

LEG. FINANCE - BILLS 1979 - 1980 1056

HB 177 cont. 1056

1 (ii) if that individual is not an employee of  
2 that other person within the meaning of paragraph (10) [(A)]  
3 of this subsection [PARAGRAPH];

4 \* Sec. 28. Chapter 122, sec. 27(a), SLA 1977 is amended to read:

5 (a) Notwithstanding the provisions of AS 23.20.350, benefits may  
6 be paid to an individual after December 31, 1977 on wages earned by  
7 that individual in a category of employment which was not covered  
8 under AS 23.20 at any time during calendar year 1975 and which was  
9 service which is covered under AS 23.20, effective January 1, 1978, as  
10 the result of enactment of sec. 18 [19] of this Act.

11 \* Sec. 29. AS 23.20.340(g) and 23.20.526(a)(19) are repealed.

12 \* Sec. 30. Sections 1, 7, 8, 10 - 21, 23 - 25 and 29 of this Act take  
13 effect on July 1, 1979.

14 \* Sec. 31. Sections 2 and 4 - 6 of this Act take effect immediately  
15 in accordance with AS 01.10.070(c).

16 \* Sec. 32. Sections 3, 9, 26, 27 and 28 of this Act take effect  
17 immediately in accordance with AS 01.10.070(c) and are retroactive to  
18 January 1, 1978.

19 \* Sec. 33. Section 22 of this Act takes effect immediately in accord-  
20 ance with AS 01.10.070(c) and is retroactive to March 3, 1977.

Introduced: 2/12/79  
Referred: Labor & Management and  
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 177

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST 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 23.20.045(b) is amended to read:

10 (b) Special rules may be adopted, amended, or rescinded by the  
11 department only after public hearing or opportunity to be heard on  
12 them, of which proper notice has been given. A special rule becomes  
13 effective 30 days after notification to or mailing to the last [KNOWN]  
14 address of record of the persons affected by it.

15 \* Sec. 2. AS 23.20.110 is amended by adding a new subsection to read:

16 (e) Upon request of an agency of this or another state which  
17 administers or operates a state plan for aid and services to needy  
18 families with children approved under Part A of Title IV of the  
19 Social Security Act, the department shall provide wage information  
20 which is necessary (as determined under regulations of the Secretary  
21 of Health, Education and Welfare) for the purposes of determining an  
22 individual's eligibility for aid or services, or the amount of that  
23 aid or those services.

24 \* Sec. 3. AS 23.20.115 is amended to read:

25 Sec. 23.20.115. UNAUTHORIZED DISCLOSURE OF INFORMATION. A  
26 member of the department, [OR] an employee of the department, or an  
27 agent of the department who, in violation of sec. 110 of this chapter,  
28 makes a disclosure of information obtained from an employing unit or  
29 from an individual in the administration of this chapter, or a person

1 who has obtained a list of applicants for work or of claimants or  
2 recipients of benefits under this chapter and who uses or permits the  
3 use of the list for a purpose not authorized by sec. 110 of this  
4 chapter, upon conviction, is punishable by a fine of not more than  
5 \$200, or by imprisonment for not more than 90 days, or by both.

6 \* Sec. 4. AS 23.20.130(b)(9) is amended to read:

7 (9) reimbursement of benefits paid under secs. 277 and [,]  
8 278 [AND 326] of this chapter, and reimbursement of benefits paid  
9 under sec. 326 of this chapter as it read prior to January 1, 1978; and

10 \* Sec. 5. AS 23.20.135 is amended to read:

11 Sec. 23.20.135. ACCOUNTS AND DEPOSIT. (a) The commissioner of  
12 revenue is ex officio the treasurer and custodian of the fund and  
13 shall administer it as directed by the department. Checks or warrants  
14 shall be issued on the fund in accordance with the regulations which  
15 the department prescribes. The [COMMISSIONER OF REVENUE SHALL MAIN-  
16 TAIN WITHIN THE] fund has three separate accounts:

- 17 (1) a clearing account;  
18 (2) an unemployment trust fund account; and  
19 (3) a benefit account.

20 (b) The department, or its designee, [SHALL FORWARD, UPON  
21 RECEIPT, ALL MONEY PAYABLE TO THE FUND TO THE COMMISSIONER OF REVENUE  
22 WHO] shall immediately deposit, upon receipt, all money payable to the  
23 fund [THEM] in the clearing account. Refunds of contributions errone-  
24 ously collected and payable under secs. 225 and 526(a)(11) [525(c)(11)]  
25 of this chapter may be paid from the clearing account in the same  
26 manner, if they were deposited in the unemployment compensation fund,  
27 or from the training and building fund; however, interest and penalty  
28 payments collected on and after June 30, 1969 may not be refunded from  
29 the unemployment compensation fund. After clearance, all money in the

1 clearing account shall be immediately deposited with the Secretary of  
2 the Treasury of the United States to the credit of the account of this  
3 state in the unemployment trust fund, established and maintained under  
4 sec. 904 of the Social Security Act, as amended.

5 (c) The benefit account consists of money requisitioned from  
6 this state's account in the unemployment trust fund for the purpose of  
7 paying benefits. Money in the clearing and benefit accounts may be  
8 deposited by the department's designee [COMMISSIONER OF REVENUE],  
9 under the direction of the department, in a bank or public depository  
10 in which general funds of the state may be deposited, but no public  
11 deposit insurance charge or premium may be paid out of the fund.  
12 Money in these accounts may not be commingled with other state funds,  
13 but shall be maintained in separate accounts on the books of the  
14 depository bank. The money is secured by the depository law of this  
15 state. Collateral pledged for this purpose shall be kept separate and  
16 distinct from collateral pledged to secure other funds of the state.  
17 The commissioner of revenue is liable on his official bond for the  
18 faithful performance of his duties in connection with the fund. Sums  
19 recovered for losses sustained by the fund shall be deposited in the  
20 fund.

21 \* Sec. 6. AS 23.20.145(b) is amended to read:

22 (b) The department shall from time to time requisition from the  
23 unemployment trust fund amounts not exceeding the amounts standing to  
24 the state's account in the fund which it considers necessary for the  
25 payment of benefits for a reasonable future period. Upon receipt of  
26 an amount the department [COMMISSIONER OF REVENUE] shall deposit the  
27 money to the benefit account. A check or warrant for the payment of  
28 benefits may be issued solely from the benefit account.

29 \* Sec. 7. AS 23.20.145(c) is amended to read:

1 (c) If money in the clearing account is not sufficient to provide  
2 for refunds of contributions erroneously collected and payable under  
3 secs. 225 and 526(a)(11) of this chapter, the department shall with-  
4 draw from the unemployment trust fund the amounts not exceeding the  
5 amount standing to this state's account in the fund which are necessary  
6 for the payment of the refunds, if the erroneously collected interest  
7 and penalties were deposited and retained in the unemployment compensa-  
8 tion fund, but no amounts may be withdrawn from the unemployment trust  
9 fund for the refund of interest and penalty payments collected on and  
10 after June 30, 1969. Upon receipt the department, or its designee,  
11 [COMMISSIONER OF REVENUE] shall deposit this money to the clearing  
12 account. A check or warrant for the payment of a refund shall be  
13 issued from the clearing account.

14 \* Sec. 8. AS 23.20.205(b) is amended to read:

15 (b) If the notice is served by mail the notice must be deposited  
16 in the post office, addressed to the delinquent employer at his last  
17 [KNOWN] address of record and the postage paid. The date of service  
18 is considered to be the day of delivery shown on the delivery receipt.  
19 However, if it appears the addressee is deliberately avoiding service,  
20 then the date of service is the day of mailing.

21 \* Sec. 9. AS 23.20.277(h) is amended to read:

22 (h) The amount due, specified in a bill from the department, is  
23 conclusive on the organization unless, not later than 15 days after  
24 the bill was mailed to its last [KNOWN] address of record or otherwise  
25 delivered to it, the organization files an application for redetermi-  
26 nation by the department, setting out the grounds for the application.  
27 The department shall promptly review and reconsider the amount due  
28 specified in the bill and shall thereafter issue a redetermination in  
29 any case in which an application for redetermination has been filed.

1 Any redetermination is conclusive on the organization unless, not  
2 later than 15 days after the redetermination was mailed to its last  
3 [KNOWN] address of record or otherwise delivered to it, the organiza-  
4 tion files an appeal to the commissioner, setting out the grounds for  
5 the appeal. Proceedings on appeal to the commissioner from the amount  
6 of a bill rendered under this subsection or a redetermination of the  
7 amount shall be in accordance with the provisions of secs. 410 - 470  
8 [455] of this chapter.

9 \* Sec. 10. AS 23.20.277(1) is amended to read:

10 (1) Each employer that is liable for payments in place of contri-  
11 butions shall pay to the department for the fund the amount of regular  
12 benefits plus the amount of one-half of extended benefits paid that  
13 are attributable to service in the employ of that [SUCH AN] employer.  
14 However, a government entity which has elected to make payments under  
15 this section is liable for the amount of regular benefits plus the  
16 full amount of extended benefits which are attributable to service in  
17 the employ of that entity. If benefits paid to an individual are  
18 based on wages paid by more than one employer and one or more of these  
19 employers are liable for payments in place of contributions, the  
20 amount payable to the fund by each employer that is liable for payments  
21 shall be determined by the department in accordance with regulations  
22 adopted [PROMULGATED] by the department.

23 \* Sec. 11. AS 23.20.280(a) is amended to read:

24 (a) An employer is [AND HIS EMPLOYEES ARE] eligible for a rate  
25 determination in accordance with the provisions of secs. 280 - 310 of  
26 this chapter and the department's [COMMISSIONER'S] regulations if the  
27 employer has been subject to this chapter throughout not less than the  
28 four consecutive calendar quarters ending with the computation date  
29 and remains subject to this chapter into the calendar quarter which

1 immediately precedes the effective date of the rate. No employer [OR  
2 EMPLOYEE] is eligible for a rate determination under secs. 280 - 310  
3 of this chapter if, with respect to a calendar quarter in or preceding  
4 his qualifying period, the employer has failed to file contribution or  
5 payroll reports or to pay contributions, interest and penalties  
6 required by this chapter within 60 days after the computation date or  
7 within 10 days after the department has mailed the employer written  
8 notice of the delinquency or of failure to file reports, or of both,  
9 by registered or certified mail to his last [KNOWN] address of record,  
10 whichever is the later date.

11 \* Sec. 12. AS 23.20.305(a) is amended to read:

12 (a) The department shall promptly notify each employer of his  
13 rate of contributions as determined for a calendar year under secs.  
14 280 - 310 of this chapter. The determination becomes conclusive upon  
15 the employer unless within 15 days after the notice is mailed to his  
16 last [KNOWN] address of record or delivered to him, the employer files  
17 an application for review and redetermination, setting out his reasons  
18 for the application.

19 \* Sec. 13. AS 23.20.305(c) is amended to read:

20 (c) If the commissioner denies a review, he shall notify the  
21 employer of the denial and the reasons for the denial. A redetermina-  
22 tion or a denial of review becomes final, unless within 30 days after  
23 the notice is mailed to the last [KNOWN] address of record of the  
24 employer, or delivered to him, the employer initiates [PETITION FOR]  
25 judicial review [IS FILED] in accordance with sec. 445 of this chapter.

26 \* Sec. 14. AS 23.20.315(c) is amended to read:

27 (c) The department shall mail or deliver a notice of its determi-  
28 nation made under (a) or (b) of this section to the last [KNOWN]  
29 address of record of the employing unit affected. The notice shall

1 include a statement of the supporting facts found by the department.

2 \* Sec. 15. AS 23.20.315(d) is amended to read:

3 (d) Within 15 days after a notice of a determination has been  
4 mailed or delivered to the last [KNOWN] address of record of an  
5 employing unit, the employing unit may apply to the department to  
6 reconsider its determination in the light of additional evidence and  
7 to issue a redetermination. The department shall, if the request is  
8 granted, mail or deliver to the last [KNOWN] address of record of  
9 the employing unit affected a notice of the redetermination. The  
10 notice shall include a statement of the supporting facts found by  
11 the department. If the department denies the request for redetermina-  
12 tion, it shall furnish a notice of the denial of the application.

13 \* Sec. 16. AS 23.20.315(e) is amended to read:

14 (e) Within 15 days after a notice of a determination made  
15 under (a), (b), or (d) of this section or a denial of the applica-  
16 tion under (d) of this section has been mailed or delivered to the  
17 last [KNOWN] address of record of an employing unit, the employing  
18 unit may appeal from the determination to the department. The depart-  
19 ment shall give the parties a reasonable opportunity for a fair  
20 hearing as provided in the case of hearings before appeal tribunals  
21 in secs. 410 - 470 of this chapter. The decision of the department  
22 is final unless, within 30 days after the decision is mailed or  
23 delivered to the last [KNOWN] address of record of a party, the  
24 party initiates judicial review in accordance with sec. 445 of this  
25 chapter.

26 \* Sec. 17. AS 23.20.340(a) is amended to read:

27 (a) An examiner designated by the department shall take the  
28 claim. The examiner shall take all evidence pertaining to the monetary  
29 eligibility of the claimant and [AN INITIAL DETERMINATION ON THE CLAIM

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

12 \* Sec. 18. AS 23.20.340(b) is amended to read:

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

19 \* Sec. 19. AS 23.20.340(c) is amended to read:

20 (c) The claimant [AND OTHER PARTIES TO THE DETERMINATION] shall  
21 be promptly notified of the initial monetary determination or a sub-  
22 sequent monetary redetermination [(OR OF AN AMENDED INITIAL DETERMINA-  
23 TION)] and the reasons for it.

24 \* Sec. 20. AS 23.20.340(d) is amended to read:

25 (d) Unless the claimant is determined to be disqualified for  
26 benefits under secs. 375, 380 and 381 of this chapter, benefits [BENE-  
27 FITS] shall be promptly paid [OR DENIED] in accordance with the initial  
28 monetary determination or subsequent redetermination.

29 \* Sec. 21. AS 23.20.340(e) is repealed and re-enacted to read:

1 (e) The claimant may file a request for redetermination of the  
2 initial monetary determination within 15 days after personal notifica-  
3 tion of the determination, or after the date the notice is mailed to  
4 his last address of record. The claimant may file an appeal from a  
5 monetary redetermination within 15 days after personal notification of  
6 the redetermination or after the date the redetermination is mailed to  
7 his last address of record. The period for filing an appeal may be  
8 extended for a reasonable period of time upon a showing that the  
9 application was delayed as a result of circumstances beyond the claim-  
10 ant's control.

11 \* Sec. 22. AS 23.20.340(f) is repealed and re-enacted to read:

12 (f) If a determination of disqualification under secs. 375, 380  
13 and 381 of this chapter is made, the claimant shall be promptly  
14 notified of the determination and the reasons for it. The claimant  
15 may appeal the determination in the same manner prescribed in this  
16 chapter for appeals of monetary redeterminations. Benefits may not be  
17 paid for any weeks with respect to which the determination of dis-  
18 qualification was made while a determination is being appealed. How-  
19 ever, if a decision on the appeal allows benefits to the claimant,  
20 those benefits must be paid promptly.

21 \* Sec. 23. AS 23.20.408(g) is repealed and re-enacted to read:

22 (g) There is a state "off" indicator for a week if, for the  
23 period consisting of that week and the immediately preceding 12 weeks,  
24 the rate of insured unemployment was either (1) less than four per  
25 cent; or (2) less than five per cent and was less than 120 per cent of  
26 the average of the rates of insured unemployment for the corresponding  
27 13-week period in each of the preceding two calendar years.

