

Original sponsor: Rules Committee by
request of the Governor

Offered: 3/26/73
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 252

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - FIRST SESSION

5 A BILL

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

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, 1975 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 AS 23.20.165(e) is repealed and re-enacted to read: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
17 from the wages of each of his employees, and shall furnish a statement
18 of the deductions to each employee at the times and in the manner the
19 commissioner prescribes by regulation. No deduction may be made from
20 those wages paid to an employee during a calendar year which are in
21 excess of the wages subject to contributions under sec. 175 of
22 this chapter. If an employee in the employ of two or more employers
23 earns wages in one calendar year totaling more than the wages subject
24 to contributions, or if one employer through error makes a deduction
25 from his wages in excess of the wages subject to contributions during
26 a calendar year, the amount of deductions in excess of those required
27 by this chapter shall be refunded to the employee by the commissioner
28 upon application for them in accordance with regulations prescribed
29 by him. Application must be made during the calendar year after the

1 calendar year in which the deductions 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 AS 23.20.170 is repealed and re-enacted to read: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.
4 175 and 280 - 310 of this chapter, beginning October 1, 1960 and con-
5 tinuing through December 31, 1973, an employer shall pay contributions
6 equal to 2.9 per cent and each of his employees shall pay contributions
7 equal to 0.6 per cent of wages paid to him and received by each
8 employee with respect to employment.

9 (b) Subject to secs. 175 and 280 - 310 of this chapter, beginning
10 January 1, 1974, the standard rate of contributions by employers is
11 2.7 per cent of wages. Each employer who has not been subject to
12 this chapter for a sufficient period of time to have his rate computed
13 under sec. 290 of this chapter, shall pay contributions at a rate
14 equal to the average industry tax rate as determined by the commis-
15 sioner, provided that the rate shall not be less than 1.0 per cent.
16 Assignment by the commissioner of employers to industrial classifi-
17 cation, for the purposes of this subsection, shall be in accordance
18 with established classification practices found in the "Standard
19 Industrial Classification Manual" issued by the United States Depart-
20 ment of Labor to the first digit provided in the Standard Industrial
21 Classification code.

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

24 (a) For the purposes of secs. 165 and 170 of this chapter, after
25 December 31, 1959 and through December 31, 1973, wages do not include
26 that part of remuneration which, after remuneration equal to \$7,200
27 has been paid in a calendar year to an individual by an employer or his
28 predecessor with respect to employment, is paid to the individual by
29 the employer during the calendar year unless that part of the re-
muneration is subject to a tax under a federal law imposing a tax

1 against which credit may be taken for contributions required to be
2 paid into a state unemployment fund.

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

4 (c) For the purposes of secs. 165 and 170 of this chapter, after
5 December 31, 1973, wages do not include that part of remuneration which,
6 after remuneration equal to \$10,000 has been paid in a calendar year
7 to an individual by an employer or his predecessor with respect to
8 employment, is paid to the individual by the employer during the cal-
9 endar year unless that part of the remuneration is subject to a tax under
10 a federal law imposing a tax against which a credit may be taken for
11 contributions required to be paid into a state unemployment fund.

12 * Sec. 6. AS 23.20.280(c) is repealed and re-enacted to read:

13 (c) An employer who, because of failure to pay contributions or
14 file reports timely, does not qualify for a rate determination under
15 secs. 280 - 310 of this chapter shall pay contributions at the highest
16 rate provided in secs. 280 - 310 of this chapter after taking into
17 account the appropriate reserve multiple of the fund, and his employees
18 shall pay contributions at the employee rate specified in 290(d) of
19 this chapter.

20 * Sec. 7. AS 23.20.290(b) is repealed and re-enacted to read:

21 (b) The department shall segregate the employers into groups in
22 accordance with cumulative ratable payroll. The limits of the groups
23 are those set out in column B of the table in this section. Each of
24 these groups shall be identified by the rate class number in column A
25 which is opposite the figures in column B which represents the percent-
26 age limits of each group. An employer shall be assigned to the rate
27 class in which the greater part of the employer's ratable payroll falls.
28 If one-half of the employer's ratable payroll falls in one class, and
29 one-half in another, he shall be assigned to the lower numbered rate

class. No employer may be assigned to a higher numbered rate class than is assigned to another employer with the same average quarterly decline quotient.

