

Offered: 5/16/84  
Referred: Finance

Original sponsor: Labor and Commerce  
Committee

BY THE LABOR AND  
COMMERCE COMMITTEE

1 IN THE SENATE

2

HOUSE CS FOR CS FOR SENATE BILL NO. 525 (L&C)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to unemployment insurance; and

7

providing for an effective date."

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

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\* Section 1. AS 23.20.130(d) is amended to read:

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(d) The training and building fund consists of all interest and

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penalties collected under AS 23.20.185, 23.20.190<sub>1</sub> and 23.20.195 and

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all sums recovered on official bond for losses sustained by the fund.

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Training and building fund money shall be deposited in the clearing

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account of the unemployment compensation fund for clearance only, and

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does not become a part of the fund. The unobligated amount in the

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training and building fund in excess of \$100,000 on the close of

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business of the 30th day following the last day of each fiscal year

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shall be transferred within 20 days to this state's account in the

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unemployment trust fund. The fund shall be included in the budget

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submitted to the legislature under the Executive Budget Act (AS 37.-

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07). Funds available in the training and building fund shall be

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expended upon the direction of the department, with the approval of

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the governor, when it appears to the governor [HIM] that the expendi-

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ture is necessary for but not limited to

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(1) the proper administration of this chapter if no federal

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funds are available for the specific purpose for which the expenditure

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is to be made, and if the funds are not substituted for appropriations

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from federal funds that [WHICH] would be made available in the absence

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of those funds;

1 (2) the proper administration of this chapter, if [FOR  
2 WHICH PURPOSE] appropriations from federal funds have been requested  
3 but not yet received, and [IF] the training and building fund will be  
4 reimbursed upon receipt of the requested federal appropriation;

5 (3) the purposes specified in AS 23.15.611;

6 (4) the purposes specified in AS 23.20.075.

7 \* Sec. 2. AS 23.20.170 is amended by adding a new subsection to read:

8 (c) The standard rate of contributions with respect to employ-  
9 ment is 5.4 percent of wages paid. Reductions from the standard rate  
10 may only be made under this section and AS 23.20.280 - 23.20.310.

11 \* Sec. 3. AS 23.20.290(c) is amended to read:

12 (c) Beginning January 1, 1981, the rate of contributions for  
13 each employer is 82 percent of the average benefit cost rate multi-  
14 plied by the employer's experience factor set out in column C of the  
15 table in this subsection opposite the employer's [HIS] applicable rate  
16 class set out in column A plus the fund solvency adjustment [CONTRI-  
17 BUTION] required under (f) of this section. However, the rate of  
18 contributions for an employer may not be less than one percent or more  
19 than six and one-half percent. The rate of contributions for an  
20 employer in rate class 21 may not be less than 5.4 percent. The rate  
21 of contributions for an employer must be rounded to the nearest one-  
22 hundredth of one percent.

23	COLUMN A	COLUMN B	COLUMN C
24	Rate Class	Cumulative	Experience
25		Ratable Payroll	Factor
26		at least	but less than
27		(percent)	(percent)
28	1	5	.40
29	2	5 10	.45

1	3	10	15	.50
2	4	15	20	.55
3	5	20	25	.60
4	6	25	30	.65
5	7	30	35	.70
6	8	35	40	.80
7	9	40	45	.90
8	10	45	50	1.00
9	11	50	55	1.00
10	12	55	60	1.10
11	13	60	65	1.20
12	14	65	70	1.30
13	15	70	75	1.35
14	16	75	80	1.40
15	17	80	85	1.45
16	18	85	90	1.50
17	19	90	95	1.55
18	20	95	<u>99.99</u>	1.60
19	<u>21</u>	<u>99.99</u>		<u>1.65</u>

20 \* Sec. 4. AS 23.20.290(e) is amended to read:

21 (e) The department shall determine the average benefit cost rate  
22 as follows:

23 (1) the department shall determine the amount of benefits  
24 paid to insured workers during the last three computation years;

25 (2) the department shall subtract from the amount deter-  
26 mined in (1) of this subsection the amount of any benefits reimbursed  
27 to the fund and the amount of interest earned on the trust fund  
28 balance during those computation years;

29 (3) the department shall divide the amount determined in

1 (2) of this subsection by the total wages paid by all employers re-  
2 quired to pay contributions under this chapter during the first three  
3 of the last four computation years;