28 \* Sec. 24. AS 23.20.430 is amended to read:

29 Sec. 23.20.430. NOTICE OF DECISION AND TIME FOR APPEAL. After

1 a hearing an appeal tribunal shall promptly make findings and conclu-  
2 sions and on the basis of them shall affirm, modify, or reverse the  
3 determination. Each party shall be promptly given a copy of the  
4 decision, the supporting findings and the conclusions. This decision  
5 is final unless further review is initiated under sec. 435 of this  
6 chapter within 15 [10] days after the decision is mailed to each party  
7 at his last [KNOWN] address of record or delivered to him. The period  
8 within which further review may be initiated may be extended for a  
9 reasonable period of time upon a showing that the application was  
10 delayed as a result of circumstances beyond the party's control [GOOD  
11 CAUSE].

12 \* Sec. 25. AS 23.20.445 is amended to read:

13 Sec. 23.20.445. NOTICE OF DECISION OF DEPARTMENT AND JUDICIAL  
14 REVIEW. Each party, including the properly designated representative  
15 of the department, shall be promptly given a copy of the decision and  
16 the supporting findings and conclusions of the department. The  
17 decision is final unless a party initiates judicial review by filing  
18 an appeal [ACTION] in the superior court as provided in the applicable  
19 Rules of Appellate Procedure of the State of Alaska [FOR REVIEW WITHIN  
20 30 DAYS AFTER THE DEPARTMENT'S DECISION HAS BEEN MAILED TO EACH PARTY  
21 AT HIS LAST KNOWN ADDRESS, OR DELIVERED TO HIM]. For the purpose of  
22 judicial review, an appeal tribunal's decision from which an application  
23 for appeal has been denied by the department is considered the decision  
24 of the department, except that the time for initiating judicial review  
25 runs from the date of the mailing or delivery of the notice of the  
26 denial of the application for appeal by the department.

27 \* Sec. 26. AS 23.20.520(21) is amended to read:

28 (21) "waiting week" means the first week of unemployment  
29 for which an individual files a claim during his benefit year and for

1 which no disqualification is imposed under secs. 375, 380 and 381 of  
2 this chapter [OCCURRING IN A BENEFIT YEAR];

3 \* Sec. 27. AS 23.20.525(a)(5) is amended to read:

4 (5) service performed before January 1, 1978 in the employ  
5 of a political subdivision of this state or a wholly owned instrumental-  
6 ity of a political subdivision of this state, if coverage was elected  
7 under sec. 325 [OR SEC. 326] of this chapter or if coverage was elected  
8 under sec. 326 of this chapter as it read prior to January 1, 1978;

9 \* Sec. 28. AS 23.20.525(a)(16)(C)(ii) is amended to read:

10 (ii) if that individual is not an employee of  
11 that other person within the meaning of paragraph (10) [(A)]  
12 of this subsection [PARAGRAPH];

13 \* Sec. 29. Chapter 122, sec. 27(a), SLA 1977 is amended to read:

14 (a) Notwithstanding the provisions of AS 23.20.350, benefits may  
15 be paid to an individual after December 31, 1977 on wages earned by  
16 that individual in a category of employment which was not covered  
17 under AS 23.20 at any time during calendar year 1975 and which was  
18 service which is covered under AS 23.20, effective January 1, 1978, as  
19 the result of enactment of sec. 18 [19] of this Act.

20 \* Sec. 30. AS 23.20.340(g) and 23.20.526(a)(19) are repealed.

21 \* Sec. 31. Sections 1, 8, 9, 11 - 22, 24 - 26 and 30 of this Act take  
22 effect on July 1, 1979.

23 \* Sec. 32. Sections 2 - 3 and 5 - 7 of this Act take effect immediately  
24 in accordance with AS 01.10.070(c).

25 \* Sec. 33. Sections 4, 10, 27, 28 and 29 of this Act take effect  
26 immediately in accordance with AS 01.10.070(c) and are retroactive to  
27 January 1, 1978.

28 \* Sec. 34. Section 23 of this Act takes effect immediately in accord-  
29 ance with AS 01.10.070(c) and is retroactive to March 3, 1977.

*Material Provided by Sen. Ferguson*

AMENDMENT

OFFERED IN THE SENATE:

By: Senate Rules Committee

To: SCS SENATE BILL No. \_\_\_\_\_

HOUSE BILL No. 177

PAGE: 5

LINE: 11

Delete: 75

Insert: 60

## REPLY MEMO

State of Alaska

MESSAGE	REPLY
TO Senator Ferguson FROM: John E. Post, Chief Research & Analysis DATE 04-12-79	TO _____ DATE _____
<p>1) According to your bill, through 1985, the expected increase in benefits over the present program, under normal economic conditions, is 25.3%.</p> <p>2) At 75% of annual average wage, the expected increase in cost to employers under normal economic conditions is 41.5%. The lowest trust fund balance under a recession would be \$63.0 million.</p> <p>3) At 60% of annual average wage, the expected increase in cost to employers is 34.6%. The lowest expected trust fund balance in a recession would be \$45.0 million. This fund balance is adequate.</p>	<p><i>The cost of HB214 (as passed out of House Labor and Igt - with \$10 per dependent) is:</i></p> <p><i>1) AW Benefit Amount = \$119.86</i></p> <p><i>2) lowest balance = \$34.8 million</i></p> <p><i>3) total benefits = \$609.1m (up 40.8%)</i></p> <p><i>4) total contrib = \$739.3m (up 48.6%)</i></p>
<p>The reason the percent cost increase to employers (34.6%) is higher than the benefit cost increase (25.3%) is to allow for buildup of the trust fund.</p>	
<p>Attached are the trust fund runs. Call if you have questions.</p>	
<p><i>John E. Post</i></p>	

1. KEEP YELLOW COPY.

2. SEND WHITE AND PINK COPIES WITH CARBON INTACT.

1. WRITE REPLY. 2. DETACH STUD, KEEP PINK COPY, RETURN WHITE COPY TO SENATOR.

cc: Judy DuBois, Acting Deputy Commissioner  
 A. G. Zillig, Director, ESD

NO: NORMAL GROWTH  
 DESCRIPTION: CSIB177-FERG BENKOC,110 MAX,ER AT 90 100, TB=.75AAW,DA=20 FA  
 AYL: 5 APRIL 1979

YEAR	AVERAGE ANNUAL EARNINGS	TOTAL ANNUAL EARNINGS	AVERAGE WEEKLY WAGE	ANNUAL FIRST PAYS	AVERAGE DURATION	TAXABLE WAGE BASE	AVERAGE WEEKLY BENEFIT
1979	118,059	2,461,765,268	401	33,140	17.8	10,000	84.00
1980	123,943	2,758,475,408	428	32,828	17.6	0	108.43
1981	131,040	3,120,848,640	458	34,512	17.5	0	110.43
1982	138,322	3,524,444,560	490	37,304	17.7	0	112.43
1983	146,312	3,986,709,376	524	39,492	17.7	0	113.43
1984	155,007	4,521,864,204	561	42,192	17.8	0	114.43
1985	163,432	5,099,078,400	600	44,776	17.9	0	115.43

ASE IS 75 PERCENT OF AAW  
 IN TAX-BASE (1980) IS 60 PERCENT OF AAW

OUTPUT

INITIAL FUND BALANCE	TAXABLE TAX BASE	TAXABLE WAGE RATIO	TAXABLE WAGES	AVERAGE RES. MULT	AVERAGE TAX RATE	TOTAL CONTRIBUTION	(5%) INTEREST	TOTAL REVENUE	BENEFIT TOTAL BENEFITS	COST RATE	FINAL FUND BALANCE
58,444,274	10,000	0.559	1,377,358,227	0.513	0.048	66,113,195	2,922,214	69,035,409	52,553,492	0.020	74,926,191
74,926,191	13,000	0.654	1,803,491,222	0.703	0.044	79,353,614	3,746,310	83,099,923	66,255,854	0.027	91,770,260
91,770,260	17,000	0.727	2,270,417,386	0.768	0.044	99,898,365	4,588,513	104,486,878	70,777,818	0.026	125,479,320
125,479,320	18,000	0.727	2,564,033,417	0.929	0.040	102,561,337	6,273,966	108,835,303	78,689,493	0.025	155,625,130
155,625,130	19,000	0.727	2,900,331,071	1.020	0.036	104,411,919	7,781,257	112,193,175	84,188,285	0.024	183,630,021
183,630,021	20,000	0.727	3,289,656,208	1.064	0.036	118,427,624	9,181,501	127,609,125	91,299,989	0.023	219,939,156
219,939,156	22,000	0.727	3,709,579,536	1.123	0.036	133,544,863	10,996,958	144,541,821	98,286,143	0.022	266,194,834

TOTAL CONTRIBUTIONS: \$ 704,310,916  
 TOTAL BENEFITS: \$ 542,051,073

SCENARIO: RECESSION STARTS IN 1980

RUN DESCRIPTION: CSMB177-FERG BENKOC,110 MAX,FR AT 90 100, TB=.75AAW,DA=20 EA

RUN DATE: 5 APRIL 1979

YEAR	AVERAGE ANNUAL EMPLOY	TOTAL ANNUAL EARNINGS	AVERAGE WEEKLY WAGE	ANNUAL FIRST PAYS	AVERAGE DURATION	TAXABLE WAGE BASE	AVERAGE WEEKLY BENEFIT
1979	118,059	2,461,766,268	401	33,140	17.8	10,000	84.00
1980	122,059	2,691,156,832	424	46,084	17.5	0	108.43
1981	123,440	2,882,077,120	449	49,496	18.0	0	110.43
1982	130,333	3,226,002,416	476	49,384	18.2	0	112.43
1983	138,153	3,627,897,780	505	55,688	18.1	0	113.43
1984	146,442	4,074,016,440	535	53,712	18.4	0	114.43
1985	155,229	4,576,771,836	567	54,408	18.3	0	115.43

TAX BASE IS 75 PERCENT OF AAW

INTERIM TAX BASE (1980) IS 60 PERCENT OF AAW

MODEL OUTPUT

YEAR	INITIAL FUND BALANCE	TAXABLE TAX BASE	TAXABLE WAGE RATIO	TAXABLE WAGLS	AVERAGE RES. MULT	AVERAGE TAX RATE	TOTAL CONTRIB	(5%) INTEREST	TOTAL REVENUE	BENEFIT TOTAL COST	BENEFIT RATE	FINAL FUND BALANCE
1979	58,444,274	10,000	0.559	1,377,358,227	0.513	0.048	66,113,195	2,922,214	69,035,409	52,553,492	0.020	74,926,191
1980	74,926,191	13,000	0.654	1,759,478,337	0.703	0.044	77,417,047	3,746,310	81,163,356	92,745,242	0.038	63,344,306
1981	63,344,306	17,000	0.727	2,096,711,105	0.544	0.048	100,642,133	3,167,215	103,809,348	103,998,600	0.039	63,155,054
1982	63,155,054	18,000	0.727	2,346,916,758	0.506	0.048	112,652,004	3,157,753	115,809,757	107,113,874	0.037	71,850,937
1983	71,850,937	19,000	0.727	2,639,295,635	0.514	0.048	126,686,190	3,592,547	130,278,737	121,058,097	0.038	81,071,577
1984	81,071,577	20,000	0.727	2,963,846,960	0.516	0.048	142,264,654	4,053,579	146,318,233	119,746,435	0.033	107,643,374
1985	107,643,374	21,000	0.727	3,329,601,511	0.610	0.048	159,820,873	5,382,169	165,203,041	122,025,273	0.030	150,821,143

TOTAL CONTRIBUTIONS: \$ 785,596,096

TOTAL BENEFITS: \$ 719,241,013

SCENARIO: PIPELINE STARTS IN 1981

RUN DESCRIPTION: CSHB177-FERG BENKOC,110 MAX,ER AT 90 100, TB=.75AAW,DA=20 EA

RUN DATE: 5 APRIL 1979

YEAR	AVERAGE ANNUAL EMPLOY	TOTAL ANNUAL EARNINGS	AVERAGE WEEKLY WAGE	ANNUAL FIRST PAYS	AVERAGE DURATION	TAXABLE WAGE BASE	AVERAGE WEEKLY BENEFIT
1979	118,059	2,461,766,268	401	33,140	17.8	10,000	84.00
1980	123,943	2,810,035,696	436	32,812	17.5	0	108.43
1981	132,924	3,283,222,800	475	31,956	17.6	0	110.43
1982	145,923	3,930,581,928	518	31,564	14.9	0	112.43
1983	154,221	4,531,012,980	565	44,336	15.1	0	113.43
1984	157,912	5,050,025,760	615	68,316	17.7	0	114.43
1985	163,577	5,146,132,420	605	53,200	18.8	0	115.43

TAX BASE IS 75 PERCENT OF AAW

INTERIM TAX BASE (1980) IS 60 PERCENT OF AAW

MODEL OUTPUT

YEAR	INITIAL FUND BALANCE	TAXABLE TAX BASE	TAXABLE WAGE RATIO	TAXABLE WAGES	RES. MULT	AVERAGE TAX RATE	TOTAL CONTRIB	(5%/o) INTEREST	TOTAL REVENUE	BENEFIT TOTAL BENEFITS	COST RATE	FINAL FUND BALANCE
1979	58,444,274	10,000	0.559	1,377,358,227	0.513	0.048	66,113,195	2,922,214	69,035,409	52,553,492	0.020	74,926,191
1980	74,926,191	13,000	0.654	1,837,201,338	0.703	0.044	80,836,859	3,746,310	84,583,168	65,997,286	0.027	93,512,074
1981	93,512,074	17,000	0.727	2,388,544,587	0.769	0.044	105,095,962	4,675,604	109,771,566	65,835,179	0.023	137,448,461
1982	137,448,461	19,000	0.727	2,859,498,353	0.967	0.040	114,379,934	6,872,423	121,252,357	56,048,808	0.017	202,652,010
1983	202,652,010	20,000	0.727	3,296,311,943	1.191	0.033	108,778,294	10,132,601	118,910,895	80,494,694	0.020	241,068,211
1984	241,068,211	22,000	0.727	3,673,893,740	1.229	0.033	121,238,493	12,053,411	133,291,904	146,670,057	0.032	227,699,058
1985	227,699,058	24,000	0.727	3,743,811,336	1.041	0.036	134,777,208	11,384,503	146,161,711	122,375,377	0.024	251,476,292

TOTAL CONTRIBUTIONS: \$ 731,219,945

TOTAL BENEFITS: \$ 589,974,891

SCENARIO: NORMAL GROWTH

PL DESCRIPTION: CSHB177-FERG (BENKOC) 110 MAX, ER AT 90 100, TB=.60AAW, DA=20 EA

RUN DATE: 5 APRIL 1979

(27)

YEAR	AVERAGE ANNUAL EMPLOY	TOTAL ANNUAL EARNINGS	AVERAGE WEEKLY WAGE	ANNUAL FIRST PAYS	AVERAGE DURATION	TAXABLE WAGE BASE	AVERAGE WEEKLY BENEFIT
1979	118,059	2,461,766,268	401	33,140	17.8	10,000	84.00
1980	123,943	2,758,475,408	428	32,828	17.6	0	108.43
1981	131,040	3,120,848,640	458	34,512	17.5	0	110.43
1982	138,322	3,524,444,560	490	37,304	17.7	0	112.43
1983	146,312	3,986,709,376	524	39,492	17.7	0	113.43
1984	155,007	4,521,864,204	561	42,192	17.8	0	114.43
1985	163,432	5,099,078,400	600	44,776	17.9	0	115.43

