

viding for and administering the laws of the Federal and Territorial governments, having for their purpose old-age assistance and such other assistance as may be provided for or extended to the people of the Territory, and for that purpose and to that end this law is enacted.

Title of Act. Section 5. **Short Title.** This Act may be cited as "The Public Welfare Act of Alaska."

Emergency. Section 6. **Emergency.** An emergency is hereby declared to exist and this Act shall become effective immediately upon its passage and approval.

Approved April 1, 1937.

CHAPTER 4.

AN ACT

[S. B. 1]

To provide for unemployment compensation; to provide for the establishment of public employment offices; to provide funds therefor; to create a commission to administer the Act; and to define its duties; to provide for its appointment; to provide for cooperation with the United States of America in the administration of the Act; to provide penalties for violation; to provide for an appropriation to carry the Act into effect; and to declare an emergency.

Be it enacted by the Legislature of the Territory of Alaska:

Declaration of Territorial Public Policy with reference to Unemployment Compensation.

Declaration of Territorial Public Policy. As a guide to the interpretation and application of this Act, the public policy of this Territory is declared to be as follows:

Economic insecurity due to unemployment is a serious menace to the health, morals and welfare of the people of this Territory. Involuntary unemployment is therefore a subject of general interest and concern which requires appropriate action by the Legislature to prevent its spread and to lighten its burden which now so often falls with crushing force upon the unemployed worker and his family. The achievement of social security requires protection against this greatest hazard of our economic life. This can be accomplished by encouraging employers to provide more stable employment and by the systematic accumulation of funds during periods of employment from which benefits may be paid for periods of unemployment, thus maintaining purchasing power and limiting the serious social consequences of poor relief assistance. The Legislature, therefore, declares that in its considered judgment the public good, and the general welfare of the citizens of this Territory, require the enactment of this measure, under the police power of the Territory, for the compulsory setting aside of unemployment reserves to be used for the benefit of persons unemployed through no fault of their own.

Section 1. **Short Title.** This Act shall be known and may be cited as the Alaska Unemployment Compensation Law. Title of Act.

Section 2. **Definitions.** As used in this Act, unless the context clearly requires otherwise— Definitions.

(a) "Base Period" means the period beginning with the first day of the nine completed calendar quarters immediately preceding the first day of an individual's benefit year and ending with the last day of the next to the last completed calendar quarter immediately preceding any week with respect to which benefits are payable. Base Period.

- Benefits.** (b) "Benefits" means the money payments payable to an individual, as provided in this Act, with respect to his unemployment.
- Benefit Year.** (c) "Benefit Year", with respect to any individual, means the fifty-two consecutive week period beginning with the first day of the week with respect to which benefits are first payable to him, and thereafter the fifty-two consecutive week period beginning with the first day of the first week with respect to which benefits are next payable to him after the termination of his last preceding benefit year.
- Contributions.** (d) "Contributions" means the money payments to the Alaska unemployment compensation fund required by this Act.
- Calendar Quarter.** (e) "Calendar Quarter" means the period of three consecutive calendar months ending March 31, June 30, September 30, or December 31, excluding, however, any calendar quarter or portion thereof which occurs prior to January 31, 1938, or the equivalent thereof as the Commission may by regulation prescribe.
- Commission.** (f) "Commission" means the Unemployment Compensation Commission established by this Act or any person to whom this Commission may delegate its powers and duties.
- Employing Unit defined.** (g) "Employing Unit" means any individual or type of organization, including any partnership, association, trust, estate, joint-stock company, insurance company or corporation, whether domestic or foreign, or the receiver, trustee in bankruptcy, trustee or successor thereof, or the legal representative of a deceased person, which has, or subsequent to January 1, 1937, had, in its employ one or more individuals performing services for it within this Territory. All individuals performing services within this Territory for any employ-

ing unit which maintains two or more separate establishments within this Territory shall be deemed to be employed by a single employing unit for all the purposes of this Act. Whenever any employing unit contracts with or has under it any contractor or subcontractor for any work which is part of its usual trade, occupation, profession, or business, unless the employing unit as well as each such contractor or subcontractor is an employer by reason of Section 2 (h) or Section 8 (c) of this Act, the employing unit shall for all the purposes of this Act be deemed to employ each individual in the employ of each such contractor or subcontractor for each day during which such individual is engaged in performing such work; except that each such contractor or subcontractor who is an employer by reason of Section 2 (h) or Section 8 (c) of this Act shall alone be liable for the employers' contributions measured by wages payable to individuals in his employ, and except that any employing unit who shall become liable for and pay contributions with respect to individuals in the employ of any such contractor or subcontractor who is not an employer by reason of Section 2 (h) or Section 8 (c) of this Act, may recover the same from such contractor or subcontractor. Each individual employed to perform or to assist in performing the work of any agent or employee of an employing unit shall be deemed to be employed by such employing unit for all the purposes of this Act, whether such individual was hired or paid directly by such employing unit or by such agent or employee, provided the employing unit has actual or constructive knowledge of the work.

