

LEG. FINANCE - BILLS 1977 - 1978 738

H/B / BA/8 / φφηπ. , SS HB 550 cont. 738

1 different major divisions, as defined in the Standard Industrial Classi-
2 fication Manual, each such establishment is considered as a separate
3 employing unit for the purpose of this chapter [AN INDIVIDUAL PERFORMING
4 SERVICES IN THE STATE FOR AN EMPLOYING UNIT WHICH MAINTAINS TWO OR MORE
5 SEPARATE ESTABLISHMENTS IN THE STATE IS CONSIDERED AS EMPLOYED BY A
6 SINGLE EMPLOYING UNIT FOR THE PURPOSES OF THIS CHAPTER]; notwithstanding
7 any provision in this chapter, any employing unit which employs indivi-
8 duals whose services must be covered by the unemployment insurance laws
9 of this state after December 31, 1971 as a condition of approval of the
10 unemployment insurance laws of this state under sec. 3304(a) of the U.S.
11 Internal Revenue Code of 1954, as amended, will be considered an em-
12 ployer as to those individuals and is subject to contributions on all
13 wages paid after December 31, 1971, or reimbursement payments to cover
14 benefits paid based on services performed after December 31, 1971,
15 depending on the applicable law;

16 * Sec. 36. AS 23.20.520 is amended by adding new paragraphs to read:

17 (27) "prevailing wage" means the prevailing rate of wages
18 issued by the department in accordance with AS 36.05.010; if no pre-
19 vailing rate of wages has been determined for a particular type of work
20 or for a particular area, the department shall make such a determination
21 in accordance with regulations adopted by it;

22 (28) "average annual wage" means the amount determined by the
23 research and analysis section of the department by dividing the total
24 wages paid by covered employers during a 12-month period by the average
25 monthly employment reported by covered employers.

26 * Sec. 37. AS 23.20.340(g) and 23.20.380 are repealed.

27 * Sec. 38. Pending a final judicial determination as to the propriety of
28 the United States Secretary of Labor's action, AS 23.20.350(e) and (f),
29 enacted in sec. 17 of this Act, are suspended upon the condition and at the

1 time that a withholding, withdrawal, or refusal of certification of the
2 Alaska Employment Security Act by the United States Secretary of Labor under
3 26 U.S.C. 3304(c) on the grounds that the Alaska Employment Security Act does
4 not comply with the requirements of 26 U.S.C. 3304(a)(9)(A) takes effect.

5 * Sec. 39. AS 23.20.350(e) and (f), enacted in sec. 17 of this Act, are
6 repealed upon the condition and at the time that a final judicial determina-
7 tion is made that the provisions of those subsections are not consistent with
8 the requirements of 26 U.S.C. 3304(a)(9)(A) and that the United States
9 Secretary of Labor may properly withhold, withdraw, or refuse certification
10 of the Alaska Employment Security Act under 26 U.S.C. 3304(c) on the grounds
11 that the Alaska Employment Security Act does not comply with the requirements
12 of 26 U.S.C. 3304(a)(9)(A).

13 * Sec. 40. In the event that any of the conditions for obtaining addi-
14 tional benefits for dependents, enacted in the third sentence of AS 23.20.-
15 350(b) contained in sec. 15 of this Act, are enjoined or are found to be void
16 by a final judicial determination, columns C, D and E of the tables set out
17 in AS 23.20.350(b), enacted in sec. 15 of this Act, are repealed.

18 * Sec. 41. Section 1 of this Act takes effect immediately in accordance
19 with AS 01.10.070(c).

20 * Sec. 42. Sections 6, 8 - 13, 19 - 26, 28 - 34, 36, and 37 of this Act
21 take effect on July 1, 1978.

22 * Sec. 43. Sections 2 - 5, 7, 18, and 35 of this Act take effect on
23 January 1, 1979.

24 * Sec. 44. Sections 14 - 17 and 27 of this Act take effect on January 1,
25 1979 and are applicable to all individuals establishing a benefit year on or
26 after that date.

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28
29

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE (REVISED)

I. REQUEST
 Bill/Resolution No. CSSS HB 550 (as amended, House Finance) 1
 Title An Act Relating to UI, and Providing for an Effective Date
 Requested by House Finance Committee Date June 12, 1978

1 This Fiscal Note revises Fiscal Note of June 9, 1978 by deleting 2 positions and providing additional information for benefits costs and appropriation

II. FISCAL DETAIL
 Agency Affected State Department of Labor
 Program Category Affected Social Security
 Budget Request Unit(s) Affected Employment Security

EXPENDITURES (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES	0	105.8	89.4	93.9	98.6	103.5
200 TRAVEL	0	1.8	1.9	2.0	2.1	2.2
300 CONTRACTUAL	0	41.9	25.6	26.9	28.2	29.6
400 COMMODITIES	0	1.6	1.1	1.2	1.2	1.3
500 EQUIPMENT	0	3.0	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
800 U.I. BENEFITS **	0	1300.0	1800.0	2000.0	2400.0	2700.0
TOTAL		1454.1	1918.0	2124.0	2530.1	2836.6

** Should be appropriated to Office of the Governor; Pay & Benefits Allocation

FUNDING (Thousands of Dollars)

		FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
1. U.I. BENEFITS							
GENERAL FUND	81.9%		1064.7	1474.2	1638.0	1965.6	2211.3
FEDERAL FUNDS	4.6%		59.8	82.8	92.0	110.4	124.2
OTHER (Specify) (see below)			175.5	243.0	270.0	324.0	364.5
2. ADMINISTRATION							
GENERAL FUNDS		0	81.7	45.1	47.5	49.7	52.2
FEDERAL FUNDS		0	69.4	72.9	76.5	80.4	84.4

POSITIONS

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
FULL TIME	0	3	3	3	3	3
PART TIME	0	0	0	0	0	0
TEMPORARY	0	1	0	0	0	0

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

A. Assumptions:

1. State coverage is on a reimbursible basis.
2. No other changes to AS 23.20
3. State government costs are 1/2 those experienced in private business.
4. Includes full costs of Extended Benefits. Extended Benefits are estimated at 10% of the regular UI costs.
5. Growth in state employment is 4%. Growth in average weekly wage is 5%.
6. Cost of administration will increase by a 5% inflation rate, annually.

FUNDING: for UI Benefits (line 800)	Federal Funds	4.6%
General Funds.....	Fish & Game Fund.....	.6%
Veterans Revolving Loan Refund .2%	International Airport	
Highway Working Capitol Fund 1.3%	Revenue Fund.....	2.9%

IV. DATE 6/12/78 PREPARED BY Jim Souby
 AGENCY Department of Labor
 PHONE 465-2793

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

B. Program Summary:

The amended version of CSSSHB 550 includes appeal time constraints (60 day resolution of Commissioner appeals) from HB 602 and a later effective date (January 1, 1979 vs. October 1, 1978). Agency analysis of these provisions has led to the following summary (Note: June 9, 1978 fiscal note requested positions for employee refunds. These have been deleted and will be addressed in FY 80 Budget).

1. Four additional positions; three permanent and one 9 month temporary will be required as follows:

<u>No.</u>	<u>Position Title</u>	<u>Step/Range</u>	<u>Location</u>	<u>Mo. Salary</u>
1	EDP Programmer (temp)	18A G.F.	Juneau	1983
1	Apprais Referee II	19A G.F.	Anchorage	2136
1	Appeals Referee II	19A F.F.	Juneau	2136
1	Clerk Typist III	8B F.F.	Juneau	2136

G.F. = General Funds

F.F. = Federal Funds

Total Base Salaries	42,711	38,064	
PSB @ 25,5% perm (9.4%temp)	8,019	9,076	
FICA @ .0605XSALS 17,700	2,466	1,823	
Health Ins. 1X 12X82.18	54,180	51,565	(2X 12X82.18)
Total		\$105,745	

Other expenditures are identified as follows:

Travel

1. Appeals (General Funds)

<u>No. Trips</u>	<u>Origin</u>	<u>Destination</u>	<u>Airfare</u>	<u>Duration</u>	<u>Per Diem Rate</u>	<u>Total</u>
5	Anchorage	Fairbanks	\$ 97.26	.5	58	\$631.30
1	Anchorage	Nome	191.12	1.5	82	<u>314.12</u>
						\$945.42

2. Appeals (Federal Funds)

2	Juneau	Anchorage	\$163.00	1.5	50	\$476.00
3	Juneau	Ketchikan	90.88	.5	50	<u>347.64</u>
						\$823.64

Contractual

1.	Data Processing (General Fund)	
Pro rata:	\$ 1,783.00	(portion of space rental, office equipment rental)
Indirect:	4,247.00	(24.4% of base salary for approved indirect cost plan)
Computer Operation:	11,520.00	(Computer operations charged at \$120 per CPU hour and includes all computer testing and debugging as well as associated costs for operator staff, documentation of programming and computer hardware costs)
2.	Appeals (Federal Fund)	
Equipment:	\$ 1,670.00	(office equipment rental & ½ cost of mag card typewriter)
Space rental:	1,728.00	(pro-rated office rental)
Indirect:	12,599.00	(33.1% of Federally funded base salaries for approved indirect cost plan)
3.	Appeals (General Fund)	
Equipment rental:	\$ 1,440.00	(pro-rated share of office equipment mag card rental)
Space rental:	1,728.00	(80 ft. @ .90/ft.)
Indirect:	5,885.00	(24.4% of state base salary)

Commodities

1.	Data Processing (General Fund)	
Office and Computer Consummable Supplies	\$ 670.00*	(pro-rated share of FY 78 cost per position for 9 months)
2.	Appeals (Federal Fund)	
Office Supplies and recording tape	\$ 464.00	(pro-rata share of office supplies based on \$85.00 per year per position and \$294.00 for 600 cassette tapes)
3.	Appeals (General Fund)	
Office Supplies and recording tape	\$ 379.00	(\$85.00 plus \$294.00)

Equipment

	1.	Appeals (General Fund)
1 desk		\$ 267.88
1 chair		125.00
1 portable recorder		<u>590.70</u>
		\$ 983.58

	2.	Appeals (Federal Fund)
1 desk		\$ 267.88
1 clerical desk		376.88
2 chairs		375.00
1 recorder		590.70
1 transcriber		<u>429.00</u>
		\$2,039.46

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSSS HB 550 (as amended, House Finance) 1
 Title An Act Relating to UI, and Providing for an Effective Date
 Requested by Senator Ferguson Date June 12, 1978

II. FISCAL DETAIL

Agency Affected State Department of Labor
 Program Category Affected Social Security
 Budget Request Unit(s) Affected Employment Security

EXPENDITURES (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES	0	105.8	89.4	93.9	98.6	103.5
200 TRAVEL	0	1.8	1.9	2.0	2.1	2.2
300 CONTRACTUAL	0	41.9	25.6	26.9	28.2	29.6
400 COMMODITIES	0	1.6	1.1	1.2	1.2	1.3
500 EQUIPMENT	0	3.0	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
800 U.I. BENEFITS **	0	500	1100	1100	1200	1100
TOTAL		654.1	1218.0	1224.0	1330.1	1236.6

** Should be appropriated to Office of the Governor; Pay & Benefits Allocation

FUNDING (Thousands of Dollars)

1. U.I. BENEFITS

GENERAL FUND	0	409.5	900.0	900.9	982.8	900.9
FEDERAL FUNDS	0	23.0	50.6	50.6	55.2	50.6
OTHER (Specify)	0	67.5	148.5	148.5	162.0	148.5

2. ADMINISTRATION

GENERAL FUNDS	0	81.7	45.1	47.5	49.7	52.2
FEDERAL FUNDS	0	69.4	72.9	76.5	80.4	84.4

POSITIONS

FULL TIME	0	3	3	3	3	3
PART TIME	0	0	0	0	0	0
TEMPORARY	0	1	0	0	0	0

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

- A. Assumptions:
1. State coverage is on a reimbursible basis.
 2. No other changes to AS 23.20
 3. State government costs are 1/2 those experienced in private business.
 4. Includes full costs of Extended Benefits. Extended Benefits are estimated at 10% of the regular UI costs.
 5. Growth in state employment is 4%. Growth in average weekly wage is 5%
 6. Cost of administration will increase by a 5% inflation rate, annually.

FUNDING: for UI benefits (line 800)

General Funds.....	81.9%	Federal Funds.....	4.6%
Veterans Revolving Loan Fund.....	.2%	Fish & Game Fund.....	.6%
Highway Working Capitol Fund....	1.3%	International Airport Revenue	
Capital Improvement Projects		Fund....	2.9%
Funds... 8.5%			

IV. DATE June 2, 1978 PREPARED BY Jim Souby
 AGENCY Department of Labor
 PHONE 465-2793

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

B. Program Summary:

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2.	Appeals (Federal Fund)	
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Indirect:	5,885.00	(24.4% of state base salary)

Commodities

1.	Data Processing (General Fund)	
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2.	Appeals (Federal Fund)	
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		\$ 983.58	

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2 chairs		375.00	
1 recorder		590.70	
1 transcriber		<u>429.00</u>	
		\$2,039.46	

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

HF

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS for Sponsor Substitute for HB 550
 Title An Act relating to unemployment insurance; and providing for an effective date.
 Requested by House Labor & Management Committee Date May 17, 1978

II. FISCAL DETAIL

Agency Affected Labor
 Program Category Affected Social Services
 Budget Request Unit(s) Affected Employment Security Agency

EXPENDITURES (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES	10.9	32.9				
200 TRAVEL	0	0				
0 CONTRACTUAL	3.5	23.0				
400 COMMODITIES	.8	2.4				
500 EQUIPMENT	0	0				
600 LAND & STRUCTURES	0	0				
700 GRANTS, CLAIMS, ETC.	0	0				
800 U.I. Benefits*	0	1100.	1500	1700	1900	2300
TOTAL	15.2	1156.3	1500	1700	1900	2300

* Funding to be contained in individual agency BRU's. - NOT to be included in Dept. of Labor Budget.

FUNDING (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
GENERAL FUND	15.2	933.3	1200	1360	1520	1840
FEDERAL FUNDS		110	150	170	190	230
OTHER (Specify)		110	150	170	190	230

POSITIONS

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
FULL TIME						
PART TIME						
TEMPORARY	4 ¹	4 ²				

¹ for 1 month only -
² for 3 months only

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Assumptions:

- 1). No other changes to AS 23.20
- 2). State coverage on a reimbursable basis.
- 3). State government UI costs are 1/2 those experienced in private business.
- 4). Includes full cost of Extended Benefits. Extended benefits are estimated at 10% of the regular UI costs.
- 5). Growth in state employment is 4%
- 6). Growth in average weekly wage is 5%.

IV. DATE 5/22/78 PREPARED BY J. W. [Signature]

AGENCY Labor
 PHONE 465-2700

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

FISCAL NOTE

CS SS HB550

Position Analysis

<u>No.</u>	<u>Title</u>	<u>Monthly Salary</u>
1	Systems Analyst II	\$2411.
1	Systems Analyst I	2082.
1	ED Programmer IV	2243.
1	ED Programmer III	1934.

Total Salaries for 4 Month Period =	\$34,680.00
Personal Benefits at 25.9%	<u>8,982.00</u>
Personal Services	\$43,662.00

Contractural (\$28,500)

Expenses in contractual include a prorata portion of office equipment rental, space rental, indirect costs at 24.4% of the basic salaries, Data Processing equipment rental and maintenance, and computer operations time at \$120.00 per CPU hour (estimating 2 hrs. per day for 4 months, or \$11,520 for 48 days of runs). Computer run time includes all compiling, testing and debugging and associated costs for operation staff and documentation of programming.

Commodities: (\$3,200)

Expenses derived from existing data of actual costs to Data Processing.



P. O. Box 1200
Soldotna, AK 99669
May 17, 1978

The Honorable Steve Cowper
House of Representatives
Pouch V
Juneau, AK 99811

Dear Representative Cowper:

The enclosed resolution on Unemployment Insurance was approved by the Association of School Business Officials at their statewide convention.

We are very much concerned about the recent inclusion of municipalities in the Unemployment Insurance Program. While we cannot eliminate our forced inclusion as a result of Federal law, we can alter HB 372 to exclude our non-instructional and non-administrative (i.e. classified employees) from drawing benefits during the summer months when they have been given guarantees of employment when school resumes in the fall.

The net effect is classified employees working less than 12 months have been given an unsolicited salary increase. I can assure you that not only will we have the added cost of the unemployment insurance, but we will also have the added cost of higher wages for 12-month employees as they want the amount of unemployment benefits being paid in order to maintain the annual differential for their 3-month additional work effort. Quite frankly, I can't say I blame them as I believe they have a legitimate point.

We believe the additional costs are unwarranted, unnecessary, non-productive, and inflationary. We are not providing more or better educational services with the expenditure of these dollars. We are only escalating our costs.

Most districts have estimated the cost of unemployment insurance to be 1 or 2 percent of their budgeted salary expense. Salaries account for 60 to 65 percent of the total cost of education. Therefore, we are talking about a considerable sum of money on a statewide basis to finance employee's summer fun.

We solicit your support and response to alter the unemployment law so that classified employees are exempt from benefits during the summer months if they have guarantees of employment for the following school year.

Sincerely,

Richard Swarner
President, Alaska Association
of School Business Officials

RS:lkw
Enclosure

ALASKA ASSOCIATION OF SCHOOL BUSINESS OFFICIALS

RESOLUTION

ALASKA STATE UNEMPLOYMENT LAWS

WHEREAS, current state unemployment statutes provide that non-instructional and non-administrative school district employees are eligible for unemployment compensation during the summer months regardless of employment status; and

WHEREAS, instructional and administrative personnel are determined to be ineligible for unemployment benefits during the summer months under current state unemployment statutes; and

WHEREAS, non-instructional and non-administrative (classified) employees continue in the employ of their school districts to the same degree as instructional and administrative (certificated) employees; now

THEREFORE BE IT RESOLVED, that the Alaska Association of School Business Officials recommends that HB 372 be modified to exempt both certified and classified school district employees from unemployment benefits during the period between school terms.

4/20/78

tution to which section 3309(a) (1) applies, compensation shall not be payable based on such services for any week commencing during the period between two successive academic years (or, when an agreement provides instead for a similar period between two regular but not successive terms, during such period) to any individual if such individual performs such services in the first of such academic years (or terms) and if there is a contract or reasonable assurance that such individual will perform services in any such capacity for any educational institution in the second of such academic years or terms, and

26 USC 3309.

"(ii) with respect to services in any other capacity for an educational institution (other than an institution of higher education) to which section 3309(a) (1) applies, compensation payable on the basis of such services may be denied to any individual for any week which commences during a period between two successive academic years or terms if such individual performs such services in the first of such academic years or terms and there is a reasonable assurance that such individual will perform such services in the second of such academic years or terms, and".

