

1 IN THE HOUSE

BY MR. LEONARD

2

HOUSE BILL NO. 360

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRD LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to unemployment insurance  
and providing for an effective date."

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

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\* Section 1. AS 23.20.165(e) is amended to read:

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(e) An employer shall maintain a record of the amount

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deducted from the wages of each of his employees, and shall

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furnish a statement of the deductions to each employee at

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the times and in the manner the commissioner prescribes by

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regulation. [NO DEDUCTION MAY BE MADE FROM THOSE WAGES IN

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EXCESS OF THE FIRST \$7,200 OF WAGES PAID TO AN EMPLOYEE DUR-

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ING A CALENDAR YEAR. IF AN EMPLOYEE EARNS WAGES TOTALING

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MORE THAN \$7,200 IN ONE CALENDAR YEAR IN THE EMPLOY OF TWO OR

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MORE EMPLOYERS, OR IF ONE EMPLOYER THROUGH ERROR MAKES A

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DEDUCTION FROM HIS WAGES IN EXCESS OF \$7,200 DURING A CALENDAR

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YEAR, THE AMOUNT OF THE DEDUCTIONS IN EXCESS OF THOSE REQUIRED

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BY THIS CHAPTER SHALL BE REFUNDED TO THE EMPLOYEE BY THE

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COMMISSIONER UPON APPLICATION FOR THEM IN ACCORDANCE WITH

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REGULATIONS PRESCRIBED BY HIM. APPLICATION MUST BE MADE

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DURING THE CALENDAR YEAR AFTER THE CALENDAR YEAR IN WHICH THE

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DEDUCTIONS ARE MADE.]

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\* Sec. 2. AS 23.20.170 is repealed and re-enacted to read:

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Sec. 23.20.170. RATE OF CONTRIBUTIONS. (a) Subject

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to secs. 280 - 310 of this chapter, after September 30, 1964,

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an employer shall pay contributions equal to 4.0 per cent of

1 the wages paid by him with respect to employment.

2 (b) After September 30, 1964, an employee shall pay  
3 contributions equal to 0.6 per cent of the wages received by  
4 him with respect to employment.

5 \* Sec. 3. AS 23.20.175 is repealed and re-enacted to read:

6 Sec. 23.20.175. BASE OF CONTRIBUTIONS. For the  
7 purposes of this chapter, after September 30, 1964, wages  
8 shall include all remuneration paid in a calendar year to an  
9 individual employee by an employer or his predecessor with  
10 respect to employment.

11 \* Sec. 4. AS 23.20.280(a) is amended to read:

12 (a) An employer is [AND HIS EMPLOYEES ARE] eligible for  
13 a rate determination in accordance with the provisions of  
14 secs. 280 - 310 of this chapter and the commissioner's regula-  
15 tions if the employer has been subject to this chapter  
16 throughout not less than the four consecutive calendar  
17 quarters ending with the computation date and remains subject  
18 to this chapter into the calendar quarter which immediately  
19 precedes the effective date of the rate. No employer [OR  
20 EMPLOYEE] is eligible for a rate determination under secs.  
21 280 - 310 of this chapter if, with respect to a calendar  
22 quarter in or preceding his qualifying period, the employer  
23 has failed to file contribution or payroll reports or to pay  
24 contributions required by this chapter within 60 days after  
25 the computation date or within 10 days after the department  
26 has mailed the employer written notice of the delinquency or  
27 of failure to file reports, or of both, by registered or  
28 certified mail to his last known address, whichever is the  
29 later date.

1 \* Sec. 5. AS 23.20.290(b) is amended to read:

2 (b) The department shall segregate the employers into  
3 groups in accordance with cumulative ratable payroll. The  
4 limits of the groups are those set out in column B of the  
5 table in this section. Each of these groups shall be identi-  
6 fied by the rate class number in column A which is opposite  
7 the figures in column B which represents the percentage limits  
8 of each group. An employer shall be assigned to the rate  
9 class in which the greater part of the employer's ratable  
10 payroll falls. If one-half of the employer's ratable payroll  
11 falls in one class, and one-half in another, he shall be  
12 assigned to the lower numbered rate class. No employer may  
13 be assigned to a higher numbered rate class than is assigned  
14 to another employer with the same average quarterly decline  
15 quotient. An eligible employer [AND HIS EMPLOYEES] shall pay  
16 contributions on wages paid by him [AND RECEIVED BY THEM] at  
17 the contribution rate in column C [AND COLUMN D, RESPECTIVELY,]  
18 which is [ARE] opposite the employer's rate class in column A.