(h) "Employer" means:

Employer.

(1) Any employing unit which for some portion of a day, but not necessarily simultaneously, in each of twenty different weeks, whether or not such weeks are or were consecutive, within either the current or the preceding calendar year, has or had in employment,

Employer defined.

eight or more individuals (irrespective of whether the same individuals are or were employed in each such day);

(2) Any individual or employing unit which acquired the organization, trade or business, or substantially all the assets thereof, of another which at the time of such acquisition was an employer subject to this Act;

(3) Any employing unit which acquired the organization, trade, or business, or substantially all the assets thereof, of another employing unit (not an employer subject to this Act) and which, if subsequent to such acquisition it were treated as a single unit with such other employing unit, would be an employer under paragraph (1) of this subsection;

(4) Any employing unit which, together with one or more other employing units, is owned or controlled (by legally enforceable means or otherwise) directly or indirectly by the same interests, or which owns or controls one or more other employing units (by legally enforceable means or otherwise), and which, if treated as a single unit with such other employing units or interests, or both, would be an employer under paragraph (1) of this subsection;

(5) Any employing unit which, having become an employer under paragraph (1), (2), (3), or (4), has not, under Section 8, ceased to be an employer subject to this Act; or

(6) For the effective period of its election pursuant to Section 8 (c) any other employing unit which has elected to become fully subject to this Act.

Employment
defined.

(i) (1) "Employment", subject to the other provisions of this subsection, means service, including service in interstate commerce, performed for wages or

under any contract of hire, written or oral, express or implied.

(2) The term "employment" shall include an individual's entire service, performed within or both within and without this Territory if—

Employment defined.

(A) the service is localized in this Territory, or

(B) the service is not localized in any State or Territory but some of the service is performed in this Territory and (I) the base of operations, or, if there is no base of operations, then the place from which such service is directed or controlled, is in this Territory; or (II) the base of operations or place from which such service is directed or controlled is not in any State or Territory in which some part of the service is performed but the individual's residence is in this Territory.

(3) Services not covered under paragraph (2) of this subsection and performed entirely without this Territory, with respect to no part of which contributions are required and paid under an unemployment compensation law of any other State, Territory, or of the Federal Government, shall be deemed to be employment subject to this Act if the individual performing such services is a resident of this Territory and the Commission approves the election of the employing unit for whom such services are performed that the entire service of such individual shall be deemed to be employment subject to this Act.

Services performed out of Territory.

(4) Service shall be deemed to be localized within a State or Territory if—

Services performed within Territory.

(A) the service is performed entirely within the State or Territory; or

(B) the service is performed both within and without such State or Territory, but the service performed without such State or Territory is incidental to the individual's service within such State or Territory, for example, is temporary or transitory in nature or consists of isolated transactions.

Exceptions.

(5) Services performed by an individual for wages shall be deemed to be employment subject to this Act unless and until it is shown to the satisfaction of the Commission that—

(A) such individual has been and will continue to be free from control or direction over the performance of such services, both under his contract of service and in fact; and

(B) such service is either outside the usual course of the business for which such service is performed or that such service is performed outside of all the places of business of the enterprise for which such service is performed; and

(C) such individual is customarily engaged in an independently established trade, occupation, profession or business.

Term employment does not include certain classes.