* Sec. 8. AS 23.20.290 is amended by adding new subsections to read:

(c) The rate of contributions payable by each eligible employer beginning January 1, 1974 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 of the preceding calendar year.

A	B	C	D	E	F	G	H	I	J	K	L	
Employer's Cumulative Payroll												
Limits (Per cent of State)												
Rate	Total Ratable	If the Reserve Multiple of the Fund is:										
Class	Payroll)	Equal to or										
		More Than	.33	.67	.85	1.0	1.15	1.35	1.5	2.0	3.0	
		Less Than	.33	.67	.85	1.0	1.15	1.35	1.5	2.0	3.0	
		Equal to or										
	More Than	Less Than										
1	0	10	3.0	2.6	2.3	1.9	1.6	1.3	1.1	.9	.8	.6
2	10	20	3.3	2.9	2.6	2.2	1.9	1.6	1.4	1.2	1.1	.9
3	20	30	3.6	3.2	2.9	2.5	2.2	1.9	1.7	1.5	1.4	1.2
4	30	40	3.9	3.5	3.2	2.8	2.5	2.2	2.0	1.8	1.7	1.5
5	40	50	4.4	4.0	3.7	3.3	3.0	2.7	2.5	2.3	2.2	2.0
6	50	60	4.7	4.3	4.0	3.6	3.3	3.0	2.8	2.6	2.5	2.3
7	60	70	5.0	4.6	4.3	3.9	3.6	3.3	3.1	2.9	2.8	2.6
8	70	80	5.2	4.8	4.5	4.1	3.8	3.5	3.3	3.1	3.0	2.8
9	80	90	5.3	4.9	4.6	4.2	3.9	3.6	3.4	3.2	3.1	2.9
10	90	100	5.5	5.1	4.8	4.4	4.1	3.8	3.6	3.4	3.3	3.1

1 Employee Rate .8 .8 .7 .7 .6 .6 .5 .5 .4 .3

2 (d) Beginning January 1, 1974 and for each succeeding calendar
3 year the rate of contributions payable by each employee of a subject
4 employer shall be the designated employee rate in that column of the
5 table in (c) of this section which is appropriate for the year as
6 determined by the reserve multiple on September 30 of the preceding
7 calendar year.

8 * Sec. 9. AS 23.20.310 is amended by adding new paragraphs to read:

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

11 (7) "reserve rate" means the percentage which the total
12 amount available for benefits in the unemployment fund on September 30,
13 immediately following the computation date, bears to payroll as defined
14 in this section of subject employers for the consecutive 12 calendar-
15 month period ending on the computation date;

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

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

23 * Sec. 10. AS 23.20.350 is repealed and re-enacted to read:

24 Sec. 23.20.350. AMOUNT OF BENEFITS. (a) To qualify for benefits
25 an individual shall have earned wages in his base period totaling not
26 less than \$750 of which \$100 must have been earned in other than the
27 calendar quarter of his base period in which he earned the highest
28 amount of wages, and at least eight times the weekly benefit amount
29 shall have been earned in employment whether or not covered by this

chapter, subsequent to the beginning of a preceding benefit year.

(b) Except as provided in (a) of this section an individual's weekly benefit amount shall be the amount shown in the table set out in this subsection in the applicable column opposite the amount of his total base period wages as shown in column A. Each individual who establishes a benefit year is entitled to an augmented weekly benefit amount as shown in columns C, D and E of the table set out in this subsection. The number of dependents shall be determined as of the date he establishes his benefit year, and shall be fixed for the duration of his benefit year. The amount payable to any insured worker during his benefit year shall be based on the table effective on the first day of the benefit year.

Total Base Period Wages	Basic Weekly Benefit Amount	Augmented Weekly Benefit Amount with the Following Dependents			Benefit Duration Factor
		One	Two	Three	
Columns (A)	(B)	(C)	(D)	(E)	(F)
\$0-749.99	\$00	\$00	\$00	\$00	00
750-799.99	18	28	36	36	14
800-899.99	19	29	38	38	16
900-1099.99	20	30	40	40	18
1100-1299.99	21	31	41	42	20
1300-1499.99	22	32	42	44	22
1500-1699.99	23	33	43	46	24
1700-1899.99	24	34	44	48	26
1900-2099.99	25	35	45	50	28
2100-2199.99	26	36	46	52	28
2200-2299.99	27	37	47	54	28
2300-2399.99	28	38	48	56	28

