


Introduced: 4/16/71
Referred: Labor & Management

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2  HOUSE BILL NO. 433

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to employment security; and providing
7 for an effective date."

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

9 * Section 1. AS 23.20 is amended by adding a new section to read:

10 Sec. 23.20.022. ACTUARIAL STUDIES. On December 1, 1973 the
11 commissioner shall submit to the governor an actuarial study of the
12 unemployment tax and benefit structures established under this chapter.
13 Thereafter, an actuarial study of the structures shall be submitted to
14 the governor on December 1 of every second year.

15 * Sec. 2. AS 23.20.165(e) is repealed and re-enacted to read:

16 (e) An employer shall maintain a record of the amount deducted from
17 the wages of each of his employees, and shall furnish a statement of the
18 deductions to each employee at the times and in the manner the commiss-
19 ioner prescribes by regulation. No deduction may be made from those
20 wages paid to an employee during a calendar year which are in excess of
21 the wages subject to contributions pursuant to sec. 175 of this chapter.
22 If an employee in the employ of two or more employers earns wages in one
23 calendar year totaling more than the wages subject to contributions, or
24 if one employer through error makes a deduction from his wages in excess
25 of the wages subject to contributions during a calendar year, the amount
26 of deductions in excess of those required by this chapter shall be re-
27 funded to the employee by the commissioner upon application for them in
28 accordance with regulations prescribed by him. Application must be made
29 during the calendar year after the calendar year in which the deductions

1 are made.

2 * Sec. 3. AS 23.20.170 is repealed and re-enacted to read:

3 Sec. 23.20.170. RATE OF CONTRIBUTIONS. (a) Subject to secs. 175
4 and 280 - 310 of this chapter, beginning October 1, 1960 and continuing
5 through December 31, 1971, an employer shall pay contributions equal to
6 2.9 per cent and each of his employees shall pay contributions equal to
7 0.6 per cent of wages paid by him and received by each employee with
8 respect to employment.

9 (b) Subject to secs. 175 and 280 - 310 of this chapter, beginning
10 January 1, 1972, the standard rate of contributions by employers is 5.7
11 per cent of wages. Each employer who has not been subject to this
12 chapter for a sufficient period of time to have his rate computed under
13 sec. 290 of this chapter, shall pay contributions at a rate equal to the
14 average industry tax rate as determined by the commissioner, provided
15 that such rate shall not be less than 1.0 per cent. Assignment by the
16 commissioner of employers to industrial classification, for the purposes
17 of this subsection, shall be in accordance with established classification
18 practices found in the "Standard Industrial Classification Manual" issued
19 by the United States Department of Labor to the first digit provided in
20 the Standard Industrial Classification code.

21 * Sec. 4. AS 23.20.175(a) is amended to read:

22 (a) For the purposes of secs. 165 and 170 of this chapter, after
23 December 31, 1959 and through December 31, 1971, wages do not include
24 that part of remuneration which, after remuneration equal to \$7,200 has
25 been paid in a calendar year to an individual by an employer or his pre-
26 decessor with respect to employment, is paid to the individual by the
27 employer during the calendar year unless that part of the remuneration
28 is subject to a tax under a federal law imposing a tax against which
29 credit may be taken for contributions required to be paid into a state

1 unemployment fund.

2 * Sec. 5. AS 23.20.175 is amended by adding a new subsection to read:

3 (c) For the purposes of secs. 165 and 170 of this chapter, beginn-
4 ing January 1, 1972, "wages" do not include remuneration paid with respect
5 to employment to an individual by an employer during any calendar year
6 which exceed 60 per cent of the average annual wage, rounded to the next
7 highest hundred dollars, for the four calendar quarter period ending on
8 June 30 of the preceding year. The average annual wage shall be computed
9 as follows: on or before November 30 of each year the total remuneration
10 paid by employers, as reported on contribution reports on or before such
11 date, with respect to all employment during the four consecutive calendar
12 quarters ending on June 30 of such year shall be divided by the average
13 monthly number of individuals performing services in the employment dur-
14 ing the same four calendar quarters as reported on the contribution re-
15 ports.

