

Introduced: 3/28/73  
Referred: Labor & Management  
and Judiciary

1 IN THE HOUSE

BY THE LABOR AND MANAGEMENT  
COMMITTEE

2 HOUSE BILL NO. 395

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 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, 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 AS 23.20.165(e) is repealed and re-enacted to read: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 pursuant to 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 AS 23.20.170 is repealed and re-enacted to read: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 by him and received by each  
8 employee with respect to employment.

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

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

23 (a) For the purposes of secs. 165 and 170 of this chapter, after  
24 December 31, 1959 and through December 31, 1973, wages do not include  
25 that part of remuneration which, after remuneration equal to \$7,200  
26 has been paid in a calendar year to an individual by an employer or his  
27 predecessor with respect to employment, is paid to the individual by  
28 the employer during the calendar year unless that part of the re-  
29 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,  
5 beginning January 1, 1974, "wages" do not include that part of remuner-  
6 ation paid with respect to employment to an individual by an employer  
7 during any calendar year which exceeds 80 percent of the statewide  
8 average annual wage, rounded to the next highest hundred dollars, for  
9 the four calendar quarter period ending on June 30 of the preceding year.  
10 The statewide average annual wage shall be computed as follows: on or  
11 before November 30 of each year the total remuneration paid by  
12 employers, as reported on contribution reports on or before such date,  
13 with respect to all employment during the four consecutive calendar  
14 quarters ending on June 30 of such year shall be divided by the  
15 average monthly number of individuals performing services in the  
16 employment during the same four calendar quarters as reported on the  
17 contribution reports.

18 \* Sec. 6. AS 23.20.280(c) is amended to read:

19 (c) Through December 31, 1973, an [A] employer who, because of  
20 failure to pay contributions or file reports timely, does not qualify  
21 for a rate determination under secs. 280 - 310 of this chapter shall  
22 pay contributions at the highest rate provided in secs. 280 - 310 of  
23 this chapter which rate is in effect on December 31, 1973, and his  
24 employees shall pay contributions at the standard rate specified in  
25 sec. 170 of this chapter.

26 \* Sec. 7. AS 23.20.280 is amended by adding a new subsection to read:

27 (d) Beginning January 1, 1974, an employer who, because of  
28 failure to pay contributions or file reports timely, does not qualify  
29 for a rate determination under secs. 280 - 310 of this chapter shall

1 pay contributions at the highest rate provided in secs. 280 - 310  
 2 of this chapter after taking into account the appropriate reserve  
 3 multiple of the fund, and his employees shall pay contributions at  
 4 the employee rate specified in 290(d) of this chapter.

5 \* Sec. 8. AS 23.20.290(b) is repealed and re-enacted to read:

6 (b) The department shall segregate the employers into groups  
 7 in accordance with cumulative ratable payroll. The limits of the  
 8 groups are those set out in column B of the table in this section.  
 9 Each of these groups shall be identified by the rate class number  
 10 in column A which is opposite the figures in column B which represents  
 11 the percentage limits of each group. An employer shall be assigned to  
 12 the rate class in which the greater part of the employer's ratable pay-  
 13 roll falls. If one-half of the employer's ratable payroll falls in one  
 14 class, and one-half in another, he shall be assigned to the lower  
 15 numbered rate class. No employer may be assigned to a higher numbered  
 16 rate class than is assigned to another employer with the same average  
 17 quarterly decline quotient.

18 \* Sec. 9. AS 23.20.290 is amended by adding new subsections to read:

19 (c) The rate of contributions payable by each eligible employer  
 20 beginning January 1, 1974 and for each succeeding calendar year there-  
 21 after shall be the rate opposite the rate class in that column of the  
 22 table in this section which is appropriate for the calendar year as  
 23 determined by the reserve multiple of the fund on September 30 of the  
 24 preceding calendar year.

A	B	C	D	E	F	G	H	I	J	K	L
Employer's Cumulative Payroll	If The Reserve Multiple Of The Fund is:										
Rate Limit (Percent of State											
Class	Total Payroll)	Equal to or More Than	.33	.67	.85	1.0	1.15	1.35	1.5	2.0	3.