(6) The term "employment" shall not include:

(A) Agricultural labor;

(B) Domestic service in a private home;

(C) Service performed as an officer or member of the crew of a vessel on the navigable waters of the United States;

(D) Service performed by an individual in the employ of his son, daughter, or spouse, and service per-

formed by a child under the age of twenty-one in the employ of his father or mother;

(E) Service performed in the employ of any other State or its political subdivisions, or of the United States Government, or of any instrumentality of any other State or States or their political subdivisions or of the United States;

(F) Service performed in the employ of this Territory or of any political subdivision thereof, or of any instrumentality of this Territory or its political subdivisions;

(G) Service performed in the employ of a corporation, community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual;

(H) Service with respect to which unemployment compensation is payable under an unemployment compensation system established by an Act of Congress: Provided, that the Commission is hereby authorized and directed to enter into agreements with the proper agencies under such Act of Congress, which agreements shall become effective ten days after the publication thereof in the manner provided in Section 11 (b) of this Act for general rules, to provide reciprocal treatment to individuals who have, after acquiring potential rights to benefits under this Act, acquired rights to unemployment compensation under such Act of Congress, or who have, after acquiring potential rights to unemployment compensation under such Act of Congress, acquired rights to benefits under this Act.

Employment
Office.—
definition of.

(j) "Employment office" means a free public employment office or branch thereof, operated by this Territory or maintained as a part of a Territorially-controlled system of public employment offices.

Fund—defini-
tion of.

(k) "Fund" means the unemployment compensation fund established by this Act, to which all contributions required and from which all benefits provided under this Act shall be paid.

State—defini-
tion of.

(l) "State" includes, in addition to the States of the United States of America, Alaska, Hawaii, and the District of Columbia.

Total and
Partial
Unemployment.

(m) "Total and partial unemployment."

(1) An individual shall be deemed "totally unemployed" in any week during which he performs no services and with respect to which no wages are payable to him.

(2) An individual shall be deemed "partially unemployed" in any week of less than full-time work if the wages payable to him for such week are less than six-fifths of the weekly benefit amount he would be entitled to receive if totally unemployed and eligible.

(3) As used in this subsection, the term "wages" shall include only that part of remuneration for odd jobs or subsidiary work, or both, which is in excess of Three Dollars (\$3.00) in any one week, and the term "services" shall not include that part of odd jobs or subsidiary work, or both, for which remuneration equal to or less than Three Dollars (\$3.00) in any one week is payable.

(4) An individual's week of unemployment shall be deemed to commence only after his registration at an

employment office, except as the Commission may by regulation otherwise prescribe.

(n) "Wages" means all remuneration payable for personal services, including commissions and bonuses and the cash value of all remuneration payable in any medium other than cash. The reasonable cash value of remuneration payable in any medium other than cash shall be estimated and determined in accordance with rules prescribed by the Commission.

Wages.

(o) "Week" means such period of seven consecutive calendar days, as the Commission may by regulations prescribe.

Week.

(p) "Weekly benefit amount." An individual's "weekly benefit amount" means the amount of benefits he would be entitled to receive for one week of total unemployment.

Weekly Benefit Amount.

Section 3. **Benefits.**

Benefits.

(a) Payment of Benefits. Twenty-four months after January 1, 1937, benefits shall become payable from the fund. All benefits shall be paid through employment offices, in accordance with such regulations as the Commission may prescribe.

Payment of Benefits.

(b) Weekly Benefit Amount for Total Unemployment. Each eligible individual who is totally unemployed in any week shall be paid, with respect to such week, benefits at the rate of fifty per centum of his full-time weekly wages but not more than Fifteen Dollars (\$15.00) per week, nor less than either Five Dollars (\$5.00) or three-fourths of his full-time weekly wage, whichever is the lesser.

Benefits for Total Unemployment.

(c) Seasonal employment.

Seasonal Employment.

Seasonal
Industry—
definition of.

(1) As used in this subsection the term "seasonal industry" means an occupation or industry in which, because of the seasonal nature thereof it is customary to operate only during a regularly recurring period or periods of less than forty weeks in a calendar year. The Commission shall, after investigation and hearing, determine, and may thereafter from time to time re-determine, the longest seasonal period or periods during which, by the best practice of the occupation or industry in question, operations are conducted. Until such determination by the Commission, no occupation or industry shall be deemed seasonal.

Seasonal Work-
er—defini-
tion of.

(2) The term "seasonal worker" means an individual who is ordinarily engaged in a seasonal industry and who, during the portion or portions of the year when such industry is not in operation, is ordinarily not engaged in any other work.

(3) The Commission shall prescribe fair, reasonable, general and specific rules applicable to seasonal workers for determining the total wages for employment by employers required to qualify such workers for benefits and the period during which benefits shall be payable to them.

Weekly Benefit
for Partial
Unemployment.