16 * Sec. 6. AS 23.20.290(b) is repealed and re-enacted to read:

17 (b) The department shall segregate the employers into groups in
18 accordance with cumulative ratable payroll. The limits of the groups
19 are those set out in column B of the table in this section. Each of
20 these groups shall be identified by the rate class number in column A
21 which is opposite the figures in column B which represents the percentage
22 limits of each group. An employer shall be assigned to the rate class
23 in which the greater part of the employer's ratable payroll falls. If
24 one-half of the employer's ratable payroll falls in one class, and one-
25 half in another, he shall be assigned to the lower numbered rate class.
26 No employer may be assigned to a higher numbered rate class than is assign-
27 ed to another employer with the same average quarterly decline quotient.

28 * Sec. 7. AS 23.20.290 is amended by adding new subsections to read:

29 (c) The rate of contributions payable by each eligible employer

beginning January 1, 1972 and for each succeeding calendar year thereafter shall be the rate opposite the rate class in that column of the table in this section which is appropriate for the calendar year as determined by the reserve multiple of the fund on September 30.

A Class	B Employer's Cumulative Payroll Limit (Percent of State Total Payroll)	C If The Reserve Multiple Of the Fund is:											
		D Equal to or More Than	E .33	F .67	G .85	H 1.0	I 1.15	J 1.35	K 1.5	L 2.0	M 3.0		
		N Less Than											
		O Equal to or											
		P More Than	Q Less Than										
1	0	10		3.2	2.8	2.5	2.1	1.8	1.5	1.3	1.1	1.0	.8
2	10	20		3.5	3.1	2.8	2.4	2.1	1.8	1.6	1.4	1.3	1.1
3	20	30		3.8	3.4	3.1	2.7	2.4	2.1	1.9	1.7	1.6	1.4
4	30	40		4.1	3.7	3.4	3.0	2.7	2.4	2.2	2.0	1.9	1.7
5	40	50		4.6	4.2	3.9	3.5	3.2	2.9	2.7	2.5	2.4	2.2
6	50	60		4.9	4.5	4.2	3.8	3.5	3.2	3.0	2.8	2.7	2.5
7	60	70		5.2	4.8	4.5	4.1	3.8	3.5	3.3	3.1	3.0	2.8
8	70	80		5.4	5.0	4.7	4.3	4.0	3.7	3.5	3.3	3.2	3.0
9	80	90		5.5	5.1	4.8	4.4	4.1	3.8	3.6	3.4	3.3	3.1
10	90	100		5.7	5.3	5.0	4.6	4.3	4.0	3.8	3.6	3.5	3.3
EMPLOYEE RATE				.8	.8	.7	.7	.6	.6	.5	.5	.4	.3

(d) Beginning January 1, 1972 the rate of contributions payable by each employee of a subject employer for each succeeding calendar year shall be the designated employee rate in that column of the table in (c) of this section which is appropriate for the year as determined by the reserve multiple on September 30 of the preceding calendar year.

* Sec. 8. AS 23.20.310 is amended by adding new paragraphs to read:

1 (6) "reserve multiple" means the ratio of the reserve rate
2 to the highest benefit cost rate;

3 (7) "reserve rate" means the percentage which the total amount
4 available for benefits in the unemployment fund on September 30, immedia-
5 tely following the computation date, bears to payroll as defined in this
6 section of subject employers for the consecutive 12 calendar-month period
7 ending on the computation date;

8 (8) "benefit cost rate" means the percentage which the total
9 amount of benefits paid out of the unemployment insurance fund, for any
10 consecutive 12 calendar-month period, bears to aggregate payroll of
11 subject employers for the four most recently completed calendar quarters
12 of the immediately preceding 12-month period;

13 (9) "highest benefit cost rate" means 4.33 per cent, the
14 benefit cost rate for the 12 months ending on August 31, 1958.

15 * Sec. 9. AS 23.20.350 is repealed and re-enacted to read:

16 Sec. 23.20.350. AMOUNT OF BENEFITS. (a) To qualify for benefits
17 an individual shall have earned wages in his base period totaling not
18 less than \$750 of which \$100 must have been earned in other than that
19 calendar quarter of his base period in which he earned the highest amount
20 of wages, and at least eight times the weekly benefit amount shall have
21 been earned in employment whether or not covered by this chapter, subse-
22 quent to the beginning of a preceding benefit year.

