or Less than	Employer
10 R		<hr/>		
11	1	0	11.1	2.0
12 N	2	11.1	22.2	2.2
13 E	3	22.2	33.3	2.4
14 W	4	33.3	44.4	2.6
15	5	44.4	55.5	2.8
16 M	6	55.5	66.6	3.0
17 A	7	66.6	77.7	3.2
18 T	8	77.7	88.8	3.4
19 T	9	88.8	100.0	3.6

20 E Sec. 558. CORRECTIONS AND ADJUSTMENTS. Corrections
 21 R or modifications of an employer's payroll may be taken into
 22 account within two years after the computation date, for
 23 the purpose of a reduction or increase in his rates. When
 24 any adjustment is made in an employer's payroll or in his
 25 average quarterly decline quotient after rates have been
 26 assigned, the adjustment shall not alter the position of
 27 N any other employer on the schedule or the contribution rate
 28 E of any other employer. The employer with respect to whom
 29 W the adjustment in decline quotients is made shall be placed

1 N in that class in which another employer with the nearest
2 E similar adverage quarterly decline quotient is placed.
3 W Sec. 559. RATES FOR SUCCESSORS IN BUSINESS. Subsequent
4 to January 1, 1956, whenever an employing unit (whether or
5 M not an employer within the meaning of Section 201) in any
6 A manner succeeds to or acquires, or has succeeded to or
7 T acquired, substantially all of the operating assets of an
8 T organization, trade, or business of another employing unit
9 E which at the time of acquisition was an employer subject to
10 R this Act, the payroll records of such predecessor employer
11 shall be transferred as of the date of acquisition to the
12 successor employer for the purpose of determining an em-
13 N ployer's qualifying period and for all other purposes of
14 E rate determination. Notwithstanding any other provision of
15 W this section, if the successor employer was an employer
16 subject to this Act prior to the date of acquisition, his
17 M rate of contributions for the remainder of the calendar year
18 A of acquisition shall be his rate with respect to the period
19 T immediately preceding the date of acquisition; his rate for
20 T the succeeding years shall be based on the total of his pay-
21 E rolls consolidated with those of the predecessor. If the
22 R successor was not an employer prior to the date of acquisi-
23 tion, his rate shall be the rate applicable to the predeces-
24 sor employer or employers with respect to the period immedi-
25 ately preceding the date of acquisition provided there was
26 only one predecessor or there were only predecessors with
27 N identical rates; if the predecessor rates were not identi-
28 E cal, the successor's rate shall be the highest rate
29 W applicable to any of the predecessor employers with respect

1 N to the period immediately preceding the date of acquisition.
2 E This section shall not apply to any acquisition if such
3 W acquisition is determined by the Commissioner (1) to have
4 been primarily for the purpose of obtaining a more favorable
5 M rate of contributions under this Article, (2) to be inequit-
6 A able to the parties, or (3) to be contrary to the public
7 T interest.

8 T Sec. 560. APPLICATION FOR REVIEW. The Commissioner
9 E shall notify each employer promptly of his rate of contri-
10 R butions as determined for any calendar year pursuant to this
11 Article. Such determination shall become conclusive upon
12 N the employer unless within 15 days after the notice was
13 E mailed to his last known address or otherwise delivered to
14 W him, the employer files an application for review and re-
15 determination, setting forth his reasons therefor. If the
16 M Commissioner grants such review, the employer shall be
17 A notified thereof promptly and shall be granted a reasonable
18 T opportunity for a fair hearing. The Commissioner shall
19 T make a redetermination and shall notify the employer of the
20 E redetermination and the reason therefor. If the Commissioner
21 R denies a review, he shall notify the employer of the denial
22 and the reasons therefor. A redetermination or a denial of
23 review shall become final, unless within 15 days after the
24 N notice was mailed to the last known address of the employer,
25 E or otherwise delivered to him, petition for judicial review
26 W is filed in accordance with Section 809.

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

1 Sec. 712. AMOUNT OF BENEFITS. (a) QUALIFYING WAGES.
2 To qualify for benefits an individual shall have earned,
3 in his base period, wages in employment totaling not less
4 than one and one-fourth times the aggregate amount of such
5 wages earned by him in that calendar quarter of his base
6 period in which he earned the highest amount of wages, and
7 all his wages for such base period must equal not less than
8 \$500.00.

9 (b) WEEKLY BENEFIT AMOUNT. Except as provided in
10 subsection (a) above, an individual's weekly benefit amount
11 shall be 1/10⁴th of his total wages in employment paid
12 during his base period but not more than 1/10⁴th of the
13 statewide average annual wage, nor less than \$10.00, and
14 if not a multiple of one dollar shall be computed to the
15 next higher multiple of one dollar.

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

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

- 23 1. he shall not be paid more than \$20.00, and
24 2. his maximum potential benefits shall be reduced
25 by the amount he would have received if such claim had been
26 filed within Alaska.

27 (e) This section shall apply to benefit years estab-
28 lished on or after July 1, 1960, but shall not affect
29 benefits, including allowance for dependents, or duration

1 of benefits for benefit years established before July 1,
2 1960.

3 Sec. 14. Subsec. (a) of Sec. 741, Art. VII, Ch. 5, ESIA
4 1955 as amended by Ch. 62 and Ch. 169, SIA 1957 is hereby
5 amended to read as follows:

6 (a) He was not able to work or was not available for
7 suitable work for such week. Provided that an insured
8 N worker shall not be considered ineligible for receipt of
9 E unemployment benefits for any week because of failure to
10 W comply with the provisions of this subsection if:

11 (1) he is unable to work because of an illness
12 M or disability; or

13 A (2) he resides in Alaska and is not available for
14 T work because of his non-commercial fishing and hunting nec-
15 T essary for the survival of himself and his dependents; and

16 E (3) the condition described in (1) or (2) above
17 R occurs during an uninterrupted period of unemployment fol-
18 lowing a week for which he has filed a compensable claim
19 N and no work has been offered him for any part of said week
20 E which would have been suitable prior to the beginning of
21 W such fishing, hunting, illness, or disability.

22 [(1) THAT NO ALASKAN RESIDENT SHALL BE CONSIDERED INELIG-
23 IBLE FOR RECEIPT OF UNEMPLOYMENT BENEFITS FOR ANY WEEK
24 BECAUSE OF FAILURE TO COMPLY WITH THE PROVISIONS OF THIS
25 SUBSECTION WHEN SUCH FAILURE IS CAUSED BY HIS NON-COMMERCIAL
26 FISHING AND HUNTING NECESSARY FOR THE SURVIVAL OF HIMSELF
27 AND HIS DEPENDENTS DURING AN UNINTERRUPTED PERIOD OF UN-
28 EMPLOYMENT FOLLOWING A WEEK FOR WHICH HE HAS FILED A
29 COMPENSABLE CLAIM. PROVIDED THAT NO SUITABLE WORK HAS

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BEEN OFFERED HIM FOR ANY PART OF SAID WEEK.7

Sec. 15. This Act takes effect on the day after its passage and approval or on the day after it becomes law without such approval.