TAX BASE IS 60 PERCENT OF AAW  
 INTERIM TAX-BASE (1980) IS 60 PERCENT OF AAW

MODEL OUTPUT

YEAR	INITIAL FUND BALANCE	TAXABLE TAX BASE	TAXABLE WAGE RATIO	TAXABLE WAGES	AVERAGE WFS. MULT	AVERAGE TAX RATE	TOTAL CONTRIB	(5%) INTEREST	TOTAL REVENUE	BENEFIT TOTAL COST BENEFITS RATE	FINAL FUND BALANCE
1979	58,444,274	10,000	0.559	1,377,358,227	0.513	0.048	66,113,195	2,922,214	69,035,409	52,553,492 0.020	74,926,191
1980	74,926,191	13,000	0.654	1,803,491,222	0.703	0.044	79,353,614	3,746,310	83,099,923	66,255,854 0.027	91,770,260
1981	91,770,260	13,000	0.654	2,040,410,841	0.768	0.044	89,778,077	4,588,513	94,366,590	70,777,816 0.026	115,359,032
1982	115,359,032	14,000	0.654	2,304,281,853	0.854	0.040	92,171,274	5,767,952	97,939,226	78,689,493 0.025	134,608,765
1983	134,608,765	15,000	0.654	2,606,510,590	0.882	0.040	104,260,424	6,730,438	110,990,862	84,188,285 0.024	161,411,343
1984	161,411,343	16,000	0.654	2,956,394,817	0.935	0.040	118,255,793	8,070,567	126,326,360	91,299,989 0.023	196,437,713
1985	196,437,713	18,000	0.654	3,333,777,458	1.003	0.036	120,015,988	9,821,886	129,837,874	99,285,143 0.022	227,989,444

TOTAL CONTRIBUTIONS: \$ 669,948,265

TOTAL BENEFITS: \$ 542,051,073

SCENARIO: RECESSION STARTS IN 1980

PLAN DESCRIPTION: CSHB177-FERG (BENKOC) 110 MAX, ER AT 90 100, TR=.60AAW, DA=20 EA

PLAN DATE: 5 APRIL 1979

YEAR	AVERAGE ANNUAL EMPLOY	TOTAL ANNUAL EARNINGS	AVERAGE WEEKLY WAGE	ANNUAL FIRST PAYS	AVERAGE DURATION	TAXABLE WAGE BASE	AVERAGE WEEKLY BENEFIT
1979	118,059	2,461,766,268	401	33,140	17.8	10,000	84.00
1980	122,059	2,691,156,832	424	46,084	17.5	0	108.43
1981	123,440	2,882,077,120	449	49,496	18.0	0	110.43
1982	130,333	3,226,052,416	476	49,384	18.2	0	112.43
1983	138,153	3,627,897,780	505	55,688	18.1	0	113.43
1984	146,442	4,074,016,440	535	53,712	18.4	0	114.43
1985	155,229	4,576,771,836	567	54,408	18.3	0	115.43

TAX BASE IS 60 PERCENT OF AAW

INTERIM TAX BASE (1980) IS 60 PERCENT OF AAW

MODEL OUTPUT

YEAR	INITIAL FUND BALANCE	TAXABLE TAX BASE	TAXABLE WAGE RATIO	TAXABLE WAGES	AVERAGE RES. MULT	AVERAGE TAX RATE	TOTAL CONTRIB	(5%) INTEREST	TOTAL REVENUE	BENEFIT TOTAL COST BENEFITS RATE	FINAL FUND BALANCE
1979	58,444,274	10,000	0.559	1,377,358,227	0.513	0.048	66,113,195	2,922,214	69,035,409	52,553,492 0.020	74,926,191
1980	74,926,191	13,000	0.654	1,759,478,337	0.703	0.044	77,417,047	3,746,310	81,163,356	92,745,242 0.038	63,344,306
1981	63,344,306	13,000	0.654	1,884,302,021	0.544	0.048	90,446,497	3,167,215	93,613,712	103,998,600 0.039	52,959,418
1982	52,959,418	14,000	0.654	2,109,160,380	0.424	0.048	101,239,698	2,647,971	103,887,669	107,113,874 0.037	49,733,213
1983	49,733,213	15,000	0.654	2,371,919,569	0.356	0.048	113,852,139	2,486,661	116,338,800	121,058,097 0.038	45,013,915
1984	45,013,915	16,000	0.654	2,663,591,948	0.287	0.052	138,506,781	2,250,696	140,757,477	119,746,435 0.033	66,024,957
1985	66,024,957	17,000	0.654	2,992,293,426	0.374	0.048	143,630,084	3,301,248	146,931,332	122,025,273 0.030	90,931,016

TOTAL CONTRIBUTIONS: \$ 731,205,442

TOTAL BENEFITS: \$ 719,241,013

SCENARIO: PIPELINE STARTS IN 1981

DESCRIPTION: CSHB177-FERG (BENKOC) 110 MAX, ER AT 90 100, TB=.60AAW, DA=20 EA

REL. DATE: 5 APRIL 1979

YEAS	AVERAGE ANNUAL EMPLOY	TOTAL ANNUAL EARNINGS	AVERAGE WEEKLY WAGE	ANNUAL FIRST PAYS	AVERAGE DURATION	TAXABLE WAGE BASE	AVERAGE WEEKLY BENEFIT
1979	118,059	2,461,766,268	401	33,140	17.8	10,000	84.00
1980	123,943	2,810,035,696	436	32,812	17.5	0	108.43
1981	132,924	3,283,222,800	475	31,956	17.6	0	110.43
1982	145,923	3,930,581,928	518	31,564	14.9	0	112.43
1983	154,221	4,531,012,980	565	44,336	15.1	0	113.43
1984	157,912	5,050,025,760	615	68,316	17.7	0	114.43
1985	163,577	5,146,132,420	605	53,200	18.8	0	115.43

TAX BASE IS 60 PERCENT OF AAW

INTERIM TAX BASE (1980) IS 60 PERCENT OF AAW

MODEL OUTPUT

YEAR	INITIAL FUND BALANCE	TAXABLE TAX BASE	TAXABLE WAGE RATIO	TAXABLE WAGES	AVERAGE RES. MULT	AVERAGE TAX RATE	TOTAL CONTRIBUTION	(5%) INTEREST	TOTAL REVENUE	BENEFIT TOTAL COST	BENEFIT RATE	FINAL FUND BALANCE
1979	58,444,274	10,000	0.559	1,377,358,227	0.513	0.048	66,113,195	2,922,214	69,035,409	52,553,492	0.020	74,926,191
1980	74,926,191	13,000	0.654	1,837,201,338	0.703	0.044	80,836,859	3,746,310	84,583,168	65,997,286	0.027	93,512,074
1981	93,512,074	14,000	0.654	2,146,571,067	0.769	0.044	94,449,127	4,675,604	99,124,731	65,835,179	0.023	126,801,626
1982	126,801,626	15,000	0.654	2,569,814,465	0.892	0.040	102,792,579	6,340,081	109,132,660	56,048,808	0.017	179,885,478
1983	179,885,478	16,000	0.654	2,962,376,286	1.057	0.036	106,645,546	8,994,274	115,639,820	80,494,194	0.020	215,030,604
1984	215,030,604	18,000	0.654	3,301,706,842	1.096	0.036	118,861,446	10,751,530	129,612,977	146,670,057	0.032	197,973,524
1985	197,973,524	19,000	0.654	3,364,541,376	0.995	0.040	134,581,655	9,898,676	144,480,331	122,375,377	0.024	220,078,479

TOTAL CONTRIBUTIONS: \$ 704,280,407

TOTAL BENEFITS: \$ 589,974,891



From The  
**SENATE**  
**FINANCE COMMITTEE**

---

Cathy

Backup for HB 177

~~John~~

No other costs  
either directly or  
indirectly on the  
State Govt.

Is this the last  
Official fiscal note  
on the Official  
ICC report?

No more coming. 2/28/80  
J

*Garney*

Many of the changes in HB 177 are housekeeping in nature. They include language changes with no change in meaning; the changing of "last known address" to "last address of record"; deletion of the date "June 30, 1969"; deletion of statutory citations that were incorrect or are no longer in the law, etc.

Some of the changes are required to stay in conformity with federal law:

AS 23.20.110

Release of information

This new provision allows the department to provide wage information to AFDC agencies to aid in establishing the eligibility or amount of aid for an individual from AFDC.

AS 23.20.277(1)

Reimbursible employers are responsible for 1/2 the costs of Extended Benefits.

State and local governments are responsible for the full costs of Extended Benefits.

None

AS 23.20.362

This provision will reduce UI benefits dollar for dollar for any retirement benefits received. This section will be repealed if the corresponding federal provision is repealed or amended.

AS 23.20.525(a)(16)(C)(ii)

Changes recommended by the federal government:

Citation change.

AS 23.20.115

Unauthorized disclosure of information by an employee of the department.

The penalty is extended to agents of the department.

AS 23.20.145

Allowed the legislature to appropriate money from the Reed Act.

Extends the time in which the legislature is able to appropriate money from the Reed Act.

The changes to the TAX provisions are as follows:

AS 23.20.165

Allows refunds to individuals who have earned more than \$10,000 by working for two or more employers.

Will allow a refund only if one employer pays contributions beyond the tax base.

AS 23.20.170

Uses the one-digit Standard Industrial Classification Code to assign new employers to a tax rate.

Uses the two-digit.

AS 23.20.175

Tax base of \$10,000

Tax base will be 60% of the average annual wage for CY 81 & 82 and will be 75% of the average annual wage for further years.

AS 23.20.190

Requires quarterly contribution reports from all employers.

Would allow for monthly reports from employers who are consistently delinquent.

AS 23.20.220

Filing of an appeal of a tax assessment

Will require a posting of a bond with the appeal if the employer cannot prove the business is solvent.

AS 23.20.240

RE: collection of delinquent contributions

Extends the definition of employer to include officers of a corporation.

AS 23.20.295

- Method of experience rating - payroll decline - Same.

- Number of tax rate classes - 10 - 20

- Calculation of tax rates -  
Based on fund solvency and tax table
- Employee tax averages 16% of the total tax contribution.

- Tax Rate =  
(82% x ave. benefit cost rate) x (experience factor) + solvency tax. The experience factor is based on payroll decline.
- Employee tax will be 18% of total contributions.

The changes to the BENEFIT provisions are as follows:

AS 23.20.350

- Requires minimum wages of \$750 with \$100 earned outside the high quarter.
- Benefits determined based on wages earned in base period (BP).

- Requires \$1000 with wages paid in two quarters.
- Benefits determined based on wages paid in the base period; however, base period (BP) wages will be determined as follows:

1) if individual earns 90% or more of BP wages in one quarter, BP wages used for determining benefits equal 10 times the wages paid in the BP outside the high quarter.

2) if individual earns less than 90% in his high quarter, BP wages are total wages paid in the BP.

- Minimum WBA = \$18  
\$36 with dependents
- Maximum WBA = \$90  
\$120 with dependents

- Minimum WBA = \$34  
\$106 with 3 dependents
- Maximum WBA = \$150  
\$222 with 3 dependents

DEPENDENTS' ALLOWANCE (DA):

\$10 per dependent; maximum of \$30  
Dependents allowance is established  
as of the date claim is filed.

\$24 per dependent; maximum of \$72.  
DA will be redetermined if acquire an additional  
dependent by birth or adoption.

Requires proof of dependent; department will verify that  
no one else is claiming the same dependents.

DURATION:

18-28 weeks depending on base period  
wages

16-26 weeks based on the ratio of total base period  
wages to high quarter wages.

EARNINGS:

Allow earnings of \$10 or 1/2 WBA without  
a reduction in WBA.

Allow earnings of \$50 and will reduce WBA for additional  
earnings by 75¢ for each \$1.

Changes in the APPEALS process include: 1) extending the number of days to file an appeal from 10 days to 15; and 2) will grant a waiver for filing a timely appeal for circumstances beyond the claimant's control rather than for good cause.

The following changes have been made in the DISQUALIFICATION area:

AS 23.20.278

- Waiver an individual's availability for work if ill/disabled, subsistence hunting or fishing while in compensable status and while no work is offered.
- Limits waiver for illness, etc. to six weeks.
- Waives availability for work if travelling for medical services or serving as a juror.
- Disqualifies an individual who is attending 10 or more credit hours of academic instruction.

AS 23.20.379

VOLUNTARY QUIT; MISCONDUCT

Disqualification for 6 weeks from date of occurrence.

- Same
- Includes reduction of benefits of 3 x WBA
- 6 week disqualification lifted if return to work and earn 8 x WBA

AS 23.20.381

Disqualification of professional school employees between terms.

Extends disqualification to non-professional school employees.

AS 23.20.387

Disqualification for misrepresentation is 26 weeks

Disqualification varies from 6 - 52 weeks.

EMPLOYER TAX IMPACT

Tax Base should increase to \$12,000 in 1981  
\$12,500 in 1982  
\$16,300 in 1983

60% of average annual wage in 1981 and 1982

75% of average annual wage in 1983

<u>Projections</u>	<u>Current</u>	<u>Law</u>	<u>Free Conference Bill</u>	
<u>For:</u>	1981	1983	1981	1983
Minimum Rate	2.6%	2.3%	1.81%	1.32%
Maximum Rate	5.1%	4.8%	5.10%	5.00%
Average Rate	4.0%	3.7%	3.90%	3.16%
Tax Base	\$10,000	\$10,000	\$12,000	\$16,300
Minimum Payment*	\$260	\$230	\$217	\$215
Maximum Payment*	\$510	\$480	\$612	\$815
Average Payment*	\$400	\$370	\$468	\$515

\*At full base of \$10,000 in current law;

At full base of projected average annual wage (60% and 75%)

*See me on this*

*Fiscal note attached. 2/27/80*

CONFERENCE COMMITTEE REPORT

DATE: Feb. 26, 1980

Mr. President:  
Mr. Speaker:

The FREE Conference Committee which has had

HB 177am (unemployment insurance; eff. date)

&

SCS ~~S~~HB 177amS (same title)

under consideration, recommends that

FCCS HB 177

be adopted.

Senate Members:

*Clem Tillion*  
Senator Tillion, Chairman

*Tim Kelly*  
Senator Kelly

*Ziegler*  
Senator Ziegler

House Members:

*Joe McKinnon*  
Representative McKinnon, Chairman

*Bus Rogers*  
Representative Rogers

*Joe L. Hayes*  
Representative Hayes

Original sponsor: Rules/Governor

Offered: 2/27/80

1 IN THE HOUSE

BY THE FREE CONFERENCE COMMITTEE

2 FREE CONFERENCE CS FOR HOUSE BILL NO. 177

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH 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 23.20.035(a) is amended to read:

10 (a) The director, in accordance with [AS 23.20.015,] AS 23.20.020  
11 [,] and 23.20.030, shall employ persons, including a deputy director,  
12 make expenditures, require reports, make investigations, and take other  
13 action which he considers necessary to carry out his authority.

14 \* Sec. 2. AS 23.20.045(b) is amended to read:

15 (b) Special rules may be adopted, amended, or rescinded by the  
16 department only after public hearing or opportunity to be heard on them,  
17 of which proper notice has been given. A special rule becomes effective  
18 30 days after notification to or mailing to the last [KNOWN] address  
19 of record of the persons affected by it.