23 (b) Except as provided in (a) of this section an individual's
24 weekly benefit amount shall be the amount shown in the table set out in
25 this section in the applicable column opposite the amount of his total
26 base period wages as shown in column A. Each individual who establishes
27 a benefit year is entitled to an augmented weekly benefit amount as shown
28 in columns C, D, E, F, and G of the table set out in this section. The
29 number of dependents shall be determined as of the date he establishes

1 his benefit year, and shall be fixed for the duration of his benefit year.
2 Notwithstanding the foregoing provisions of this section, for benefit
3 years established after December 31, 1971 the maximum basic weekly benefit
4 amount payable to any insured worker during his benefit year shall be an
5 amount equal to 40 per cent of the statewide average weekly wage effec-
6 tive on the first day of such benefit year. If the maximum basic weekly
7 benefit amount is not a multiple of \$1 it shall be rounded to the nearest
8 multiple of \$1, except that if the computed amount ends in 50 cents, it
9 shall be adjusted to the next higher multiple of \$1. The statewide
10 average weekly wage shall be computed annually as of January 1 by divid-
11 ing the aggregate amount of wages (irrespective of the limit as to the
12 amount of wages subject to contributions under sec. 175 of this chapter)
13 for services in covered employment reported by employers as paid during
14 the first four of the last six completed calendar quarters immediately
15 prior to such January 1, by a figure representing 52 times the 12 month
16 average of the number of employees in the pay period which includes the
17 12th day of each month during the same four calendar quarters, as re-
18 ported by the employers. The amount so computed, if not a multiple of
19 one cent shall be rounded to the next higher multiple of one cent. The
20 statewide average weekly wage shall be effective on the January 1 as of
21 which it was computed. In the event the maximum basic weekly benefit
22 amount as computed under this section is higher than the amounts appear-
23 ing in the last line in columns B, C, D, E, F, and G of the benefit table
24 in this section, the commissioner shall extend the table up to the point
25 where the figures in columns B, C, D, E, F, and G equal the effective
26 maximum computed under this section. The extension shall be made by
27 applying an appropriate modification of the table and shall be considered
28 part of the table. In extending the table, the figure in column H shall
29 be 28, the lower end of each base period interval in column A shall be

1 increased by \$100 above the next preceding interval, and each benefit
 2 amount in Columns B, C, D, E, F, and G shall be increased by \$1 above
 3 the next preceding interval. The extension shall be effective on the
 4 January 1 as of which the maximum is computed. The amount payable to
 5 any insured worker during his benefit year shall be based on the table
 6 effective on the first day of the benefit year.

7	Total	Basic		Augmented Weekly				Benefit
8	Base	Weekly		Benefit Amount with the				Duration
9	Period	Benefit		Following Dependents				Factor
10	Wages	Amount	One	Two	Three	Four	Five	
11	Columns (A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
12	\$ 0- 749.99	\$00	\$00	\$00	\$00	\$00	\$00	00
13	750- 799.99	23	28	33	38	43	46	14
14	800- 899.99	24	29	34	39	44	48	16
15	900-1099.99	25	30	35	40	45	50	18
16	1100-1299.99	26	31	36	41	46	51	20
17	1300-1499.99	27	32	37	42	47	52	22
18	1500-1699.99	28	33	38	43	48	53	24
19	1700-1899.99	29	34	39	44	49	54	26
20	1900-2099.99	30	35	40	45	50	55	28
21	2100-2199.99	31	36	41	46	51	56	28
22	2200-2299.99	32	37	42	47	52	57	28
23	2300-2399.99	33	38	43	48	53	58	28
24	2400-2499.99	34	39	44	49	54	59	28
25	2500-2599.99	35	40	45	50	55	60	28
26	2600-2699.99	36	41	46	51	56	61	28
27	2700-2799.99	37	42	47	52	57	62	28
28	2800-2899.99	38	43	48	53	58	63	28
29	2900-2999.99	39	44	49	54	59	64	28