(d) Weekly Benefit for Partial Unemployment. Each eligible individual who is partially unemployed in any week shall be paid with respect to such week a partial benefit. Such partial benefit shall be an amount equal to the difference between his weekly benefit amount and five-sixths of his wages (as used in Section 2 (m)) for such week. If such partial benefit for any week equals less than Two Dollars (\$2.00), it shall not be payable unless and until the accumulated total of such partial benefits with respect to weeks occurring within the thirteen preceding weeks equals Two Dollars (\$2.00) or more.

(e) Determination of Full-time Weekly Wage.

Full time
weekly wage.

(1) The full-time weekly wage of any individual means the weekly wages that such individual would receive if he were employed at the most recent wage rate earned by him for employment by an employer during the period prescribed pursuant to paragraph (3) of this sub-section, and for the customary scheduled full-time weekly hours prevailing for his occupation in the enterprise in which he last earned wages for employment by an employer during the same period.

(2) If the Commission finds that the full-time weekly wage, as above defined, would be unreasonable or arbitrary or not readily determinable with respect to any individual the full-time weekly wage of such individual, shall be deemed to be one-thirteenth of his total wages for employment by employers during that quarter in which such total wages were highest during the period prescribed pursuant to paragraph (3) of this sub-section.

(3) The full-time weekly wage of any individual shall be determined and redetermined at such reasonable times as the Commission may find necessary to administer this Act and may by regulation prescribe. The period hereinabove referred to shall consist of the next to the last completed calendar quarter immediately preceding the date with respect to which an individual's full-time weekly wage is determined, and such of the seven immediately preceding consecutive calendar quarters as the Commission may by regulation prescribe.

(f) Duration of Benefits. The Commission shall compute wage credits for each individual by crediting him with the wages earned by him for employment by employers during each quarter, or Three Hundred and Ninety Dollars (\$390.00), whichever is the lesser. Benefits paid to any eligible individual shall be charged, in

Duration of
Benefits.—
How computed,
etc.

the same chronological order as such wages were earned, against one-sixth of his wage credits which are based upon wages earned during his base period and which have not been previously charged hereunder. The maximum total amount of benefits payable to any eligible individual during any benefit year shall not exceed whichever is the lesser of:

- (1) sixteen times his weekly benefit amount, and
- (2) one-sixth of such uncharged wage credits with respect to his base period.

Part time
workers.

(g) Part-time Workers.

(1) As used in this sub-section the term "part-time worker" means an individual whose normal work is in an occupation in which his services are not required for the customary scheduled full-time hours prevailing in the establishment in which he is employed or who, owing to personal circumstances, does not customarily work the customary scheduled full-time hours prevailing in the establishment in which he is employed.

Rule for
determining
weekly wage.

(2) The Commission shall prescribe fair and reasonable general rules applicable to part-time workers for determining their full-time weekly wage and the total wages for employment by employers required to qualify such workers for benefits. Such rules shall, with respect to such workers, supersede any inconsistent provisions of this Act, but, so far as practicable, shall secure results reasonably similar to those provided in the analogous provisions of this Act.

Conditions of
those eligible
to receive
benefits—
Requirements.

Section 4. Benefit Eligibility Conditions. An unemployed individual shall be eligible to receive benefits with respect to any week only if the Commission finds that:

(a) He has registered for work at and thereafter has continued to report at an employment office in accordance with such regulations as the Commission may prescribe.

(b) He has made a claim for benefits in accordance with the provisions of Section 6 (a) of this Act.

(c) He is able to work, and is available for work.

(d) Prior to any week for which he claims benefits he has been totally unemployed for a waiting period of two weeks (and for the purposes of this sub-section, two weeks of partial unemployment shall be deemed to be equivalent to one week of total unemployment). Such weeks of total or partial unemployment or both need not be consecutive. No week shall be counted as a week of total unemployment for the purposes of this sub-section:

(1) Unless it occurs within the thirteen consecutive weeks preceding the week for which he claims benefits, provided that this requirement shall not interrupt the payment of benefits for consecutive weeks of unemployment; and provided further that no individual shall be required to accumulate more than five waiting period weeks during any sixty-five consecutive week period;

(2) If benefits have been paid with respect thereto;

(3) Unless the individual was eligible for benefits with respect thereto in all respects except for the requirements of sub-sections (b) and (e) of this Section;

(4) Unless it occurs after benefits first could become payable to any individual under this Act.

(e) He has within the first three out of the last four completed calendar quarters immediately preceding the first day of his benefit year, earned wages for employment by employers equal to not less than sixteen times his weekly benefit amount.

