

1 IN THE SENATE

BY SENATOR METCALF

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SENATE BILL NO. 218

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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SECOND LEGISLATURE - SECOND SESSION

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A BILL

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For an Act entitled: "An Act relating to employee contributions

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and refunds payable under the Alaska Employ-

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ment Security Act; and providing for an

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effective date."

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

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Section 1. Subsec. (b) of Sec. 501, Art. V, Ch. 5, ESLA 1955,

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as amended by Sec. 16, Ch. 169, SLA 1957 and Sec. 7, Ch. 60, SLA

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1960, is amended to read:

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(b) Contributions with respect to wages paid on

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or after January 1, 1955 for employment shall accrue and

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become payable by each individual who performs service in

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employment for each calendar year in which such services

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are subject to this Act.

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The contributions required from each such indivi-

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dual, in accordance with regulations prescribed by the

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Commissioner, shall become payable, be deducted from his

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wages by his employer, and be held in trust by the employer

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for the Commissioner until such time as such employee con-

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tributions are required by regulation to be deposited with

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the Commissioner. Such funds shall not be subject to gar-

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nishment or attachment in any fashion, and in the event of

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lien, judgment or bankruptcy proceedings shall not be con-

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sidered as assets of the employer. Any employer who shall

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

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