

BY SENATORS RYAN, BRONSON,
COOPER, GILBERT, MCNABB,
MCNEALY, MOODY AND OWEN

1 IN THE SENATE

2 SENATE BILL NO. 72

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIRST LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to Employment Security; add-
7 ing new Secs. 234.1 and 249.1 to Art., II, Ch.
8 5, ESLA 1955 as amended by Ch. 169, SLA 1957;
9 a new Sec. 325.1 to Art. II, Ch. 5 as amended
10 by Ch. 75 and Ch. 169, SLA 1957; new Secs.
11 528 and 529 to Art. V, Ch. 5, ESLA 1955 as
12 amended by Ch. 169, SLA 1957; amending Sec.
13 213, Sec. 214 and Sec. 217 of Art. II, Ch. 5
14 ESLA 1955; amending Sec. 325 of Art. III, Ch.
15 5, ESLA 1955; amending subsec. (b) of Sec.
16 501, Art. V, Ch. 5, ESLA 1955 as amended by
17 Ch. 169, SLA 1957; amending Sec. 502, Art.
18 V, Ch. 5, ESLA 1955 as amended by Ch. 169,
19 SLA 1957; amending Sec. 503, Art. V, Ch. 5,
20 ESLA 1955 as amended by Ch. 169, SLA 1957;
21 amending subsecs. (a) and (f) of Sec. 741,
22 Art. VII, Ch. 5, ESLA 1955 as amended by Ch.
23 62 and Ch. 169, SLA 1957; repealing Sec. 229
24 Art. II, Ch. 5, ESLA 1955 as amended by Ch.
25 169, SLA 1957; and repealing subsec. (h),
26 Sec. 741, Art. VII, Ch. 5, ESLA 1955 as
27 amended by Ch. 62 and Ch. 169, SLA 1957."

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

29 Section 1. Sec. 213 of Art. II, Ch. 5, ESLA 1955 is hereby

1 amended to read as follows:

2 Sec. 213. "Employing unit: means any individual or type
3 of organization, including the State government, any of its
4 political subdivisions or instrumentalities, any partnership,
5 association, trust, estate, joint trust company, insurance
6 company or corporation, whether domestic or foreign, or the
7 receiver, referee in bankruptcy, trustee, or successor of
8 any of the foregoing, or the legal representative of a de-
9 ceased person, which has, or subsequent to January 1, 1937
10 had one or more individuals performing service for it within
11 this State /TERRITORY/. All individuals performing services
12 within this State /TERRITORY/ shall be deemed to be employed
13 by a single employing unit for all the purposes of this Act.

14 Sec. 2. Sec. 214 of Art. II, Ch. 5, ESLA 1955 is hereby
15 amended to read as follows:

16 Sec. 214. "employment" means:

17 (a) Any service performed prior to January 1, 1955,
18 which was employment as defined in this section prior to such
19 date, and subject to the other provisions of this section,
20 service performed after December 31, 1954, by an individual
21 for wages or by an officer of a corporation, including
22 service in interstate commerce;

23 (b) Notwithstanding Section 215 all service per-
24 formed after December 31, 1954, by an officer or member of the
25 crew of an American vessel on or in connection with such
26 vessel, if the operating office, from which the operations of
27 such vessel operating on navigable waters within, or within
28 and without, the United States are ordinarily and regularly
29 supervised, managed, directed and controlled, is within this

1 State ~~TERRITORY~~; ~~AND~~

2 (c) Notwithstanding any other provisions of this
3 Article, service with respect to which a tax is required to
4 be paid under any Federal law imposing a tax against which
5 credit may be taken for contributions required to be paid
6 into a State unemployment fund; and

7 (d) Service performed after January 1, 1960, by an
8 individual for this State or any political subdivision there-
9 of, or any instrumentality of any one or more of the fore-
10 going which is wholly owned by this State or by one or more
11 of its political subdivisions.

12 Sec. 3. Sec. 217 of Art. II, Ch. 5, ESLA 1955 is hereby
13 amended to read as follows:

14 Sec. 217. The term "employment" shall, during the
15 effective period of the election, include service covered by
16 an election pursuant to Section 604 and service covered by
17 an election duly approved by the agency charged with the
18 administration of any other state, Federal or foreign govern-
19 ment employment security law, in accordance with an arrange-
20 ment pursuant to Section 325.1 (a) of this Act during the
21 effective period of such election SERVICE COVERED BY AN
22 ELECTION DULY APPROVED BY THE COMMISSION IN ACCORDANCE WITH
23 AN ARRANGEMENT PURSUANT TO SECTION 325, AND SERVICE NOT
24 OTHERWISE COVERED UNDER THIS ACT, PERFORMED ENTIRELY WITHOUT
25 THIS TERRITORY, WITH RESPECT TO NO PART OF WHICH CONTRIBU-
26 TIONS ARE REQUIRED AND PAID UNDER THE UNEMPLOYMENT COMPENSA-
27 TION LAW OF ANY OTHER STATE OR TERRITORY, IF THE INDIVIDUAL
28 PERFORMING SUCH SERVICE IS A RESIDENT OF THIS TERRITORY AND
29 THE COMMISSION APPROVES THE ELECTION FILED BY THE EMPLOYING

