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IN THE SENATE

BY SENATOR BRONSON

SENATE BILL NO. 109

IN THE LEGISLATURE OF THE STATE OF ALASKA

SECOND LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to employment security, amending Articles II, V, VI and VII of the Alaska Employment Security Act (Ch. 5, ESLA 1955 as amended by Chs. 62, 75 and 169, SLA 1957, Chs. 46 and 97, SLA 1959 and Ch. 60, SLA 1960); repealing and re-enacting Sec. 712 of Art. VII of said Act; repealing Sec. 503 of Art. V of said Act; and providing for an effective date."

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

Section 1. Sec. 213 of Art. II, Ch. 5, ESLA 1955 is amended to read:

Sec. 213. "Employing unit" means any individual or type of organization, including the State of Alaska but not its municipalities or other political subdivisions, any partnership, association, trust, estate, joint trust company, insurance company or corporation, whether domestic or foreign, or the receiver, referee in bankruptcy, trustee, or successor of any of the foregoing, or the legal representative of a deceased person, which has, or subsequent to January 1, 1937 had one or more individuals performing service for it within this state [TERRITORY]. All individuals performing services within this state [TERRITORY] for 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. Art. II, Ch. 5, ESLA 1955, as amended by Ch. 169,
5 SLA 1957, Ch. 46, SLA 1959 and Ch. 60, SLA 1960 is amended by
6 adding a new section to read:

7 Sec. 214.1. The term "employment" includes service
8 performed on and after April 1, 1960 by an individual for
9 the state, and benefits are payable to an individual who
10 establishes a benefit year on or after July 1, 1961 based
11 upon wages earned for such employment.

12 Sec. 3. Sec. 229 of Art. II, Ch. 5, ESLA 1955, as amended
13 by Ch. 169, SLA 1957, is amended to read:

14 Sec. 229. The term "employment" shall not include
15 service performed in the employ of [THE TERRITORY OF ALASKA
16 OR] municipalities or other political subdivisions of Alaska
17 except as provided in Section 604 of this Act.

18 Sec. 4. Art. II, Ch. 5, ESLA 1955, as amended by Ch. 169,
19 SLA 1957, Ch. 46, SLA 1959 and Ch. 60, SLA 1960, is amended by
20 adding two new sections to read:

21 N Sec. 234.3. The term "employment" shall not include
22 E service performed on an unemployment work relief project
23 W undertaken by this state or any subdivision thereof.

24 M Sec. 234.4. The term "employment" shall not include
25 A members of the faculty of state and public schools, colleges
26 T or universities.
27 E
28 R

27 Sec. 5. Sec. 502 of Art. V, Ch. 5, ESLA 1955, as last
28 amended by Sec. 8, Ch. 60, SLA 1960, is amended to read:

29 Sec. 502. RATE OF CONTRIBUTIONS. [EACH EMPLOYER SHALL

1 PAY CONTRIBUTIONS EQUAL TO 2.9 PERCENT OF WAGES PAID BY HIM
2 WITH RESPECT TO EMPLOYMENT DURING THE PERIOD JANUARY 1,
3 1960 THROUGH SEPTEMBER 30, 1960 EXCEPT AS OTHERWISE PROVIDED
4 IN SECTION 503. EACH INDIVIDUAL PERFORMING SERVICES IN
5 EMPLOYMENT FOR SUCH EMPLOYER DURING SUCH PERIOD SHALL PAY
6 CONTRIBUTIONS EQUAL TO SIX-TENTHS OF ONE PERCENT OF WAGES
7 PAID TO HIM WITH RESPECT TO EMPLOYMENT.]

8 On and after July 1, 1961 [BEGINNING OCTOBER 1, 1960],
9 each employer shall pay contributions equal to 3.6 [2.9]
10 percent and his employees shall pay contributions equal to
11 .4 [.6] percent of all wages paid by him and received by
12 them with respect to employment except as otherwise provided
13 in [SECTION 503 AND] Article V (a).