19	A	B		C	[D]
20	RATE	EMPLOYER'S CUMULATIVE		CONTRIBUTION RATE	
21	CLASS	PAYROLL LIMITS (PER CENT		(PER CENT)	
22		OF STATE TOTAL RATABLE			
23		PAYROLL)			
24		More Than	Equal to or	Employer	[EMPLOYEE]
25			Less Than		
26	1	0	10	1.5	[0.3]
27	2	10	20	1.8	[0.4]
28	3	20	30	2.1	[0.5]
29	4	30	40	2.4	[0.6]

1	5	40	50	2.9	[0.6]
2	6	50	60	3.2	[0.7]
3	7	60	70	3.5	[0.8]
4	8	70	80	3.7	[0.8]
5	9	80	90	3.8	[0.9]
6	10	90	100	4.0	[0.9]

7 \* Sec. 6. AS 23.20.300 is amended to read:

8           Sec. 23.20.300. CORRECTIONS AND ADJUSTMENTS. Correc-  
9           tions or modifications of an employer's payroll may be taken  
10           into account within two years after the computation date for  
11           the purpose of a reduction or increase in his [AND HIS EMPLOY-  
12           EE'S] rates. When an adjustment is made in an employer's  
13           payroll or in his average quarterly decline quotient after  
14           rates have been assigned, the adjustment may not alter the  
15           position of another employer on the schedule or the contribu-  
16           tion rate of another employer. The employer with respect to  
17           whom the adjustment in decline quotients is made shall be  
18           placed in that class in which another employer with the near-  
19           est similar average quarterly decline quotient is placed.

20           \* Sec. 7. The sole and only purpose of secs. 8 and 9 of this  
21           bill is to amend the procedure for computing quarterly decline  
22           quotients under sec. 285 of AS 23.20. These quotients are indi-  
23           cators of the degree to which employment in a given firm is sub-  
24           ject to large seasonal variations. On the assumption that highly  
25           seasonal employment patterns necessitate more unemployment insur-  
26           ance benefit payments than more stable patterns of employment,  
27           quarterly decline quotients are used as a measure of the probable  
28           degree to which a particular firm creates fund liabilities.  
29           Accordingly, those firms with the highest quotients are assigned

1 the highest employer tax rates. However, there are good reasons  
2 for questioning the probability that additional fund liability is  
3 created when an employer hires additional help for an extremely  
4 short period of time. Therefore, in the absence of statistical  
5 evidence to the contrary, it is the assumption of the legislature  
6 that the amended procedure for computing quarterly decline  
7 quotients produces a better measure of the fund liabilities creat-  
8 ed by a particular firm and, therefore, a better basis upon which  
9 to assign employer tax rates.

10 \* Sec. 8. AS 23.20.310(2) is amended to read:

11 (2) "payroll" means all wages paid by an employer  
12 to individuals in his employ for service in employment as  
13 defined in this chapter except wages paid to an individual  
14 who is both hired and terminated during a particular calendar  
15 quarter of a year and is not employed more than seven work-  
16 ing days during that quarter;

17 \* Sec. 9. AS 23.20.310(3) is amended to read:

18 (3) "quarterly payroll" means the payroll of [ALL  
19 WAGES PAID BY] the employer during a calendar quarter;

20 \* Sec. 10. AS 23.20.310(4) is amended to read:

21 (4) "qualifying period" means the three-year  
22 period of 12 consecutive calendar quarters ending on the com-  
23 putation date; for an employer who has not been subject to  
24 this chapter during each of the 12 calendar quarters ending  
25 with the computation date, "qualifying period" means the  
26 period ending with the computation date and beginning with  
27 the first calendar quarter in the 12 quarter period in which  
28 the employer was subject to this chapter, but in no event  
29 shall an employer's qualifying period be less than the four