4 (4) the department shall determine the amount of total  
5 wages subject to contributions under this chapter paid during the  
6 preceding computation years;

7 (5) the department shall determine the amount of all wages  
8 paid to insured workers during the preceding computation year;

9 (6) the department shall subtract from the amount deter-  
10 mined in (5) of this subsection the amount of wages paid during the  
11 preceding computation year by employers who elect to reimburse the  
12 department under AS 23.20.276 and 23.20.277;

13 (7) the department shall divide the amount determined in  
14 (4) of this subsection by the amount determined in (6) of this sub-  
15 section; and

16 (8) the department shall divide the amount determined in  
17 (3) of this subsection by the amount determined in (7) of this sub-  
18 section.

19 \* Sec. 5. AS 23.20.290(f) is repealed and reenacted to read:

20 (f) An employer shall pay a fund solvency adjustment equal to  
21 the contribution rate set out in column B of the table in this sub-  
22 section opposite the reserve rate of the fund set out in column A.  
23 However, the fund solvency adjustment rate of an employer may not  
24 increase or decrease more than three-tenths of one percent from one  
25 year to the next.

26 COLUMN A		COLUMN B
27 Reserve Rate		Fund Solvency Adjustment
28 at least	but less than	(percent)
29 (percent)	(percent)	

1	3.6		-0.4
2	3.5	3.6	-0.3
3	3.4	3.5	-0.2
4	3.3	3.4	-0.1
5	3.0	3.3	0.0
6	2.9	3.0	0.1
7	2.8	2.9	0.2
8	2.7	2.8	0.3
9	2.6	2.7	0.4
10	2.5	2.6	0.5
11	2.4	2.5	0.6
12	2.3	2.4	0.7
13	2.2	2.3	0.8
14	2.1	2.2	0.9
15	2.0	2.1	1.0
16		2.0	1.1

17 \* Sec. 6. AS 23.20.350(d) is repealed and reenacted to read:

18 (d) An individual who is eligible under (a) of this section is  
19 entitled to receive the weekly benefit amount set out in column (B) of  
20 the table in this subsection that is opposite the amount set out in  
21 column (A) of the individual's base period wages determined under (c)  
22 of this section:

23	(A)		(B)
24	Base Period Wages		Weekly Benefit Amount
25	At Least	But less than	
26	0	1,000	\$ 0
27	1,000	1,250	38
28	1,250	1,500	40
29	1,500	1,750	42

1	1,750	2,000	44
2	2,000	2,250	46
3	2,250	2,500	48
4	2,500	2,750	50
5	2,750	3,000	52
6	3,000	3,250	54
7	3,250	3,500	56
8	3,500	3,750	58
9	3,750	4,000	60
10	4,000	4,250	62
11	4,250	4,500	64
12	4,500	4,750	66
13	4,750	5,000	68
14	5,000	5,250	70
15	5,250	5,500	72
16	5,500	5,750	74
17	5,750	6,000	76
18	6,000	6,250	78
19	6,250	6,500	80
20	6,500	6,750	82
21	6,750	7,000	84
22	7,000	7,250	86
23	7,250	7,500	88
24	7,500	7,750	90
25	7,750	8,000	92
26	8,000	8,250	94
27	8,250	8,500	96
28	8,500	8,750	98
29	8,750	9,000	100

1	9,000	9,250	102
2	9,250	9,500	104
3	9,500	9,750	106
4	9,750	10,000	108
5	10,000	10,250	110
6	10,250	10,500	112
7	10,500	10,750	114
8	10,750	11,000	116
9	11,000	11,250	118
10	11,250	11,500	120
11	11,500	11,750	122
12	11,750	12,000	124
13	12,000	12,250	126
14	12,250	12,500	128
15	12,500	12,750	130
16	12,750	13,000	132
17	13,000	13,250	134
18	13,250	13,500	136
19	13,500	13,750	138
20	13,750	14,000	140
21	14,000	14,250	142
22	14,250	14,500	144
23	14,500	14,750	146
24	14,750	15,000	148
25	15,000	15,250	150
26	15,250	15,500	152
27	15,500	15,750	154
28	15,750	16,000	156
29	16,000	16,250	158