14 Sec. 6. Art. V, Ch. 5, ESLA 1955, as amended by Ch. 169,
15 SLA 1957, Ch. 97, SLA 1959 and Ch. 60, SLA 1960, is amended by
16 adding a new section to read:

17 N Sec. 529. STATE PAYMENTS TO THE FUND. Notwithstanding
18 E the provisions of Sections 501 through 527 of this Act, and
19 W any amendments thereto, the State of Alaska, in lieu of
20 employer and employee contributions required by this Act,
21 M shall pay to the Commissioner for the unemployment compen-
22 A sation fund an amount equivalent to the amount of benefits
23 T paid to individuals based upon wages paid by the state. If
24 T an individual during such base period was employed by both
25 E the state and other employers subject to the provisions of
26 R this Act, the amount to be paid into the fund by the state,
27 with respect to such individual, shall be an amount equal to
28 the additional cost of benefit payments made from the fund
29 which would not have been incurred but for the inclusion

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1 subject to the Act into the calendar quarter which immedi-
2 ately precedes the effective date of the rate. Notwithstand-
3 ing any other provisions of this Article, no employer or his
4 employees shall be eligible for a rate determination pursu-
5 ant to this Article if, with respect to any calendar quarter
6 in or preceding his qualifying period the employer has fail-
7 ed to file any contribution or payroll reports or to pay any
8 contributions required by this Act within 60 days following
9 the computation date or within 10 days after the Commission-
10 er or his representative has mailed the employer written
11 notice of such delinquency and/or failure to file reports,
12 by registered or certified mail to his last known address,
13 whichever is the later date.

14 Reports made arbitrarily for an employer by the Com-
15 missioner pursuant to Section 519 shall not entitle an
16 employer to a rate determination pursuant to this Article
17 but such reports may be used to establish a rate determina-
18 tion in the discretion of the Commissioner.

19 Each employer who, because of failure to pay contribu-
20 tions or file reports timely [FOR THE REASONS SET OUT IN
21 THIS SECTION], does not qualify for a rate determination
22 under this Article, [AND HIS EMPLOYEES,] shall pay contribu-
23 tions at the highest rate provided in this Article, and his
24 employees shall pay contributions at the standard rate
25 specified in Section 502.

26 Sec. 8. Sec. 557 of Art. V (a), Ch. 5, ESLA 1955, as added
27 to that Act by Sec. 11, Ch. 60, SLA 1960, is amended to read:

28 Sec. 557. RATE DETERMINATION. The Commissioner shall
29 then determine each eligible employer's ratable payroll as

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defined in Section 553. He shall then array all eligible employers in the order of their average quarterly decline quotients beginning with the smallest average decline quotient and shall determine, with respect to each employer in the array, the cumulative ratable payroll during the four consecutive quarters ending with the computation date of such employer together with all employers who precede him on the list.

The Commissioner shall segregate the arrayed employers into groups in accordance with cumulative ratable payroll. The limits of the groups shall be those set out in Column B of the table below. Each of such groups shall be identified by the rate class number in Column A which is opposite the figures in Column B which represents the percentage limits of each group. Each employer in the array shall be assigned to the rate class in which the greater part of such employer's ratable payroll falls except that if one-half of the employer's ratable payroll falls in one class, and one-half in another, he shall be assigned to the lower numbered rate class in which one-half of his ratable payroll falls. Provided, that no employer shall be assigned to a higher numbered rate class than is assigned to another employer with the same average quarterly decline quotient. Each eligible employer and his employees shall pay contributions on wages paid by him and received by them at the contribution rate in Column C and Column D, respectively, which are opposite such employer's rate class in Column A.

A	B	C	D
Rate Class	Arrayed Employer's Cumulative Payroll Limits	Contribution Rate	

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	(Percent of State Total Ratable Payroll)		(Percent)	
	More than	Equal to or Less than	Employer	Employee
1	0	10	<u>1.3</u> [1.5]	<u>0.2</u> [0.3]
2	10	20	<u>1.7</u> [1.8]	<u>0.2</u> [0.4]
3	20	30	<u>2.0</u> [2.1]	<u>0.3</u> [0.5]
4	30	40	2.4	<u>0.3</u> [0.6]
5	40	50	<u>2.7</u> [2.9]	<u>0.4</u> [0.6]
6	50	60	<u>3.0</u> [3.2]	<u>0.4</u> [0.7]
7	60	70	<u>3.2</u> [3.5]	<u>0.5</u> [0.8]
8	70	80	<u>3.4</u> [3.7]	<u>0.5</u> [0.8]
9	80	90	<u>3.5</u> [3.8]	<u>0.6</u> [0.9]
10	90	100	<u>3.6</u> [4.0]	<u>0.6</u> [0.9]