1 consecutive calendar quarters ending with the computation  
2 date; employers who have been subject to this chapter less  
3 than four calendar quarters immediately preceding the com-  
4 putation date [, AND THEIR EMPLOYEES,] are not entitled to a  
5 rate determination under secs. 280 - 310 of this chapter but  
6 shall pay contributions at the standard rates specified in  
7 sec. 170 of this chapter; an employing unit is subject to  
8 this chapter beginning with the start of the first quarter  
9 in which he pays wages hereunder, and ending with the end of  
10 the calendar quarter in which either he files closing contri-  
11 bution and wage reports under regulations of the commissioner,  
12 or his account is closed by the independent action of the  
13 commissioner;

14 \* Sec. 11. AS 23.20 is amended by adding a new section to  
15 read:

16 Sec. 23.20.348. WAGE QUALIFICATION FOR BENEFITS. To  
17 qualify for benefits under this chapter, an individual shall  
18 earn wages in his base period which total not less than an  
19 amount which equals the current federal minimum hourly wage  
20 plus one-half dollar (\$0.50) multiplied by the number of  
21 working hours in a calendar quarter which, for the purpose of  
22 this computation, is 520 hours.

23 \* Sec. 12. AS 23.20.350 is repealed and re-enacted to read:

24 Sec. 23.20.350. AMOUNT OF BENEFITS. (a) The weekly  
25 benefit amount paid to a qualified unemployed individual is  
26 related to the wage which the individual earned in that one  
27 of the four calendar quarters of his base period in which he  
28 earned the highest wages.

29 (b) The weekly benefit amount to which a qualified

1 single individual is entitled is that amount in column B  
 2 which is opposite his high quarter wage in column A of the  
 3 benefit table printed below. If a qualified individual has  
 4 a dependent spouse the weekly benefit amount to which he is  
 5 entitled is that amount in column C which is opposite his  
 6 high quarter wage in column A of the table.

7 BENEFIT TABLE

8		Basic with	Augmented Weekly Benefit					
9	High Quarter	Basic	Dependent	Amount for Dependent Children				
10	Wage	Individual	Spouse	1	2	3	4	5 or more
11	COLUMNS (A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
12	\$ 225- 239.99	\$10	\$10	\$15	\$20	\$25	\$30	\$35
13	240- 279.99	10	11	16	21	26	31	36
14	280- 319.99	10	12	17	22	27	32	37
15	320- 359.99	10	13	18	23	28	33	38
16	360- 399.99	10	14	19	24	29	34	39
17	400- 439.99	10	15	20	25	30	35	40
18	440- 479.99	11	16	21	26	31	36	41
19	480- 519.99	12	17	22	27	32	37	42
20	520- 559.99	13	18	23	28	33	38	43
21	560- 599.99	14	19	24	29	34	39	44
22	600- 639.99	15	20	25	30	35	40	45
23	640- 679.99	16	21	26	31	36	41	46
24	680- 719.99	17	22	27	32	37	42	47
25	720- 759.99	18	23	28	33	38	43	48
26	760- 799.99	19	24	29	34	39	44	49
27	800- 839.99	20	25	30	35	40	45	50
28	840- 879.99	21	26	31	36	41	46	51
29	880- 919.99	22	27	32	37	42	47	52

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1	920- 959.99	23	28	33	38	43	48	53
2	960- 999.99	24	29	34	39	44	49	54
3	1000-1039.99	25	30	35	40	45	50	55
4	1040-1079.99	26	31	36	41	46	51	56
5	1080-1119.99	27	32	37	42	47	52	57
6	1120-1159.99	28	33	38	43	48	53	58
7	1160-1199.99	29	34	39	44	49	54	59
8	1200-1239.99	30	35	40	45	50	55	60
9	1240-1279.99	31	36	41	46	51	56	61
10	1280-1319.99	32	37	42	47	52	57	62
11	1320-1359.99	33	38	43	48	53	58	63
12	1360-1399.99	34	39	44	49	54	59	64
13	1400-1439.99	35	40	45	50	55	60	65
14	1440-1479.99	36	41	46	51	56	61	66
15	1480-1519.99	37	42	47	52	57	62	67
16	1520-1559.99	38	43	48	53	58	63	68
17	1560-1599.99	39	44	49	54	59	64	69
18	1600-1639.99	40	45	50	55	60	65	70
19	1640-1679.99	41	46	51	56	61	66	71
20	1680-1719.99	42	47	52	57	62	67	72
21	1720-1759.99	43	48	53	58	63	68	73
22	1760-1799.99	44	49	54	59	64	69	74
23	1800-1839.99	45	50	55	60	65	70	75
24	1840-1879.99	46	51	56	61	66	71	76
25	1880-1919.99	47	52	57	62	67	72	77
26	1920-1959.99	48	53	58	63	68	73	78
27	1960-1999.99	49	54	59	64	69	74	79
28	2000-2039.99	50	55	60	65	70	75	80
29	2040-2079.99	51	56	61	66	71	76	81