20 \* Sec. 3. AS 23.20.110 is amended by adding a new subsection to read:

21 (e) The department shall provide wage information used to adminis-  
22 ter this chapter to an agency of this or another state which administers  
23 or operates a public assistance program that provides aid and services  
24 to needy families with dependent children under Part A of Title IV of  
25 the Social Security Act if

26 (1) the agency makes a request for the wage information;

27 (2) the United States Secretary of Health, Education and  
28 Welfare has adopted regulations which require the release of the wage  
29 information to public assistance agencies; and

1 lature under the Executive Budget Act (AS 37.07). Funds available in  
2 the training and building fund shall be expended upon the direction of  
3 the department, with the approval of the governor, when it appears to  
4 him that the expenditure is necessary for but not limited to

5 (1) the proper administration of this chapter if no federal  
6 funds are available for the specific purpose for which the expenditure  
7 is to be made, and if the funds are not substituted for appropriations  
8 from federal funds which would be made available in the absence of those  
9 [SUCH] funds;

10 (2) the proper administration of this chapter, for which  
11 purpose appropriations from federal funds have been requested but not  
12 yet received, if the training and building fund will be reimbursed upon  
13 receipt of the requested federal appropriation;

14 (3) the purposes specified in AS 23.15.611;

15 (4) the purposes specified in AS 23.20.075.

16 \* Sec. 7. AS 23.20.135 is amended to read:

17 Sec. 23.20.135. ACCOUNTS AND DEPOSIT. (a) The commissioner of  
18 revenue is ex officio the treasurer and custodian of the fund and shall  
19 administer it as directed by the department. Checks or warrants shall  
20 be issued on the fund in accordance with the regulations which the  
21 department prescribes. The [COMMISSIONER OF REVENUE SHALL MAINTAIN  
22 WITHIN THE] fund has three separate accounts:

23 (1) a clearing account,

24 (2) an unemployment trust fund account, and

25 (3) a benefit account.

26 (b) The department, or a designee of the department, [SHALL FOR-  
27 WARD, UPON RECEIPT, ALL MONEY PAYABLE TO THE FUND TO THE COMMISSIONER OF  
28 REVENUE WHO] shall immediately deposit, upon receipt, all money pay-  
29 able to the fund [THEM] in the clearing account. Refunds of contribu-

# **CORRECTION**

**THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY**

Original sponsor: Rules/Governor

Offered: 2/27/80

1 IN THE HOUSE

BY THE FREE CONFERENCE COMMITTEE

2 FREE CONFERENCE CS FOR HOUSE BILL NO. 177

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

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21 (e) The department shall provide wage information used to adminis-  
22 ter this chapter to an agency of this or another state which administers  
23 or operates a public assistance program that provides aid and services  
24 to needy families with dependent children under Part A of Title IV of  
25 the Social Security Act if

26 (1) the agency makes a request for the wage information;

27 (2) the United States Secretary of Health, Education and  
28 Welfare has adopted regulations which require the release of the wage  
29 information to public assistance agencies; and

1 (3) the wage information will only be used to determine the  
2 eligibility of the individual for the public assistance program or the  
3 amount of aid or services to which the individual is entitled under the  
4 public assistance program.

5 \* Sec. 4. AS 23.20.115 is amended to read:

6 Sec. 23.20.115. UNAUTHORIZED DISCLOSURE OF INFORMATION. A member  
7 of the department, [OR] an employee of the department, or an agent of the  
8 department who, in violation of AS 23.20.110, makes a disclosure of  
9 information obtained from an employing unit or from an individual in the  
10 administration of this chapter, or a person who has obtained a list of  
11 applicants for work or of claimants or recipients of benefits under this  
12 chapter and who uses or permits the use of the list for a purpose not  
13 authorized by AS 23.20.110 is guilty of a class B misdemeanor [, UPON  
14 CONVICTION, IS PUNISHABLE BY A FINE OF NOT MORE THAN \$200, OR BY IMPRI-  
15 SONMENT FOR NOT MORE THAN 90 DAYS, OR BY BOTH].

16 \* Sec. 5. AS 23.20.130(b)(9) is amended to read:

17 (9) reimbursement of benefits paid under AS 23.20.277 and [,]  
18 23.20.278 [AND 23.20.326]; and

19 \* Sec. 6. AS 23.20.130(d) is amended to read:

20 (d) The training and building fund consists of all interest and  
21 penalties collected under AS 23.20.185, 23.20.190 and 23.20.195 [AFTER  
22 JUNE 30, 1969] and all sums recovered on official bond for losses sus-  
23 tained by the fund. Training and building fund money shall be deposited  
24 in the clearing account of the unemployment compensation fund for clear-  
25 ance only, and does not become a part of the fund. The unobligated  
26 amount in the training and building fund in excess of \$100,000 on the  
27 close of business of the last day of each fiscal year shall be trans-  
28 ferred within 20 days to this state's account in the unemployment trust  
29 fund. The fund shall be included in the budget submitted to the legis-

1 lature under the Executive Budget Act (AS 37.07). Funds available in  
2 the training and building fund shall be expended upon the direction of  
3 the department, with the approval of the governor, when it appears to  
4 him that the expenditure is necessary for but not limited to

5 (1) the proper administration of this chapter if no federal  
6 funds are available for the specific purpose for which the expenditure  
7 is to be made, and if the funds are not substituted for appropriations  
8 from federal funds which would be made available in the absence of those  
9 [SUCH] funds;

10 (2) the proper administration of this chapter, for which  
11 purpose appropriations from federal funds have been requested but not  
12 yet received, if the training and building fund will be reimbursed upon  
13 receipt of the requested federal appropriation;

14 (3) the purposes specified in AS 23.15.611;

15 (4) the purposes specified in AS 23.20.075.

16 \* Sec. 7. AS 23.20.135 is amended to read:

17 Sec. 23.20.135. ACCOUNTS AND DEPOSIT. (a) The commissioner of  
18 revenue is ex officio the treasurer and custodian of the fund and shall  
19 administer it as directed by the department. Checks or warrants shall  
20 be issued on the fund in accordance with the regulations which the  
21 department prescribes. The [COMMISSIONER OF REVENUE SHALL MAINTAIN  
22 WITHIN THE] fund has three separate accounts:

23 (1) a clearing account,

24 (2) an unemployment trust fund account, and

25 (3) a benefit account.

26 (b) The department, or a designee of the department, [SHALL FOR-  
27 WARD, UPON RECEIPT, ALL MONEY PAYABLE TO THE FUND TO THE COMMISSIONER OF  
28 REVENUE WHO] shall immediately deposit, upon receipt, all money pay-  
29 able to the fund [THEM] in the clearing account. Refunds of contribu-

# **CORRECTION**

**THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY**

1 lature under the Executive Budget Act (AS 37.07). Funds available in  
2 the training and building fund shall be expended upon the direction of  
3 the department, with the approval of the governor, when it appears to  
4 him that the expenditure is necessary for but not limited to

5 (1) the proper administration of this chapter if no federal  
6 funds are available for the specific purpose for which the expenditure  
7 is to be made, and if the funds are not substituted for appropriations  
8 from federal funds which would be made available in the absence of those  
9 [SUCH] funds;

10 (2) the proper administration of this chapter, for which  
11 purpose appropriations from federal funds have been requested but not  
12 yet received, if the training and building fund will be reimbursed upon  
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27 WARD, UPON RECEIPT, ALL MONEY PAYABLE TO THE FUND TO THE COMMISSIONER OF  
28 REVENUE WHO] shall immediately deposit, upon receipt, all money pay-  
29 able to the fund [THEM] in the clearing account. Refunds of contribu-

1 tions erroneously collected and payable under AS 23.20.225 and 23.20.-  
2 526(a)(11) [23.20.525(c)(11)] may be paid from the clearing account in  
3 the same manner, [IF THEY WERE DEPOSITED IN THE UNEMPLOYMENT COMPENSA-  
4 TION FUND,] or from the training and building fund. Interest [; HOWEVER,  
5 INTEREST] and penalty payments [COLLECTED ON AND AFTER JUNE 30, 1969]  
6 may not be refunded from the unemployment compensation fund. After  
7 clearance, all money in the clearing account shall be immediately de-  
8 posited with the Secretary of the Treasury of the United States to the  
9 credit of the account of this state in the unemployment trust fund,  
10 established and maintained under sec. 904 of the Social Security Act, as  
11 amended.

12 (c) The benefit account consists of money requisitioned from this  
13 state's account in the unemployment trust fund for the purpose of paying  
14 benefits. Money in the clearing and benefit accounts may be deposited  
15 by the designee of the department [COMMISSIONER OF REVENUE], under the  
16 direction of the department, in a bank or public depository in which  
17 general funds of the state may be deposited, but no public deposit  
18 insurance charge or premium may be paid out of the fund. Money in these  
19 accounts may not be commingled with other state funds, but shall be  
20 maintained in separate accounts on the books of the depository bank.  
21 The money is secured by the depository law of this state. Collateral  
22 pledged for this purpose shall be kept separate and distinct from col-  
23 lateral pledged to secure other funds of the state. The commissioner of  
24 revenue is liable on his official bond for the faithful performance of  
25 his duties in connection with the fund. Sums recovered for losses  
26 sustained by the fund shall be deposited in the fund.

27 \* Sec. 8. AS 23.20.140 is amended to read:

28 Sec. 23.20.140. ADVANCES. When, in accordance with Title XII of  
29 the Social Security Act, as amended, the balance in the unemployment

1 trust fund reaches a point where the governor must apply for an advance  
2 in order to obtain for the state and its citizens the advantages avail-  
3 able under Title XII, the department shall notify the governor and take  
4 other action which is appropriate to obtain an advance to the unemploy-  
5 ment trust fund and its repayment in accordance with Title XII.

6 \* Sec. 9. AS 23.20.145(b) is amended to read:

7 (b) The department shall from time to time requisition from the  
8 unemployment trust fund amounts not exceeding the amounts standing to  
9 the state's account in the fund which it considers necessary for the  
10 payment of benefits for a reasonable future period. Upon receipt of an  
11 amount the department [COMMISSIONER OF REVENUE] shall deposit the money  
12 to the benefit account. A check or warrant for the payment of benefits  
13 may be issued solely from the benefit account.

14 \* Sec. 10. AS 23.20.145(c) is amended to read:

15 (c) If money in the clearing account is not sufficient to provide  
16 for refunds of contributions erroneously collected and payable under  
17 AS 23.20.225 and 23.20.526(a)(11), the department shall withdraw from  
18 the unemployment trust fund the amounts not exceeding the amount stand-  
19 ing to this state's account in the fund which are necessary for the  
20 payment of the refunds, [IF THE ERRONEOUSLY COLLECTED INTEREST AND  
21 PENALTIES WERE DEPOSITED AND RETAINED IN THE UNEMPLOYMENT COMPENSATION  
22 FUND,] but no amounts may be withdrawn from the unemployment trust fund  
23 for the refund of interest and penalty payments [COLLECTED ON AND AFTER  
24 JUNE 30, 1969]. Upon receipt the department, or the designee of the  
25 department, [COMMISSIONER OF REVENUE] shall deposit this money to the  
26 clearing account. A check or warrant for the payment of a refund shall  
27 be issued from the clearing account.

28 \* Sec. 11. AS 23.20.145(f)(3) is amended to read:

29 (3) limits the amount which may be obligated during a fiscal

1 year to an amount which does not exceed the amount by which (A) the  
2 aggregate of the amounts credited to the account of this state under  
3 sec. 903 of the Social Security Act during that fiscal year and the 24  
4 [NINE] preceding fiscal years, exceeds (B) the aggregate of the amounts  
5 obligated for administration and paid out for benefits and charged  
6 against the amounts credited to the account of this state during those  
7 25 [10] fiscal years.

8 \* Sec. 12. AS 23.20.145(g) is amended to read:

9 (g) Amounts credited to this state's account in the unemployment  
10 trust fund under sec. 903 of the Social Security Act which are obligated  
11 for administration or paid out for benefits shall be charged against  
12 equivalent amounts which were first credited and which are not already  
13 so charged. However, no amount obligated for administration during a  
14 fiscal year specified in this section may be charged against any amount  
15 credited during such a fiscal year earlier than the 24th [NINTH] preced-  
16 ing fiscal year.

17 \* Sec. 13. AS 23.20.165(e) is amended to read:

18 (e) An employer shall maintain a record of the amount deducted  
19 from the wages of each employee [OF HIS EMPLOYEES,] and shall furnish a  
20 statement of the deductions to each employee at the times and in the  
21 manner the department [COMMISSIONER] prescribes by regulation. No  
22 deduction may be made from those wages paid to an employee during a  
23 calendar year which are in excess of the wages subject to contributions  
24 under AS 23.20.175. If an [EMPLOYEE IN THE EMPLOY OF TWO OR MORE EM-  
25 PLOYERS EARNS WAGES IN ONE CALENDAR YEAR TOTALING MORE THAN THE WAGES  
26 SUBJECT TO CONTRIBUTIONS, OR IF ONE] employer through error makes a  
27 deduction and erroneously pays contributions or interest on [FROM HIS]  
28 wages of an employee in excess of the wages subject to contributions  
29 during a calendar year, the amount of deductions erroneously paid may be

1 requested by the employee. Employee deductions in excess of the wages  
2 subject to contributions [IN EXCESS OF THOSE REQUIRED BY THIS CHAPTER]  
3 shall be refunded to the employee by the department [COMMISSIONER] upon  
4 application for them in accordance with regulations adopted [PRESCRIBED]  
5 by the department [HIM]. Application must be made during the calendar  
6 year after the calendar year in which the deductions are made.

7 \* Sec. 14. AS 23.20.170(b) is amended to read:

8 (b) An employer who is not entitled to a rate determination under  
9 AS 23.20.280 - 23.20.310 because he is ineligible under AS 23.20.281  
10 [SUBJECT TO AS 23.20.175 AND AS 23.20.280 - 23.20.310, BEGINNING  
11 JANUARY 1, 1974, THE STANDARD RATE OF CONTRIBUTIONS BY EMPLOYERS IS 2.7  
12 PERCENT OF WAGES. EACH EMPLOYER WHO HAS NOT BEEN SUBJECT TO THIS CHAP-  
13 TER FOR A SUFFICIENT PERIOD OF TIME TO HAVE HIS RATE COMPUTED UNDER  
14 AS 23.20.290,] shall pay contributions at a rate equal to the average  
15 industry tax rate as determined by the commissioner [; HOWEVER, THE RATE  
16 MAY NOT BE LESS THAN 1.0 PERCENT]. Assignment by the commissioner of  
17 employers to industrial classification, for the purposes of this subsec-  
18 tion, shall be to the two-digit major group provided in the Standard  
19 Industrial Classification Code, in accordance with established classifi-  
20 cation practices found in the "Standard Industrial Classification  
21 Manual" issued by the United States Department of Labor [TO THE FIRST  
22 DIGIT PROVIDED IN THE STANDARD INDUSTRIAL CLASSIFICATION CODE].

23 \* Sec. 15. AS 23.20.175(a) is repealed and re-enacted to read:

24 (a) For the purposes of AS 23.20.165 and 23.20.170, after  
25 December 31, 1973, and through December 31, 1980, wages do not include  
26 that part of remuneration paid during any calendar year to an individual  
27 by an employer or by his predecessor which exceeds \$10,000.