1	2400-2499.99	29	39	49	58	28
2	2500-2599.99	30	40	50	60	28
3	2600-2699.99	31	41	51	61	28
4	2700-2799.99	32	42	52	62	28
5	2800-2899.99	33	43	53	63	28
6	2900-2999.99	34	44	54	64	28
7	3000-3099.99	35	45	55	65	28
8	3100-3199.99	36	46	56	66	28
9	3200-3299.99	37	47	57	67	28
10	3300-3399.99	38	48	58	68	28
11	3400-3499.99	39	49	59	69	28
12	3500-3599.99	40	50	60	70	28
13	3600-3699.99	41	51	61	71	28
14	3700-3799.99	42	52	62	72	28
15	3800-3899.99	43	53	63	73	28
16	3900-3999.99	44	54	64	74	28
17	4000-4099.99	45	55	65	75	28
18	4100-4199.99	46	56	66	76	28
19	4200-4299.99	47	57	67	77	28
20	4300-4399.99	48	58	68	78	28
21	4400-4499.99	49	59	69	79	28
22	4500-4599.99	50	60	70	80	28
23	4600-4699.99	51	61	71	81	28
24	4700-4799.99	52	62	72	82	28
25	4800-4899.99	53	63	73	83	28
26	4900-4999.99	54	64	74	84	28
27	5000-5099.99	55	65	75	85	28
28	5100-5199.99	56	66	76	86	28
29	5200-5299.99	57	67	77	87	28

1	5300-5399.99	58	68	78	88	28
2	5400-5499.99	59	69	79	89	28
3	5500-5599.99	60	70	80	90	28
4	5600-5699.99	61	71	81	91	28
5	5700-5799.99	62	72	82	92	28
6	5800-5899.99	63	73	83	93	28
7	5900-5999.99	64	74	84	94	28
8	6000-6099.99	65	75	85	95	28
9	6100-6199.99	66	76	86	96	28
10	6200-6299.99	67	77	87	97	28
11	6300-6399.99	68	78	88	98	28
12	6400-6499.99	69	79	89	99	28
13	6500-6599.99	70	80	90	100	28
14	6600-6699.99	71	81	91	101	28
15	6700-6799.99	72	82	92	102	28
16	6800-6899.99	73	83	93	103	28
17	6900-6999.99	74	84	94	104	28
18	7000-7099.99	75	85	95	105	28
19	7100-7199.99	76	86	96	106	28
20	7200-7299.99	77	87	97	107	28
21	7300-7399.99	78	88	98	108	28
22	7400-7499.99	79	89	99	109	28
23	7500-7599.99	80	90	100	110	28
24	7600-7699.99	81	91	101	111	28
25	7700-7799.99	82	92	102	112	28
26	7800-7899.99	83	93	103	113	28
27	7900-7999.99	84	94	104	114	28
28	8000-8099.99	85	95	105	115	28
29	8100-8199.99	86	96	106	116	28

1	8200-8299.99	87	97	107	117	28
2	8300-8399.99	88	98	108	118	28
3	8400-8499.99	89	99	109	119	28
4	8500 and Over	90	100	110	120	28

5 (c) The maximum potential benefits of an individual in a benefit
6 year is the product of his weekly benefit amount, as shown in the
7 applicable column B, C, D or E multiplied by the benefit duration factor
8 in column F on the line on which, in column A, his total base period
9 wages appear.

10 (d) "Dependent" means an individual's unmarried child, including
11 a stepchild and a legally adopted child, under 18 years of age who is
12 principally supported by the individual. An individual's unmarried
13 child, including a stepchild and a legally adopted child, who because
14 of infirmity is prevented from engaging in a gainful occupation and
15 who is principally dependent upon the individual for support, is
16 considered a dependent for the purpose of this provision regardless of
17 age. For the duration of a benefit year no dependent who has been
18 claimed by a claimant and allowed as a dependent may be included as
19 a dependent of another claimant.

20 * Sec. 11. Sec. 10 of this Act takes effect on July 1, 1973 and applies
21 only to benefit years beginning on that date or later.

22 * Sec. 12. Secs. 1 - 9 of this Act take effect January 1, 1974.
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