(2) Subsection (d) of section 3309 of such Code is hereby repealed.

Repeal.
26 USC 3309.

(3) The section heading of section 3309 of such Code is amended to read as follows:

SEC. 3309. STATE LAW COVERAGE OF SERVICES PERFORMED FOR NONPROFIT ORGANIZATIONS OR GOVERNMENTAL ENTITIES.

(4) The table of sections for chapter 23 of such Code is amended by striking out the item relating to section 3309 and inserting in lieu thereof the following:

"Sec. 3309. State law coverage of services performed for nonprofit organizations or governmental entities."

(5) Section 3304 of such Code is amended by adding at the end thereof the following new subsection:

26 USC 3304.

"(f) DEFINITION OF INSTITUTION OF HIGHER EDUCATION.—For purposes of subsection (a) (6), the term 'institution of higher education' means an educational institution in any State which—

"Institution of higher education."

"(1) admits as regular students only individuals having a certificate of graduation from a high school, or the recognized equivalent of such a certificate;

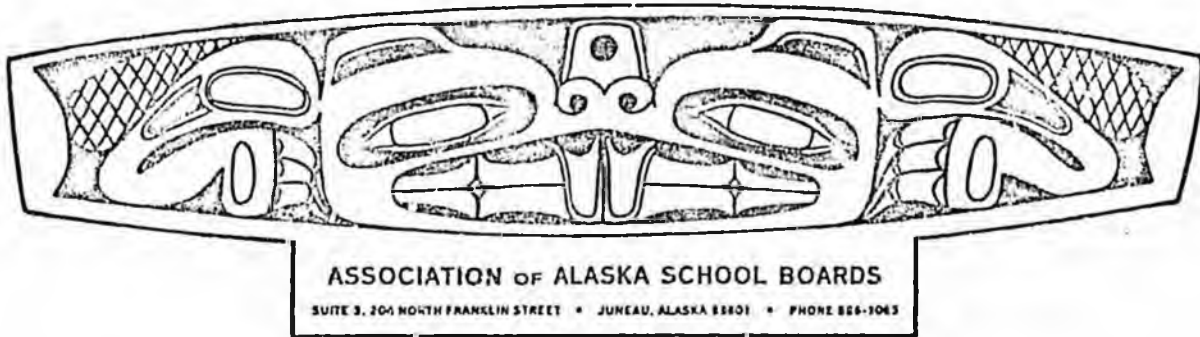
"(2) is legally authorized within such State to provide a program of education beyond high school;

"(3) provides an educational program for it which awards a bachelor's or higher degree, or provides a program which is acceptable for full credit toward such a degree, or offers a program of training to prepare students for gainful employment in a recognized occupation; and

"(4) is a public or other nonprofit institution."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to certifications of States for 1978 and subsequent years, but only with respect to services performed after December 31, 1977.

26 USC 3304
note.



POSITION PAPER ON UNEMPLOYMENT COMPENSATION

In 1976 P.L. 94-566 mandated that states assume responsibility for providing unemployment compensation effective July 1, 1978.

P.L. 94-566 provides for mandatory exclusion of certain education related jobs from the provisions of unemployment and makes it optional for all other positions in education. Specifically, it would appear that education research and administrative positions are denied benefits under the law and all other positions in education are optional to the states.

Alaska statutes only exclude positions in higher education and contracted employees. All other employees of public school systems are eligible.

There are a couple of pages of exemptions to the provisions of the unemployment compensation law currently enacted into law. Some of these are seasonal in nature while other job categories seem to indicate that unemployment provisions appear to be inappropriate.

Jobs exempted under the law include fishermen, all kinds of agricultural related employees, domestic service, insurance people, higher education and public school teachers when contacted for the following year. Hopefully the Association of Alaska School Boards will be able to show sufficient cause as to why all employees (classified and certificated) of school districts should be exempted from the provisions of the law as it pertains to summer unemployment.

Federal legislation authorizes exemption of classified employees, (cooks, janitors, aides, secretaries) during the summer if they have reasonable assurance of a fall job. We think Alaska should exercise this option.

Section 23.20.010 Policy outlines a guide for interpretation and application of the chapter on unemployment. It confirms that the policy of the state is to reduce economic insecurity because of involuntary unemployment. Unemployment of this type is seen as a serious menace to the health, morals, and welfare of the people of the state.

AASB agrees wholeheartedly with this philosophy and supports unemployment benefits for all school employees unexpectedly out of work, be they teacher or custodian. We do not, however, believe the seasonal unemployment of school people is anymore detrimental than is the unemployment of people in education, hospitals, fisheries or any of the other exempt areas.

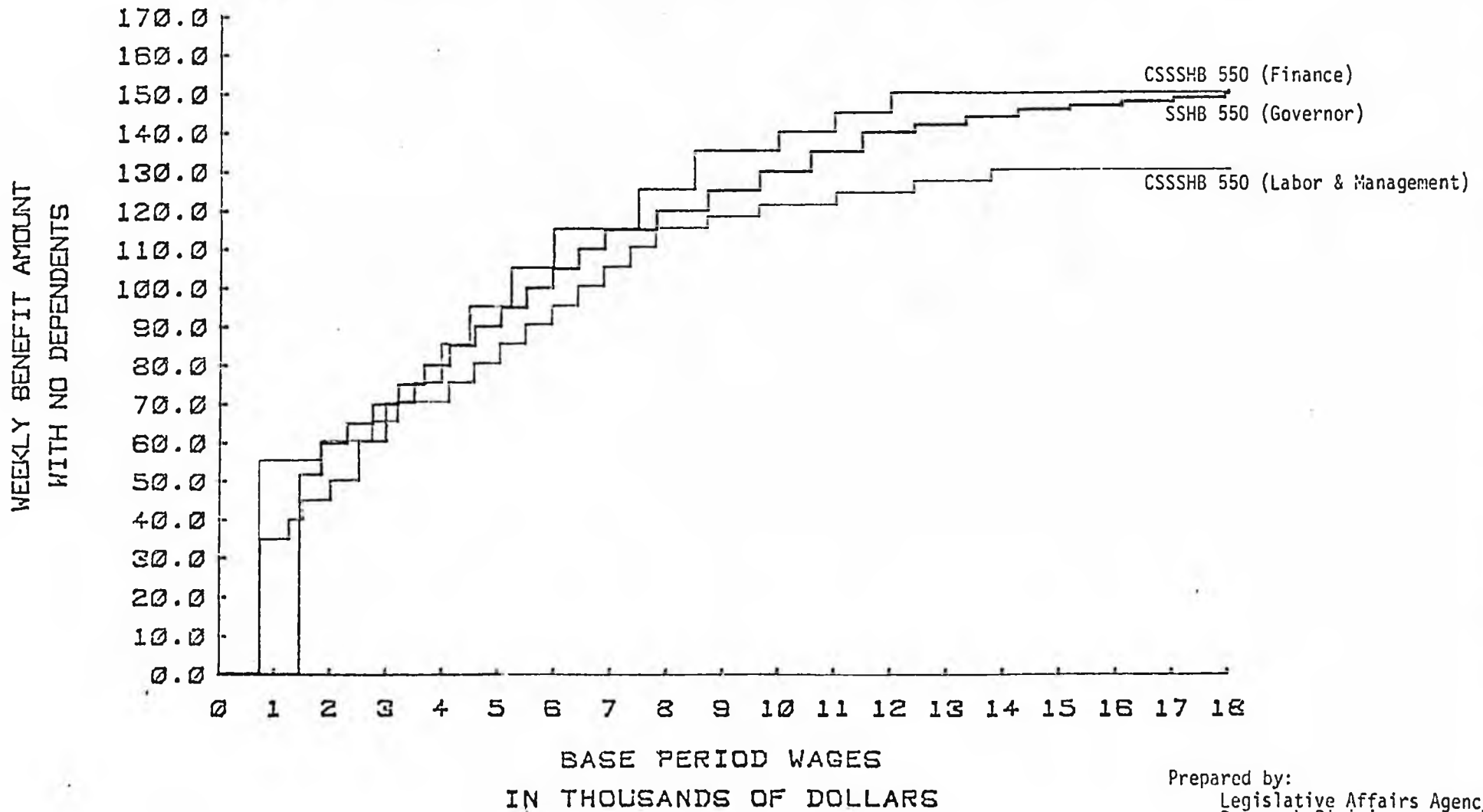
No one knows the fiscal impact of this new federal unemployment law on districts. In anticipation, however, districts are budgeting an average of 1% of gross salaries. Of 24 districts sampled, a tab of over two million dollars was computed. A very rough estimate for the entire state could then be approximately 3.5 to 4 million dollars.

When the results of CSHB 550 are computed, certainly another 1.5 to 2 million dollars could be assessed against district budgets.

In a time when we are talking about reduced bilingual education and foundation support funding, hopefully the legislature would see the wisdom of exempting school districts from the burden of an unemployment provision which really does not enhance the states philosophy in this matter.

WEEKLY UI BENEFITS - NO DEPENDENTS

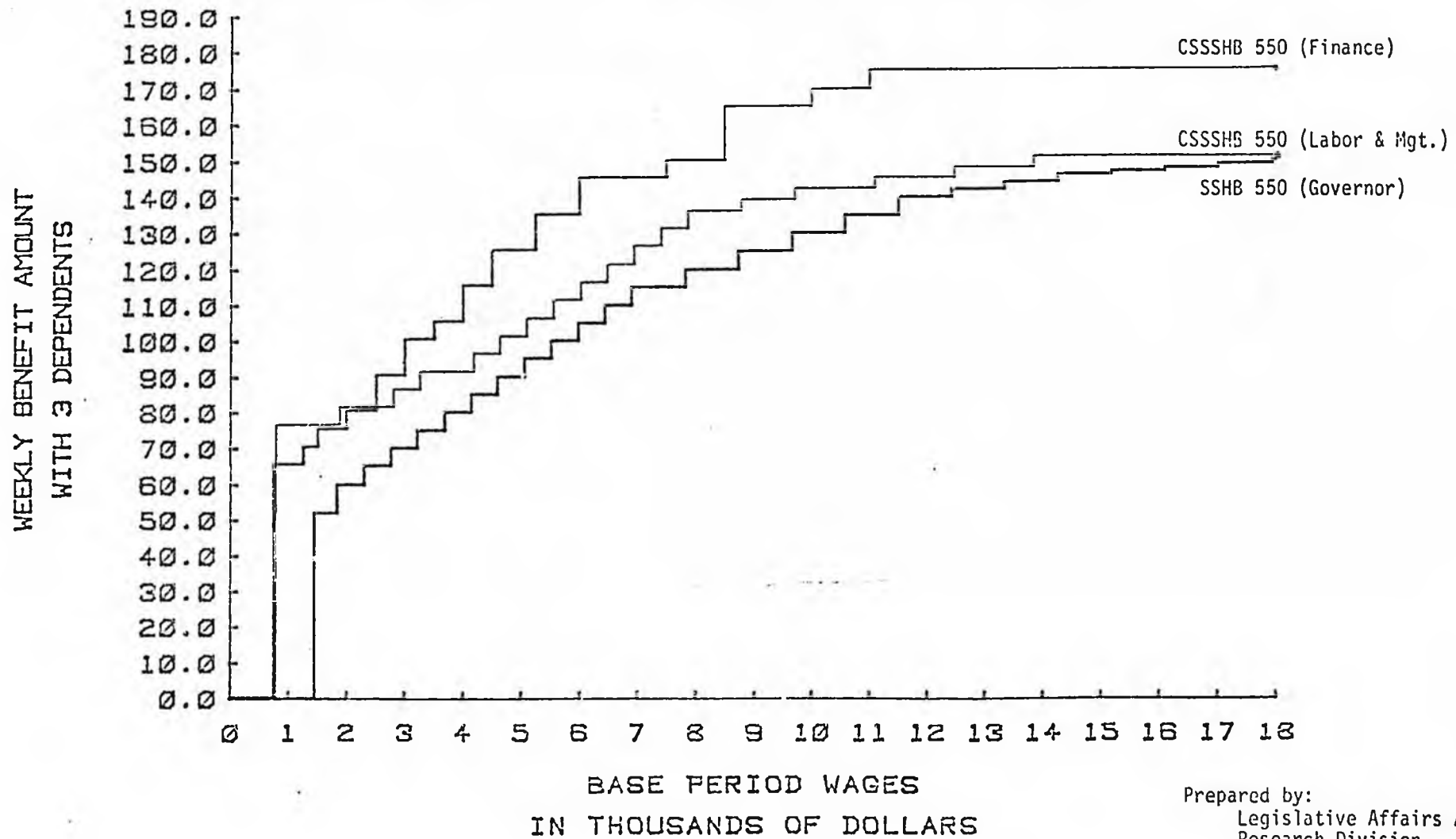
A COMPARISON OF SUBSTITUTE BILLS FOR HB550



Prepared by:
Legislative Affairs Agency
Research Division
June 1, 1978

WEEKLY UI BENEFITS - 3 DEPENDENTS

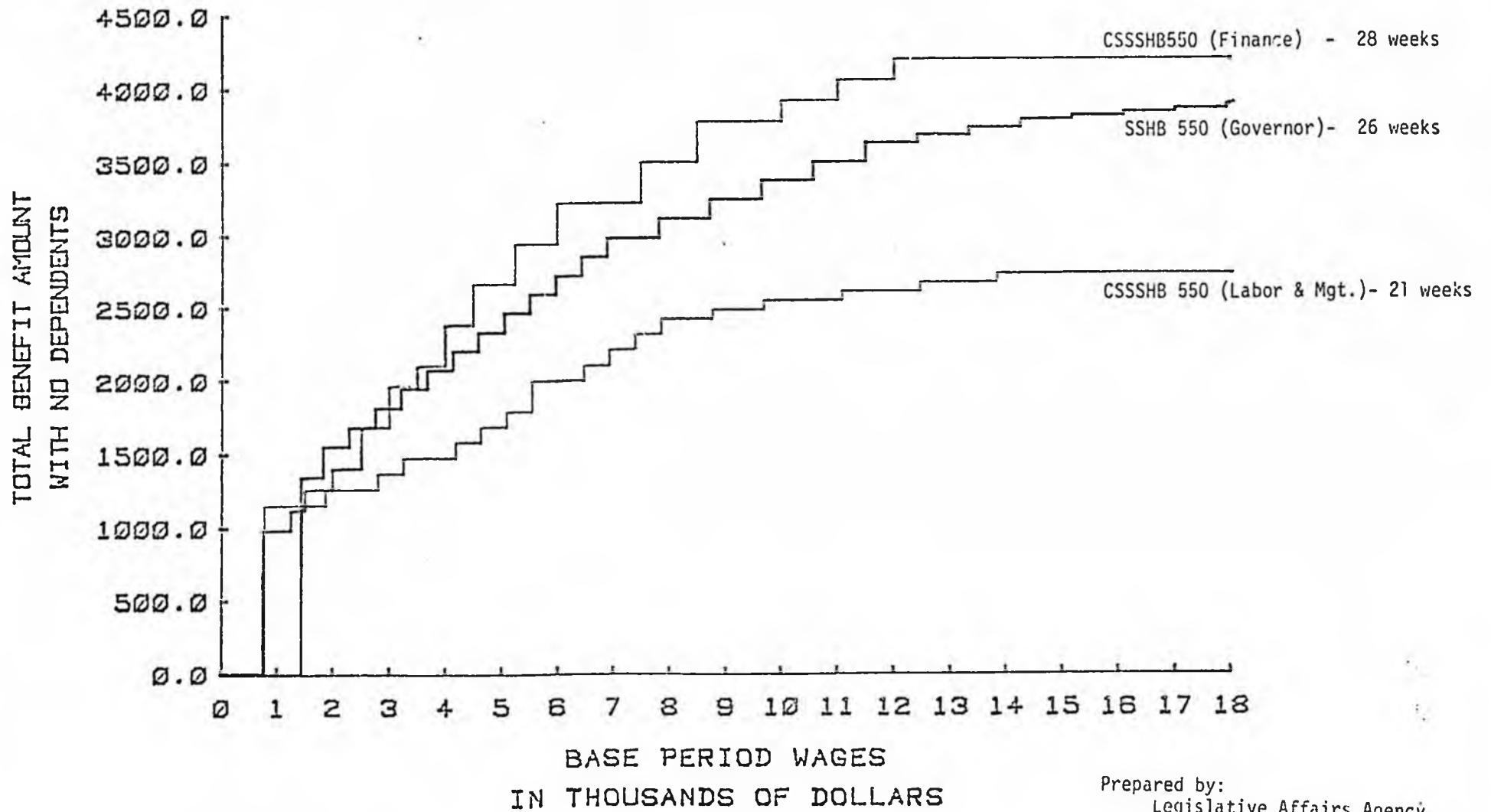
A COMPARISON OF SUBSTITUTE BILLS FOR HB550