1	16,250	16,500	160
2	16,500	16,750	162
3	16,750	17,000	164
4	17,000	17,250	166
5	17,250	17,500	168
6	17,500	17,750	170
7	17,750	18,000	172
8	18,000	18,250	174
9	18,250	18,500	176
10	18,500	18,750	178
11	18,750	19,000	180
12	19,000	19,250	182
13	19,250	19,500	184
14	19,500	19,750	186
15	19,750		188

16 \* Sec. 7. AS 23.20.350(f) is repealed and reenacted to read:

17 (f) An individual who establishes a benefit year is eligible for  
18 an allowance for dependents in addition to the individual's weekly  
19 benefit amount. The department may require an individual claiming or  
20 receiving an allowance for dependents to produce income tax returns,  
21 birth certificates, notices of adoption or custody, social security  
22 account number of spouse, verification of support documents, or other  
23 information necessary to verify that the allowance is payable to the  
24 individual. The allowance for dependents

25 (1) is \$24 per week for each dependent, except that the  
26 total allowance for dependents paid to an individual may not exceed  
27 \$72 for each week of unemployment;

28 (2) is payable beginning with the week during the benefit  
29 year in which the individual claims an allowance for the dependent and

1 is payable for the remainder of the individual's eligibility for  
2 regular, extended, or supplemental payments during the benefit year;

3 (3) may not be claimed for a new dependent after the end of  
4 the benefit year or after the exhaustion of regular benefits in the  
5 benefit year;

6 (4) may not be paid to an individual if

7 (A) that dependent has been claimed by another indi-  
8 vidual;

9 (B) the other individual has been found eligible to  
10 receive the allowance for the dependent; and

11 (C) the benefit year of the other individual has not  
12 expired; and

13 (5) may be paid only if the department determines that no  
14 other individual having an unexpired benefit year has been found  
15 eligible for an allowance for the same dependent.

16 \* Sec. 8. AS 23.20.350(g)(1) is amended to read:

17 (1) "dependent" means an individual's

18 (A) unmarried child, stepchild, legally adopted child,  
19 or legal ward under 18 years of age who is

20 (i) lawfully in the individual's physical custody  
21 at the time the individual claims the allowance for depen-  
22 dents; or

23 (ii) dependent on the individual for more than 50  
24 percent of support;

25 (B) unmarried child, stepchild, legally adopted child,  
26 or legal ward of any age who is dependent on the individual for  
27 more than 50 percent of support and who is prevented by infirmity  
28 from engaging in a gainful occupation;

29 \* Sec. 9. AS 23.20 is amended by adding a new section to read:

1           Sec. 23.20.354. STATE INTERIM BENEFITS. (a) There is estab-  
2           lished a state interim benefits program. State interim benefits are  
3           payable only to the extent that money is appropriated from the general  
4           fund for that purpose.

5           (b) An individual is eligible for state interim benefits if

6                   (1) the individual's weekly benefit amount payable under  
7           this chapter is reduced or denied under AS 23.20.381(h); and

8                   (2) the individual has otherwise satisfied the requirements  
9           of this chapter for the receipt of regular benefits.

10           (c) The amount of state interim benefits payable to an individ-  
11           ual for a week is equal to the difference between the individual's  
12           weekly benefit amount, including the dependents allowance, established  
13           under AS 23.20.350 and the individual's weekly benefit amount, includ-  
14           ing the dependents allowance, payable for that week under AS 23.20.-  
15           381(h). The total amount of state interim benefits paid may not  
16           exceed the total amount of regular benefits denied solely under  
17           AS 23.20.381(h).

18           (d) State interim benefits are subject to reduction, disquali-  
19           fication, recoupment, and offset in the same manner as regular bene-  
20           fits under this chapter.

21           (e) Extended, additional, or supplemental benefits of any kind  
22           are not payable on the basis of a claim for, or the payment of, state  
23           interim benefits. State interim benefits may not be used to supple-  
24           ment a reduction or denial of extended, additional, or supplemental  
25           benefits.

26       \* Sec. 10. AS 23.20.362(c) is amended to read:

27           (c) The amount of benefits payable to an insured worker for a  
28           week of unemployment shall be reduced by the amount of any severance  
29           or termination payment, wages in lieu of dismissal notice, or payment

1       for vacation, sick leave, or holidays that is attributable to that  
2       week [PAYMENT ATTRIBUTABLE TO THAT WEEK WHICH COMPENSATES THE INSURED  
3       WORKER FOR A DISMISSAL FROM EMPLOYMENT WITHOUT NOTICE, OR FOR ACCRUED  
4       VACATION, SICK LEAVE, OR HOLIDAYS].