28 \* Sec. 16. AS 23.20.175(c) is repealed and re-enacted to read:

29 (c) For the purposes of AS 23.20.165 and 23.20.170,

1 (1) after December 31, 1980, and through December 31, 1982,  
2 wages do not include that part of remuneration paid during any calendar  
3 year to an individual by an employer or by his predecessor which exceeds  
4 60 percent of the average annual wage, as defined in AS 23.20.520(27),  
5 in Alaska for the preceding 12-month period ending June 30 computed to  
6 the nearest multiple of \$100;

7 (2) after December 31, 1982 wages do not include that part of  
8 remuneration paid during any calendar year to an individual by an  
9 employer or by his predecessor which exceeds 75 percent of the average  
10 annual wage, as defined in AS 23.20.520(27), in Alaska for the preceding  
11 12-month period ending June 30 computed to the nearest multiple of \$100.

12 \* Sec. 17. AS 23.20.185(a) is amended to read:

13 (a) If contributions are not paid on the date on which they are  
14 due, the amount remaining unpaid bears interest at the rate of 12  
15 [EIGHT] percent per year [ANNUM] from the due date until payment plus  
16 accrued interest is received by the department. Interest collected  
17 under this section shall be deposited in the clearing account of [PAID  
18 INTO] the unemployment compensation fund.

19 \* Sec. 18. AS 23.20.185(d) is amended to read:

20 (d) Interest collected under this section [AFTER JUNE 30, 1969]  
21 shall periodically be transferred from the clearing account to the  
22 training and building fund.

23 \* Sec. 19. AS 23.20.190(a) is amended to read:

24 (a) An employer required to pay contributions under the provi-  
25 sions of AS 23.20.165 [A PERSON] who fails to file a contribution report  
26 and wage schedule on the date it is due is subject to a penalty, to be  
27 assessed and collected in the same manner as contributions. If the  
28 report is filed within 30 days of the date it is due, the penalty is  
29 five percent of the contributions due. For each additional 30-day

1 period or its fraction, the penalty is an additional five percent of the  
2 contributions due. However, the penalty may not exceed 25 percent of  
3 the contributions due in the aggregate and may not be less than \$10  
4 [\$2.50] for each reporting period.

5 \* Sec. 20. AS 23.20.190(c) is amended to read:

6 (c) Penalties collected under this section [AFTER JUNE 30, 1969]  
7 shall periodically be transferred from the clearing account to the  
8 training and building fund.

9 \*Sec. 21. AS 23.20.190 is amended by adding new subsections to read:

10 (d) An employer who has elected to make reimbursement payments  
11 under AS 23.20.277 who fails to file a contribution report and wage  
12 schedule on the date it is due is subject to a penalty, to be assessed  
13 and collected in the same manner provided under this section for failure  
14 to file a contribution report and wage schedule. If the report is filed  
15 not later than 30 days after the date it is due, the penalty is one-  
16 tenth of one percent of the total wages paid for the quarter. For each  
17 additional 30-day period or its fraction, the penalty is an additional  
18 one-tenth of one percent of the total wages paid for the quarter.  
19 However, the penalty may not exceed one-half of one percent of the total  
20 wages paid for the quarter in the aggregate and may not be less than \$10  
21 for each reporting period.

22 (e) The department may require an employer who fails to file a  
23 contribution report and wage schedule on the date it is due to file a  
24 monthly contribution report and wage schedule, with payment, not later  
25 than 30 days after the close of each month. A decision under this  
26 subsection shall be reviewed annually under regulations adopted by the  
27 department. The monthly contribution report and wage schedule is sub-  
28 ject to the same interest and penalty provisions as provided in this  
29 section and in AS 23.20.185.

1 \* Sec. 22. AS 23.20.195(c) is amended to read:

2 (c) Penalties collected under this section [ON OR AFTER JUNE 30,  
3 1969] shall periodically be transferred from the clearing account to the  
4 training and building fund.

5 \* Sec. 23. AS 23.20.205(b) is amended to read:

6 (b) If the notice is served by mail the notice must be deposited  
7 in the post office, addressed to the delinquent employer at his last  
8 [KNOWN] address of record and the postage paid. The date of service is  
9 considered to be the day of delivery shown on the delivery receipt.

10 However, if it appears the addressee is deliberately avoiding service,  
11 then the date of service is the day of mailing.

12 \* Sec. 24. AS 23.20.220(a) is amended to read:

13 (a) When a notice of assessment is delivered or mailed to a delin-  
14 quent employer, the employer may within 30 days file a petition in  
15 writing with the department, stating that the assessment is unjust or  
16 incorrect and requesting a hearing on it. The petition shall set out  
17 the reasons the assessment is objected to and the amount of contri-  
18 butions which the employer admits is due and must be accompanied by a  
19 bond or deposit of other security in the amount of the assessment to  
20 insure collection. The department may waive the security requirement  
21 if the employer submits proof of solvency or reasonable assurance, as  
22 prescribed by regulations, that the contributions, interest and penal-  
23 ties due are not in jeopardy. If no petition is filed within the time  
24 prescribed, or if the employer fails to provide the required security,  
25 the assessment is prima facie correct. However, the department may  
26 entertain a subsequent application for refund, and, if denied a refund,  
27 a hearing on the application in accordance with AS 23.20.225.

28 \* Sec. 25. AS 23.20.225(a) is amended to read:

29 (a) Within two years after contributions or interest are errone-

1 ously paid, an employer who has paid such contributions or interest may  
2 file a written petition with the department for an adjustment of the  
3 payment as an offset against subsequent contribution payments, or for a  
4 refund of the payment when the adjustment as an offset cannot be made [,  
5 IF SUCH ERRONEOUSLY COLLECTED INTEREST AND PENALTIES WERE DEPOSITED AND  
6 RETAINED IN THE UNEMPLOYMENT COMPENSATION FUND]. If the department upon  
7 ex parte consideration determines that the contributions or interest  
8 were erroneously collected, it shall allow the employer to make an  
9 adjustment without interest. For like cause and within the same period,  
10 adjustment or refund may be made on the department's own motion.

11 \* Sec. 26. AS 23.20.225(d) is amended to read:

12 (d) If not later than two years after the date of payment of  
13 interest or penalty an employer who has made such a payment determines  
14 that it was made erroneously, he may file a written petition with the  
15 department to have any subsequent amount of interest or penalties which  
16 has been, or might be, assessed against him, adjusted by the amount of  
17 the erroneous payment, or, if it appears that this adjustment would not  
18 be feasible within a reasonable time, he may request a refund of the  
19 erroneous payment. If the department upon ex parte consideration deter-  
20 mines that the payment of interest or penalties, or any portion of it,  
21 was erroneous, it shall allow such an employer to make an adjustment in  
22 an amount equal to that erroneously paid, without interest, in connec-  
23 tion with any subsequent interest or penalty payment which may be due,  
24 or, if this adjustment cannot be made, the department shall refund the  
25 amount, without interest, from the fund into which the payment was  
26 deposited or transferred. Refunds of interest and penalties erroneously  
27 collected may be made from the clearing account of the unemployment  
28 compensation fund [, IF THEY WERE DEPOSITED IN THAT FUND,] or from the  
29 training and building fund if they were transferred to and deposited in

1 that [THE TRAINING AND BUILDING] fund. Interest [; HOWEVER, INTEREST]  
2 and penalty payments [COLLECTED ON AND AFTER JUNE 30, 1969] may not be  
3 refunded from the unemployment compensation fund. If an employer to  
4 whom a refund is due does not file a petition for the refund, the de-  
5 partment may make an adjustment or refund of interest or penalties on  
6 its own initiative for like cause and subject to the same conditions [AS  
7 MAKE THE REFUND AVAILABLE TO THE EMPLOYER].

8 \* Sec. 27. AS 23.20.240 is amended by adding a new subsection to read:

9 (f) In this section, "employer" as defined in AS 23.20.520(11),  
10 also includes, but is not limited to, an officer or employee of a cor-  
11 poration or a member or employee of a partnership who, as an officer,  
12 employee, or member, is under a duty to pay the contributions as re-  
13 quired by (a) of this section.

14 \* Sec. 28. AS 23.20.277(h) is amended to read:

15 (h) The amount due, specified in a bill from the department, is  
16 conclusive on the organization unless, not later than 15 days after the  
17 bill was mailed to its last [KNOWN] address of record or otherwise  
18 delivered to it, the organization files an application for redetermi-  
19 nation by the department, setting out the grounds for the application.  
20 The department shall promptly review and reconsider the amount due  
21 specified in the bill and shall thereafter issue a redetermination in  
22 any case in which an application for redetermination has been filed.  
23 Any redetermination is conclusive on the organization unless, not later  
24 than 15 days after the redetermination was mailed to its last [KNOWN]  
25 address of record or otherwise delivered to it, the organization files  
26 an appeal to the commissioner, setting out the grounds for the appeal.  
27 Proceedings on appeal to the commissioner from the amount of a bill  
28 rendered under this subsection or a redetermination of the amount shall  
29 be in accordance with the provisions of AS 23.20.410 - 23.20.470 [23.20.-

1 455].

2 \* Sec. 29. AS 23.20.277(1) is amended to read:

3 (1) Each employer that is liable for payments in place of contri-  
4 butions shall pay to the department for the fund the amount of regular  
5 benefits plus the amount of one-half of extended benefits paid that are  
6 attributable to service in the employ of that [SUCH AN] employer.  
7 However, a government entity which has elected to make payments under  
8 this section is liable for the amount of regular benefits plus the  
9 full amount of extended benefits which are attributable to service in  
10 the employ of that entity. If benefits paid to an individual are based  
11 on wages paid by more than one employer and one or more of these  
12 employers are liable for payments in place of contributions, the amount  
13 payable to the fund by each employer that is liable for payments shall  
14 be determined by the department in accordance with regulations adopted  
15 [PROMULGATED] by the department.

16 \* Sec. 30. AS 23.20.280(a) is amended to read:

17 (a) An employer is [AND HIS EMPLOYEES ARE] eligible for a rate  
18 determination in accordance with the provisions of AS 23.20.280 - 23.20.-  
19 310 and the department [COMMISSIONER'S] regulations if the employer has  
20 been subject to this chapter throughout not less than the four consecu-  
21 tive calendar quarters ending with the computation date and remains  
22 subject to this chapter into the calendar quarter which immediately  
23 precedes the effective date of the rate. No employer [OR EMPLOYEE] is  
24 eligible for a rate determination under AS 23.20.280 - 23.20.310 if,  
25 with respect to a calendar quarter in or preceding his qualifying  
26 period, the employer has failed to file contribution or payroll reports  
27 or to pay contributions, interest and penalties required by this chapter  
28 within 60 days after the computation date or within 10 days after the  
29 department has mailed the employer written notice of the delinquency or

1 of failure to file reports, or of both, by registered or certified mail  
2 to his last [KNOWN] address of record, whichever is the later date.

3 \* Sec. 31. AS 23.20.280(c) is amended to read:

4 (c) An employer who, because of failure to pay contributions or  
5 file reports timely, does not qualify for a rate determination under  
6 AS 23.20.280 - 23.20.310 shall pay contributions at the highest rate  
7 provided in AS 23.20.280 - 23.20.310 [AFTER TAKING INTO ACCOUNT THE  
8 APPROPRIATE RESERVE MULTIPLE OF THE FUND, AND HIS EMPLOYEES SHALL PAY  
9 CONTRIBUTIONS AT THE EMPLOYEE RATE SPECIFIED IN AS 23.20.290(d)].

10 \* Sec. 32. AS 23.20.285(b) is amended to read:

11 (b) For the purpose of computing quarterly decline quotients, the  
12 department may, by regulation, prescribe (1) the manner in which wages  
13 paid in the form of annual bonuses or other lump-sum payments for ser-  
14 vice performed over a period of more than three months are apportioned  
15 among the calendar quarters of the calendar year in which the service  
16 was performed; and (2) the method for making adjustments in quarterly  
17 payrolls to eliminate the effect upon quarterly decline quotients re-  
18 sulting from unemployment which would not be compensable by reason of  
19 the labor dispute provision of AS 23.20.383 [AS 23.20.380(9)].

20 \* Sec. 33. AS 23.20.290(b) is amended to read:

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

1 another, he shall be assigned to the lower numbered rate class. No  
 2 employer may be assigned to a higher numbered rate class than is assign-  
 3 ed to another employer with the same average quarterly decline quotient.  
 4 \* Sec. 34. AS 23.20.290(c) is repealed and re-enacted to read:

5 (c) Beginning January 1, 1981, the rate of contributions for each  
 6 employer is 82 percent of the average benefit cost rate multiplied by  
 7 the employer's experience factor set out in column C of the table in  
 8 this subsection opposite his applicable rate class set out in column A  
 9 plus the fund solvency contribution required under (f) of this section.  
 10 However, the rate of contributions for an employer may not be less than  
 11 one percent or more than six and one-half percent. The rate of contri-  
 12 butions for an employer must be rounded to the nearest one-hundredth of  
 13 one percent.

COLUMN A	COLUMN B		COLUMN C
Rate Class	Cumulative Ratable payroll		Experience Factor
	at least (percent)	but less than (percent)	
1		5	.40
2	5	10	.45
3	10	15	.50
4	15	20	.55
5	20	25	.60
6	25	30	.65
7	30	35	.70
8	35	40	.80
9	40	45	.90
10	45	50	1.00
11	50	55	1.00

1	12	55	60	1.10
2	13	60	65	1.20
3	14	65	70	1.30
4	15	70	75	1.35
5	16	75	80	1.40
6	17	80	85	1.45
7	18	85	90	1.50
8	19	90	95	1.55
9	20	95	100	1.60

10 \* Sec. 35. AS 23.20.290(d) is repealed and re-enacted to read:

11 (d) Beginning January 1, 1981, and for each succeeding year there-  
 12 after, the rate of contributions payable by each employee of an employer  
 13 who is subject to AS 23.20.165 is 18 percent of the average benefit cost  
 14 rate as determined in (e) of this section rounded to the nearest one-  
 15 tenth of one percent. However, the rate of contributions for an em-  
 16 ployee may not be less than one-half percent or more than one percent.

17 \* Sec. 36. AS 23.20.290 is amended by adding new subsections to read:

18 (e) The department shall determine the average benefit cost rate  
 19 as follows:

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

22 (2) the department shall subtract from the amount determined  
 23 in (1) of this subsection the amount of any benefits reimbursed to the  
 24 fund during those computation years;

25 (3) the department shall divide the amount determined in (2)  
 26 of this subsection by the total wages paid by all employers required to  
 27 pay contributions under this chapter during the first three of the last  
 28 four computation years;

29 (4) the department shall determine the amount of total wages

1 subject to contributions under this chapter paid during the preceding  
2 computation year;

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

5 (6) the department shall subtract from the amount determined  
6 in (5) of this subsection the amount of wages paid during the preceding  
7 computation year by employers who elect to reimburse the department  
8 under AS 23.20.276 and 23.20.277;

9 (7) the department shall divide the amount determined in (4)  
10 of this subsection by the amount determined in (6) of this subsection;  
11 and

12 (8) the department shall divide the amount determined in (3)  
13 of this subsection by the amount determined in (7) of this subsection.

14 (f) An employer shall pay a fund solvency contribution equal to  
15 the contribution rate set out in column B of the table in this subsec-  
16 tion opposite the reserve rate of the fund set out in column A. How-  
17 ever, the fund solvency contribution rate of an employer may not in-  
18 crease or decrease more than three-tenths of one percent from one year  
19 to the next.