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

(d) Beginning January 1, 1974 and for each succeeding calendar year the rate of contributions payable by each employee of a subject employer 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. 10. AS 23.20.310 is amended by adding new paragraphs to read:

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

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

(8) "benefit cost rate" means the percentage which the total

1 amount of benefits paid out of the unemployment insurance fund, for any  
2 consecutive 12 calendar-month period, bears to aggregate payroll of  
3 subject employers for the four most recently completed calendar  
4 quarters of the immediately preceding 12-month period;

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

7 \* Sec. 11. AS 23.20.350 is repealed and re-enacted to read:

8 Sec. 23.20.350. AMOUNT OF BENEFITS. (a) To qualify for benefits  
9 an individual shall have earned wages in his base period totaling not  
10 less than \$750 of which \$100 must have been earned in other than the  
11 calendar quarter of his base period in which he earned the highest  
12 amount of wages, and at least eight times the weekly benefit amount  
13 shall have been earned in employment whether or not covered by this  
14 chapter, subsequent to the beginning of a preceding benefit year.

15 (b) Except as provided in (a) of this section an individual's  
16 weekly benefit amount shall be the amount shown in the table set out in  
17 this subsection in the applicable column opposite the amount of his  
18 total base period wages as shown in column A. Each individual who  
19 establishes a benefit year is entitled to an augmented weekly benefit  
20 amount as shown in columns C, D and E of the table set out in this  
21 subsection. The number of dependents shall be determined as of the  
22 date he establishes his benefit year, and shall be fixed for the  
23 duration of his benefit year. Notwithstanding the foregoing provisions  
24 of this section, the maximum basic weekly benefit amount payable to an  
25 insured worker during his benefit year shall be an amount equal to 40  
26 per cent of the statewide average weekly wage effective on the first  
27 day of the benefit year for benefit years established after June 30,  
28 1973, 45 per cent of the statewide average weekly wage effective on  
29 the first day of the benefit year for benefit years established after

1 June 30, 1974, and 50 per cent of the statewide average weekly wage  
2 effective on the first day of the benefit year for benefit years  
3 established after June 30, 1975. If the maximum basic weekly benefit  
4 amount is not a multiple of \$1 it shall be rounded to the nearest  
5 multiple of \$1, except that if the computed amount ends in 50 cents,  
6 it shall be adjusted to the next higher multiple of \$1. The statewide  
7 average weekly wage shall be computed annually as of July 1 by dividing  
8 the aggregate amount of wages (irrespective of the limit as to the  
9 amount of wages subject to contributions under sec. 175 of this chapter)  
10 for services in covered employment reported by employers as paid during  
11 the preceding calendar year immediately prior to July 1, by a figure  
12 representing 52 times the 12 month average of the number of employees  
13 in the pay period which includes the 12th day of each month during  
14 the same calendar year, as reported by the employers. The amount so  
15 computed, if not a multiple of one cent shall be rounded to the next  
16 higher multiple of one cent. The statewide average weekly wage shall  
17 be effective on the July 1 as of which it was computed. In the event  
18 the maximum basic weekly benefit amount as computed under this section  
19 is higher than the amount appearing in the last line in column B of  
20 the benefit table in this section, the commissioner shall extend the  
21 table up to the point where the figure in column B equals the effective  
22 maximum computed under this section. The extension shall be made by  
23 applying an appropriate modification of the table and shall be  
24 considered part of the table. In extending the table, the lower end of  
25 each base period interval in column A shall be increased by \$100 above  
26 the next preceding interval, and each benefit amount in columns B, C,  
27 D and E shall be increased by \$1 above the next preceding interval.  
28 The extension shall be effective on July 1 as of which the maximum is  
29 computed. The amount payable to any insured worker during his benefit

1 year shall be based on the table effective on the first day of the  
 2 benefit year.