1 UNIT FOR WHOM THE SERVICES ARE PERFORMED IN THE SAME MANNER
2 AS FOR ELECTIONS FILED UNDER SECTION 6047.

3 Sec. 4. Article II, Ch. 5, ESLA 1955, as amended by Ch. 169,
4 SLA 1957, is hereby amended by adding a new section to read as
5 follows:

6 Sec. 234.1 The term "Employment" shall not include
7 service performed on an unemployment work relief project
8 undertaken by this State or any subdivision thereof.

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

12 Sec. 249.1 Notwithstanding the provisions of Sections
13 240 and 242, neither the term "remuneration" nor the term
14 "wages" shall include the amount of any payment (including
15 any amount paid by an employer into a fund to provide for any
16 such payment) made to, or on behalf of, an employee under a
17 plan or system established by an employer which makes pro-
18 vision for his employees generally, or for a class or group
19 of his employees, for the purpose of supplementing unemploy-
20 ment benefits.

21 Sec. 6. Sec. 325 of Article III, Ch. 5, ESLA 1955 is hereby
22 amended to read as follows:

23 Sec. 325. INTERSTATE ARRANGEMENTS ARRANGEMENTS WITH
24 STATES OR FEDERAL GOVERNMENT7. The Commission is authorized
25 to enter into arrangements whereby the facilities and ser-
26 vices provided under this Act, and the facilities and ser-
27 vices provided under the employment security law of any other
28 state may be utilized for the making of claims and the pay-
29 ment of benefits under this Act or under the employment

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1 security act of such state. THE COMMISSION IS HEREBY
2 AUTHORIZED TO ENTER INTO ARRANGEMENTS WITH THE APPROPRIATE
3 AGENCIES OF OTHER STATES OR THE FEDERAL GOVERNMENT WHEREBY
4 INDIVIDUALS PERFORMING SERVICES IN THIS TERRITORY AND OTHER
5 STATES FOR A SINGLE EMPLOYING UNIT UNDER CIRCUMSTANCES NOT
6 SPECIFICALLY PROVIDED FOR IN SECTIONS 214 TO 218 HEREIN, OR
7 UNDER SIMILAR PROVISIONS IN THE UNEMPLOYMENT COMPENSATION
8 LAWS OF SUCH OTHER STATES, SHALL BE DEEMED TO BE ENGAGED IN
9 EMPLOYMENT PERFORMED ENTIRELY WITHIN THIS TERRITORY OR WITH-
10 IN ONE OF SUCH OTHER STATES AND WHEREBY POTENTIAL RIGHTS TO
11 BENEFITS ACCUMULATED UNDER THE UNEMPLOYMENT COMPENSATION LAWS
12 OF ONE OR MORE STATES OR UNDER SUCH A LAW OF THE FEDERAL
13 GOVERNMENT, OR BOTH, MAY CONSTITUTE THE BASIS FOR THE PAY-
14 MENT OF BENEFITS THROUGH A SINGLE APPROPRIATE AGENCY UNDER
15 TERMS WHICH THE COMMISSION FUNDS TO BE FAIR AND REASONABLE
16 AS TO ALL AFFECTED INTERESTS AND WILL NOT RESULT IN ANY SUB-
17 STANTIAL LOSS TO THE FUND.7

18 Sec. 7. Article III, Ch. 5, ESLA 1955, as amended by Ch. 75
19 and Ch. 169, SLA 1957, is hereby amended by adding a new section
20 to read as follows:

21 Sec. 325.1 (a) RECIPROCAL COVERAGE. The Commission is
22 hereby authorized to enter into reciprocal arrangements with
23 appropriate and duly authorized agencies of other states or
24 of the Federal government, or both, whereby, notwithstanding
25 the provisions of Section 761:

26 (1) Service performed by an individual for a
27 single employing unit for which service is customarily per-
28 formed by such individual in more than one state shall be
29 deemed to be service performed entirely within any one of the

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states in which (A) any part of such individual's service is performed, or (B) such individual has his residence, or (C) the employing unit maintains a place of business: Provided, that there is in effect, as to such service, an approved election by an employing unit with the acquiescence of such individual, pursuant to which service performed by such individual for such employing unit is deemed to be performed entirely within such state; and

(2) Service performed by not more than three individuals, or 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 Commission 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

1 after January 1, 1959 ~~1955~~ for employment shall accrue and
2 become payable until such time as contributions shall be
3 terminated pursuant to Section 502 of this Article, by each
4 individual who performs service in employment for each calen-
5 dar year in which such services are subject to this Act.