COLUMN A		COLUMN B
Reserve Rate		Fund Solvency Contribution
at least	but less than	(percent)
(percent)	(percent)	
3.2		0.0
2.9	3.2	0.1
2.8	2.9	0.2
2.7	2.8	0.3
2.6	2.7	0.4
2.5	2.6	0.5

1	2.4	2.5	0.6
2	2.3	2.4	0.7
3	2.2	2.3	0.8
4	2.1	2.2	0.9
5	2.0	2.1	1.0
6		2.0	1.1

\* Sec. 37. AS 23.20 is amended by adding a new section to read:

Sec. 23.20.281. INELIGIBLE EMPLOYER. An employer who has been subject to this chapter less than four calendar quarters immediately preceding the computation date is not entitled to a rate determination under AS 23.20.280 - 23.20.310 and the employer shall pay contributions at the standard rates specified in AS 23.20.170(b).

\* Sec. 38. AS 23.20.300 is amended to read:

Sec. 23.20.300. CORRECTIONS AND ADJUSTMENTS. Corrections or modifications of an employer's payroll may be taken into account within two years after the computation date for the purpose of a reduction or increase in his rate [AND HIS EMPLOYEES' RATES]. When an adjustment is made in an employer's payroll or in his average quarterly decline quotient after rates have been assigned, the adjustment may not alter the position of another employer on the schedule or the contribution rate of another employer. The employer for [WITH RESPECT TO] whom the adjustment in decline quotients is made shall be placed in the [THAT] class in which another employer with the nearest similar average quarterly decline quotient is placed.

\* Sec. 39. AS 23.20.305(a) is amended to read:

(a) The department shall promptly notify each employer of his rate of contributions as determined for a calendar year under AS 23.20.280 - 23.20.310. The determination becomes conclusive upon the employer unless within 15 days after the notice is mailed to his last [KNOWN]

1 address of record or delivered to him, the employer files an application  
2 for review and redetermination, setting out his reasons for the applica-  
3 tion.

4 \* Sec. 40. AS 23.20.305(c) is amended to read:

5 (c) If the commissioner denies a review, he shall notify the  
6 employer of the denial and the reasons for the denial. A redetermina-  
7 tion or a denial of review becomes final, unless within 30 days after  
8 the notice is mailed to the last [KNOWN] address of record of the  
9 employer, or delivered to him, the employer initiates [PETITION FOR]  
10 judicial review [IS FILED] in accordance with AS 23.20.445.

11 \* Sec. 41. AS 23.20.310(4) is amended to read:

12 (4) "qualifying period" means the three-year period of 12  
13 consecutive calendar quarters ending on the computation date; for an  
14 employer who has not been subject to this chapter during each of the 12  
15 calendar quarters ending with the computation date, "qualifying period"  
16 means the period ending with the computation date and beginning with the  
17 first calendar quarter in the 12 quarter period in which the employer  
18 was subject to this chapter, but in no event shall an employer's qualify-  
19 ing period be less than the four consecutive calendar quarters ending  
20 with the computation date; [EMPLOYERS WHO HAVE BEEN SUBJECT TO THIS  
21 CHAPTER LESS THAN FOUR CALENDAR QUARTERS IMMEDIATELY PRECEDING THE  
22 COMPUTATION DATE, AND THEIR EMPLOYEES, ARE NOT ENTITLED TO A RATE DETER-  
23 MINATION UNDER AS 23.20.280 - 23.20.310 BUT SHALL PAY CONTRIBUTIONS AT  
24 THE STANDARD RATES SPECIFIED IN AS 23.20.170;] an employing unit is  
25 subject to this chapter beginning with the start of the first quarter in  
26 which he pays wages under this chapter [HEREUNDER], and ending with the  
27 end of the calendar quarter in which either he files closing contribution  
28 and wage reports under regulations adopted by the department [OF THE  
29 COMMISSIONER], or his account is closed by the independent action of the

1 commissioner;

2 \* Sec. 42. AS 23.20.310(5) is amended to read:

3 (5) "ratable payroll" means that part [SO MUCH] of an  
4 employer's payroll for the four consecutive calendar quarters ending on  
5 the computation date as is subject to payment of contributions; for the  
6 purpose of determining the rate for a newly subject employer [AND HIS  
7 EMPLOYEES] under AS 23.20.280 - 23.20.310 the definition of employment  
8 in force at the time that the employer becomes subject to this chapter  
9 applies to service performed for him before the date on which he becomes  
10 subject; [.]

11 \* Sec. 43. AS 23.20.310(7) is amended to read:

12 (7) "reserve rate" means the ratio of [PERCENTAGE OF WHICH]  
13 the total amount available for benefits in the unemployment trust fund  
14 on September 30, immediately following the computation date, to the  
15 [BEARS TO] payroll of employers required to pay contributions under the  
16 provisions of AS 23.20.165 [, AS DEFINED IN THIS SECTION, OF SUBJECT  
17 EMPLOYERS] for the 12 consecutive calendar months [12 CALENDAR-MONTH  
18 PERIOD] ending on the computation date, expressed as a percentage;

19 \* Sec. 44. AS 23.20.310 is amended by adding a new paragraph to read:

20 (10) "computation year" means the 12 months beginning July 1  
21 and ending June 30.

22 \* Sec. 45. AS 23.20.315(c) is amended to read:

23 (c) The department shall mail or deliver a notice of its determi-  
24 nation made under (a) or (b) of this section to the last [KNOWN] address  
25 of record of the employing unit affected. The notice shall include a  
26 statement of the supporting facts found by the department.

27 \* Sec. 46. AS 23.20.315(d) is amended to read:

28 (d) Within 15 days after a notice of a determination has been  
29 mailed or delivered to the last [KNOWN] address of record of an employ-

1 ing unit, the employing unit may apply to the department to reconsider  
2 its determination in the light of additional evidence and to issue a  
3 redetermination. The department shall, if the request is granted, mail  
4 or deliver to the last [KNOWN] address of record of the employing unit  
5 affected a notice of the redetermination. The notice shall include a  
6 statement of the supporting facts found by the department. If the  
7 department denies the request for redetermination, it shall furnish a  
8 notice of the denial of the application.

9 \* Sec. 47. AS 23.20.315(e) is amended to read:

10 (e) Within 15 days after a notice of a determination made under  
11 (a), (b), or (d) of this section or a denial of the application under  
12 (d) of this section has been mailed or delivered to the last [KNOWN]  
13 address of record of an employing unit, the employing unit may appeal  
14 from the determination to the department. The department shall give the  
15 parties a reasonable opportunity for a fair hearing as provided in the  
16 case of hearings before appeal tribunals in AS 23.20.410 - 23.20.470.  
17 The decision of the department is final unless, within 30 days after the  
18 decision is mailed or delivered to the last [KNOWN] address of record of  
19 a party, the party initiates judicial review in accordance with AS 23.-  
20 20.445.

21 \* Sec. 48. AS 23.20.340(a) is amended to read:

22 (a) An examiner designated by the department shall take the claim.  
23 The examiner shall take all evidence pertaining to the eligibility of the  
24 claimant and [AN INITIAL DETERMINATION ON THE CLAIM SHALL BE MADE  
25 PROMPTLY AND SHALL INCLUDE A DETERMINATION WITH RESPECT TO WHETHER  
26 BENEFITS ARE PAYABLE, THE WEEKLY BENEFIT AMOUNT PAYABLE, AND THE MAXIMUM  
27 DURATION OF BENEFITS. WHEN THE PAYMENT OR DENIAL OF BENEFITS IS DETER-  
28 MINED BY AS 23.20.380(9), THE EXAMINER] shall promptly transmit all  
29 evidence [WITH RESPECT TO THAT SECTION] to the department. The depart-

1 ment, or a representative designated by it for the purpose, shall, on  
2 the basis of the evidence submitted and any [THE] additional evidence it  
3 requires, make an initial determination of [AS TO] the claim as to  
4 whether the claimant is eligible for benefits under AS 23.20.350 and an  
5 initial determination of the weekly benefit amount and the maximum po-  
6 tential benefit amount.

7 \* Sec. 49. AS 23.20.340(b) is amended to read:

8 (b) Within one year from the date of the initial determination,  
9 the department shall [ON ITS OWN MOTION MAY] reconsider the determina-  
10 tion and shall issue a redetermination amending the initial determina-  
11 tion if it finds that an error in computation or identity has been made  
12 or [FINDS] that additional wages pertinent to the claimant's insured  
13 status have become available, or that the initial determination re-  
14 sulted from [IS A RESULT OF] a nondisclosure or misrepresentation of a  
15 material fact.

16 \* Sec. 50. AS 23.20.340(c) is amended to read:

17 (c) The claimant [AND OTHER PARTIES TO THE DETERMINATION] shall be  
18 promptly notified of the initial determination or a subsequent redeter-  
19 mination [(OR OF AN AMENDED INITIAL DETERMINATION)] and the reasons for  
20 it.

21 \* Sec. 51. AS 23.20.340(d) is amended to read:

22 (d) Unless the claimant is determined to be disqualified for  
23 benefits under AS 23.20.377 - 23.20.387, benefits [BENEFITS] shall be  
24 promptly paid [OR DENIED] in accordance with the initial determination  
25 or subsequent redetermination.

26 \* Sec. 52. AS 23.20.340(e) is repealed and re-enacted to read:

27 (e) The claimant may file an appeal from an initial determination  
28 or a redetermination under (b) of this section not later than 15 days  
29 after he is notified in person of the determination or redetermination

1 or not later than 15 days after the date the determination or redeter-  
2 mination is mailed to his last address of record. The period for filing  
3 an appeal may be extended for a reasonable period if the claimant shows  
4 that the application was delayed as a result of circumstances beyond the  
5 claimant's control.

6 \* Sec. 53. AS 23.20.340(f) is repealed and re-enacted to read:

7 (f) If a determination of disqualification under AS 23.20.377 -  
8 23.20.387 is made, the claimant shall be promptly notified of the deter-  
9 mination and the reasons for it. The claimant may appeal the determina-  
10 tion in the same manner prescribed in this chapter for appeals of  
11 initial determinations and redeterminations. Benefits may not be paid  
12 while a determination is being appealed for any week for which the  
13 determination of disqualification was made. However, if a decision on  
14 the appeal allows benefits to the claimant, those benefits must be paid  
15 promptly.

16 \* Sec. 54. AS 23.20.350 is repealed and re-enacted to read:

17 Sec. 23.20.350. AMOUNT OF BENEFITS. (a) An individual who is  
18 paid at least \$1,000 in wages during his base period for employment  
19 covered by this chapter is eligible to receive benefits under this  
20 chapter if those wages were paid in at least two of the calendar  
21 quarters of his base period.

22 (b) An individual may not receive benefits under this chapter in  
23 two successive benefit years unless

24 (1) he has performed services, whether or not in "employment"  
25 as defined in this chapter after the beginning of the first benefit  
26 year; and

27 (2) he has earned remuneration for those services equal to at  
28 least eight times his weekly benefit amount, excluding an allowance for  
29 dependents.

1 (c) For the purpose of computing the benefits payable under this  
2 chapter, the base period wages of an insured worker shall be determined  
3 as follows:

4 (1) if the insured worker is paid 90 percent or more of his  
5 wages in the calendar quarter of his base period in which he was paid  
6 the greatest amount of wages, the base period wages are the wages paid  
7 in the quarters of the base period other than the one in which the  
8 greatest amount of wages were paid, multiplied by 10; and

9 (2) if the insured worker is paid less than 90 percent of his  
10 wages in the calendar quarter of his base period in which he was paid  
11 the greatest amount of wages, the base period wages are the wages paid  
12 to him during the base period.

13 (d) An individual who is eligible under (a) of this section and  
14 who complies with (b) of this section, if applicable, is entitled to  
15 receive the weekly benefit amount set out in column (B) of the table in  
16 this subsection which is opposite the amount set out in column (A) of  
17 the individual's base period wages determined under (c) of this section:

(A)	(B)
Base Period Wages	Weekly Benefit Amount
0 - 999.99	\$ 0
1,000 - 1,249.99	34
1,250 - 1,499.99	36
1,500 - 1,749.99	38
1,750 - 1,999.99	40
2,000 - 2,249.99	42
2,250 - 2,499.99	44
2,500 - 2,749.99	46
2,750 - 2,999.99	48
3,000 - 3,249.99	50

1	3,250 - 3,499.99	52
2	3,500 - 3,749.99	54
3	3,750 - 3,999.99	56
4	4,000 - 4,249.99	58
5	4,250 - 4,499.99	60
6	4,500 - 4,749.99	62
7	4,750 - 4,999.99	64
8	5,000 - 5,249.99	66
9	5,250 - 5,499.99	68
10	5,500 - 5,749.99	70
11	5,750 - 5,999.99	72
12	6,000 - 6,249.99	74
13	6,250 - 6,499.99	76
14	6,500 - 6,749.99	78
16	6,750 - 6,999.99	80
16	7,000 - 7,249.99	82
17	7,250 - 7,499.99	84
18	7,500 - 7,749.99	86
19	7,750 - 7,999.99	88
20	8,000 - 8,249.99	90
21	8,250 - 8,499.99	92
22	8,500 - 8,749.99	94
23	8,750 - 8,999.99	96
24	9,000 - 9,249.99	98
25	9,250 - 9,499.99	100
26	9,500 - 9,749.99	102
27	9,750 - 9,999.99	104
28	10,000 - 10,249.99	106
29	10,250 - 10,499.99	108

1	10,500 - 10,749.99	110
2	10,750 - 10,999.99	112
3	11,000 - 11,249.99	114
4	11,250 - 11,499.99	116
5	11,500 - 11,749.99	118
6	11,750 - 11,999.99	120
7	12,000 - 12,249.99	122
8	12,250 - 12,499.99	124
9	12,500 - 12,749.99	126
10	12,750 - 12,999.99	128
11	13,000 - 13,249.99	130
12	13,250 - 13,499.99	132
13	13,500 - 13,749.99	134
14	13,750 - 13,999.99	136
15	14,000 - 14,249.99	138
16	14,250 - 14,499.99	140
17	14,500 - 14,749.99	142
18	14,750 - 14,999.99	144
19	15,000 - 15,249.99	146
20	15,250 - 15,499.99	148
21	15,500 or more	150

(e) An individual who is eligible under (d) of this section is entitled to receive a weekly benefit under this chapter for the number of weeks set out in column B of the table in this subsection opposite the applicable earnings ratio of the individual set out in column A:

	(A)	(B)
	Earnings Ratio	Number of Weeks
27	less than 1.49	16
28	1.50 - 1.99	18
29		

1	2.00 - 2.49	20
2	2.50 - 2.99	22
3	3.00 - 3.49	24
4	3.50 or more	26

5 (f) An individual who establishes a benefit year is entitled to an  
6 allowance for dependents in addition to his weekly benefit amount equal  
7 to \$24 per week for each dependent of the individual, except that the  
8 allowance for dependents may not exceed \$72 for each week of unemploy-  
9 ment. The individual must request the allowance for dependents when he  
10 first makes a claim for benefits. For purposes of the allowance for  
11 dependents, the number of dependents is determined on the date the  
12 individual establishes his benefit year and may only be redetermined  
13 during his benefit year if he obtains an additional dependent by birth  
14 or adoption. An allowance for dependents may not be paid during a  
15 benefit year to an individual if the dependent has been claimed by  
16 another individual and the allowance for dependents has been determined  
17 to be payable to the other individual. Before an allowance for depen-  
18 dents is paid, the department shall determine that no other individual  
19 is receiving an allowance for dependents for the same dependents and may  
20 require that each individual seeking an allowance for dependents produce  
21 evidence satisfactory to the department that the dependents claimed are  
22 dependents of that person.