3 4 5 6 7	Total	Basic	Augmented Weekly			Benefit
	Base	Weekly	Benefit Amount with the			Duration
	Period	Benefit	Following Dependents			Factor
8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29	Wages	Amount	One	Two	Three	
	Columns (A)	(B)	(C)	(D)	(E)	(F)
	\$0-749.99	\$00	\$00	\$00	\$00	\$00
	750-799.99	18	30	36	36	14
	800-899.99	19	31	38	38	16
	900-1099.99	20	32	40	40	18
	1100-1299.99	21	33	42	42	20
	1300-1499.99	22	34	44	44	22
	1500-1699.99	23	35	46	46	24
	1700-1899.99	24	36	48	48	26
	1900-2099.99	25	37	49	50	28
	2100-2199.99	26	38	50	52	28
	2200-2299.99	27	39	51	54	28
	2300-2399.99	28	40	52	56	28
	2400-2499.99	29	41	53	58	28
	2500-2599.99	30	42	54	60	28
	2600-2699.99	31	43	55	62	28
	2700-2799.99	32	44	56	64	28
	2800-2899.99	33	45	57	66	28
	2900-2999.99	34	46	58	68	28
	3000-3099.99	35	47	59	70	28
	3100-3199.99	36	48	60	72	28
	3200-3299.99	37	49	61	73	28
	3300-3399.99	38	50	62	74	28

1	3400-3499.99	39	51	63	75	28
2	3500-3599.99	40	52	64	76	28
3	3600-3699.99	41	53	65	77	28
4	3700-3799.99	42	54	66	78	28
5	3800-3899.99	43	55	67	79	28
6	3900-3999.99	44	56	68	80	28
7	4000-4099.99	45	57	69	81	28
8	4100-4199.99	46	58	70	82	28
9	4200-4299.99	47	59	71	83	28
10	4300-4399.99	48	60	72	84	28
11	4400-4499.99	49	61	73	85	28
12	4500-4599.99	50	62	74	86	28
13	4600-4699.99	51	63	75	87	28
14	4700-4799.99	52	64	76	88	28
15	4800-4899.99	53	65	77	89	28
16	4900-4999.99	54	66	78	90	28
17	5000-5099.99	55	67	79	91	28
18	5100-5199.99	56	68	80	92	28
19	5200-529	57	69	81	93	28
20	5300-5399.99	58	70	82	94	28
21	5400-5499.99	59	71	83	95	28
22	5500-5599.99	60	72	84	96	28
23	5600-5699.99	61	73	85	97	28
24	5700-5799.99	62	74	86	98	28
25	5800-5899.99	63	75	87	99	28
26	5900-5999.99	64	76	88	100	28
27	6000-6099.99	65	77	89	101	28
28	6100-6199.99	66	78	90	102	28
29	6200-6299.99	67	79	91	103	28

1	6300-6399.99	68	80	92	104	28
2	6400-6499.99	69	81	93	105	28
3	6500-6599.99	70	82	94	106	28
4	6600-6699.99	71	83	95	107	28
5	6700-6799.99	72	84	96	108	28
6	6800-6899.99	73	85	97	109	28
7	6900-6999.99	73	86	98	110	28
8	7000-7099.99	75	87	99	111	28
9	7100-7199.99	76	88	100	112	28
10	7200-7299.99	77	89	101	113	28
11	7300-7399.99	78	90	102	114	28
12	7400-7499.99	79	91	103	115	28
13	7500-7599.99	80	92	104	116	28
14	7600-7699.99	81	93	105	117	28
15	7700-7799.99	82	94	106	118	28
16	7800-7899.99	83	95	107	119	28
17	7900-7999.99	84	96	108	120	28
18	8000-8099.99	85	97	109	121	28
19	8100-8199.99	86	98	110	122	28
20	8200-8299.99	87	99	111	123	28
21	8300-8399.99	88	100	112	124	28
22	8400-8499.99	89	101	113	125	28
23	8500 and Over	90	102	114	126	28

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

(d) "Dependent" means an individual's unmarried child, including

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

10 \* Sec. 12. AS 23.20.350 as re-enacted by this Act applies to benefit  
11 years beginning after June 30, 1973.

12 \* Sec. 13. This Act takes effect January 1, 1974.  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29