5       \* Sec. 11. AS 23.20.381 is amended by adding new subsections to read:

6               (h) Benefits based on services for an educational institution in  
7       other than an instructional, research, or principal administrative  
8       capacity may not be paid to an individual for a week of unemployment  
9       that begins during the period between two successive academic years or  
10       terms if the individual performed those services in the first of those  
11       academic years or terms and there is a reasonable assurance that the  
12       individual will perform those services in the second of those academic  
13       years or terms. If an individual is denied benefits for any week  
14       under this subsection and the individual is not later offered an  
15       opportunity to perform services for the educational institution in the  
16       second academic year or term, the individual is entitled to a retroac-  
17       tive payment of benefits for each week for which the individual filed  
18       a timely claim for benefits and for which benefits were denied solely  
19       under this subsection.

20               (i) Benefits based on services described in (e) and (h) of this  
21       section may not be paid to an individual for a week that begins during  
22       an established and customary vacation period or holiday recess if the  
23       individual performs those services in the period immediately before  
24       the vacation period or holiday recess and there is a reasonable assur-  
25       ance that the individual will perform those services in the period  
26       immediately following the vacation period or holiday recess.

27               (j) Benefits based on services described in (e) and (h) of this  
28       section shall be denied under (e), (h), and (i) of this section to an  
29       individual who performed those services in an educational institution

1 while in the employ of an educational service agency. In this sub-  
2 section, "educational service agency" means a governmental agency or  
3 governmental entity that is established and operated exclusively for  
4 the purpose of providing services to one or more educational insti-  
5 tutions.

6 \* Sec. 12. AS 23.20.406(c) is amended to read:

7 (c) Notwithstanding (a) and (b) of this section, an individual  
8 is ineligible for payment of extended benefits for any week of unem-  
9 ployment in the individual's [HIS] eligibility period if the depart-  
10 ment finds that during that period the individual

11 (1) [HE] failed to accept an offer of suitable work as  
12 defined under (k) of this section or failed to apply for suitable work  
13 to which the individual [HE] was referred by the department; or

14 (2) [HE] failed to actively seek work as prescribed under  
15 (f) of this section, except that the eligibility of the individual  
16 will be determined under AS 23.20.378 without regard to the disquali-  
17 fication provisions otherwise applicable under (d) of this section if  
18 the individual is not actively engaged in seeking work because the  
19 individual is (A) summoned for jury duty before a court of the United  
20 States or any state; or (B) hospitalized for treatment of an emergency  
21 or life-threatening condition.

22 \* Sec. 13. AS 23.20.505 is amended by adding a new subsection to read:

23 (d) An individual is not considered "unemployed" in a week if

24 (1) the individual is not performing services during that  
25 week because the individual is on leave from the regular employer of  
26 the individual for a period of four weeks or less; and

27 (2) the leave is part of a work schedule consisting of  
28 alternating periods of work and leave in which the hours of work for  
29 one complete period of work and leave average at least 40 hours per

1 week.

2 \* Sec. 14. AS 23.20.526(a)(22) is amended to read:

3 (22) service performed for a corporation by an employee of  
4 the corporation if

5 (A) the corporation is incorporated under AS 10.05;

6 (B) the corporation is not a government corporation;

7 and

8 (C) the employee is an executive officer of the corpo-  
9 ration who directly or indirectly owns 25 percent or more of the  
10 voting securities of the corporation [; AND

11 (D) THE EXECUTIVE OFFICER AGREES THAT THE SERVICES NOT  
12 BE "EMPLOYMENT" UNDER THIS PARAGRAPH].

13 \* Sec. 15. Sections 2 and 3 of this Act take effect January 1, 1985.

14 \* Sec. 16. Sections 4 - 8 of this Act take effect October 1, 1984, and  
15 apply to benefit years established after September 30, 1984.

16 \* Sec. 17. Section 11 of this Act is retroactive to April 1, 1984.

17 \* Sec. 18. Section 14 of this Act takes effect July 1, 1984.

18 \* Sec. 19. Sections 1 and 9 - 13 of this Act take effect immediately in  
19 accordance with AS 01.10.070(c).