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IN THE SENATE

BY SENATOR METCALF

SENATE BILL NO. 218

IN THE LEGISLATURE OF THE STATE OF ALASKA

SECOND LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to employee contributions and refunds payable under the Alaska Employment Security Act; and providing for an effective date."

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

Section 1. Subsec. (b) of Sec. 501, Art. V, Ch. 5, ESLA 1955, as amended by Sec. 16, Ch. 169, SLA 1957 and Sec. 7, Ch. 60, SLA 1960, is amended to read:

(b) Contributions with respect to wages paid on or after January 1, 1955 for employment shall accrue and become payable 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 each such individual, in accordance with regulations prescribed by the Commissioner, shall become payable, be deducted from his wages by his employer, and be held in trust by the employer for the Commissioner until such time as such employee contributions are required by regulation to be deposited with the Commissioner. Such funds shall not be subject to garnishment or attachment in any fashion, and in the event of lien, judgment or bankruptcy proceedings shall not be considered as assets of the employer. Any employer who shall fail to make such deductions from the wages of his employees

1 shall himself be liable to the Commissioner for the payment
2 of such required contributions, which shall be collected
3 from him in the same manner as is provided for the collection
4 of employer contributions.

5 If any employer shall convert to his own use or
6 otherwise misappropriate any funds so held in trust, he shall
7 be required to pay to the Commissioner for deposit in the
8 Clearing Account the amount so converted or misappropriated,
9 together with a penalty equal to five times that amount but
10 not less than \$25.00. In addition, if such conversion or
11 [OF] misappropriation is willful, he shall be guilty of a
12 misdemeanor and, upon conviction thereof, shall be fined not
13 more than \$200.00, or imprisoned for not more than 60 days,
14 or both.

15 Each employer shall maintain a record of the
16 amount so deducted from the wages of each of his employees,
17 and shall furnish a statement of such deductions to each
18 employee at such times and in such manner as the Commissioner
19 shall prescribe by regulation. No such deduction shall be
20 made from those wages in excess of the first \$7,200.00 of
21 wages paid to an employee during any calendar year. In the
22 event that an employee earns wages totaling in excess of
23 \$7,200.00 in one calendar year in the employ of two or more
24 employers, or in the event that any one employer through
25 error shall have made such deductions from his wages in
26 excess of \$7,200.00 during any one calendar year, the amount
27 of such deductions in excess of those required by this Act
28 shall be refunded to the employee by the Commissioner upon
29 application therefor in accordance with regulations pre-

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scribed by him; provided that such application is made during
the calendar year immediately following the calendar year in
which such deductions were made.

Sec. 2. This Act takes effect on the day after its passage
and approval or on the day it becomes law without such approval.