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1	2080-2119.99	52	57	62	67	72	77	82
2	2120-2159.99	53	58	63	68	73	78	83
3	2160-2199.99	54	59	64	69	74	79	84
4	2200-2239.99	55	60	65	70	75	80	85
5	2240-2279.99	56	61	66	71	76	81	86
6	2280-2319.99	57	62	67	72	77	82	87
7	2320-2359.99	58	63	68	73	78	83	88
8	2360-2399.99	59	64	69	74	79	84	89
9	2400-2439.99	60	65	70	75	80	85	90
10	2440-2479.99	61	66	71	76	81	86	91
11	2480-2519.99	62	67	72	77	82	87	92
12	2520-2559.99	63	68	73	78	83	88	93
13	2560-2599.99	64	69	74	79	84	89	94
14	2600-2639.99	64	70	75	80	85	90	95
15	2640-2679.99	64	71	76	81	86	91	96
16	2680-2719.99	64	72	77	82	87	92	97
17	2720 & Over	64	73	78	83	88	93	98

18 (c) An individual who establishes a benefit year on or  
 19 after October 1, 1964, is entitled to an augmented weekly  
 20 benefit amount if he has dependent children, as defined in  
 21 (d) of this section. Augmented weekly benefit amounts are  
 22 shown in columns D through H of the benefit table. The  
 23 number of dependent children shall be determined as of the  
 24 date the individual establishes his benefit year and shall be  
 25 fixed for the duration of the benefit year.

26 (d) For the purposes of this section,

27 (1) "dependent spouse" means an individual's  
 28 husband or wife who is in this state and is principally sup-  
 29 ported by the individual;

1 (2) "dependent child" means an individual's un-  
2 married child, including a stepchild and a legally adopted  
3 child, under 18 years of age who is in this state and is  
4 principally supported by the individual. An individual's un-  
5 married child, including a stepchild and a legally adopted  
6 child, who because of infirmity is prevented from engaging in  
7 a gainful occupation and who is principally dependent upon  
8 the individual for support, is considered a dependent for  
9 the purpose of this provision regardless of age. For the  
10 duration of a benefit year no dependent who has been claimed  
11 by a claimant and allowed as a dependent may be included as  
12 a dependent of another claimant.

13 (e) The maximum potential benefits which an individual  
14 may receive in any one benefit year is the product of his  
15 weekly benefit amount, as shown in column B, C, D, E, F, G,  
16 or H of the benefit table, multiplied by the number of weeks  
17 he is entitled to receive benefit amounts, as determined in  
18 sec. 354 of this chapter.

19 \* Sec. 13. AS 23.20 is amended by adding a new section to  
20 read:

21 Sec. 23.20.352. ANNUAL REVISION OF THE BENEFIT TABLE.

22 (a) The maximum weekly benefit amount which may be granted  
23 to an individual under column B or column C of the benefit  
24 table in sec. 350(b) of this chapter shall not exceed 40 per  
25 cent of the average weekly high quarter wage which was earned  
26 by all eligible intrastate claimants under column B or C who  
27 had benefit years which ended in the fiscal year immediately  
28 preceding January 1 of a calendar year.