Prepared by:
Legislative Affairs Agency
Research Division
June 1, 1978

TOTAL UI BENEFITS - NO DEPENDENTS

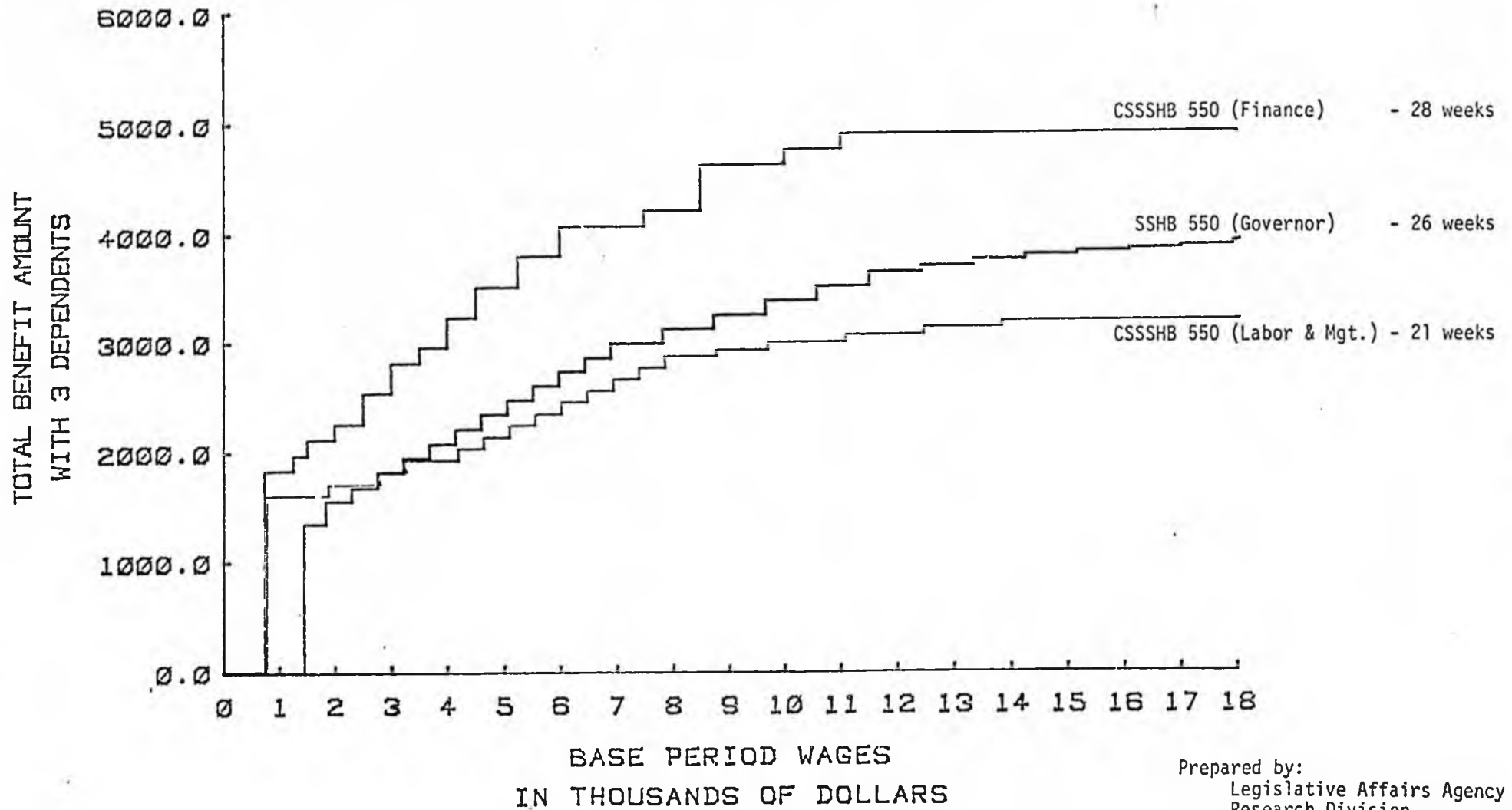
A COMPARISON OF SUBSTITUTE BILLS FOR HB550



Prepared by:
Legislative Affairs Agency
Research Division
June 1, 1978

TOTAL UI BENEFITS - 3 DEPENDENTS

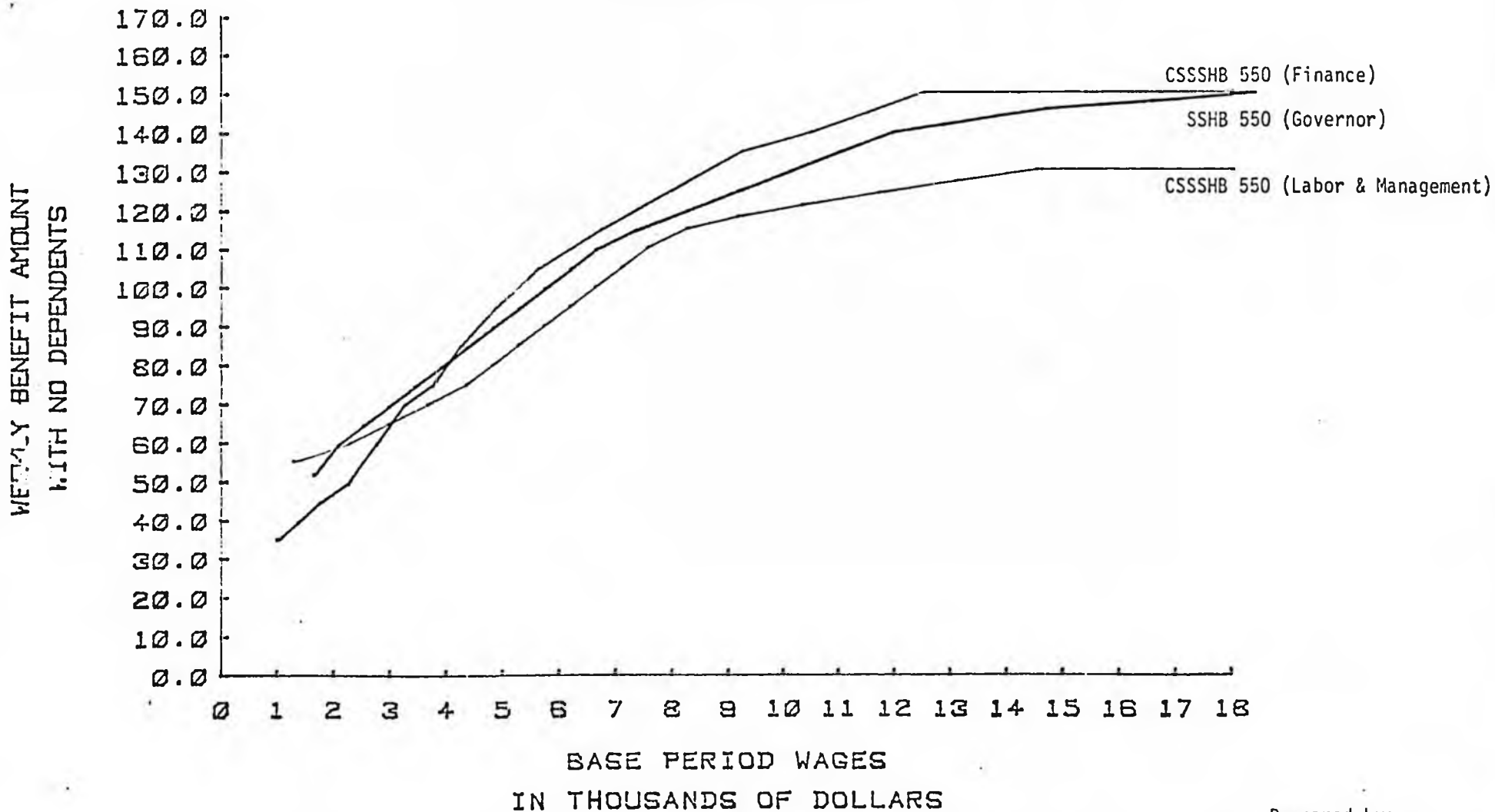
A COMPARISON OF SUBSTITUTE BILLS FOR HB550



Prepared by:
Legislative Affairs Agency
Research Division
June 1, 1978

AVERAGE WEEKLY UI BENEFITS*

WITH NO DEPENDENTS

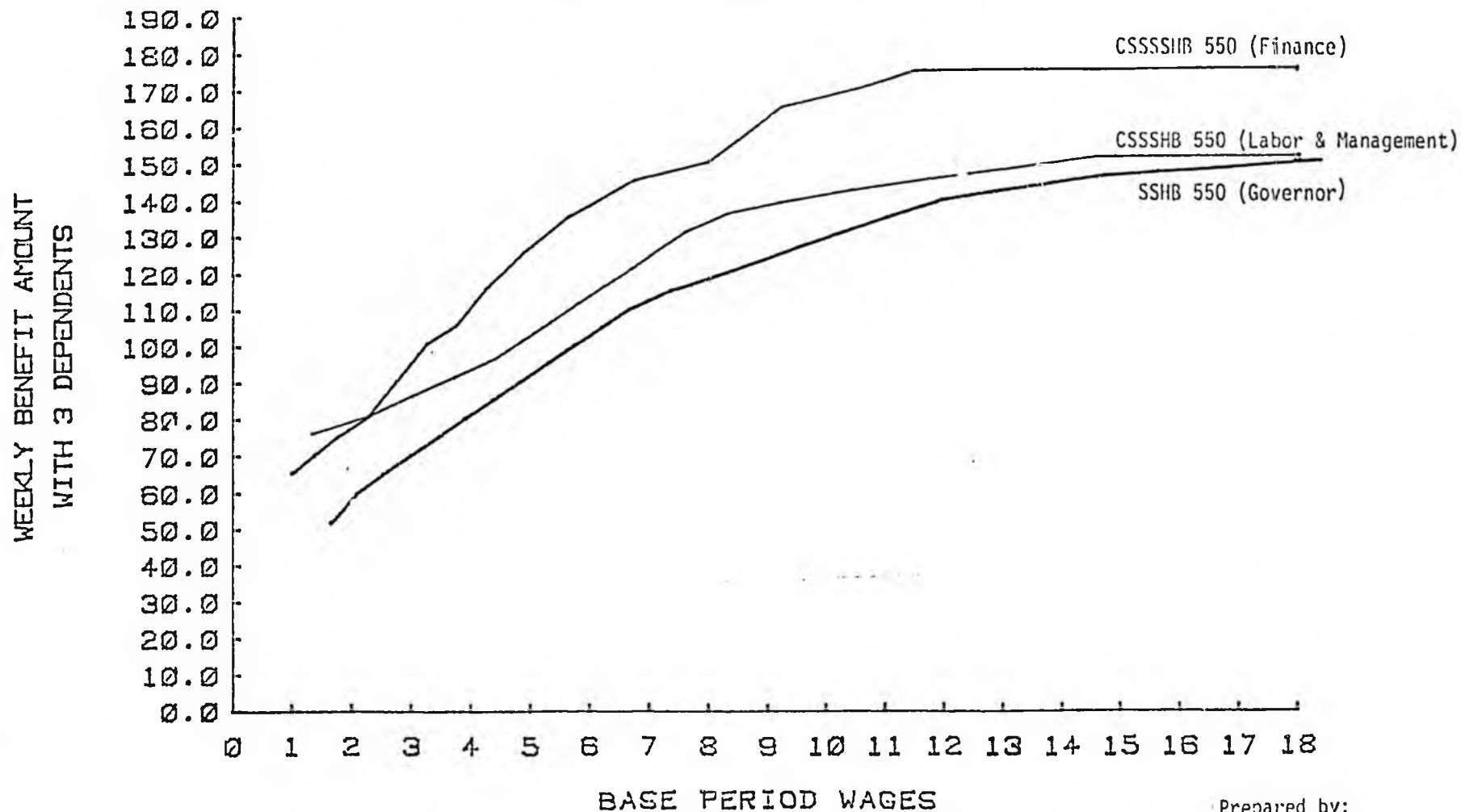


* The data points for this graph represent the average base wage at each UI benefit level, by the weekly benefit amount.

Prepared by:
 Legislative Affairs Agency
 Research Division
 June 1, 1978

AVERAGE WEEKLY UI BENEFITS*

WITH 3 DEPENDENTS

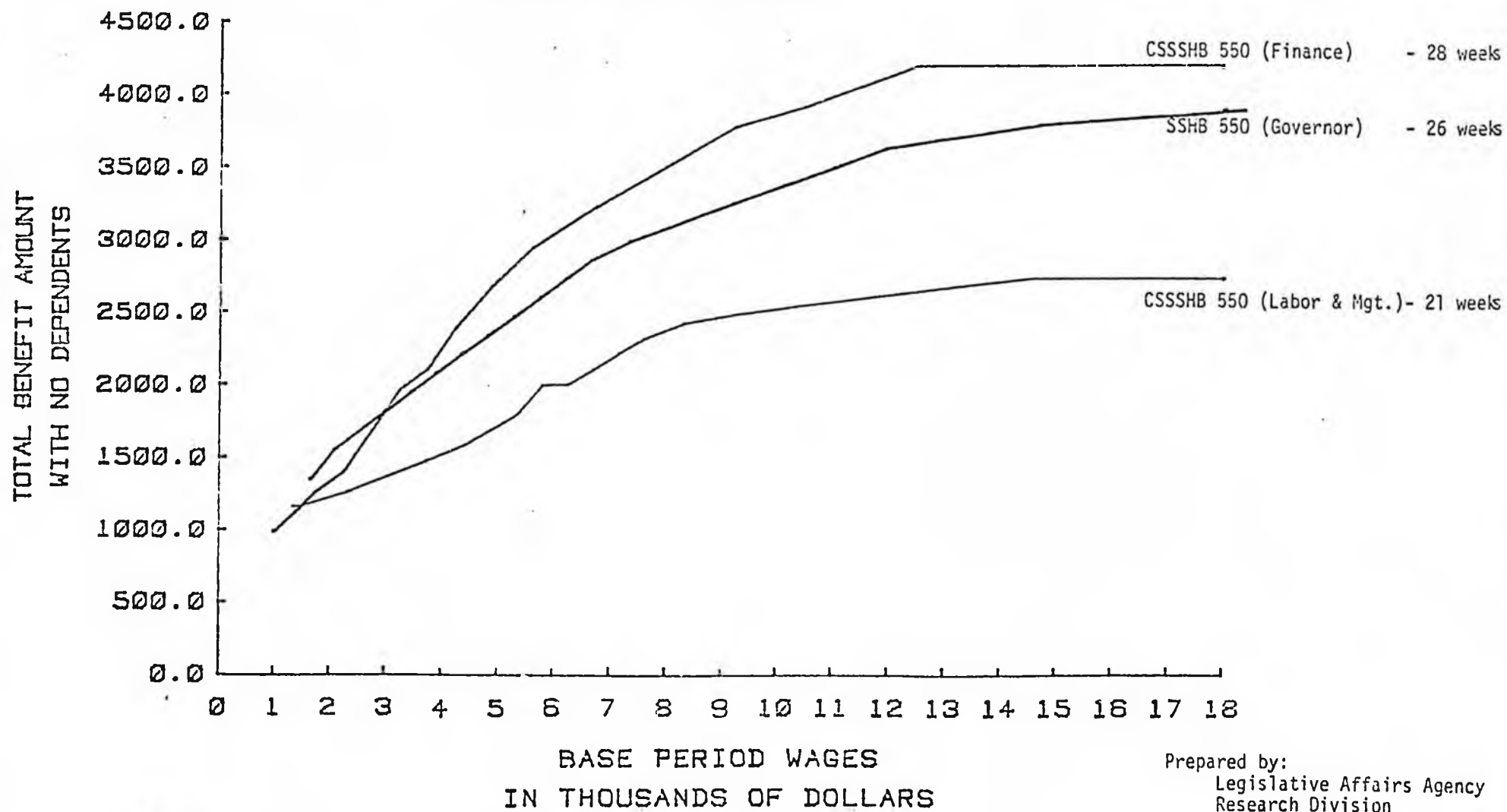


* The data points for this graph represent the average base wage at each UI benefit level, by the weekly benefit amount.

Prepared by:
 Legislative Affairs Agency
 Research Division
 June 1, 1978

AVERAGE TOTAL UI BENEFITS*

WITH NO DEPENDENTS

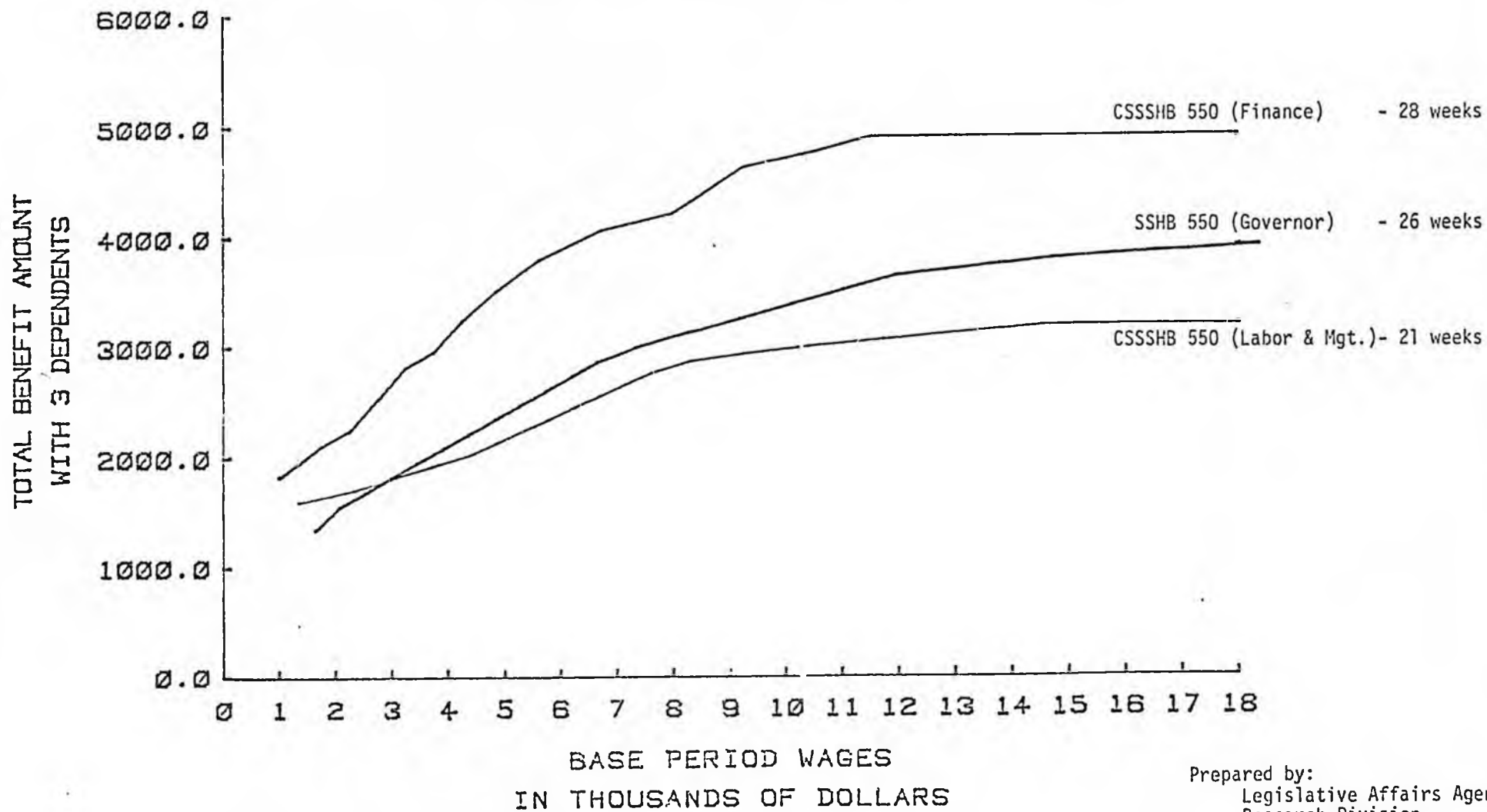


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Prepared by:
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June 1, 1978

AVERAGE TOTAL UI BENEFITS*

WITH 3 DEPENDENTS




* The data points for this graph represent the average base wage at each UI benefit level, by the total benefit amount.