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

29 Each employer shall maintain a record of the amount so

1 deducted from the wages of each of his employees, and shall
2 furnish a statement of such deductions to each employee at
3 such times and in such manner as the Commission shall pre-
4 scribe by regulation. ~~NO~~ SUCH DEDUCTION SHALL BE MADE FROM
5 THOSE WAGES IN EXCESS OF THE FIRST \$4,200.00 OF WAGES PAID
6 TO AN EMPLOYEE DURING ANY CALENDAR YEAR. IN THE EVENT THAT
7 AN EMPLOYEE EARNS WAGES TOTALING IN EXCESS OF \$4,200.00 IN
8 ONE CALENDAR YEAR IN THE EMPLOY OF TWO OR MORE EMPLOYERS, OR
9 IN THE EVENT THAT ANY ONE EMPLOYER THROUGH ERROR SHALL HAVE
10 MADE SUCH DEDUCTIONS FROM HIS WAGES IN EXCESS OF \$4,200.00
11 DURING ANY ONE CALENDAR YEAR, THE AMOUNT OF SUCH DEDUCTIONS
12 IN EXCESS OF THOSE REQUIRED BY THIS ACT SHALL BE REFUNDED TO
13 THE EMPLOYEE BY THE COMMISSION UPON APPLICATION THEREFOR IN
14 ACCORDANCE WITH REGULATIONS PRESCRIBED BY THE COMMISSION,
15 PROVIDED, THAT SUCH APPLICATION IS MADE DURING THE CALENDAR
16 YEAR IMMEDIATELY FOLLOWING THE CALENDAR YEAR IN WHICH SUCH
17 DEDUCTIONS WERE MADE.]

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

20 Sec. 502. RATE OF CONTRIBUTIONS. Each employer shall
21 pay contributions equal to 2.7 percent of wages paid by him
22 during the calendar year with respect to employment com-
23 mencing January 1, 1959 ~~1955~~ except as otherwise provided
24 in Section 503. Each individual performing services in
25 employment for such employer, commencing January 1, 1959
26 ~~1957~~, shall pay contributions equal to one half of one
27 percent of wages paid to him during the calendar year with
28 respect to employment until July 1, 1965 ~~1961~~.

29 In the payment of any contributions a fractional part of

1 a cent shall be disregarded unless it amounts to one-half
2 cent or more, in which case it shall be increased to one
3 cent.

4 Sec. 10. Sec. 503 of Art. V, Ch. 5, ESLA 1955 as amended by
5 Ch. 169, SLA 1957, is hereby amended to read as follows:

6 Sec. 503. BASE OF CONTRIBUTIONS. For the purposes of
7 Sections 501 and 502 of this Article and subsequent to
8 December 31, 1958 ~~1956~~, wages shall ~~NOT~~ include total
9 wages ~~THAT PART OF REMUNERATION WHICH AFTER REMUNERATION~~
10 EQUAL TO \$4,200.00 HAS BEEN paid in a calendar year to an
11 individual by an employer or his predecessor with respect to
12 employment during any calendar year is paid to such indi-
13 vidual by such employer during such calendar year unless that
14 part of the remuneration is subject to a tax under a Federal
15 law imposing a tax against which credit may be taken for
16 contributions required to be paid into a State unemployment
17 fund. For the purposes of this section, the term "employ-
18 ment" shall include service constituting employment under
19 any employment security law of another State or of the
20 Federal Government.

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

24 Sec. 528. SERVICE OF PROCESS. Process for assessment
25 and collection of contributions may be served both within and
26 without this State, and in addition to any other method of
27 service provided for in this Act, service may be made by
28 certified or registered mail.