Sec. 9. Subsec. (a) of Sec. 604 of Art. VI, Ch. 5, ESLA 1955, is amended to read:

(a) Any service performed for an employing unit, including [TERRITORIAL DEPARTMENTS AND AGENCIES,] municipalities, and other political subdivisions of Alaska, which is excluded under the definition of employment in Article II, and with respect to which no payments are required under the employment security law of another State or of the Federal Government, may be deemed to constitute employment for all purposes of this Act, provided that the Commissioner [COMMISSION] has approved a written election to that effect filed by the employing unit for which the service is performed, as of the date stated in such approval. No election shall be approved by the Commissioner [COMMISSION] unless it (1) includes all the service of the type specified in each establishment or place of business for which

1 the election is made, and (2) is made for not less than two
2 calendar years.

3 Sec. 10. Sec. 712 of Art. VII, Ch. 5, ESLA 1955, as amend-
4 ed by Sec. 25, Ch. 169, SLA 1957 and by Sec. 12, Ch. 60, SLA
5 1960 is repealed and re-enacted to read:

6 Sec. 712. AMOUNT OF BENEFITS. (a) QUALIFYING WAGES.
7 To qualify for benefits an individual shall have earned, in
8 his base period, wages in employment totaling not less than
9 \$600.00.

10 (b) BASIC WEEKLY BENEFIT AMOUNT. Except as provided
11 in subsection (a) above, an individual's basic weekly bene-
12 fit amount shall be 1/88th of his total wages in employment
13 paid during his base period but not more than \$45.00, and
14 shall be computed to the nearest whole dollar.

15 (c). AUGMENTED WEEKLY BENEFIT AMOUNT. Except as pro-
16 vided in subsection (a) above, an individual's augmented
17 weekly benefit amount shall be an amount consisting of his
18 basic weekly benefit amount plus 10 percent of his basic
19 weekly benefit amount for each of his dependents who is in
20 the state on the date he establishes his benefit year but
21 not exceeding three such dependents. The number of his
22 dependents shall be determined as of the date he establishes
23 his benefit year, and shall be fixed for the duration of
24 such benefit year. The augmented weekly benefit amount
25 shall be computed to the nearest whole dollar.

26 (d) MAXIMUM POTENTIAL BENEFITS. The maximum potential
27 benefits of any individual in a benefit year shall be the
28 product of his augmented weekly benefit amount multiplied
29 by the lesser of (a) a number equal to 1/100th of his total

1 wages in employment paid during his base period plus two,
2 rounded to the nearest whole number, or (b) 26.

3 (e) DEFINITION OF DEPENDENT. "Dependent" means an
4 individual's unmarried child (including stepchild and legal-
5 ly adopted child) under 18 years of age, who is principally
6 supported by such individual; except that an individual's
7 unmarried child (including stepchild and legally adopted
8 child) who because of infirmity is prevented from engaging
9 in a gainful occupation and who is principally dependent
10 upon such individual for support, shall be deemed to be a
11 dependent for the purpose of this provision regardless of
12 age. For the duration of a benefit year no dependent who
13 has been claimed by a claimant and allowed as such shall be
14 included as a dependent with regard to any other claimant.

15 (f) INTERSTATE PAYMENT RESTRICTIONS. Notwithstanding
16 the above subsections of this section, if an individual
17 files a claim for benefits while outside of Alaska his bene-
18 fits for such week shall be restricted as follows:

- 19 1. he shall not be paid an augmented weekly
20 benefit amount,
- 21 2. he shall not be paid more than \$20.00, and
- 22 3. his maximum potential benefits shall be re-
23 duced by the amount he would have received if such claim
24 had been filed within Alaska.

25 Sec. 11. Sec. 503 of Art. V, Ch. 5, ESLA 1955, as last
26 amended by Sec. 9, Ch. 60, SLA 1960, is repealed.

27 Sec. 12. This Act takes effect on July 1, 1961 and does not
28 affect benefits, including allowance for dependents, or duration
29 of benefits for benefit years established before July 1, 1961.