Prepared by:
 Legislative Affairs Agency
 Research Division
 June 1, 1978

VS:

BENEFIT RECEIVED BY WORKERS OF EACH INDUSTRY

INDUSTRY	IN MILLIONS										%	%	AVERAGE NUMBER OF COVERED EMPLOY BY INDUSTRY	%	BENEFITS PAID INTERSTATE CLAI
	1	5	10	15	20	25	30	35	40						
Agriculture, Forestry & Fisheries	843,945										12	1.3	922	.7	24,931
MINING	1,529,788	4,321,927									6.1	2.1	4342	3.4	407,121
CONSTRUCTION						25,129,939					35.7	54.3	26,634	21.1	19,421,115
MANUFACTURING		6,252,753									8.9	7.1	10,736	8.5	2,363,231
Transportation, Comm. & Pub. Utilities		7,586,143									10.8	9.4	15,235	12.1	2,556,757
TRADE		10,804,854									15.3	8.7	27,677	22.0	2,303,671
Finance, Insurance & Real Estate		2,913,235									4.1	2.2	7,458	5.9	589,610
Services		11,322,095									16.1	13.2	27,101	21.4	4,016,931
Misc. & Unclassified		1,319,046									1.9	1.7	6276	4.9	259,751
TOTALS	170,493,987										100%		126,341	100%	

EACH  = \$1,000,000.
 BLACK LINE = CONTRIBUTIONS RECEIVED
 RED LINE = BENEFIT PAYMENTS

CONTRIBUTIONS RECD - FISCAL YR 1977

Original sponsor: Rules Committee by
request of the Governor

Offered: 6/2/78
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 550 (Finance) am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to unemployment insurance; and pro-
7 viding for an effective date."

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

9 * Section 1. AS 23.20.115 is amended to read:

10 Sec. 23.20.115. UNAUTHORIZED DISCLOSURE OF INFORMATION. A member
11 of the department, [OR] an employee of the department, or an agent of
12 the department who, in violation of sec. 110 of this chapter, makes a
13 disclosure of information obtained from an employing unit or from an
14 individual in the administration of this chapter, or a person who has
15 obtained a list of applicants for work or of claimants or recipients of
16 benefits under this chapter and who uses or permits the use of the list
17 for a purpose not authorized by sec. 110 of this chapter, upon convic-
18 tion, is punishable by a fine of not more than \$200, or by imprisonment
19 for not more than 90 days, or by both.

20 * Sec. 2. AS 23.20.175(a) is repealed and re-enacted to read:

21 (a) For the purposes of secs. 165 and 170 of this chapter, after
22 December 31, 1973 and through December 31, 1978, wages do not include
23 that part of remuneration paid during any calendar year to an individual
24 by an employer or by his predecessor which is in excess of \$10,000.

25 * Sec. 3. AS 23.20.175(c) is repealed and re-enacted to read:

26 (c) For the purposes of secs. 165 and 170 of this chapter, after
27 December 31, 1978 and through December 31, 1979, wages do not include
28 that part of remuneration paid during any calendar year to an individual
29 by an employer or by his predecessor which is in excess of 75 per cent

1 of the statewide average annual wage computed to the nearest multiple of
2 \$1,000. For the purposes of secs. 165 and 170 of this chapter, after
3 December 31, 1979, wages do not include that part of remuneration paid
4 during any calendar year to an individual by an employer or his prede-
5 cessor which is in excess of 100 per cent of the average annual wage
6 computed to the nearest multiple of \$1,000.

7 * Sec. 4. AS 23.20.190 is amended by adding a new subsection to read:

8 (d) A person who fails to file a contribution report on the date
9 it is due may be required, at the discretion of the department, to file
10 a monthly contribution report, with payment, within 30 days of the close
11 of each month. This monthly contribution report is subject to the same
12 interest and penalty provisions as provided in (a) of this section and
13 sec. 185(a) of this chapter, but it may not be required for longer than
14 one year at a time.

15 * Sec. 5. AS 23.20.240 is amended by adding a new subsection to read:

16 (f) In this section, "employer" includes, but is not limited to,
17 an officer or employee of a corporation or a member or employee of a
18 partnership who, as an officer, employee, or member, is under a duty to
19 perform the act in respect to which the violation occurs.

20 * Sec. 6. AS 23.20.285(b) is amended to read:

21 (b) For the purpose of computing quarterly decline quotients, the
22 department may, by regulation, prescribe (1) the manner in which wages
23 paid in the form of annual bonuses or other lump-sum payments for ser-
24 vice performed over a period of more than three months are apportioned
25 among the calendar quarters of the calendar year in which the service
26 was performed; and (2) the method for making adjustments in quarterly
27 payrolls to eliminate the effect upon quarterly decline quotients re-
28 sulting from unemployment which would not be compensable by reason of
29 the labor dispute provision of sec. 383 [380(9)] of this chapter.

* Sec. 7. AS 23.20.290(c) is amended to read:

(c) The rate of contributions payable by each eligible employer beginning January 1, 1974 and for each succeeding calendar year [THERE-AFTER] is the rate opposite the rate class in that column of the table in this subsection [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	If the Reserve Multiple of the Fund is:										
	Payroll	Equal to or										
	Limits											
	(Per cent	More										
	of State	Than	.33	.67	.85	1.0	1.15	1.35	1.5	2.0	3.0	
	Total											
Rate	Ratable	Less										
Class	Payroll)	Than	.33	.67	.85	1.0	1.15	1.35	1.5	2.0	3.0	
	Equal to											
	More	or Less										
	Than	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

1	10	90	100	5.5	5.1	4.8	4.4	4.1	3.8	3.6	3.4	3.3	3.1
2	Employee Rate			.8	.8	.7	.7	.6	.6	.5	.5	.4	.3

3 * Sec. 8. AS 23.20.340(a) is amended to read:

4 (a) An examiner designated by the department shall take the claim.
5 The examiner shall take all evidence pertaining to the monetary eligi-
6 bility of the claimant and [AN INITIAL DETERMINATION ON THE CLAIM SHALL
7 BE MADE PROMPTLY AND SHALL INCLUDE A DETERMINATION WITH RESPECT TO
8 WHETHER BENEFITS ARE PAYABLE, THE WEEKLY BENEFIT AMOUNT PAYABLE, AND THE
9 MAXIMUM DURATION OF BENEFITS. WHEN THE PAYMENT OR DENIAL OF BENEFITS IS
10 DETERMINED BY SEC. 380(9) OF THIS CHAPTER, THE EXAMINER] shall promptly
11 transmit all evidence [WITH RESPECT TO THAT SECTION] to the department.
12 The department, or a representative designated by it for the purpose,
13 shall, on the basis of the evidence submitted and any [THE] additional
14 evidence it requires, make an initial monetary determination of [AS TO]
15 the claim as to whether the claimant is eligible for benefits under sec.
16 350 of this chapter and the weekly benefit amount.

17 * Sec. 9. AS 23.20.340(b) is amended to read:

18 (b) Within one year from the date of the initial monetary deter-
19 mination, the department, on its own motion, may reconsider the monetary
20 determination if it finds an error in computation or identity or finds
21 that additional wages pertinent to the claimant's insured status have
22 become available, or that the initial monetary determination is a result
23 of a nondisclosure or misrepresentation of a material fact.

24 * Sec. 10. AS 23.20.340(c) is amended to read:

25 (c) The claimant [AND OTHER PARTIES TO THE DETERMINATION] shall be
26 promptly notified of the initial monetary determination (or of an
27 amended initial monetary determination) and the reasons for it.

28 * Sec. 11. AS 23.20.340(d) is amended to read:

29 (d) Unless the claimant is determined to be disqualified for

1 benefits under secs. 375 - 388 of this chapter, benefits [BENEFITS]
2 shall be promptly paid or denied in accordance with the initial monetary
3 determination.

4 * Sec. 12. AS 23.20.340(e) is amended to read:

5 (e) The claimant [OR OTHER PARTY TO THE DETERMINATION] may file an
6 appeal from the initial monetary determination within 10 days after
7 notification of the determination, or after the date the notice is
8 mailed to his last [KNOWN] address of record. The claimant may file an
9 appeal from that monetary redetermination within 10 days after noti-
10 fication of the redetermination or after the date the redetermination is
11 mailed to his last address of record. If the claimant is eligible for
12 benefits under sec. 350 of this chapter [BENEFITS ARE ALLOWED BY THE
13 INITIAL DETERMINATION], but the record of the case indicates that a
14 disqualification under secs. 375 - 388 exists [HAS BEEN ALLEGED] or may
15 exist, benefits may not be paid before a determination of the disquali-
16 fication has been made [THE EXPIRATION OF THE PERIOD FOR APPEAL].

17 * Sec. 13. AS 23.20.340(f) is repealed and re-enacted to read:

18 (f) If a determination of disqualification under secs. 375 - 388
19 of this chapter is made, the claimant shall be promptly notified of the
20 determination and the reasons for it. The claimant may appeal the
21 determination in the same manner prescribed in this chapter for appeals
22 of initial monetary determinations. Benefits may not be paid for weeks
23 with respect to which the determination of disqualification was made
24 while a determination is being appealed. If a final appeal decision
25 allows benefits to the claimant, those benefits must be paid promptly.

26 * Sec. 14. AS 23.20.350(a) is amended to read:

27 (a) To be eligible [QUALIFY] for benefits an individual must
28 [SHALL] have earned wages in his base period totaling not less than \$750
29 of which \$100 must have been earned in other than the calendar quarter

of his base period in which he earned the highest amount of wages, and at least eight times the weekly benefit amount must [SHALL] have been earned in employment, whether or not covered by this chapter, subsequent to the beginning of a preceding benefit year.

* Sec. 15. AS 23.20.350(b) is repealed and re-enacted to read:

(b) Except as provided in (a) and (e) of this section, an individual's total weekly benefit amount is 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 a total weekly benefit amount as shown in columns B, C, D, or E of the tables set out in this subsection according to the number of dependents he has on the date he establishes his benefit year and shall be fixed for the duration of the benefit year, except that before benefits are paid for dependents the department shall ascertain that no other insured worker is receiving benefits for the same dependents and each individual seeking employment benefits shall produce evidence satisfactory to the department that the dependents claimed are dependents of that person. 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		TOTAL WEEKLY BENEFIT AMOUNT WITH THE FOLLOWING NUMBER OF DEPENDENTS			
		None	One	Two	Three or More
Columns	(A)	(B)	(C)	(D)	(E)
\$ 0 -	749.99	\$ 00	\$ 00	\$ 00	\$ 00
750 -	1,999.99	45	55	65	75
2,000 -	2,499.99	50	60	70	80
2,500 -	2,999.99	60	70	80	90
3,000 -	3,499.99	70	80	90	100

1	3,500 - 3,999.99	75	85	95	105
2	4,000 - 4,499.99	85	95	105	115
3	4,500 - 5,249.99	95	105	115	125
4	5,250 - 5,999.99	105	115	125	135
5	6,000 - 7,499.99	115	125	135	145
6	7,500 - 8,499.99	125	135	145	150
7	8,500 - 9,999.99	135	145	155	165
8	10,000 - 10,999.99	140	150	160	170
9	11,000 - 11,999.99	145	155	165	175
10	12,000 and over	150	160	170	175

11 * Sec. 16. AS 23.20.350(c) is repealed and re-enacted to read:

12 (c) The maximum duration of benefits payable under this chapter is
 13 28 weeks for all claimants.

14 * Sec. 17. AS 23.20.350 is amended by adding new subsections to read:

15 (e) Benefits may not be denied or reduced to an individual solely
 16 because he files a claim in another state or because he resides in
 17 another state at the time he files a claim for unemployment compensa-
 18 tion. However, benefits paid to an individual filing a claim in a state
 19 other than Alaska which has an average weekly wage which differs from
 20 Alaska's average weekly wage by 10 per cent or greater shall be equal to
 21 the percentage his Alaska benefit amount bears to the applicable Alaska
 22 average weekly wage multiplied by the applicable weekly wage of the
 23 state in which he is filing a claim. In this subsection "average weekly
 24 wage" of a state means the average annual wage of that state divided by
 25 52.

26 (f) The average annual wage for each state under (e) of this
 27 section will be computed after June 30 and before December 15 of each
 28 year based on the four consecutive calendar quarters ending June 30.
 29 The average annual wage will be rounded to the next higher thousand

1 before determining the average weekly wage to be used in (e) of this
2 section. This determination is the applicable average annual wage for
3 the period beginning January 1 of the next year and ending December 31.

4 * Sec. 18. AS 23.20.360 is amended to read:

5 Sec. 23.20.360. EARNINGS DEDUCTED FROM WEEKLY BENEFIT AMOUNT. An
6 eligible individual who is unemployed in a week shall be paid with
7 respect to that week a benefit in an amount equal to his total [BASIC OR
8 AUGMENTED] weekly benefit amount less that part of the remuneration,
9 whether or not covered by this chapter, payable to him with respect to
10 that week which is in excess of \$50 [\$10 OR ONE-HALF OF HIS BASIC WEEKLY
11 BENEFIT AMOUNT, WHICHEVER AMOUNT IS GREATER]. If the adjusted benefit
12 amount is not a multiple of \$1, it is computed to the next higher mul-
13 tiple of \$1.

14 * Sec. 19. AS 23.20.370 is amended to read:

15 Sec. 23.20.370. BENEFITS OF DECEDENT OR INCOMPETENT. Benefits due
16 and payable to a deceased or judicially declared incompetent person
17 shall be paid, in accordance with regulations prescribed by the depart-
18 ment, to persons in the following order: spouse, child, [OR] parent,
19 sister or brother, aunt or uncle, payment to whom the department finds
20 will best carry out the purposes of this chapter. The regulations need
21 not conform to the statutes applicable to the descent and distribution
22 of decedents' estates. A receipt from the person to whom the department
23 makes payment fully discharges the fund and the department from liabili-
24 ty for the benefits.

25 * Sec. 20. AS 23.20.375(a) is amended to read:

26 Sec. 23.20.375. QUALIFICATION [ELIGIBILITY] FOR BENEFITS. (a) An
27 insured worker is qualified [ELIGIBLE] for and shall receive waiting-
28 week credit or benefits, as the case may be, for a week of his unemploy-
29 ment with respect to which he has not been determined to be disqualified

1 under secs. 378 - 388 [SEC. 380] of this chapter, if [THE WORKER HAS],
2 in accordance with regulations prescribed by the department, the worker
3 has, with respect to the week,

4 (1) filed a notice of his unemployment;

5 (2) registered for work; [AND]

6 (3) certified for waiting-week credit or filed a claim for
7 benefits, as the case may be; and

8 (4) agreed to accept the prevailing wage for his work in the
9 area in which he is filing.

10 * Sec. 21. AS 23.20.375(c) is amended to read:

11 (c) Benefits based on service in employment defined in sec. 525(a)
12 (4), (5), (6) and (14) of this chapter are payable in the same amount,
13 on the same terms and subject to the same conditions as compensation
14 payable on the basis of other service subject to this chapter, except
15 that, effective January 1, 1978, benefits based on service in any
16 [AN INSTRUCTIONAL, RESEARCH OR PRINCIPAL ADMINISTRATIVE] capacity
17 for an educational institution may not be paid to an individual for
18 any week of unemployment which begins during the period between two
19 successive academic years, or during a similar period between two
20 regular terms, whether or not successive, or during a period of paid
21 sabbatical leave provided for in the individual's contract, if the
22 individual performs services in the first of those academic years or
23 terms and if there is a contract or reasonable assurance that the
24 individual will perform services in the same or a similar capacity
25 for any educational institution in the second of those academic years
26 or terms, provided that the individual's salary and fringe benefits
27 are fixed in a negotiated agreement arrived at through collective
28 bargaining.

29 * Sec. 22. AS 23.20.375 is amended by adding a new subsection to read:

1 (d) An insured worker may register for work with a referral agency
2 other than the department if that agency has a referral agreement with
3 the department made in accordance with regulations prescribed by the
4 department. A referral agency other than the department, before certi-
5 fying and providing documentation to an individual as being available
6 for work and as not having failed to accept offered suitable work, shall
7 require that the individual produce proper identification, or be per-
8 sonally known to agents or employees of the referral agency who are
9 actually present at the referral agency at the time of certifying.

10 * Sec. 23. AS 23.20 is amended by adding new sections to read:

11 Sec. 23.20.378. ABLE AND AVAILABLE. An insured worker is dis-
12 qualified for waiting-week credit or benefits for a week of his unem-
13 ployment if, with respect to that week, the department finds that he was
14 not able to work, not available for suitable work, or not actively
15 seeking work. An insured worker is not considered disqualified for
16 waiting-week credit or benefits for a week of his unemployment because
17 of failure to comply with the provisions of this section if

18 (1) he is unable to work because he is ill or disabled or he
19 resides in the state and is not available for work because of his non-
20 commercial fishing and hunting necessary for the survival of himself or
21 his dependents; and

22 (2) the condition described in (1) of this section occurs
23 during an uninterrupted period of unemployment which follows a week for
24 which he filed a compensable claim and no suitable work was offered him
25 for any part of that week before the beginning of the fishing, hunting,
26 illness, or disability; however, a waiver of disqualification on the
27 basis of illness is only available for a maximum of four consecutive
28 weeks.

29 Sec. 23.20.379. VOLUNTARY QUIT, DISCHARGE FOR MISCONDUCT, AND
CSSSHB 550(Finance) am -10-

1 REFUSAL OF WORK. (a) An insured worker is disqualified for waiting-
2 week credit or benefits for a week of his unemployment if he

3 (1) left his last suitable work voluntarily without good
4 cause;

5 (2) was discharged or suspended for misconduct connected with
6 his last work;

7 (3) failed without good cause to apply for available suitable
8 work to which he was referred by the employment office or other referral
9 agency which has an agreement with the department under sec. 375(d) of
10 this chapter during a week claimed; or

11 (4) failed to accept suitable work when offered to him during
12 a week claimed.

13 (b) The disqualification provided in (a) of this section continues
14 until terminated by one of the following:

15 (1) the individual has filed claims for six otherwise com-
16 pensable weeks of unemployment after the date the disqualifying act
17 occurred; or

18 (2) the individual has returned to full time covered employ-
19 ment and earned at least six times his weekly benefit amount.