29 (b) Before January 1 of each year, commencing with

1 January 1, 1966, the commissioner shall determine the average  
2 weekly high quarter wage which was earned by all eligible  
3 intrastate claimants under columns B and C, respectively,  
4 who had benefit years ending in the preceding fiscal year.  
5 For the purpose of this determination, the average weekly  
6 high quarter wage shall be the arithmetic mean of the high  
7 quarter wages of all eligible claimants divided by 13. The  
8 commissioner shall then determine that amount which  
9 represents 40 per cent of the average weekly high quarter  
10 wage determined for each column.

11 (c) If the maximum weekly benefit amount derived  
12 according to (b) of this section for column B or column C  
13 differs from the maximum amount for that column in the  
14 current benefit table, the commissioner shall promptly revise  
15 the benefit table in accordance with the following guidance:

16 (1) If the new maximum weekly benefit amount ex-  
17 ceeds the current maximum amount, the weekly benefit amounts  
18 in the applicable column which are set at the current maximum  
19 weekly benefit amount shall be re-computed in order to pro-  
20 vide the minimum weekly benefit amount which is

21 (A) for benefit amounts in column B, one-  
22 fortieth, with fractions of a dollar disregarded, of the  
23 lowest amount in the corresponding high quarter wage  
24 step in column A of the benefit table, but not less than  
25 \$10;

26 (B) for benefit amounts in column C, one-  
27 fortieth, plus \$5, with fractions of a dollar disregard-  
28 ed, of the lowest amount in the corresponding high  
29 quarter wage step in column A of the table, but not less

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than \$10.

(2) If the new maximum weekly benefit amount is less than the current maximum amount, any weekly benefit amounts in the applicable column in the table which are currently determined by a minimum weekly benefit amount formula and exceed the new maximum weekly benefit amount shall be reduced to the new maximum amount.

(3) If a weekly benefit amount in column C is revised in accordance with (c)(1) and (2) of this section, the commissioner shall also revise the corresponding augmented benefit amounts for dependent children in columns D through H of the benefit table. Five dollars in excess of the applicable benefit amount in column C shall be granted for each dependent child, but augmented amounts shall not be granted for more than five dependent children.

\* Sec. 14. AS 23.20 is amended by adding a new section to read:

Sec. 23.20.354. PERIODIC REVISION OF THE BENEFIT TABLE.

(a) The minimum high quarter wage in column A of the benefit table in sec. 350(a) of this chapter for which weekly benefits may be granted is determined by dividing by four the minimum annual wage which, computed according to sec. 348(a) of this chapter, must be earned by an individual in his base period in order to qualify for weekly benefits.

(b) The minimum annual wage is determined by use of the current federal minimum hourly wage. If the federal minimum hourly wage is subsequently increased, the commissioner shall determine the new minimum high quarter wage and shall revise the benefit table by deleting all high quarter

1 wage steps in column A which are not equal in amount to the  
2 new minimum high quarter wage. The number of high quarter  
3 wage steps deleted from the low wage end of column A as a  
4 result of a new minimum high quarter shall be added to the  
5 high wage end of column A. The additional high quarter wage  
6 steps shall be in appropriate \$40 wage intervals and the  
7 commissioner shall determine the corresponding weekly benefit  
8 amounts for the additional steps in accordance with the  
9 guidance in sec. 352(c) of this chapter.

10 (c) A benefit table revised in accordance with (b) of  
11 this section shall be effective on January 1 of the year  
12 following the date of the increase in the federal minimum  
13 hourly wage.

14 \* Sec. 15. AS 23.20 is amended by adding a new section to  
15 read:

16 Sec. 23.20.254. WEEKLY BENEFIT DURATION. (a) The  
17 number of weeks for which an individual may receive weekly  
18 benefits is established by the following formula:

19 (1) determine, and carry to two decimal places,  
20 the ratio of the individual's annual wage earned in his base  
21 period to his wage earned in the calendar quarter of highest  
22 earnings in his base period;

23 (2) multiply the ratio determined in (a)(1) of  
24 this section by 13;

25 (3) subtract four from the product obtained in (a)  
26 (2) of this section.

27 (b) Notwithstanding any contrary benefit duration  
28 period established by use of the formula in (a) of this sec-  
29 tion, no individual may receive weekly benefits for more

1           than 26 weeks in any one benefit year.

2           \* Sec. 16. This Act takes effect October 1, 1964.

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