23 (g) In this section,

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

25 (A) unmarried child, stepchild, legally adopted child,  
26 or legal ward under 18 years of age who is dependent on the in-  
27 dividual for more than 50 percent of support;

28 (B) unmarried child, stepchild, legally adopted child,  
29 or legal ward of any age who is dependent on the individual for

1 more than 50 percent of support and who is prevented by infirmity  
2 from engaging in a gainful occupation;

3 (2) "earnings ratio" means the ratio obtained by dividing the  
4 total base period wages of the insured worker by the wages paid in the  
5 quarter of the base period in which he was paid the greatest amount of  
6 wages.

7 \* Sec. 55. AS 23.20.360 is amended to read:

8 Sec. 23.20.360. EARNINGS DEDUCTED FROM WEEKLY BENEFIT AMOUNT. An  
9 eligible individual who is unemployed in a week shall be paid for [WITH  
10 RESPECT TO] that week a benefit in an amount equal to his [BASIC OR  
11 AUGMENTED] weekly benefit amount, excluding the allowance for dependents,  
12 less 75 percent of that part of the remuneration, whether or not covered  
13 by this chapter, payable to him for [WITH RESPECT TO] that week which is  
14 in excess of \$50 [\$10 OR ONE-HALF OF HIS BASIC WEEKLY BENEFIT AMOUNT,  
15 WHICHEVER AMOUNT IS GREATER]. If the benefit is not a multiple of \$1,  
16 it is computed to the next higher multiple of \$1.

17 \* Sec. 56. AS 23.20 is amended by adding a new section to read:

18 Sec. 23.20.362. DISQUALIFYING OR DEDUCTIBLE INCOME. (a) The  
19 amount of benefits payable to an insured worker for a week of unemploy-  
20 ment which begins in a period for which the insured worker is receiving  
21 a payment from a pension, annuity or similar plan or contract for ser-  
22 vice in employment covered by this chapter, or a payment to compensate  
23 him for a dismissal from employment without prior notice or for unused  
24 paid leave-of-absence for vacation or holidays, shall be reduced by the  
25 amount of the payment or compensation which is attributable to the week  
26 of unemployment.

27 (b) An individual is not entitled to benefits for a week of un-  
28 employment for which he has received or is seeking unemployment benefits  
29 under the employment security law of another state in a manner other

1 than in accordance with the reciprocal arrangements with other states or  
2 the federal government. This subsection does not apply to an individual  
3 who is determined by the appropriate agency to be ineligible to receive  
4 unemployment benefits under the other employment security law.

5 (c) If, after a reduction of a benefit amount under (a) of this  
6 section, the weekly benefit amount is not a multiple of \$1, the benefit  
7 amount shall be increased to the next higher dollar amount.

8 \* Sec. 57. AS 23.20.370 is amended to read:

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

19 \* Sec. 58. AS 23.20.375(a) is repealed and re-enacted to read:

20 Sec. 23.20.375. FILING REQUIREMENTS. (a) An insured worker is  
21 entitled to receive waiting-week credit or benefits for a week of un-  
22 employment for which he has not been disqualified under AS 23.20.377 -  
23 23.20.387 if, in accordance with regulations adopted by the department,  
24 he has

25 (1) made an initial claim for benefits; and

26 (2) for that week, certified for waiting-week credit or made  
27 a claim for benefits.

28 \* Sec. 59. AS 23.20 is amended by adding new sections to read:

29 Sec. 23.20.378. ABLE TO WORK AND AVAILABLE FOR SUITABLE WORK. (a)

1 An insured worker is entitled to receive waiting-week credit or benefits  
2 for a week of his unemployment if for that week he is able to work and  
3 available for suitable work. An insured worker is not considered  
4 available for work unless he is registered for work in accordance with  
5 regulations adopted by the department. An insured worker may not be  
6 disqualified for failure to comply with this subsection if

7 (1) he is not available for work because he is ill or dis-  
8 abled;

9 (2) he is not available for work because he is traveling to  
10 obtain medical services which are not available in the area in which he  
11 resides, or if a physician determines it is necessary, he is not avail-  
12 able for work because he must accompany a spouse or dependent who is  
13 traveling to obtain medical services;

14 (3) he resides in the state and is not available for work  
15 because of his noncommercial hunting or fishing necessary for his sur-  
16 vival or the survival of his dependents;

17 (4) he is not available for work because he is serving as a  
18 prospective or impaneled juror in a court; or

19 (5) a condition described in (1), (2), or (3) of this subsec-  
20 tion occurs during an uninterrupted period of unemployment immediately  
21 following a week for which he has filed a compensable claim and work has  
22 not been offered to him which would have been suitable for him before  
23 the illness, disability, hunting, fishing or medical travel.

24 (b) A waiver of disqualification for an illness or disability  
25 under (a)(1) of this section may not exceed six consecutive weeks.

26 (c) An insured worker is disqualified for waiting-week credit or  
27 benefits for a week of unemployment while he attends an established  
28 school in a course of study providing academic instruction of 10 or more  
29 credit hours per week, or the equivalent. A disqualification under this

1 subsection begins with the first week of academic instruction and ends  
2 with the week immediately before the first full week in which the in-  
3 sured worker is no longer attending classes if the insured worker cer-  
4 tifies that the period of nonattendance will last at least 60 days. In  
5 this subsection, the term "school" includes primary schools, secondary  
6 schools, and institutions of higher education.

7 Sec. 23.20.379. VOLUNTARY QUIT, DISCHARGE FOR MISCONDUCT, AND  
8 REFUSAL OF WORK. (a) An insured worker is disqualified for waiting-  
9 week credit or benefits for the first week in which he is unemployed and  
10 for the next five weeks of unemployment following that week if he

11 (1) left his last suitable work voluntarily without good  
12 cause; or

13 (2) was discharged for misconduct connected with his work.

14 (b) An insured worker is disqualified for waiting-week credit or  
15 benefits for a week and the next five weeks of unemployment following  
16 that week if, for that week, he fails without good cause

17 (1) to apply for available suitable work to which he was  
18 referred by the employment office; or

19 (2) to accept suitable work when offered to him.

20 (c) The department shall reduce the maximum potential benefits to  
21 which an insured worker disqualified under (a) or (b) of this section  
22 would have been entitled by three times the insured worker's weekly  
23 benefit amount (excluding the allowance for dependents) or by the amount  
24 of unpaid benefits to which the insured worker is entitled, whichever is  
25 less.

26 (d) The disqualification required in this section is terminated if  
27 the insured worker returns to employment and earns at least eight times  
28 his weekly benefit amount.

29 \* Sec. 60. AS 23.20.381 is amended by adding new subsections to read:

1 (e) Benefits based on service in an instructional, research or  
2 principal administrative capacity for an educational institution may not  
3 be paid to an individual for a week of unemployment which begins during  
4 the period between two successive academic years, or during a similar  
5 period between two regular terms, whether or not successive, or during a  
6 period of paid sabbatical leave provided for in the individual's con-  
7 tract, if the individual performs services in the first of those aca-  
8 demic years or terms and if there is a contract or reasonable assurance  
9 that the individual will perform services in the same or similar capa-  
10 city for an educational institution in the second of those academic  
11 years or terms.

12 (f) Benefits based on service in a capacity not specified in (e)  
13 of this section for an educational institution other than an institution  
14 of higher education may not be paid to an individual for a week of  
15 unemployment which begins during the period between successive school  
16 years if there is reasonable assurance that the individual will perform  
17 service for an educational institution other than an institution of  
18 higher education in the second of those school years.

19 \* Sec. 61. AS 23.20 is amended by adding new sections to read:

20 Sec. 23.20.383. LABOR DISPUTE DISQUALIFICATION. (a) An insured  
21 worker is disqualified for waiting-week credit or benefits for a week of  
22 his unemployment if, for that week, the department finds his unemploy-  
23 ment is due to a stoppage of work caused by a labor dispute at the  
24 immediate establishment or other premises at which he is or was last  
25 employed. For the purposes of this section, each separate department of  
26 the same premises which is commonly conducted as a separate business in  
27 separate premises is considered a separate establishment or other pre-  
28 mises.

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

1 (1) an insured worker was not participating in or directly  
2 interested in the labor dispute which caused his unemployment;

3 (2) he did not belong to a grade or class of workers which,  
4 immediately before the commencement of the dispute, had members employed  
5 at the premises at which the labor dispute occurred who were participat-  
6 ing in or directly interested in the labor dispute; and

7 (3) the labor dispute is caused by the failure or refusal of  
8 the employer to comply with an agreement or contract between the em-  
9 ployer and the insured worker, or a state or federal law pertaining to  
10 hours, wages or other conditions of work.

11 Sec. 23.20.387. DISQUALIFICATION FOR MISREPRESENTATION. (a) An  
12 insured worker is disqualified for benefits for not less than six weeks  
13 or more than 52 weeks if the department determines that he has knowingly  
14 made a false statement or misrepresentation of a material fact or know-  
15 ingly failed to report a material fact with intent to obtain or increase  
16 benefits under this chapter. The length of this disqualification and  
17 the beginning date of the disqualification shall be determined by the  
18 department according to the circumstances in each case.

19 (b) A person may not be disqualified from receiving benefits under  
20 this section unless there is documented evidence that he has made a  
21 false statement or a misrepresentation as to a material fact or has  
22 failed to disclose a material fact. Before a determination of fraudu-  
23 lent misrepresentation or nondisclosure may be made, there must be a  
24 preponderance of evidence of an intention to defraud, and the false  
25 statement or misrepresentation must be shown to be knowing and to in-  
26 volve a material fact.

27 (c) The insured worker shall be notified of the department's  
28 determination under this section as provided in AS 23.20.340(f) and may  
29 appeal the determination as provided in AS 23.20.415.

1 \* Sec. 62. AS 23.20.390(b) is amended to read:

2 (b) The [AS SOON AS THE] department [HAS KNOWLEDGE OF PAYMENTS OF  
3 BENEFITS TO AN INDIVIDUAL UNDER THE CIRCUMSTANCES MENTIONED IN THIS  
4 SECTION, IT] shall promptly prepare and deliver or mail to the indivi-  
5 dual at his last [KNOWN] address of record a notice of determination of  
6 liability declaring that the individual has been determined liable to  
7 refund the amount of benefits to which he is not entitled [PAID UNDER  
8 THE CIRCUMSTANCES MENTIONED IN THIS SECTION]. The amount, if not pre-  
9 viously collected, shall be deducted from future benefits payable to the  
10 individual. However, if the department determines that an individual  
11 has died, or has acted in good faith in claiming and receiving benefits  
12 to which he was not entitled, or [AND] that great hardship would result  
13 from charging the individual with repayment of the benefits, the depart-  
14 ment may absolve the individual from liability to the fund for repayment  
15 of all or a portion of those [THE] benefits.

16 \* Sec. 63. AS 23.20.407 is amended to read:

17 Sec. 23.20.407. WEEKLY EXTENDED BENEFIT AMOUNT; TOTAL PAYABLE.

18 (a) The weekly extended benefit amount payable to an individual for a  
19 week of total unemployment in his eligibility period is an amount equal  
20 to the weekly [BASIC OR AUGMENTED] benefit amount, including the allow-  
21 ance for dependents, [AMOUNTS] payable to him during his applicable  
22 benefit year.

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

26 (1) 50 percent of the total amount of regular benefits,  
27 including dependents' allowances, which were payable to him under this  
28 chapter in his applicable benefit year;

29 (2) 13 times his [AVERAGE] weekly benefit amount, including

1 dependents' allowances which was payable to him under this chapter for a  
2 week of total unemployment in the applicable benefit year; or

3 (3) 39 times his [AVERAGE] weekly benefit amount, including  
4 dependents' allowances which was payable to him under this chapter for a  
5 week of total unemployment in the applicable benefit year, reduced by  
6 the total amount of regular benefits which were paid or considered paid  
7 to him under this chapter with respect to the benefit year.

8 \* Sec. 64. AS 23.20.408(g) is repealed and re-enacted to read:

9 (g) There is a state "off" indicator for a week if, for that week  
10 and the immediately preceding 12 weeks, the rate of insured unemployment  
11 was either (1) less than four per cent; or (2) less than five per cent  
12 and was less than 120 percent of the average of the rates of insured  
13 unemployment for the corresponding 13-week period in each of the preced-  
14 ing two calendar years.

15 \* Sec. 65. AS 23.20.415(a) is amended to read:

16 (a) A party entitled to notice of determination provided in AS 23.-  
17 20.340 may file an appeal from the determination to an appeal tribunal  
18 within the time specified in that section. However, an appeal from a  
19 determination which involves AS 23.20.383 [AS 23.20.380(9)] shall be  
20 made to the department. The parties to an appeal from a determination  
21 shall include all those entitled to notice of the determination and a  
22 properly designated representative of the department.

23 \* Sec. 66. AS 23.20.430 is amended to read:

24 Sec. 23.20.430. NOTICE OF DECISION AND TIME FOR APPEAL. After a  
25 hearing an appeal tribunal shall promptly make findings and conclusions  
26 and on the basis of them shall affirm, modify, or reverse the determina-  
27 tion. Each party shall be promptly given a copy of the decision, the  
28 supporting findings and the conclusions. This decision is final unless  
29 further review is initiated under AS 23.20.435 within 15 [10] days after

1 the decision is mailed to each party at his last [KNOWN] address of  
2 record or delivered to him. The period within which further review may  
3 be initiated may be extended for a reasonable period of time upon a  
4 showing that the application was delayed as a result of circumstances  
5 beyond the party's control [GOOD CAUSE].

6 \* Sec. 67. AS 23.20.435(a) is amended to read:

7 (a) An appeal to the department by a party is a matter of right if  
8 the decision of the appeal tribunal reverses or modifies the determina-  
9 tion of the department, or if a question arising under AS 23.20.383  
10 [AS 23.20.380(9)] is presented. In all other cases further appeal to  
11 the department is permitted only at the discretion of the department.

12 \* Sec. 68. AS 23.20.445 is amended to read:

13 Sec. 23.20.445. NOTICE OF DECISION OF DEPARTMENT AND JUDICIAL  
14 REVIEW. Each party, including the properly designated representative of  
15 the department, shall be promptly given a copy of the decision and the  
16 supporting findings and conclusions of the department. The decision is  
17 final unless a party initiates judicial review by filing an appeal  
18 [ACTION] in the superior court as provided in the Rules of Appellate  
19 Procedure of the State of Alaska [FOR REVIEW WITHIN 30 DAYS AFTER THE  
20 DEPARTMENT'S DECISION HAS BEEN MAILED TO EACH PARTY AT HIS LAST KNOWN  
21 ADDRESS, OR DELIVERED TO HIM]. For the purpose of judicial review, an  
22 appeal tribunal's decision from which an application for appeal has been  
23 denied by the department is considered the decision of the department,  
24 except that the time for initiating judicial review runs from the date  
25 of the mailing or delivery of the notice of the denial of the applica-  
26 tion for appeal by the department.

27 \* Sec. 69. AS 23.20.470(a) is amended to read:

28 (a) An attorney at law representing a claimant on appeal to the  
29 courts is entitled to reasonable counsel fees as fixed by the court [NOT

1 TO EXCEED \$300] and necessary court costs and printing disbursements  
2 as fixed by the court [NOT EXCEEDING \$150. IN DIFFICULT CASES THE COURT  
3 TO WHICH THE APPEAL IS TAKEN MAY, UPON APPLICATION OF COUNSEL FOR THE  
4 CLAIMANT, INCREASE THE FEES, COURT COSTS, OR DISBURSEMENTS TO AN AMOUNT  
5 WHICH THE COURT CONSIDERS REASONABLE].