20 * Sec. 24. AS 23.20.381 is amended by adding new subsections to read:

21 (e) An insured worker is disqualified for waiting-week credit or
22 benefits for a week of unemployment if, with respect to that week, the
23 department finds that for the week or any part of it he has received or
24 is seeking unemployment benefits under another unemployment security law
25 in a manner other than in accordance with the reciprocal arrangements
26 between the department and other states or the federal government. If
27 the appropriate agency makes a final determination that the worker is
28 not entitled to benefits under the other law, this subsection does not
29 apply.

1 (f) An insured worker whose occupation has been abolished due to
2 technological changes, as certified by the employment service office,
3 must be willing to be placed in any job for which he is fit by training
4 or experience, or he must be willing to be placed in a training program.
5 Failure of such an insured worker to comply with the requirements of
6 this section disqualifies him from benefits.

7 * Sec. 25. AS 23.20 is amended by adding new sections to read:

8 Sec. 23.20.383. LABOR DISPUTE DISQUALIFICATION. (a) An insured
9 worker is disqualified for waiting-week credit or benefits for a week of
10 his unemployment if, with respect to that week, the department finds his
11 unemployment is due to a stoppage of work because of a labor dispute at
12 the immediate factory, establishment, or other premises at which he is
13 or was last employed. For the purposes of this section, each separate
14 department of the same premises which is commonly conducted as a sepa-
15 rate business in separate premises is considered a separate factory,
16 establishment, or other premises.

17 (b) This section does not apply if the department finds that

18 (1) the insured worker was not participating in or directly
19 interested in the labor dispute which caused the stoppage of work, and
20 he did not belong to a grade or class of workers which, immediately
21 before the commencement of the stoppage, had members employed at the
22 premises at which the stoppage occurred and which had one or more mem-
23 bers participating in or directly interested in the dispute; or

24 (2) the labor dispute was caused by the failure or refusal of
25 an employer to conform to the provisions of an agreement or contract
26 between the employer and employee, or a law of the state or of the
27 United States pertaining to hours, wages or other conditions of work.

28 Sec. 23.20.387. DISQUALIFICATION FOR MISREPRESENTATION. (a) An
29 individual is disqualified for benefits for a period not to exceed 28

1 weeks if the department finds that the individual has knowingly made a
2 false statement or misrepresentation or knowingly failed to report a
3 material fact with intent to obtain or increase any benefits under this
4 chapter. The length of this period of disqualification and the time
5 when this period begins shall be determined at the department's discre-
6 tion., according to the circumstances in each case.

7 (b) No person may be disqualified from receiving benefits under
8 this section unless there is clear evidence that he has made a false
9 statement or a misrepresentation of material fact or has failed to
10 disclose the material facts with the intent to defraud. There must be
11 evidence of an intention to defraud and the act must be knowing and must
12 involve material facts before a determination of fraudulent misrepre-
13 sentation or nondisclosure may be made.

14 Sec. 23.20.388. DISQUALIFICATION FOR BENEFITS UPON CONVICTION OF
15 FRAUD IN OBTAINING BENEFITS. (a) A person who is guilty of making a
16 false statement or misrepresentation knowing it is false or of knowingly
17 failing to disclose a material fact to obtain any benefits or other
18 payments under this chapter, in addition to any penalties imposed by the
19 court, is

20 (1) disqualified for any further benefit payments in a cur-
21 rent benefit year starting with the week number in which the conviction
22 occurred;

23 (2) disqualified for benefits based upon wages paid to him in
24 the calendar quarter in which he was convicted and on all earlier cal-
25 endar quarters of wages which have not been used in a benefit determi-
26 nation.

27 (b) The provisions of this section are in addition and supple-
28 mental to all other provisions of this chapter pertaining to disquali-
29 fications and recovery of improper payment.

1 * Sec. 26. AS 23.20.390(b) is amended to read:

2 (b) As soon as the department has knowledge of payments of bene-
3 fits to an individual under the circumstances mentioned in this section,
4 it shall promptly prepare and deliver or mail to the individual at his
5 last [KNOWN] address of record a notice of determination of liability
6 declaring that the individual has been determined liable to refund the
7 amount of benefits paid under the circumstances mentioned in this sec-
8 tion. The amount, if not previously collected, shall be deducted from
9 future benefits payable to the individual. However, if the department
10 determines that an individual has died, or has acted in good faith in
11 claiming and receiving benefits to which he was not entitled, or [AND]
12 that great hardship would result from charging the individual with
13 repayment of the benefits, the department may absolve the individual
14 from liability to the fund for repayment of the benefits.

15 * Sec. 27. AS 23.20.407(b) is amended to read:

16 (b) The total extended benefit amount payable to any eligible
17 individual with respect to his applicable benefit year is the least of
18 the following amounts:

19 (1) 50 per cent of the total amount of total [REGULAR] bene-
20 fits [, INCLUDING DEPENDENTS' ALLOWANCES,] which were payable to him
21 under this chapter in his applicable benefit year;

22 (2) 13 weeks of compensation for [TIMES HIS AVERAGE WEEKLY
23 BENEFIT AMOUNT, INCLUDING DEPENDENTS' ALLOWANCES, WHICH WAS PAYABLE TO
24 HIM UNDER THIS CHAPTER FOR A WEEK OF] total unemployment in the appli-
25 cable benefit year; or

26 (3) 39 weeks of compensation for [TIMES HIS AVERAGE WEEKLY
27 BENEFIT AMOUNT, INCLUDING DEPENDENTS' ALLOWANCES, WHICH WAS PAYABLE TO
28 HIM UNDER THIS CHAPTER FOR A WEEK OF] total unemployment in the appli-
29 cable benefit year, reduced by the compensation for total unemployment

1 for the number of weeks [TOTAL AMOUNT] of total [REGULAR] benefits which
2 were paid or considered paid to him under this chapter with respect to
3 the benefit year.

4 * Sec. 28. AS 23.20.415(a) is amended to read:

5 (a) A party entitled to notice of determination provided in sec.
6 340 of this chapter may file an appeal from the determination to an
7 appeal tribunal within the time specified in that section. However, an
8 appeal from a determination which involves sec. 383 [380(9)] of this
9 chapter shall be made to the department. The parties to an appeal from
10 a determination shall include all those entitled to notice of the deter-
11 mination and a properly designated representative of the department.

12 * Sec. 29. AS 23.20.420 is amended by adding a new subsection to read:

13 (e) Hearings under this section shall be held in population and
14 transportation centers which are reasonably accessible to the parties as
15 determined by the department. If a party does not wish to travel to the
16 designated hearing location, he may reply to a written interrogatory
17 form or submit a brief.

18 * Sec. 30. AS 23.20.435(a) is amended to read:

19 (a) An appeal to the department by a party is a matter of right if
20 the decision of the appeal tribunal reverses or modifies the deter-
21 mination of the department, or if a question arising under sec. 383
22 [380(9)] of this chapter is presented. In all other cases further
23 appeal to the department is permitted only at the discretion of the
24 department.

25 * Sec. 31. AS 23.20.445 is amended to read:

26 Sec. 23.20.445. NOTICE OF DECISION OF DEPARTMENT AND JUDICIAL
27 REVIEW. Within 60 days after initiation of an appeal under sec. 435 of
28 this chapter, the department shall make its decision and each [EACH]
29 party, including the properly designated representative of the depart-

1 ment, shall be promptly given a copy of the decision and the supporting
2 findings and conclusions of the department. The decision is final un-
3 less a party initiates judicial review by filing an action in the su-
4 perior court for review within 30 days after the department's decision
5 has been mailed to each party at his last known address, or delivered to
6 him. For the purpose of judicial review, an appeal tribunal's decision
7 from which an application for appeal has been denied by the department
8 is considered the decision of the department, except that the time for
9 initiating judicial review runs from the date of the mailing or delivery
10 of the notice of the denial of the application for appeal by the depart-
11 ment.

12 * Sec. 32. AS 23.20.485 is amended to read:

13 Sec. 23.20.485. FALSE STATEMENT TO SECURE BENEFITS. A person who
14 makes a false statement or misrepresentation knowing it is false or who
15 knowingly fails to disclose a material fact, with intent to obtain or
16 increase a benefit or other payment under this chapter or under an
17 employment security law of another state, of the federal government, or
18 of a foreign government, either for himself or for another person, upon
19 conviction, is punishable by a fine of [OR] not more than \$500 [\$200],
20 or by imprisonment for not more than six months [60 DAYS], or by both.
21 Each false statement or misrepresentation or failure to disclose a
22 material fact is a separate offense.

23 * Sec. 33. AS 23.20.490 is amended to read:

24 Sec. 23.20.490. ACTS OF EMPLOYER PROHIBITED. (a) An employing
25 unit or referral agency or an officer or agent of an employing unit
26 or referral agency may not (1) make a false statement or representation
27 knowing it is false, (2) knowingly fail to disclose a material fact to
28 prevent or reduce the payment of benefits to an individual entitled to
29 them, or to avoid or reduce a contribution or other payment required

1 from an employing unit under this chapter, or (3) knowingly [WILFULLY]
2 fail or refuse to make a contribution or other payment, or to furnish a
3 report required by this chapter or by authority granted under this
4 chapter, or to produce or permit the inspection or copying of records as
5 required by this chapter.

6 (b) An employing unit or referral agency or officer or agent of an
7 employing unit or referral agency, upon conviction of violating (a) of
8 this section, is punishable by a fine of not more than \$1,000 [\$200], or
9 by imprisonment for not more than one year [60 DAYS], or by both.

10 * Sec. 34. AS 23.20.520(2) is amended to read:

11 (2) "base period" means the first four of the last five com-
12 pleted calendar quarters immediately preceding the first day of an
13 individual's benefit year; except that an individual who, immediately
14 preceding the first day of his benefit year, was unable to work as a
15 result of injuries compensable under the workmen's compensation Act has
16 a base period consisting of the first four of the last five completed
17 quarters immediately preceding his injuries if those quarters were
18 completed within the three years immediately before the individual
19 claims benefits;

20 * Sec. 35. AS 23.20.520(12) is amended to read:

21 (12) "employing unit" means one or more departments or other
22 agencies of the state, a political subdivision of the state, an indivi-
23 dual, or a type of organization, partnership, association, trust,
24 estate, joint trust company, insurance company or domestic or foreign
25 corporation, or the receiver, referee in bankruptcy, trustee, or succes-
26 sor of one of these, or the legal representative of a deceased person,
27 which has or, after January 1, 1937, had one or more individuals per-
28 forming service for it in the state; if an employing unit maintains two
29 or more separate establishments inside the state which fall into

1 different major divisions, as defined in the Standard Industrial Classi-
2 fication Manual, each such establishment is considered as a separate
3 employing unit for the purpose of this chapter [AN INDIVIDUAL PERFORMING
4 SERVICES IN THE STATE FOR AN EMPLOYING UNIT WHICH MAINTAINS TWO OR MORE
5 SEPARATE ESTABLISHMENTS IN THE STATE IS CONSIDERED AS EMPLOYED BY A
6 SINGLE EMPLOYING UNIT FOR THE PURPOSES OF THIS CHAPTER]; notwithstanding
7 any provision in this chapter, any employing unit which employs indivi-
8 duals whose services must be covered by the unemployment insurance laws
9 of this state after December 31, 1971 as a condition of approval of the
10 unemployment insurance laws of this state under sec. 3304(a) of the U.S.
11 Internal Revenue Code of 1954, as amended, will be considered an em-
12 ployer as to those individuals and is subject to contributions on all
13 wages paid after December 31, 1971, or reimbursement payments to cover
14 benefits paid based on services performed after December 31, 1971,
15 depending on the applicable law;

16 * Sec. 36. AS 23.20.520 is amended by adding new paragraphs to read:

17 (27) "prevailing wage" means the prevailing rate of wages
18 issued by the department in accordance with AS 36.05.010; if no pre-
19 vailing rate of wages has been determined for a particular type of work
20 or for a particular area, the department shall make such a determination
21 in accordance with regulations adopted by it;

22 (28) "average annual wage" means the amount determined by the
23 research and analysis section of the department by dividing the total
24 wages paid by covered employers during a 12-month period by the average
25 monthly employment reported by covered employers.

26 * Sec. 37. AS 23.20.340(g) and 23.20.380 are repealed.

27 * Sec. 38. Pending a final judicial determination as to the propriety of
28 the United States Secretary of Labor's action, AS 23.20.350(e) and (f),
29 enacted in sec. 17 of this Act, are suspended upon the condition and at the

1 time that a withholding, withdrawal, or refusal of certification of the
2 Alaska Employment Security Act by the United States Secretary of Labor under
3 26 U.S.C. 3304(c) on the grounds that the Alaska Employment Security Act does
4 not comply with the requirements of 26 U.S.C. 3304(a)(9)(A) takes effect.

5 * Sec. 39. AS 23.20.350(e) and (f), enacted in sec. 17 of this Act, are
6 repealed upon the condition and at the time that a final judicial determina-
7 tion is made that the provisions of those subsections are not consistent with
8 the requirements of 26 U.S.C. 3304(a)(9)(A) and that the United States
9 Secretary of Labor may properly withhold, withdraw, or refuse certification
10 of the Alaska Employment Security Act under 26 U.S.C. 3304(c) on the grounds
11 that the Alaska Employment Security Act does not comply with the requirements
12 of 26 U.S.C. 3304(a)(9)(A).

13 * Sec. 40. In the event that any of the conditions for obtaining addi-
14 tional benefits for dependents, enacted in the third sentence of AS 23.20.-
15 350(b) contained in sec. 15 of this Act, are enjoined or are found to be void
16 by a final judicial determination, columns C, D and E of the tables set out
17 in AS 23.20.350(b), enacted in sec. 15 of this Act, are repealed.

18 * Sec. 41. Section 1 of this Act takes effect immediately in accordance
19 with AS 01.10.070(c).

20 * Sec. 42. Sections 6, 8 - 13, 19 - 26, 28 - 34, 36, and 37 of this Act
21 take effect on July 1, 1978.

22 * Sec. 43. Sections 2 - 5, 7, 18, and 35 of this Act take effect on
23 January 1, 1979.

24 * Sec. 44. Sections 14 - 17 and 27 of this Act take effect on January 1,
25 1979 and are applicable to all individuals establishing a benefit year on or
26 after that date.

27
28
29

Introduced: 3/8/78
Referred: Labor & Management and
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 550
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 TENTH 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:

9 * Section 1. AS 23.20.115 is amended to read:

10 Sec. 23.20.115. UNAUTHORIZED DISCLOSURE OF INFORMATION. A
11 member of the department, [OR] an employee of the department, or an
12 agent of the department who, in violation of sec. 110 of this chapter,
13 makes a disclosure of information obtained from an employing unit or
14 from an individual in the administration of this chapter, or a person
15 who has obtained a list of applicants for work or of claimants or
16 recipients of benefits under this chapter and who uses or permits the
17 use of the list for a purpose not authorized by sec. 110 of this
18 chapter, upon conviction, is punishable by a fine of not more than
19 \$200, or by imprisonment for not more than 90 days, or by both.

20 * Sec. 2. AS 23.20.165(e) is amended to read:

21 (e) An employer shall maintain a record of the amount deducted
22 from the wages of each of his employees[,] and shall furnish a state-
23 ment of the deductions to each employee at the times and in the manner
24 the commissioner prescribes by regulation. No deduction may be made
25 from those wages paid to an employee during a calendar year which are
26 in excess of the wages subject to contributions under sec. 175 of this
27 chapter. If an [EMPLOYEE IN THE EMPLOY OF TWO OR MORE EMPLOYERS EARNS
28 WAGES IN ONE CALENDAR YEAR TOTALING MORE THAN THE WAGES SUBJECT TO
29 CONTRIBUTIONS, OR IF ONE] employer through error makes a deduction and

1 erroneously pays contributions or interest on his employee [FROM HIS]
2 wages in excess of the wages subject to contributions during a calendar
3 year, the amount of deductions erroneously paid may be requested by
4 the employer as an adjustment or refund as prescribed by sec. 225(a)
5 of this chapter. Employee deductions in excess of the wage subject to
6 contribution shall be refunded to the employee by the employer [IN
7 EXCESS OF THOSE REQUIRED BY THIS CHAPTER SHALL BE REFUNDED TO THE
8 EMPLOYEE BY THE COMMISSIONER UPON APPLICATION FOR THEM] in accordance
9 with regulations prescribed by the department [HIM]. [APPLICATION
10 MUST BE MADE DURING THE CALENDAR YEAR AFTER THE CALENDAR YEAR IN WHICH
11 THE DEDUCTIONS ARE MADE.]

12 * Sec. 3. AS 23.20.175(a) is repealed and re-enacted to read:

13 (a) For the purposes of secs. 165 and 170 of this chapter, after
14 December 31, 1973 and through December 31, 1978, wages do not include
15 that part of remuneration paid during any calendar year to an individual
16 by an employer or by his predecessor which is in excess of \$10,000.

17 * Sec. 4. AS 23.20.175(c) is repealed and re-enacted to read:

18 (c) For the purposes of secs. 165 and 170 of this chapter, after
19 December 31, 1978, wages do not include that part of remuneration paid
20 during any calendar year to an individual by an employer or by his
21 predecessor which is in excess of 75 per cent of the statewide average
22 annual wage.

23 * Sec. 5. AS 23.20.190 is amended by adding a new subsection to read:

24 (d) A person who fails to file a contribution report on the date
25 it is due may be required, at the discretion of the department, to
26 file a monthly contribution report, with payment, within 30 days of
27 the close of each month. This monthly contribution report is subject
28 to the same interest and penalty provisions as provided in secs.
29 185(a) and 190(a) of this chapter, but it may not be required for

1 longer than one year at a time.

2 * Sec. 6. AS 23.20.240 is amended by adding a new subsection to read:

3 (f) In this section, "employer" includes, but is not limited to,
4 an officer or employee of a corporation or a member or employee of a
5 partnership who, as an officer, employee, or member, is under a duty
6 to perform the act in respect to which the violation occurs.

7 * Sec. 7. AS 23.20.285(b) is amended to read:

8 (b) For the purpose of computing quarterly decline quotients,
9 the department may, by regulation, prescribe (1) the manner in which
10 wages paid in the form of annual bonuses or other lump-sum payments
11 for service performed over a period of more than three months are
12 apportioned among the calendar quarters of the calendar year in which
13 the service was performed; and (2) the method for making adjustments
14 in quarterly payrolls to eliminate the effect upon quarterly decline
15 quotients resulting from unemployment which would not be compensable
16 by reason of the labor dispute provision of sec. 383 [380(9)] of this
17 chapter.