29 Sec. 12. Art. V, Ch. 5, ESLA 1955, as amended by Ch. 169,

1 SLA 1957, is hereby amended by adding a new section to read as
2 follows:

3 N Sec. 529. STATE PAYMENTS TO THE FUND. Notwithstanding
4 the provisions of Secs. 501 through 527 of this Act, and any
5 E amendments thereto, the State of Alaska, in lieu of employer
6 and employee contributions required by this Act, shall pay
7 W to the Commission for the unemployment compensation fund an
8 amount equivalent to the amount of benefits paid out to
9 claimants who during the applicable base period were paid
10 wages by the State. If a claimant during such base period
11 was employed by both the State and other employers subject
12 to the provisions of this Act, the amount to be paid into the
13 M fund by the State, with respect to such claimant, shall be
14 an amount equal to the additional cost of benefit payments
15 made from the fund which would not have been incurred but for
16 A the inclusion of earnings from State employment in the indi-
17 vidual's determination of benefit rights. The amount of
18 payments required under this section to be made into the fund
19 T shall be ascertained by the Commission as soon as practicable
20 after the end of each calendar month and shall be payable
21 from the general fund of the State, except as provided here-
22 T after. If a claimant to whom benefits were paid was paid
23 wages by the State during the base period from a special or
24 administrative fund provided by law, the payment to the Com-
25 mission for the unemployment compensation fund shall be made
26 E from such special or administrative fund. If the base period
27 wages of an individual include both wages for State employ-
28 ment paid from the general fund of the State and wages for
29 R State employment paid from special or administrative funds,

1 the amount to be paid into the unemployment compensation fund
2 under this section with respect to the benefits paid such
3 individuals shall be prorated among the State funds in pro-
4 portion to the wages paid to such individual from each such
5 fund during the base period. The payment by the State into
6 the unemployment compensation fund shall be made at such
7 times and in such manner as the Commission may prescribe by
8 regulation.

9 Sec. 13. Subsec. (a) of Sec. 741, Art. VII, Ch. 5, ESLA
10 1955, as amended by Ch. 62 and Ch. 169, SLA 1957, is hereby
11 amended to read as follows:

12 (a) He was not able to work or was not available
13 for suitable work for such week. Provided:

14 N (1) that for the purposes of this Act a woman
15 is declared to be unable to work for six weeks before
16 E the expected date of childbirth and for the week in
17 W which a child is born to her alive and for the five weeks
18 immediately following such week, and provided further:

19 M (2) that he shall not be considered inelig-
20 ible for receipt of unemployment benefits for any week
21 A because of failure to comply with the provisions of this
22 subsection if:

23 T (i) he is unable to work because of an
24 illness or disability; or

25 T (ii) he resides in Alaska and is not
26 available for work because of his non-commercial
27 E fishing and hunting necessary for the survival of
28 himself and his dependents; and

29 R (iii) the condition described in (i) or

1 (ii) above occurs during an uninterrupted period
2 of unemployment following a week for which he has
3 filed a compensable claim and no work has been
4 offered him for any part of said week which would
5 have been suitable prior to the beginning of such
6 fishing, hunting, illness, or disability.

7 THAT NO ALASKAN RESIDENT SHALL BE CONSIDERED INELIGIBLE FOR
8 RECEIPT OF UNEMPLOYMENT BENEFITS FOR ANY WEEK BECAUSE OF
9 FAILURE TO COMPLY WITH THE PROVISIONS OF THIS SUBSECTION
10 WHEN SUCH FAILURE IS CAUSED BY HIS NON-COMMERCIAL FISHING AND
11 HUNTING NECESSARY FOR THE SURVIVAL OF HIMSELF AND HIS DE-
12 PENDENTS DURING AN UNINTERRUPTED PERIOD OF UNEMPLOYMENT FOL-
13 LOWING A WEEK FOR WHICH HE HAS FILED A COMPENSABLE CLAIM,
14 PROVIDED THAT NO SUITABLE WORK HAS BEEN OFFERED HIM FOR ANY
15 PART OF SAID WEEK.

16 Sec. 14. Subsec. (f) of Sec. 741, Art. VII, Ch. 5, ESLA
17 1955, as amended by Ch. 62 and Ch. 169, SLA 1957, is hereby
18 amended to read as follows:

19 (f) Claimant has left FOR ANY WEEK WHEREIN
20 CLAIMANT LEAVES her most recent work to change her place of
21 residence in order to remain with her husband or family, in
22 which case she shall be disqualified for the five weeks of
23 continuous unemployment immediately following such week, pro-
24 vided that said disqualification may be sooner terminated by
25 claimant's earning additional wages, whether or not covered
26 by this Act, of at least \$120.00 and provided further that
27 such disqualification shall not apply if it is necessary for
28 her to provide the sole support of her husband or family .
29 SUCH DISQUALIFICATION SHALL CONTINUE UNTIL SUCH TIME SUBSE-

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QUENT TO SUCH WEEK AS CLAIMANT EARNS ADDITIONAL WAGES,
WHETHER OR NOT COVERED BY THIS ACT, OF AT LEAST \$120.00⁷; or
Sec. 15. Sec. 229 of Art. II, Ch. 5, ESLA 1955, as amended
by Ch. 169, SLA 1957 and Subsec. (h) of Sec. 741, Art. VII, Ch.
5, ESLA 1955, as amended by Ch. 62 and Ch. 169, SLA 1957, are
hereby repealed.