1	3000-3099.99	40	45	50	55	60	65	28
2	3100-3199.99	41	46	51	56	61	66	28
3	3200-3299.99	42	47	52	57	62	67	28
4	3300-3399.99	43	48	53	58	63	68	28
5	3400-3499.99	44	49	54	59	64	69	28
6	3500-3599.99	45	50	55	60	65	70	28
7	3600-3699.99	46	51	56	61	66	71	28
8	3700-3799.99	47	52	57	62	67	72	28
9	3800-3899.99	48	53	58	63	68	73	28
10	3900-3999.99	49	54	59	64	69	74	28
11	4000-4099.99	50	55	60	65	70	75	28
12	4100-4199.99	51	56	61	66	71	76	28
13	4200-4299.99	52	57	62	67	72	77	28
14	4300-4399.99	53	58	63	68	73	78	28
15	4400-4499.99	54	59	64	69	74	79	28
16	4500-4599.99	55	60	65	70	75	80	28
17	4600-4699.99	56	61	66	71	76	81	28
18	4700-4799.99	57	62	67	72	77	82	28
19	4800-4899.99	58	63	68	73	78	83	28
20	4900-4999.99	59	64	69	74	79	84	28
21	5000-5099.99	60	65	70	75	80	85	28
22	5100-5199.99	61	66	71	76	81	86	28
23	5200-5299.99	62	67	72	77	82	87	28
24	5300-5399.99	63	68	73	78	83	88	28
25	5400-5499.99	64	69	74	79	84	89	28
26	5500-5599.99	65	70	75	80	85	90	28
27	5600-5699.99	66	71	76	81	86	91	28
28	5700-5799.99	67	72	77	82	87	92	28
29	5800-5899.99	68	73	78	83	88	93	28

1	5900-5999.99	69	74	79	84	89	94	28
2	6000-6099.99	70	75	80	85	90	95	28
3	6100-6199.99	71	76	81	86	91	96	28
4	6200-6299.99	72	77	82	87	92	97	28
5	6300-6399.99	73	78	83	88	93	98	28
6	6400-6499.99	74	79	84	89	94	99	28
7	6500-6599.99	75	80	85	90	95	100	28
8	6600-6699.99	76	81	86	91	96	101	28
9	6700-6799.99	77	82	87	92	97	102	28
10	6800-6899.99	78	83	88	93	98	103	28
11	6900-6999.99	79	84	89	94	99	104	28
12	7000-7099.99	80	85	90	95	100	105	28
13	7100-7199.99	81	86	91	96	101	106	28
14	7200-7299.99	82	87	92	97	102	107	28
15	7300-7399.99	83	88	93	98	103	108	28
16	7400-7499.99	84	89	94	99	104	109	28
17	7500-7599.99	85	90	95	100	105	110	28
18	7600-7699.99	86	91	96	101	106	111	28
19	7700-7799.99	87	92	97	102	107	112	28
20	7800-7899.99	88	93	98	103	108	113	28
21	7900-7999.99	89	94	99	104	109	114	28
22	8000-8099.99	90	95	100	105	110	115	28
23	8100-8199.99	91	96	101	106	111	116	28
24	8200-8299.99	92	97	102	107	112	117	28
25	8300-8399.99	93	98	103	108	113	118	28
26	8400-8499.99	94	99	104	109	114	119	28
27	8500-8599.99	95	100	105	110	115	120	28
28	8600-8699.99	96	101	106	111	116	121	28
29	8700-8799.99	97	102	107	112	117	122	28

1	8800-8899.99	98	103	108	113	118	123	28
2	8900-8999.99	99	104	109	114	119	124	28
3	9000-9099.99	100	105	110	115	120	125	28
4	9100-9199.99	101	106	111	116	121	126	28
5	9200-9299.99	102	107	112	117	122	127	28
6	9300-9399.99	103	108	113	118	123	128	28
7	9400-9499.99	104	109	114	119	124	129	28
8	9500-9599.99	105	110	115	120	125	130	28
9	9600-9699.99	106	111	116	121	126	131	28
10	9700-9799.99	107	112	117	122	127	132	28
11	9800-9899.99	108	113	118	123	128	133	28
12	9900-9999.99	109	114	119	124	129	134	28
13	10000-and over	110	115	120	125	130	135	28

14 (c) The maximum potential benefit of an individual in a benefit
15 year is the product of his weekly benefit amount, as shown in the appli-
16 cable column B, C, D, E, F, or G, multiplied by the benefit duration factor
17 in column H on the line on which, in column A, his total base period
18 wages appear.

19 * Sec. 10. AS 23.20.350 as re-enacted by this Act applies to benefit
20 years beginning after December 31, 1971.

21 * Sec. 11. This Act takes effect January 1, 1972.