18 * Sec. 8. AS 23.20.290(c) is amended to read:

19 (c) The rate of contributions payable by each eligible employer
20 beginning January 1, 1981 [1974] and for each succeeding calendar year
21 [THEREAFTER] is the rate opposite the rate class in that column of the
22 table in this subsection [SECTION] which is appropriate for the calendar
23 year as determined by the reserve multiple of the fund on September 30
24 of the preceeding calendar year. The rate of contributions beginning
25 January 1, 1979 and through December 31, 1980, is set out in column G
26 of the table.

A	B	C	D	E	F	G	H	I	J	K	L
Rate	Employer's										
Class	Cumulative	If the Reserve Multiple of the Fund is:									

	Payroll	Equal to or										
	Limits											
	(Per cent	More										
	of State	Than	.33	.67	.85	1.0	1.15	1.35	1.5	2.0	3.0	
	Total											
	Ratable	Less										
	Payroll)	Than	.33	.67	.85	1.0	1.15	1.35	1.5	2.0	3.0	
	Equal to											
	More	or Less										
	Than	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
			.8	.8	.7	.7	.6	.6	.5	.5	.4	.3

* Sec. 9. AS 23.20.290(d) is amended to read:

(d) Beginning January 1, 1981 [1974] and for each succeeding calendar year the rate of contributions payable by each employee of a subject employer is 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. The rate of contributions beginning January 1, 1979 and through December 31, 1980, is set out in column G of the table.

1 * Sec. 10. AS 23.20.340(a) is amended to read:

2 (a) An examiner designated by the department shall take the
3 claim. The examiner shall take all evidence pertaining to the monetary
4 eligibility of the claimant and [AN INITIAL DETERMINATION ON THE CLAIM
5 SHALL BE MADE PROMPTLY AND SHALL INCLUDE A DETERMINATION WITH RESPECT
6 TO WHETHER BENEFITS ARE PAYABLE, THE WEEKLY BENEFIT AMOUNT PAYABLE,
7 AND THE MAXIMUM DURATION OF BENEFITS. WHEN THE PAYMENT OR DENIAL OF
8 BENEFITS IS DETERMINED BY SEC. 380(9) OF THIS CHAPTER. THE EXAMINER]
9 shall promptly transmit all evidence [WITH RESPECT TO THAT SECTION] to
10 the department. The department, or a representative designated by it
11 for the purpose, shall, on the basis of the evidence submitted and any
12 [THE] additional evidence it requires, make an initial monetary deter-
13 mination of [AS TO] the claim as to whether the claimant is eligible
14 for benefits under sec. 350 of this chapter and the weekly benefit
15 rate class.

16 * Sec. 11. AS 23.20.340(b) is amended to read:

17 (b) Within one year from the date of the initial monetary deter-
18 mination, the department, on its motion, may reconsider the monetary
19 determination if it finds an error in computation or identity or finds
20 that additional wages pertinent to the claimant's insured status
21 become available, or that the initial monetary determination is a
22 result of a nondisclosure or misrepresentation of a material fact.

23 * Sec. 12. AS 23.20.340(c) is amended to read:

24 (c) The claimant [AND OTHER PARTIES TO THE DETERMINATION] shall
25 be promptly notified of the initial monetary determination (or of an
26 amended initial monetary determination) and the reasons for it.

27 * Sec. 13. AS 23.20.340(d) is amended to read:

28 (d) Unless the claimant is determined to be disqualified for
29 benefits under secs. 375 - 388 of this chapter, benefits [BENEFITS]

1 shall be promptly paid or denied in accordance with the initial
2 monetary determination.

3 * Sec. 14. AS 23.20.340(e) is amended to read:

4 (e) The claimant [OR OTHER PARTY TO THE DETERMINATION] may file
5 an appeal from the initial monetary determination within 10 days after
6 notification of the determination, or after the date the notice is
7 mailed to his last [KNOWN] address of record. If the claimant is
8 eligible for benefits under sec. 350 of this chapter [BENEFITS ARE
9 ALLOWED BY THE INITIAL DETERMINATION], but the record of the case
10 indicates that a disqualification under secs. 375 - 388 exists [HAS
11 BEEN ALLEGED] or may exist, benefits may not be paid before a determina-
12 tion of the disqualification has been made [THE EXPIRATION OF THE
13 PERIOD FOR APPEAL].

14 * Sec. 15. AS 23.20.340(f) is repealed and re-enacted to read:

15 (f) If a determination of disqualification under secs. 375 - 388
16 of this chapter is made, the claimant shall be promptly notified of
17 the denial and the reasons for it and may appeal the determination in
18 the same manner prescribed in this chapter for appeals of initial
19 monetary determinations. Benefits may not be paid while a determina-
20 tion of disqualification is being appealed. If a final appeal deci-
21 sion allows benefits to the claimant, those benefits must be paid
22 promptly.

23 * Sec. 16. AS 23.20.340(g) is repealed.

24 * Sec. 17. AS 23.20.350(a) is amended to read:

25 (a) To be eligible [QUALIFY] for benefits an individual must
26 [SHALL] have earned wages in his base period totaling not less than
27 \$1,450 [\$750] of which at least \$400 [\$100] must have been earned in
28 a calendar quarter other than the calendar quarter of his base period
29 in which he earned the highest amount of wages, and at least eight

1 times the weekly benefit amount must [SHALL] have been earned in
2 employment, whether or not covered by this chapter, subsequent to the
3 beginning of a preceding benefit year.

4 * Sec. 18. AS 23.20.350(b) is repealed and re-enacted to read:

5 (b) Except as provided in (a) of this section, an individual's
6 weekly benefit amount is determined in the following manner. Each
7 claimant will be given a weekly benefit rate class (column A) based on
8 his total base period wages (column B). This establishes his corre-
9 sponding weekly benefit factor (column C) for his benefit year. An
10 individual's benefit amount for a given week is determined by multi-
11 plying his established weekly benefit factor times the average annual
12 wage of the state in which the individual filed his claim for benefits
13 for that week. If the benefit amount is not a multiple of \$1, it is
14 computed to the next higher multiple of \$1. The average annual wage
15 for each state shall be determined by the department in accordance
16 with regulations adopted by it. The average annual wage for each
17 state shall be determined after June 30 and before December 15 of each
18 year based on the four consecutive calendar quarters ending June 30.
19 This determination is the applicable average annual wage for the
20 period beginning with January 1 of the next year and ending December
21 31.

22 Column A	Column B	Column C
23 Weekly	Total Base Period	Weekley Benefit
24 Benefit	Wages (Expressed as a	Factor
25 Rate Class	proportion of the statewide	
26	average annual wage)	
27 0	0 - .0499	0
28 1	.05 - .0799	.00208
29 2	.08 - .1199	.00224

1	3	.12 - .1599	.00248
2	4	.16 - .1999	.00272
3	5	.20 - .2399	.00296
4	6	.24 - .2799	.00320
5	7	.28 - .3199	.00352
6	8	.32 - .3599	.00384
7	9	.36 - .3999	.00416
8	10	.40 - .4299	.00448
9	11	.44 - .4799	.00476
10	12	.48 - .5199	.00504
11	13	.52 - .5599	.00532
12	14	.56 - .5999	.00560
13	15	.60 - .6399	.00576
14	16	.64 - .6799	.00588
15	17	.68 - .7199	.00596
16	18	.72 - and above	.00600

17 * Sec. 19. AS 23.20.350(c) is repealed and re-enacted to read:

18 (c) The maximum duration of benefits payable under this chapter
19 is uniform for all claimants and is the equivalent of compensation for
20 26 weeks of total unemployment.

21 * Sec. 20. AS 23.20.350(d) is repealed.

22 * Sec. 21. AS 23.20.360 is amended to read:

23 Sec. 23.20.360. EARNINGS DEDUCTED FROM WEEKLY BENEFIT AMOUNT.

24 An eligible individual who is unemployed in a week shall be paid with
25 respect to that week a benefit in an amount equal to his [BASIC OR
26 AUGMENTED] weekly benefit amount less that part of the remuneration,
27 whether or not covered by this chapter, payable to him with respect to
28 that week which is in excess of \$50 [\$10 OR ONE-HALF OF HIS BASIC
29 WEEKLY BENEFIT AMOUNT, WHICHEVER AMOUNT IS GREATER]. If the adjusted

1 benefit amount is not a multiple of \$1, it is computed to the next
2 higher multiple of \$1.

3 * Sec. 22. AS 23.20.370 is amended to read:

4 Sec. 23.20.370. BENEFITS OF DECEDENT OR INCOMPETENT. Benefits
5 due and payable to a deceased or judicially declared incompetent
6 person shall be paid, in accordance with regulations prescribed by the
7 department, to persons in the following order: spouse, child, [OR]
8 parent, sister or brother, aunt or uncle, payment to whom the depart-
9 ment finds will best carry out the purposes of this chapter. The
10 regulations need not conform to the statutes applicable to the descent
11 and distribution of decedent's estates. A receipt from the person to
12 whom the department makes payment fully discharges the fund and the
13 department from liability for the benefits.

14 * Sec. 23. AS 23.20.375(a) is amended to read:

15 Sec. 23.20.375. QUALIFICATION [ELIGIBILITY] FOR BENEFITS. (a)
16 An insured worker is qualified [ELIGIBLE] for and shall receive wait-
17 ing-week credit or benefits, as the case may be, for a week of his
18 unemployment with respect to which he has not been determined to be
19 disqualified under secs. 378 - 388 [SEC. 380] of this chapter, if [THE
20 WORKER HAS], in accordance with regulations prescribed by the depart-
21 ment, the worker has, with respect to the week:[,]

22 (1) filed a notice of his unemployment;

23 (2) registered for work; [AND]

24 (3) agreed to accept the prevailing wage for his work in the
25 area in which he is filing; and

26 (4) certified for waiting-week credit or filed a claim for
27 benefits, as the case may be.

28 * Sec. 24. AS 23.20.375 is amended by adding a new subsection to read:

29 (d) An insured worker may register for work with a referral

1 agency other than the department if that agency has a referral agree-
2 ment with the department made in accordance with regulations prescribed
3 by the department.

4 * Sec. 25. AS 23.20 is amended by adding new sections to read:

5 Sec. 23.20.378. ABLE AND AVAILABLE. (a) An insured worker is
6 disqualified for waiting-week credit or benefits for a week of his
7 unemployment if, with respect to that week, the department finds that
8 he was not able to work, not available for suitable work, or not
9 actively seeking work. An insured worker is not considered disqualified
10 for waiting-week credit or benefits for a week of his unemployment
11 because of failure to comply with the provisions of this section if:

12 (1) he is unable to work because he is ill or disabled or
13 he resides in the state and is not available for work because of his
14 noncommercial fishing and hunting necessary for the survival of himself
15 or his dependents; and

16 (2) the condition described in (1) of this subsection
17 occurs during an uninterrupted period of unemployment which follows a
18 week for which he filed a compensable claim and no suitable work was
19 offered him for any part of that week before the beginning of the
20 fishing, hunting, illness, or disability; however, a waiver of dis-
21 qualification on the basis of illness is only available for a maximum
22 of four consecutive weeks.

23 (b) An insured worker is not disqualified for waiting-week
24 credit or benefits for a week of unemployment if, with respect to that
25 week and at the discretion of the local employment security supervisor,
26 mandatory work search is waived due to a lack of work in the area.

27 Sec. 23.20.379. VOLUNTARY QUIT, DISCHARGE FOR MISCONDUCT, AND
28 REFUSAL OF WORK. (a) An insured worker is disqualified for waiting-
29 week credit or benefits for a week of his unemployment if he:

1 (1) left his last suitable work voluntarily without good
2 cause;

3 (2) was discharged or suspended for misconduct connected
4 with his last work;

5 (3) failed without good cause to apply for available suit-
6 able work to which he was referred by the employment office or other
7 referral agency which has an agreement with the department under sec.
8 375(d) of this chapter during a week claimed; or

9 (4) failed to accept suitable work when offered to him
10 during a week claimed.

11 (b) The disqualification provided in (a) of this section con-
12 tinues until terminated by one of the following:

13 (1) the individual has filed claims for six otherwise com-
14 pensable weeks of unemployment subsequent to the date the disqualify-
15 ing act occurred; or

16 (2) the individual has returned to full time covered employ-
17 ment and earned at least six times his weekly benefit amount.

18 * Sec. 26. AS 23.20.380 is repealed.

19 * Sec. 27. AS 23.20.381 is amended by adding new subsections to read:

20 (e) An insured worker is disqualified for benefits if the depart-
21 ment finds that after 26 weeks of continuous unemployment the indivi-
22 dual will not accept available training or employment for which he is
23 fit by training, or experience and physically capable of performing.

24 (f) An insured worker is disqualified for waiting-week credit or
25 benefits for a week of unemployment if, with respect to that week, the
26 department finds that for the week or any part of it he has received
27 or is seeking unemployment benefits under another unemployment security
28 law in a manner other than in accordance with the reciprocal arrange-
29 ments between the department and other states or the federal government.

1 If the appropriate agency makes a final determination that the worker
2 is not entitled to benefits under the other law, this subsection does
3 not apply.

4 (g) An insured worker whose occupation has been abolished due to
5 technological changes, as certified by the employment service office,
6 must be willing to be placed in any job for which he is fit by training
7 or experience, or he must be willing to be placed in a training program.
8 Failure of such an insured worker to comply with the requirements of
9 this section disqualifies him from benefits.

10 * Sec. 28. AS 23.20 is amended by adding a new section to read:

11 Sec. 23.20.383. LABOR DISPUTE DISQUALIFICATION. (a) An insured
12 worker is disqualified for waiting-week credit or benefits for a week
13 of his unemployment if, with respect to that week, the department
14 finds his unemployment is due to a stoppage of work because of a labor
15 dispute at the immediate factory, establishment, or other premises at
16 which he is or was last employed. For the purposes of this section,
17 each separate department of the same premises which is commonly con-
18 ducted as a separate business in separate premises is considered a
19 separate factory, establishment, or other premises.

20 (b) This section does not apply if the department finds that:

21 (1) the insured worker was not participating in or directly
22 interested in the labor dispute which caused the stoppage of work, and
23 he did not belong to a grade or class of workers of which, immediately
24 before the commencement of the stoppage, had members employed at the
25 premises at which the stoppage occurred and which had one or more
26 members participating in or directly interested in the dispute; or

27 (2) the labor dispute was caused by the failure or refusal
28 of an employer to conform to the provisions of an agreement or con-
29 tract between the employer and employee, or a law of the state or of

1 the United States pertaining to hours, wages or other conditions of
2 work.

3 * Sec. 29. AS 23.20.385 is amended by adding a new subsection to read:

4 (d) After 26 compensable weeks, and subject to the provisions of
5 this section, suitable work includes any employment for which the
6 claimant is fit by training or experience and physically capable of
7 performing.

8 * Sec. 30. AS 23.20 is amended by adding new sections to read:

9 Sec. 23.20.387. DISQUALIFICATION FOR MISREPRESENTATION. (a) An
10 individual is disqualified for benefits for a period not to exceed 26
11 weeks if the department finds that the individual has wilfully made a
12 false statement or misrepresentation or wilfully failed to report a
13 material fact in order to obtain any benefits under this chapter. The
14 length of this period of disqualification and the time when this
15 period begins shall be determined at the department's discretion,
16 according to the circumstances in each case. The department may waive
17 this disqualification wholly or in part as it considers proper and
18 equitable.

19 (b) No person may be disqualified from receiving benefits under
20 this provision unless there is clear evidence that he has made a false
21 statement or a misrepresentation of material fact or has failed to
22 disclose the material facts with the intent to defraud. There must be
23 evidence of an intention to defraud and the act must be wilfull and
24 knowing and must involve material facts before a determination of
25 fraudulent misrepresentation or nondisclosure may be made.

26 Sec. 23.20.388. DISQUALIFICATION FOR BENEFITS UPON CONVICTION OF
27 FRAUD IN OBTAINING BENEFITS. (a) A person who is guilty of making a
28 false statement or misrepresentation knowing it is false or of knowingly
29 failing to disclose a material fact to obtain any benefits or other

1 payments under this chapter, in addition to any penalties imposed by
2 the court, is:

3 (1) disqualified for any further benefit payments in a cur-
4 rent benefit year starting with the week number in which the conviction
5 occurred;

6 (2) disqualified for benefits based upon wages paid to him
7 in the calendar quarter in which he was convicted and on all prior
8 calendar quarters of wages which have not been used in a benefit
9 determination; and

10 (3) disqualified for benefits in any new benefit year after
11 the conviction until he has reimbursed the fund for the full amount he
12 received as a result of the false statement or misrepresentation or
13 failure to report a material fact; however, if he is otherwise eligible
14 for benefits under sec. 350 of this chapter, he may file for benefits
15 and arrange to offset the full amount for which he is liable from his
16 future benefits payable.

17 (b) The provisions of this section are in addition and supple-
18 mental to all other provisions of this chapter pertaining to dis-
19 qualifications and recovery of improper payment.

20 * Sec. 31. AS 23.20.390(b) is amended to read:

21 (b) As soon as the department has knowledge of payments of bene-
22 fits to an individual under the circumstances mentioned in this section,
23 it shall promptly prepare and deliver or mail to the individual at his
24 last [KNOWN] address of record a notice of determination of liability
25 declaring that the individual has been determined liable to refund the
26 amount of benefits paid under the circumstances mentioned in this
27 section. The amount, if not previously collected, shall be deducted
28 from future benefits payable to the individual. However, if the
29 department determines that an individual has died, or has acted in

1 good faith in claiming and receiving benefits to which he was not
2 entitled, or [AND] that great hardship would result from charging the
3 individual with repayment of the benefits, the department may absolve
4 the individual from liability to the fund for repayment of the benefits.

5 * Sec. 32. AS 23.20.407(b) is amended to read:

6 (b) The total extended benefit amount payable to any eligible
7 individual with respect to his applicable benefit year is the least of
8 the following amounts:

9 (1) 50 per cent of the total amount of regular benefits [,
10 INCLUDING DEPENDENTS' ALLOWANCES,] which were payable to him under
11 this chapter in his applicable benefit year;

12 (2) 13 weeks of compensation for [TIMES HIS AVERAGE WEEKLY
13 BENEFIT AMOUNT, INCLUDING DEPENDENTS' ALLOWANCES, WHICH WAS PAYABLE TO
14 HIM UNDER THIS CHAPTER FOR A WEEK OF] total unemployment in the appli-
15 cable benefit year; or

16 (3) 39 weeks of compensation for [TIMES HIS AVERAGE WEEKLY
17 BENEFIT AMOUNT, INCLUDING DEPENDENTS' ALLOWANCES, WHICH WAS PAYABLE TO
18 HIM UNDER THIS CHAPTER FOR A WEEK OF] total unemployment in the appli-
19 cable benefit year, reduced by the compensation for total unemployment
20 for the number of weeks [TOTAL AMOUNT] of regular benefits which were
21 paid or considered paid to him under this chapter with respect to the
22 benefit year.