6 \* Sec. 70. AS 23.20.485 is amended to read:

7 Sec. 23.20.485. FALSE STATEMENT TO SECURE BENEFITS. A person who  
8 makes a false statement or misrepresentation knowing it is false or who  
9 knowingly fails to disclose a material fact, with intent to obtain or  
10 increase a benefit or other payment under this chapter or under an  
11 employment security law of another state, of the federal government, or  
12 of a foreign government, either for himself or for another person, is  
13 guilty of a class B misdemeanor [ UPON CONVICTION, IS PUNISHABLE BY A  
14 FINE OR NOT MORE THAN \$200, OR BY IMPRISONMENT FOR NOT MORE THAN 60  
15 DAYS, OR BY BOTH]. Each false statement or misrepresentation or failure  
16 to disclose a material fact is a separate offense.

17 \* Sec. 71. AS 23.20.490 is amended to read:

18 Sec. 23.20.490. ACTS OF EMPLOYER PROHIBITED. (a) An employing  
19 unit or an officer or agent of an employing unit may not (1) make a  
20 false statement or representation knowing it is false, (2) knowingly  
21 fail to disclose a material fact to prevent or reduce the payment of  
22 benefits to an individual entitled to them, or to avoid or reduce a  
23 contribution or other payment required from an employing unit under this  
24 chapter, or (3) knowingly [WILFULLY] fail or refuse to make a contribu-  
25 tion or other payment, or to furnish a report required by this chapter  
26 or by authority granted under this chapter, or to produce or permit the  
27 inspection or copying of records as required by this chapter.

28 (b) An employing unit or officer or agent of an employing unit  
29 who violates [, UPON CONVICTION OF VIOLATING] (a) of this section, is

1 guilty of a class A misdemeanor [PUNISHABLE BY A FINE OF NOT MORE THAN  
2 \$200, OR BY IMPRISONMENT FOR NOT MORE THAN 60 DAYS, OR BY BOTH].

3 \* Sec. 72. AS 23.20.505 is amended to read:

4 Sec. 23.20.505. UNEMPLOYED INDIVIDUAL. (a) An individual is con-  
5 sidered "unemployed" in a week during which he performs no services and  
6 for [WITH RESPECT TO] which no remuneration is payable to him, or in a  
7 week of less than full-time work if the remuneration payable to him for  
8 the week is not more [LESS] than one and one-third times his [BASIC]  
9 weekly benefit amount, excluding the allowance for dependents, plus \$50  
10 [\$10 OR ONE AND ONE-HALF TIMES HIS BASIC WEEKLY BENEFIT AMOUNT, WHICH-  
11 EVER AMOUNT IS GREATER].

12 (b) For the purposes of this section remuneration includes:

13 (1) all compensation, including commissions, payable for  
14 services performed for another, whether or not those services constitute  
15 "employment" as defined in this chapter;

16 (2) earnings from self-employment;

17 (3) bonuses, and guaranteed wage payments which shall be allo-  
18 cated proportionately to all weeks or parts of weeks falling within the  
19 period during which the payment was earned or for which the payment was  
20 awarded;

21 (4) the reasonable cash value of payment for services in a  
22 medium other than cash; and

23 (5) compensation received for service as a juror.

24 (c) For the purposes of this section remuneration does not include  
25 compensation received for inactive service performed by a member of the  
26 Alaska National Guard or Naval Militia.

27 \* Sec. 73. AS 23.20.520(21) is amended to read:

28 (21) "waiting week" means the first week of unemployment  
29 for which an individual files a claim during his benefit year and for

1 which no disqualification is imposed under AS 23.20.377 - 23.20.387  
2 [OCCURRING IN A BENEFIT YEAR];

3 \* Sec. 74. AS 23.20.520(26) is amended to read:

4 (26) "training or retraining course" ["VOCATIONAL TRAINING"]  
5 means a course of vocational or technical training or retraining in  
6 schools or classes, including but not limited to, field or laboratory  
7 work and related remedial or [RELATED] academic instruction, which is  
8 conducted as a program designed to prepare individuals for entry level  
9 [GAINFUL] employment in trades, skills or crafts; the term "training or  
10 retraining course" ["VOCATIONAL TRAINING"] does not include a program of  
11 instruction for an individual, including a transfer credit program of  
12 instruction given at a community college, which is intended as credit  
13 for a degree from an institution of higher education; [ACADEMIC EDUCATION  
14 WHOSE PURPOSE IS TO PREPARE INDIVIDUALS FOR EMPLOYMENT IN OCCUPATIONS  
15 GENERALLY CLASSIFIED AS PROFESSIONAL OR WHICH REQUIRE A BACCALAUREATE OR  
16 HIGHER DEGREE FROM INSTITUTIONS OF HIGHER LEARNING.]

17 \* Sec. 75. AS 23.20.525(a)(5) is amended to read:

18 (5) service performed before January 1, 1978 in the employ of  
19 a political subdivision of this state or a wholly owned instrumentality  
20 of a political subdivision of this state, if coverage was elected under  
21 AS 23.20.325 [OR AS 23.20.326];

22 \* Sec. 76. AS 23.20.525(a)(16)(C)(ii) is amended to read:

23 (ii) if that individual is not an employee of that  
24 other person within the meaning of (10) [(A)] of this sub-  
25 section [PARAGRAPH];

26 \* Sec. 77. AS 23.20.520 is amended by adding a new paragraph to read:

27 (27) "average annual wage" means the amount determined by  
28 dividing the total wages paid by covered employers during a 12-month  
29 period by the average monthly employment reported by covered employers

1 for the same period.

2 \* Sec. 78. AS 23.20.530(b) is amended by adding a new paragraph to read:

3 (12) compensation received for service as a prospective or  
4 impaneled juror in a court.

5 \* Sec. 79. Chapter 122, sec. 27(a), SLA 1977 is amended to read:

6 (a) Notwithstanding the provisions of AS 23.20.350, benefits may  
7 be paid to an individual after December 31, 1977 on wages earned by that  
8 individual in a category of employment which was not covered under  
9 AS 23.20 at any time during calendar year 1975 and which was service  
10 which is covered under AS 23.20, effective January 1, 1978, as the  
11 result of enactment of sec. 18 [19] of this Act.

12 \* Sec. 80. AS 23.20.170(a), 23.20.200(c), 23.20.310(6), (8) and (9),  
13 23.20.340(g), 23.20.375(c), 23.20.380, 23.20.520(18), and 23.20.526(a)(19)  
14 are repealed.

15 \* Sec. 81. EMPLOYER CONTRIBUTIONS. (a) To determine the average benefit  
16 cost rate for employer contributions in 1981, the Department of Labor shall  
17 use the wages subject to contributions specified in AS 23.20.175(c)(1) en-  
18 acted in sec. 16 of this Act.

19 (b) To determine the average benefit cost rate for employer contrib-  
20 utions in 1983, the Department of Labor shall use the wages subject to con-  
21 tributions specified in AS 23.20.175(c)(2) enacted in sec. 16 of this Act.

22 \* Sec. 82. Notwithstanding AS 23.20.290(c) enacted in sec. 34 of this  
23 Act, the employer rate of contributions in 1981 may not exceed 5.1 percent.

24 \* Sec. 83. AS 23.20.362(a) and (c) enacted in sec. 56 of this Act are  
25 repealed on the date that 26 U.S.C. 3304(a)(15) is amended or repealed.

26 \* Sec. 84. Sections 54 and 63 of this Act take effect October 1, 1980,  
27 and apply to insured workers who establish a benefit year after September 30,  
28 1980.

29 \* Sec. 85. Sections 2 - 4, 7 - 12, 18, 20, 22, 23, 25, 26, 28 - 30, 39,

1 40, 42, 45 - 53, 57, 62, 64, 69, 75 and 81 - 83 of this Act take effect  
2 immediately in accordance with AS 01.10.070(c).

3 \* Sec. 86. Sections 76 and 79 of this Act take effect immediately in  
4 accordance with AS 01.10.070(c) and are retroactive to January 1, 1978.

5 \* Sec. 87. Sections 1, 5, 6, 32, 55, 56, 58 - 61, 65 - 68, 70 - 74, 78,  
6 and 80 of this Act take effect October 1, 1980.

7 \* Sec. 88. Sections 13 - 17, 19, 21, 24, 27, 31, 33 - 38, 41, 43, 44 and  
8 77 of this Act take effect January 1, 1981.

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THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Free Conference CSHB 177  
 Title "An Act relating to UI; and providing for an effective date."  
 Requested by Free Conference Committee Date 2-11-80

II FISCAL DETAIL

Agency Affected Division of Budget & Management directly; all agencies indirectly  
 Program Category Affected ALL  
 BRU, Program, or Subprogram(s) Affected Division of Budget & Management  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES (UI)	0	576	842	923	1011	1108
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	0	0	0	0	0
400 COMMODITIES	0	0	0	0	0	0
500 EQUIPMENT	0	0	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>576</b>	<b>842</b>	<b>923</b>	<b>1011</b>	<b>1108</b>

FUNDING (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND	0	576	842	923	1011	1108
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME	0	0	0	0	0	0
PART TIME						
TEMPORARY						

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

A. ASSUMPTIONS:

1. State payroll increases at 9.6% per year
2. Benefit payments remain at 6.27% of payroll
3. Effective Date 10/1/80 for new benefit rates

B. PROGRAM SUMMARY: Administrative changes will be completed by existing staff

C. COMPUTATIONS:

Program cost = FP x a x AWB where FP = First Pays  
 a = Average duration  
 AWB = Average weekly benefit

IV. DATE 2/12/80 PREPARED BY Jim Souby  
 AGENCY Labor  
 PHONE 465-2700

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

COMMITTEE REPORT  
SENATE

FURTHER: None

4/6/79

Date: April 12, 1979

Mr. President:

The Committee on FINANCE has had HB 177  
relating to unemployment insurance; effective date

under consideration and (a majority of the committee) (the committee)  
reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with <sup>S (Labor & mgmt)</sup>CS for HB 177  same title  
 new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back <sup>Indubious</sup> without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

Holman  
John Hackman  
Robert ...  
 \_\_\_\_\_  
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 \_\_\_\_\_  
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 \_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

Wesley Kay NO REC  
John ...  
Robert ...  
James ...  
 \_\_\_\_\_  
 \_\_\_\_\_

John C. Sackett  
 CHAIRMAN  
 Do Pass

Original sponsor: Rules/Governor

Offered: 4/6/79  
Referred: Finance

1 IN THE HOUSE

BY THE LABOR AND  
MANAGEMENT COMMITTEE

2 SENATE CS FOR HOUSE BILL NO. 177

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST 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 23.20.045(b) is amended to read:

10 (b) Special rules may be adopted, amended, or rescinded by the  
11 department only after public hearing or opportunity to be heard on them,  
12 of which proper notice has been given. A special rule becomes effective  
13 30 days after notification to or mailing to the last [KNOWN] address  
14 of record of the persons affected by it.

15 \* Sec. 2. AS 23.20.115 is amended to read:

16 Sec. 23.20.115. UNAUTHORIZED DISCLOSURE OF INFORMATION. A member  
17 of the department, [OR] an employee of the department, or an agent of  
18 the department who, in violation of AS 23.20.110, makes a disclosure of  
19 information obtained from an employing unit or from an individual in the  
20 administration of this chapter, or a person who has obtained a list of  
21 applicants for work or of claimants or recipients of benefits under this  
22 chapter and who uses or permits the use of the list for a purpose not  
23 authorized by AS 23.20.110, upon conviction, is punishable by a fine of  
24 not more than \$200, or by imprisonment for not more than 90 days, or by  
25 both.

26 \* Sec. 3. AS 23.20.130(b)(9) is amended to read:

27 (9) reimbursement of benefits paid under AS 23.20.277 and [,]  
28 23.20.278 [AND AS 23.20.326], and reimbursement of benefits paid under  
29 AS 23.20.326 as it read before January 1, 1978; and

1 \* Sec. 4. AS 23.20.135 is amended to read:

2 Sec. 23.20.135. ACCOUNTS AND DEPOSIT. (a) The commissioner of  
3 revenue is ex officio the treasurer and custodian of the fund and shall  
4 administer it as directed by the department. Checks or warrants shall  
5 be issued on the fund in accordance with the regulations which the  
6 department prescribes. The [COMMISSIONER OF REVENUE SHALL MAINTAIN  
7 WITHIN THE] fund has three separate accounts:

- 8 (1) a clearing account,  
9 (2) an unemployment trust fund account, and  
10 (3) a benefit account.

11 (b) The department, or a designee of the department, [SHALL  
12 FORWARD, UPON RECEIPT, ALL MONEY PAYABLE TO THE FUND TO THE COMMISSIONER  
13 OF REVENUE WHO] shall immediately deposit, upon receipt, all money pay-  
14 able to the fund [THEM] in the clearing account. Refunds of contribu-  
15 tions erroneously collected and payable under AS 23.20.225 and 23.20.-  
16 526(a)(11) [23.20.525(c)(11)] may be paid from the clearing account in  
17 the same manner, if they were deposited in the unemployment compensation  
18 fund, or from the training and building fund; however, interest and  
19 penalty payments collected on and after June 30, 1969 may not be re-  
20 funded from the unemployment compensation fund. After clearance, all  
21 money in the clearing account shall be immediately deposited with the  
22 Secretary of the Treasury of the United States to the credit of the  
23 account of this state in the unemployment trust fund, established and  
24 maintained under sec. 904 of the Social Security Act, as amended.

25 (c) The benefit account consists of money requisitioned from this  
26 state's account in the unemployment trust fund for the purpose of paying  
27 benefits. Money in the clearing and benefit accounts may be deposited  
28 by the designee of the department [COMMISSIONER OF REVENUE], under the  
29 direction of the department, in a bank or public depository in which

1 general funds of the state may be deposited, but no public deposit  
2 insurance charge or premium may be paid out of the fund. Money in these  
3 accounts may not be commingled with other state funds, but shall be  
4 maintained in separate accounts on the books of the depository bank.  
5 The money is secured by the depository law of this state. Collateral  
6 pledged for this purpose shall be kept separate and distinct from  
7 collateral pledged to secure other funds of the state. The commissioner  
8 of revenue is liable on his official bond for the faithful performance  
9 of his duties in connection with the fund. Sums recovered for losses  
10 sustained by the fund shall be deposited in the fund.

11 \* Sec. 5. AS 23.20.145(b) is amended to read:

12 (b) The department shall from time to time requisition from the  
13 unemployment trust fund amounts not exceeding the amounts standing to  
14 the state's account in the fund which it considers necessary for the  
15 payment of benefits for a reasonable future period. Upon receipt of an  
16 amount the department [COMMISSIONER OF REVENUE] shall deposit the money  
17 to the benefit account. A check or warrant for the payment of benefits  
18 may be issued solely from the benefit account.

19 \* Sec. 6. AS 23.20.145(c) is amended to read:

20 (c) If money in the clearing account is not sufficient to provide  
21 for refunds of contributions erroneously collected and payable under  
22 AS 23.20.225 and 23.20.526(a)(11), the department shall withdraw from  
23 the unemployment trust fund the amounts not exceeding the amount stand-  
24 ing to this state's account in the fund which are necessary for the  
25 payment of the refunds, if the erroneously collected interest and penal-  
26 ties were deposited and retained in the unemployment compensation fund,  
27 but no amounts may be withdrawn from the unemployment trust fund for the  
28 refund of interest and penalty payments collected on and after June 30,  
29 1969. Upon receipt the department, or the designee of the department,