23 * Sec. 33. AS 23.20.415(a) is amended to read:

24 (a) A party entitled to notice of determination provided in sec.
25 340 of this chapter may file an appeal from the determination to an
26 appeal tribunal within the time specified in that section. However,
27 an appeal from a determination which involves sec. 383 [380(9)] of
28 this chapter shall be made to the department. The parties to an
29 appeal from a determination shall include all those entitled to notice

1 of the determination and a properly designated representative of the
2 department.

3 * Sec. 34. AS 23.20.420 is amended by adding a new subsection to read:

4 (e) Hearings under this section shall be held in population and
5 transportation centers which are reasonably accessible to the parties
6 as determined by the department. If a party does not wish to travel
7 to the designated hearing location, he may reply to a written inter-
8 rogatory form or submit a brief.

9 * Sec. 35. AS 23.20.435(a) is amended to read:

10 (a) An appeal to the department by a party is a matter of right
11 if the decision of the appeal tribunal reverses or modifies the deter-
12 mination of the department, or if a question arising under sec. 383
13 [380(9)] of this chapter is presented. In all other cases further
14 appeal to the department is permitted only at the discretion of the
15 department.

16 * Sec. 36. AS 23.20.520(12) is amended to read:

17 (12) "employing unit" means one or more departments or
18 other agencies of the state, a political subdivision of the state, an
19 individual, or a type of organization, partnership, association,
20 trust, estate, joint trust company, insurance company or domestic or
21 foreign corporation, or the receiver, referee in bankruptcy, trustee,
22 or successor of one of these, or the legal representative of a deceased
23 person, which has or subsequent to January 1, 1937, had one or more
24 individuals performing service for it withi the state; if an employing
25 unit maintains two or more separate establishments inside the state
26 which fall into different major divisions, as defined in the Standard
27 Industrial Classification Manual, each such establishment is considered
28 as a separate employing unit for the purpose of this chapter; [AN
29 INDIVIDUAL PERFORMING SERVICES INSIDE THE STATE FOR AN EMPLOYING UNIT

1 WHICH MAINTAINS TWO OR MORE SEPARATE ESTABLISHMENTS INSIDE THE STATE
2 IS CONSIDERED AS EMPLOYED BY A SINGLE EMPLOYING UNIT FOR THE PURPOSES
3 OF THIS CHAPTER;] notwithstanding any provision in this chapter, any
4 employing unit which employs individuals whose services must be covered
5 by the unemployment insurance laws of this state after December 31,
6 1971 as a condition of approval of the unemployment insurance laws of
7 this state under sec. 3304(a) of the U.S. Internal Revenue Code of
8 1954, as amended, will be considered an employer as to those indivi-
9 duals and is subject to contributions on all wages paid after December
10 31, 1971, or reimbursement payments to cover benefits paid based on
11 services performed after December 31, 1971, depending on the applicable
12 law;

13 * Sec. 37. Section 1 of this Act takes effect immediately in accordance
14 with AS 01.10.070(c) and is retroactive to March 1, 1978.

15 * Sec. 38. Sections 10 - 16, 22 - 31, 33 - 35 take effect on July 1,
16 1978.

17 * Sec. 39. Sections 2 - 9, 21, and 36 take effect on January 1, 1979.

18 * Sec. 40. Sections 17 - 20 and 32 take effect on January 1, 1979 and
19 are applicable to all individuals establishing a benefit year on or after
20 that date.

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Introduced: 5/25/77
Referred: Labor & Management
and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 550

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST 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:

9 * Section 1. AS 23.20.020 is repealed and re-enacted to read:

10 Sec. 23.20.020. MAINTENANCE AND PROTECTION OF THE FUND. There
11 shall be provided in the fund a reserve against the liability in
12 future years to pay benefits. Whenever the reserve multiple, as defined
13 in sec. 310(6) of this chapter, drops below 0.8 for two successive
14 quarters, the department shall prepare for presentation to the governor
15 and the legislature alternative legislative proposals to protect the
16 solvency of the fund. At the end of every five-year period in which
17 the reserve multiple does not drop below 0.8 for two successive quar-
18 ters the department shall present to the governor and the legislature
19 at least two legislative alternatives for maintaining benefit adequacy
20 and fund solvency under this chapter.

21 * Sec. 2. AS 23.20.100 is amended by adding a new subsection to read:

22 (b) The department may adopt regulations for the maintenance of
23 health, efficiency, safety, and order in the public employment offices.

24 * Sec. 3. AS 23.20.165(e) is amended to read:

25 (e) An employer shall maintain a record of the amount deducted
26 from the wages of each of his employees[,] and shall furnish a state-
27 ment of the deductions to each employee at the times and in the manner
28 the commissioner prescribes by regulation. No deduction may be made
29 from those wages paid to an employee during a calendar year which are

1 in excess of the wages subject to contributions under sec. 175 of this
2 chapter. If an [EMPLOYEE IN THE EMPLOY OF TWO OR MORE EMPLOYERS EARNS
3 WAGES IN ONE CALENDAR YEAR TOTALING MORE THAN THE WAGES SUBJECT TO
4 CONTRIBUTIONS, OR IF ONE] employer through error makes a deduction and
5 erroneously pays contributions or interest on his employee [FROM HIS]
6 wages in excess of the wages subject to contributions during a calendar
7 year, the amount of deductions erroneously paid may be requested by
8 the employer as an adjustment or refund as prescribed by sec. 225(a)
9 of this chapter. Employee deductions in excess of the wage subject to
10 contribution shall be refunded to the employee by the employer [IN
11 EXCESS OF THOSE REQUIRED BY THIS CHAPTER SHALL BE REFUNDED TO THE
12 EMPLOYEE BY THE COMMISSIONER UPON APPLICATION FOR THEM] in accordance
13 with regulations prescribed by the department [HIM]. Application must
14 be made during the calendar year after the calendar year in which the
15 deductions are made.

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

17 (a) For the purposes of secs. 165 and 170 of this chapter, after
18 December 31, 1973 [1959] and through December 31, 1978 [1973], wages
19 do not include that part of remuneration which, after remuneration
20 equal to \$10,000 [\$7,200] has been paid in a calendar year to an indi-
21 vidual by an employer or his predecessor with respect to employment,
22 is paid to the individual by the employer during the calendar year
23 unless that part of the remuneration is subject to a tax under a
24 federal law imposing a tax against which credit may be taken for
25 contributions required to be paid into a state unemployment fund.

26 * Sec. 5. AS 23.20.175(c) is amended to read:

27 (c) For the purposes of secs. 165 and 170 of this chapter, after
28 December 31, 1978 [1973], wages do not include that part of remuner-
29 ation which, after remuneration equal to 75 per cent of the average

1 annual wage in Alaska as determined by the department [\$10,000] has
2 been paid in a calendar year to an individual by an employer or his
3 predecessor with respect to employment, is paid to the individual by
4 the employer during the calendar year unless that part of the remuneration
5 is subject to a tax under a federal law imposing a tax against
6 which a credit may be taken for contributions required to be paid into
7 a state unemployment fund.

8 * Sec. 6. AS 23.20.175 is amended by adding a new subsection to read:

9 (d) Beginning January 1, 1979 and for each succeeding calendar
10 year, the employer shall pay the rate of contributions determined
11 under sec. 290 of this chapter on his employees' earnings up to 50 per
12 cent of the average annual wage in Alaska as determined under (c) of
13 this section. The employee shall pay the rate of contributions on any
14 additional wages earned in the calendar year up to 75 per cent of the
15 average annual wage.

16 * Sec. 7. AS 23.20.180 is repealed and re-enacted to read:

17 Sec. 23.20.180. RECORDS AND ANALYSIS OF EXPERIENCE WITH UNEMPLOY-
18 MENT RISK. (a) The department shall use the payroll decline system
19 of experience rating until such time as the industrial growth rate in
20 Alaska, as determined by the department, is less than five per cent
21 annually for five successive years. At that time the department shall
22 review the experience rating systems to determine if another method
23 for determining employer tax rates would be more applicable to employers
24 in the state and shall submit at least two legislative alternatives to
25 the experience rating system to the governor and the legislature.

26 (b) For each calendar year the department shall maintain separate
27 accounts for each employer and claimant to obtain facts and studies
28 upon which the legislature may determine whether a new experience
29 rating system should be adopted.

1 * Sec. 8. AS 23.20.190 is amended by adding a new subsection to read:

2 (d) A person who fails to file a contribution report on the date
3 it is due may be required, at the discretion of the department, to
4 file a monthly contribution report, with payment, within 30 days of
5 the close of each month. This monthly contribution report is subject
6 to the same interest and penalty provisions as provided in secs. 185(a)
7 and 190(a) of this chapter, but may not be required for longer than
8 one year at a time.

9 * Sec. 9. AS 23.20.240 is amended by adding a new subsection to read:

10 (f) In this section, "employer" includes but is not limited to
11 an officer or employee of a corporation or a member or employee of a
12 partnership who, as an officer, employee, or member, is under a duty
13 to perform the act in respect to which the violation occurs.

14 * Sec. 10. AS 23.20.277(k) is amended to read:

15 (k) If a nonprofit organization is delinquent in making payments
16 in place of contributions as required under this section, the department
17 shall assess and collect the penalty provided in sec. 195 of this
18 chapter. Additionally, the department may terminate that organization's
19 election to make payments in place of contributions as of the beginning
20 of the next taxable year, and the termination is effective for that
21 and the following [NEXT] taxable year.

22 * Sec. 11. AS 23.20.285(b) is amended to read:

23 (b) For the purpose of computing quarterly decline quotients,
24 the department may, by regulation, prescribe (1) the manner in which
25 wages paid in the form of annual bonuses or other lump-sum payments
26 for service performed over a period of more than three months are
27 apportioned among the calendar quarters of the calendar year in which
28 the service was performed; and (2) the method for making adjustments
29 in quarterly payrolls to eliminate the effect upon quarterly decline

quotients resulting from unemployment which would not be compensable by reason of the labor dispute provision of sec. 383 [380(9)] of this chapter.

* Sec. 12. AS 23.20.290(c) is repealed and re-enacted to read:

(c) The rate of contributions payable by each eligible employer beginning January 1, 1981 and for each succeeding calendar year is the rate opposite the rate class in that column of the table in this subsection which is appropriate for the calendar year as determined by the reserve multiple of the fund on September 30 of the preceding calendar year. However, the rate of contributions beginning January 1, 1979 and through December 31, 1980, shall be as set out in column G of the table.

A	B	C	D	E	F	G	H	I	J	K	L	
Rate Class	Employer's Cumulative Payroll Limits (Per cent of State Total Ratable Payroll)	If the Reserve Multiple of the Fund is:										
		Equal to or More Than										
		Less Than										
		Equal to or Less Than										
1	0 10	3.4	3.0	2.6	2.2	1.9	1.6	1.4	1.2	.9	.9	
2	10 20	3.7	3.3	2.9	2.5	2.2	1.9	1.7	1.5	1.2	1.1	
3	20 30	4.0	3.6	3.2	2.8	2.5	2.2	2.0	1.8	1.5	1.3	
4	30 40	4.3	3.9	3.5	3.1	2.8	2.5	2.3	2.1	1.8	1.7	

1	5	40	50	4.8	4.4	4.0	3.6	3.3	3.0	2.8	2.6	2.3	2.1
2	6	50	60	5.1	4.7	4.3	3.9	3.6	3.3	3.1	2.9	2.6	2.3
3	7	60	70	5.4	5.0	4.6	4.2	3.9	3.6	3.4	3.2	2.9	2.5
4	8	70	80	5.6	5.2	4.8	4.4	4.1	3.8	3.6	3.4	3.1	2.7
5	9	80	90	5.7	5.3	4.9	4.5	4.2	3.9	3.7	3.5	3.2	3.0
6	10	90	100	5.9	5.5	5.1	4.7	4.4	4.1	3.9	3.7	3.4	3.1

7 * Sec. 13. AS 23.20.290(d) is repealed.

8 * Sec. 14. AS 23.20.340(a) is amended to read:

9 (a) An examiner designated by the department shall take the
10 claim. An initial determination on the claim shall be made promptly
11 and shall include a determination with respect to whether benefits are
12 payable, the weekly benefit amount payable, and the maximum duration
13 of benefits. When the payment or denial of benefits is determined by
14 sec. 383 [380(9)] of this chapter, the examiner shall promptly trans-
15 mit all evidence with respect to that section to the department. The
16 department, or a representative designated by it for the purpose,
17 shall, on the basis of the evidence submitted and the additional
18 evidence it requires, make an initial determination as to the claim.

19 * Sec. 15. AS 23.20.340(e) is amended to read:

20 (e) The claimant or other party to the determination may file an
21 appeal from the initial determination within 10 days after notification
22 of the determination, or after the date the notice is mailed to his
23 last known address. If benefits are allowed by the initial determina-
24 tion, but the record of the case indicates a disqualification has been
25 alleged or may exist, benefits may [NOT] be paid before the expiration
26 of the period for appeal if the claimant agrees to pay back to the
27 department any benefits which are subsequently denied or upheld as
28 denied on appeal.

29 * Sec. 16. AS 23.20.350(a) is amended to read:

1 (a) To qualify for benefits an individual must [SHALL] have
 2 earned wages in his base period totaling not less than \$1,450 [\$750]
 3 of which \$400 [\$100] must have been earned in other than the calendar
 4 quarter of his base period in which he earned the highest amount of
 5 wages, and at least eight times the weekly benefit amount must [SHALL]
 6 have been earned in employment, whether or not covered by this chapter,
 7 subsequent to the beginning of a preceding benefit year.

8 * Sec. 17. AS 23.20.350(b) is repealed and re-enacted to read:

9 (b) Except as provided in (a) of this section, an individual's
 10 weekly benefit amount is determined in the following manner. Each
 11 claimant will be given a weekly benefit rate class (column A) based on
 12 his total base period wages (column B). This establishes his corre-
 13 sponding weekly benefit factor (column C) for his benefit year. An
 14 individual's benefit amount for a given week is determined by multi-
 15 plying his established weekly benefit factor times the average annual
 16 wage for fiscal year 1977 of the state in which the individual filed
 17 his claim for benefits for that week. If the benefit amount is not a
 18 multiple of \$1, it is computed to the next higher multiple of \$1. The
 19 average annual wage for each state shall be determined by the depart-
 20 ment in accordance with regulations adopted by it.

21	Column A	Column B	Column C
22	Weekly	Total Base	Weekly
23	Benefit	Period Wages	Benefit
24	Rate Class	(\$)	Factor
25	0	0 - 1,449.99	0
26	1	1,450 - 1,999.99	.00208
27	2	2,000 - 2,999.99	.00224
28	3	3,000 - 3,999.99	.00230
29	4	4,000 - 4,999.99	.00256

1	5	5,000 - 5,999.99	.00272
2	6	6,000 - 6,999.99	.00296
3	7	7,000 - 7,999.99	.00328
4	8	8,000 - 8,999.99	.00360
5	9	9,000 - 9,999.99	.00400
6	10	10,000 - 10,999.99	.00440
7	11	11,000 - 11,999.99	.00480
8	12	12,000 - 12,999.99	.00520
9	13	13,000 - 13,999.99	.00544
10	14	14,000 - 14,999.99	.00564
11	15	15,000 - 15,999.99	.00576
12	16	16,000 - 16,999.99	.00588
13	17	17,000 - 17,999.99	.00596
14	18	18,000 - 18,999.99	.00600

15 * Sec. 18. AS 23.20.350(c) is repealed and re-enacted to read:

16 (c) The maximum duration of benefits payable under this chapter
 17 is uniform for all claimants and is the equivalent of compensation for
 18 26 weeks of total unemployment.

19 * Sec. 19. AS 23.20.350(d) is repealed.

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

21 Sec. 23.20.356. DEDUCTIONS FROM WEEKLY BENEFIT AMOUNT. If an
 22 eligible individual is not available for work for a full week, he
 23 shall be paid his weekly benefit amount reduced by one-seventh of that
 24 amount for each day he was unavailable for work. However, if he was
 25 unavailable for work for more than three days in a benefit week,
 26 benefits shall be denied for the entire week.

27 * Sec. 21. AS 23.20.360 is amended to read:

28 Sec. 23.20.360. EARNINGS DEDUCTED FROM WEEKLY BENEFIT AMOUNT.

29 An eligible individual who is unemployed in a week shall be paid with

1 respect to that week a benefit in an amount equal to his [BASIC OR
2 AUGMENTED] weekly benefit amount less that part of the remuneration,
3 whether or not covered by this chapter, payable to him with respect to
4 that week which is in excess of \$50 [\$10 OR ONE-HALF OF HIS BASIC
5 WEEKLY BENEFIT AMOUNT, WHICHEVER AMOUNT IS GREATER]. If the adjusted
6 benefit amount is not a multiple of \$1, it is computed to the next
7 higher multiple of \$1.

8 * Sec. 22. AS 23.20.370 is amended to read:

9 Sec. 23.20.370. BENEFITS OF DECEDENT OR INCOMPETENT. Benefits
10 due and payable to a deceased or judicially declared incompetent
11 person shall be paid, in accordance with regulations prescribed by the
12 department, to persons in the following order: spouse, child, [OR]
13 parent, sister or brother, or aunt or uncle, payment to whom the
14 department finds will best carry out the purposes of this chapter.
15 The regulations need not conform to the statutes applicable to the
16 descent and distribution of decedent's estates. A receipt from the
17 person to whom the department makes payment fully discharges the fund
18 and the department from liability for the benefits.

19 * Sec. 23. AS 23.20.375(a) is amended to read:

20 (a) An insured worker is eligible for and shall receive waiting-
21 week credit or benefits, as the case may be, for a week of his unemploy-
22 ment with respect to which he has not been determined to be disquali-
23 fied under secs. 378 - 389 [SEC. 380] of this chapter, if the worker
24 has, in accordance with regulations prescribed by the department with
25 respect to the week,

26 (1) filed a notice of his unemployment;

27 (2) registered for work; [AND]

28 (3) agreed to accept the prevailing wage in the area in
29 which he is filing; and

1 (4) certified for waiting-week credit or filed a claim for
2 benefits, as the case may be.

3 * Sec. 24. AS 23.20.375 is amended by adding a new subsection to read:

4 (d) An insured worker may register for work with a referral
5 agency other than the department if that agency has a referral agree-
6 ment with the department made in accordance with regulations prescribed
7 by the department.

8 * Sec. 25. AS 23.20 is amended by adding new sections to read:

9 Sec. 23.20.378. ABLE AND AVAILABLE. (a) An insured worker is
10 disqualified for waiting-week credit or benefits for a week of his
11 unemployment if, with respect to that week, the department finds that
12 he was not able to work, not available for suitable work, or not
13 actively seeking work. An insured worker may not be considered dis-
14 qualified for waiting-week credit or benefits for a week of his unemploy-
15 ment because of failure to comply with the provisions of this section
16 if:

17 (1) he is unable to work because he is ill or disabled or
18 he resides in the state and is not available for work because of his
19 noncommercial fishing and hunting necessary for the survival of himself
20 or his dependents; and

21 (2) the condition described in (1) of this subsection occurs
22 during an uninterrupted period of unemployment which follows a week
23 for which he filed a compensable claim and no suitable work was
24 offered him for any part of that week before the beginning of the fish-
25 ing, hunting, illness, or disability; however, a waiver of disqualifi-
26 cation on the basis of illness is only available for a maximum of four
27 consecutive weeks.

28 (b) An insured worker is not disqualified for waiting-week credit
29 or benefits for a week of unemployment if, with respect to that week

1 and at the discretion of the local employment security supervisor,
2 mandatory work search is waived due to a lack of work in the area.

3 Sec. 23.20.379. VOLUNTARY QUIT, DISCHARGE FOR MISCONDUCT, AND
4 REFUSAL OF WORK. (a) An insured worker is disqualified for waiting-
5 week credit or benefits for a week of his unemployment if he:

6 (1) left his last suitable work voluntarily without good
7 cause;

8 (2) was discharged or suspended for misconduct connected
9 with his last work;

10 (3) failed without good cause to apply for available suit-
11 able work to which he was referred by the employment office or other
12 referral agency which has an agreement with the department under sec.
13 375(d) of this chapter during a week claimed; or

14 (4) failed to accept suitable work when offered to him
15 during a week claimed.

16 (b) The disqualification provided in (a) of this section continues
17 until terminated by one of the following:

18 (1) the individual has filed claims for six otherwise com-
19 pensable weeks of unemployment subsequent to the date the disqualify-
20 ing act occurred; or

21 (2) the individual has returned to full time covered employ-
22 ment for at least two consecutive weeks.

23 * Sec. 26. AS 23.20.380 is repealed.

24 * Sec. 27. AS 23.20.381 is amended by adding new subsections to read:

25 (e) An insured worker is disqualified for benefits if the depart-
26 ment finds that after 39 weeks of continuous unemployment the individual
27 will not accept available training or any employment for which he is
28 fit by training or experience.

29 (f) An insured worker is disqualified for waiting-week credit or

1 benefits for a week of unemployment if, with respect to that week, the
2 department finds that for the week or any part of the week he has
3 received or is seeking unemployment benefits under another unemployment
4 security law in a manner other than in accordance with the reciprocal
5 arrangements between the department and other states or the federal
6 government. If the appropriate agency makes a final determination
7 that the worker is not entitled to benefits under the other law, this
8 subsection does not apply.

9 * Sec. 28. AS 23.20 is amended by adding a new section to read:

10 Sec. 23.20.383. LABOR DISPUTE DISQUALIFICATION. (a) An insured
11 worker is disqualified for waiting-week credit or benefits for a week
12 of his unemployment if, with respect to that week, the department
13 finds his unemployment is due to a stoppage of work because of a labor
14 dispute at the immediate factory, establishment, or other premises at
15 which he is or was last employed. For the purposes of this section,
16 each separate department of the same premises which is commonly con-
17 ducted as a separate business in separate premises is considered a
18 separate factory, establishment, or other premises.

19 (b) This section does not apply if the department finds that:

20 (1) the insured worker was not participating in or directly
21 interested in the labor dispute which caused the stoppage of work, and
22 he did not belong to a grade or class of workers of which, immediately
23 before the commencement of the stoppage, there were members employed
24 at the premises at which the stoppage occurred and of which one or
25 more members were participating in or directly interested in the
26 dispute; or

27 (2) the labor dispute was caused by the failure or refusal
28 of an employer to conform to the provisions of an agreement or con-
29 tract between the employer and employee, or a law of the state or of

1 the United States pertaining to hours, wages or other conditions of
2 work.

3 * Sec. 29. AS 23.20.385 is repealed and re-enacted to read:

4 Sec. 23.20.385. SUITABLE WORK. (a) For the purposes of this
5 chapter, "suitable work" means:

6 (1) for the first 13 compensable weeks of a claim, the
7 claimant's normal occupation in the labor force;

8 (2) for the period of 14 to 26 compensable weeks of a
9 claim, work in a field related to the claimant's normal occupation in
10 the labor force;

11 (3) after 26 weeks, any employment for which the claimant
12 is reasonably fit by training or experience.

13 (b) Work is not considered suitable and benefits may not be
14 denied under a provision of this chapter to an otherwise eligible
15 individual who refuses to accept new work under the following conditions

16 (1) if the position offered is vacant due directly to a
17 strike, lockout, or other labor dispute;

18 (2) if the wages, hours, or other conditions of the work
19 offered are substantially less favorable to the individual than those
20 prevailing for similar work in the locality; or

21 (3) if, as a condition of being employed, the individual
22 would be required to join a company union or to resign from or refrain
23 from joining a bona fide labor organization.

24 (c) In determining whether work is suitable for a claimant and
25 in determining the existence of good cause for leaving or refusing
26 work, the department shall, in addition to determining the existence
27 of any of the conditions specified in (b) of this section, consider
28 the degree of risk to the claimant's health, safety, and morals, his
29 physical fitness for the work, his prior training and experience, his

1 prior earnings, the length of his unemployment, his prospects for
2 obtaining work at his highest skill, the distance of the available
3 work from his residence, his prospects for obtaining local work, and
4 other factors which would influence a reasonably prudent person in the
5 claimant's circumstances.

6 (d) In applying this section, the department shall give it the
7 same meaning as that given to sec. 3304(a)(5) of the Internal Revenue
8 Code of 1954, as amended, by the United States Secretary of Labor.

9 * Sec. 30. AS 23.20 is amended by adding new sections to read:

10 Sec. 23.20.387. DISQUALIFICATION FOR MISREPRESENTATION. (a) An
11 individual is disqualified for benefits for a period not to exceed 26
12 weeks if the department finds that the individual has wilfully made a
13 false statement or misrepresentation or wilfully failed to report a
14 material fact in order to obtain any benefits under this chapter. The
15 length of this period of disqualification and the time when this
16 period begins shall be determined at the department's discretion,
17 according to the circumstances in each case. The department may waive
18 this disqualification wholly or in part as it considers proper and
19 equitable.

20 (b) No person may be disqualified from receiving benefits under
21 this provision unless there is clear evidence that he has made a false
22 statement or a misrepresentation of material fact or has failed to
23 disclose the material facts with the intent to defraud. There must be
24 evidenced intention to defraud and the act must be wilfull and knowing
25 and must involve material facts before a determination of fraudulent
26 misrepresentation or nondisclosure may be made.

27 Sec. 23.20.388. INELIGIBILITY FOR BENEFITS UPON CONVICTION OF
28 FRAUD IN OBTAINING BENEFITS. (a) Upon conviction of any person by a
29 court of competent jurisdiction of wilfully making a false statement

1 or misrepresentation or of wilfully failing to report a material fact
2 to obtain any benefits under this chapter, and in addition to any
3 penalties imposed by the court, that person is:

4 (1) ineligible for any further benefit payments in a cur-
5 rent benefit year starting with the week number in which the conviction
6 occurred;

7 (2) ineligible for benefits based upon wages paid to him in
8 the calendar quarter in which he was convicted and on all prior cal-
9 endar quarters of wages which have not been used in a benefit deter-
10 mination; and

11 (3) ineligible for benefits in any new benefit year after
12 the conviction until he has reimbursed the fund for the full amount he
13 received as a result of the false statement or misrepresentation or
14 failure to report a material fact.

15 (b) The provisions of this section are in addition and supple-
16 mental to all other provisions of this chapter pertaining to dis-
17 qualifications, ineligibility and recovery of improper payment.

18 Sec. 23.20.389. OCCUPATIONS ABOLISHED BY CHANGE. An insured
19 worker whose occupation has been abolished due to technological changes,
20 as certified by the employment service, must be willing to be placed
21 in any job for which he is fit by training or experience, or he must
22 be willing to be placed in a training program. Failure of such an
23 insured worker to comply with the requirements of this section dis-
24 qualifies him from benefits.

25 * Sec. 31. AS 23.20.390(b) is amended to read:

26 (b) As soon as the department has knowledge of payments of bene-
27 fits to an individual under the circumstances mentioned in this section,
28 it shall promptly prepare and deliver or mail to the individual at his
29 last known address a notice of determination of liability declaring

1 that the individual has been determined liable to refund the amount of
2 benefits paid under the circumstances mentioned in this section. The
3 amount, if not previously collected, shall be deducted from future
4 benefits payable to the individual. However, if the department deter-
5 mines that an individual has died, or has acted in good faith in
6 claiming and receiving benefits to which he was not entitled, or [AND]
7 that great hardship would result from charging the individual with
8 repayment of the benefits, the department may absolve the individual
9 from liability to the fund for repayment of the benefits.

10 * Sec. 32. AS 23.20.407(b) is amended to read:

11 (b) The total extended benefit amount payable to any eligible
12 individual with respect to his applicable benefit year is the least of
13 the following amounts:

14 (1) 50 per cent of the total amount of regular benefits [,
15 INCLUDING DEPENDENTS' ALLOWANCES,] which were payable to him under
16 this chapter in his applicable benefit year;

17 (2) 13 weeks of compensation for [TIMES HIS AVERAGE WEEKLY
18 BENEFIT AMOUNT, INCLUDING DEPENDENTS' ALLOWANCES, WHICH WAS PAYABLE TO
19 HIM UNDER THIS CHAPTER FOR A WEEK OF] total unemployment in the appli-
20 cable benefit year; or

21 (3) 39 weeks of compensation for [TIMES HIS AVERAGE WEEKLY
22 BENEFIT AMOUNT, INCLUDING DEPENDENTS' ALLOWANCES, WHICH WAS PAYABLE TO
23 HIM UNDER THIS CHAPTER FOR A WEEK OF] total unemployment in the appli-
24 cable benefit year, reduced by the compensation for total unemployment
25 for the number of weeks [TOTAL AMOUNT] of regular benefits which were
26 paid or considered paid to him under this chapter with respect to the
27 benefit year.

28 * Sec. 33. AS 23.20.415(a) is amended to read:

29 (a) A party entitled to notice of determination provided in sec.

1 340 of this chapter may file an appeal from the determination to an
2 appeal tribunal within the time specified in that section. However,
3 an appeal from a determination which involves sec. 383 [380(9)] of
4 this chapter shall be made to the department. The parties to an
5 appeal from a determination shall include all those entitled to notice
6 of the determination and a properly designated representative of the
7 department.

8 * Sec. 34. AS 23.20.420 is amended by adding a new subsection to read:

9 (e) Hearings under this section shall be held in population and
10 transportation centers which are reasonably accessible to the parties
11 as determined by the department. If a party does not wish to travel
12 to the designated hearing location, he may reply to a written inter-
13 rogatory form or submit a brief.

14 * Sec. 35. AS 23.20.435(a) is amended to read:

15 (a) An appeal to the department by a party is a matter of right
16 if the decision of the appeal tribunal reverses or modifies the deter-
17 mination of the department, or if a question arising under sec. 383
18 [380(9)] of this chapter is presented. In all other cases further
19 appeal to the department is permitted only at the discretion of the
20 department.

21 * Sec. 36. AS 23.20.520(12) is amended to read:

22 (12) "employing unit" means one or more departments or
23 other agencies of the state, a political subdivision of the state, an
24 individual, or a type of organization, partnership, association,
25 trust, estate, joint trust company, insurance company or domestic or
26 foreign corporation, or the receiver, referee in bankruptcy, trustee,
27 or successor of one of these, or the legal representative of a deceased
28 person, which has or subsequent to January 1, 1937, had one or more
29 individuals performing service for it within the state; if an employing

1 unit maintains two or more separate establishments inside the state
2 which fall into different major divisions, as defined in the Standard
3 Industrial Classification Manual, each such establishment is considered
4 as a separate employing unit for the purpose of this chapter; [AN
5 INDIVIDUAL PERFORMING SERVICES INSIDE THE STATE FOR AN EMPLOYING UNIT

6 WHICH MAINTAINS TWO OR MORE SEPARATE ESTABLISHMENTS INSIDE THE STATE

7 IS CONSIDERED AS EMPLOYED BY A SINGLE EMPLOYING UNIT FOR THE PURPOSES

8 OF THIS CHAPTER;] notwithstanding any provision in this chapter, any

9 employing unit which employs individuals whose services must be covered

10 by the unemployment insurance laws of this state after December 31,

11 1971 as a condition of approval of the unemployment insurance laws of

12 this state under sec. 3304(a) of the U.S. Internal Revenue Code of

13 1954, as amended, will be considered an employer as to those individuals

14 and is subject to contributions on all wages paid after December 31,

15 1971, or reimbursement payments to cover benefits paid based on services

16 performed after December 31, 1971, depending on the applicable law;

17 * Sec. 37. (a) Individuals first establishing a benefit year after

18 September 30, 1978, are entitled to receive a benefit amount as determined

19 under AS 23.20.350 as amended by this Act.

20 (b) Individuals having an established benefit year on October 1,

21 1978, and qualifying for benefits under AS 23.20.350 as amended by this Act

22 are eligible for the new benefit amount if it equals or exceeds their

23 original benefit determination. For these individuals the maximum number

24 of benefit payments receivable shall be reduced by the number of benefit

25 payments received in the individual's current benefit year before October

26 1, 1978. If an individual's weekly benefit amount would be reduced as a

27 result of the application of AS 23.20.350 as amended by this Act, the

28 individual is entitled to continue to receive the benefit amount and duration

29 of payments in effect at the start of his then current benefit year.

1 (c) Individuals who have an established benefit year on October 1,
2 1978, and who do not qualify for benefits under AS 23.20.350 as amended by
3 this Act are entitled to continue to receive the balance of any benefit
4 amount and duration of benefit payments still remaining in accordance with
5 the original determination issued at the start of their current benefit
6 year.

7 * Sec. 38. Secs. 1 - 10, 12, 13, and 36 take effect on January 1, 1979.

8 * Sec. 39. Secs. 11, 14, 15, 22 - 31, 33, and 35 take effect on July 1,
9 1978.

10 * Sec. 40. Secs. 16 - 21, 32, and 37 take effect on October 1, 1978.

11 * Sec. 41. Sec. 34 takes effect immediately in accordance with AS
12 01.10.070(c).

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THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

Recd
6/9/78

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSSS HB 550 (as amended, House Finance)¹

Title An Act Relating to Unemployment Insurance, and Providing for an Effective Date

Requested by House Finance Committee Date June 9, 1978

1 HB 602 included in this fiscal note.

II. FISCAL DETAIL

Agency Affected Labor

Program Category Affected Social Security

Budget Request Unit(s) Affected Employment Security

EXPENDITURES (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES	0	140.5	126.2	132.6	139.2	146.0
200 TRAVEL	0	1.8	1.9	2.0	2.1	2.2
300 CONTRACTUAL	0	50.3	34.4	36.1	37.9	39.8
400 COMMODITIES	0	1.7	1.1	1.2	1.2	1.3
500 EQUIPMENT	0	3.0	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
800 U.I. Benefits*	0	1300	1800	2000	2400	2700
TOTAL	0	1497.3	1963.6	2171.9	2580.4	2889.3

*Estimates of total state benefit costs. Amounts would be included in individual agency BRU's, based on agency costs.

FUNDING (Thousands of Dollars)

GENERAL FUND	0	1168.4	1531.3	1691.9	2020.7	2265.6
FEDERAL FUNDS	0	198.9	252.3	280.0	319.7	353.7
OTHER (Specify)	0	130.0	180.0	200.0	240.0	270.0

POSITIONS

FULL TIME	0	5	5	5	5	5
PART TIME	0	0	0	0	0	0
TEMPORARY	0	1	0	0	0	0

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

A. Assumptions

1. No other changes to AS 23.20.
2. State coverage is on a reimbursable basis.
3. State government costs are 1/2 those experienced in private business.
4. Includes full cost of Extended Benefits. Extended Benefit costs are estimated at 10% of the regular U.I. costs.
5. Growth in state employment is 4%.
6. Growth in average weekly wage is 5%.
7. Cost of administration will increase by a 5% inflation rate, annually.

IV. DATE June 9, 1978

PREPARED BY James M. Souby III

AGENCY Labor

PHONE 465-2793

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

B. Program Summary:

The amended version of CSSSHB 550 includes appeal time constraints (60 day resolution of Commissioner appeals) from HB 602 and a later effective date (January 1, 1979 vs. October 1, 1978). Agency analysis of these provisions as well as the agency experience with employee re-funds (which are not provided for by Federal funding) has led to the following summary:

1. Six additional positions; five permanent and one 9 month temporary will be required as follows:

<u>No.</u>	<u>Position Title</u>	<u>Step/Range</u>	<u>Location</u>	<u>Mo. Salary</u>
1.	EDP Programmer (temp)	18A G.F.	Juneau	1983
1	Appeals Referee II	19A G.F.	Anchorage	2136
1	Appeals Referee II	19A F.F.	Juneau	2136
1	Clerk Typist III	8B F.F.	Juneau	2136
2	Accounting Clerk III	10A G.F.	Juneau	1194 (X2)

C.F. = General Funds

F.F. = Federal Funds

Total Base Salaries	67,599	38,064
PSB @ 25,5% perm (9.4% temp)	14,365	9,076
FICA @ .0605XSALS 17,700	3,972	1,823
Health Ins. 3X 12X82.18	2,958	1,972
	88,892	51,565
Total		\$140,457

Other expenditures are identified as follows:

Travel

1. Appeals (General Funds)

<u>No. Trips</u>	<u>Origin</u>	<u>Destination</u>	<u>Airfare</u>	<u>Duration</u>	<u>Per Diem Rate</u>	<u>Total</u>
5	Anchorage	Fairbanks	\$ 97.26	.5	58	\$631.30
1	Anchorage	Nome	191.12	1.5	82	<u>314.12</u>
						\$945.42
2.	Appeals (Federal Funds)					
2	Juneau	Anchorage	\$163.00	1.5	50	\$476.00
3	Juneau	Ketchikan	90.88	.5	50	<u>347.64</u>
						\$823.64