Individual
disqualified
for benefits,
when.

Section 5. Disqualification for Benefits. An individual shall be disqualified for benefits:

(a) For the week in which he has left work voluntarily without good cause, if so found by the Commission, and for not more than the five weeks which immediately follow such week, as determined by the Commission according to the circumstances in each case.

(b) For the week in which he has been discharged for misconduct connected with his work, if so found by the Commission, and for not more than the five weeks which immediately follow such week, as determined by the Commission in each case according to the seriousness of the misconduct.

(c) If the Commission finds that he has failed, without good cause, either to apply for available, suitable work when so directed by the employment office of the Commission or to accept suitable work when offered him, or to return to his customary self-employment (if any) when so directed by the Commission; such disqualification shall continue for the week in which such failure occurred and for not more than the five weeks which immediately follow such week as determined by the Commission according to the circumstances in each case.

Suitable work
determined.

(1) In determining whether or not any work is suitable for an individual, the Commission shall consider the degree of risk involved to his health, safety, and morals, his physical fitness and prior training, his

experience and prior earnings, his length of unemployment and prospects for securing local work in his customary occupation, and the distance of the available work from his residence.

(2) Notwithstanding any other provisions of this Act, no work shall be deemed suitable and benefits shall not be denied under this Act to any otherwise eligible individual for refusing to accept new work under any of the following conditions:

Work unsuitable, per se.

(A) If the position offered is vacant due directly to a strike, lockout, or other labor dispute;

If strike, lockout or labor dispute.

(B) If the wages, hours, or other conditions of the work offered are substantially less favorable to the individual than those prevailing for similar work in the locality;

If wages, hours, etc., not equal to prevailing.

(C) If as a condition of being employed the individual would be required to join a company union or to resign from or refrain from joining any bona fide labor organization.

If required join, resign or refrain from joining union.

(d) For any week with respect to which the Commission finds that his total or partial unemployment is due to a stoppage of work which exists because of a labor dispute at the factory, establishment, or other premises at which he is or was last employed; Provided, that this sub-section shall not apply if it is shown to the satisfaction of the Commission that:

When labor dispute.

Proviso.

(1) He is not participating in or financing or directly interested in the labor dispute which caused the stoppage of work; and

When employee interested in labor dispute.

(2) He does not belong to a grade or class of workers of which, immediately before the commencement of the stoppage, there were members employed at the

Member of class or group interested in dispute.

premises at which the stoppage occurs, any of whom are participating in or financing or directly interested in the dispute; provided, that if in any case separate branches of work which are commonly conducted as separate businesses in separate premises, are conducted in separate departments of the same premises, each such department shall, for the purposes of this subsection, be deemed to be a separate factory, establishment, or other premises.

Proviso.

For period when receiving remuneration.

(e) For any week with respect to which he is receiving or has received remuneration in the form of:

Wages in lieu of notice.

(1) wages in lieu of notice;

Compensation.

(2) compensation for temporary partial disability under the Workmen's Compensation Law of any State or Territory or under a similar law of the United States; or

Old age benefits.

(3) old-age benefits under Title II of the Social Security Act, as amended, or similar payments under any Act of Congress; provided, that if such remuneration is less than the benefits which would otherwise be due under this Act, he shall be entitled to receive for such week, if otherwise eligible, benefits reduced by the amount of such remuneration.

Claims for benefits.

Section 6. Claims for Benefits.

Filing, contents, etc.

(a) Filing. Claims for benefits shall be made in accordance with such regulations as the Commission may prescribe. Each employer shall post and maintain printed statements of such regulations in places readily accessible to individuals in his service and shall make available to each such individual at the time he becomes unemployed, a printed statement of such regulations. Such printed statements shall be supplied by the Commission to each employer without cost to him.

(b) Initial Determination. A representative designated by the Commission, and hereinafter referred to as a deputy, shall promptly examine the claim and, on the basis of the facts found by him, shall either determine whether or not such claim is valid, and if valid, the week with respect to which benefits shall commence, the weekly benefit amount payable and the maximum duration thereof, or shall refer such claim or any question involved therein to an appeal tribunal, which shall make its decision with respect thereto in accordance with the procedure described in subsection (c) of this Section, except that in any case in which the payment or denial of benefits will be determined by the provisions of Section 5 (d) of this Act, the deputy shall promptly transmit his full findings of fact with respect to that subsection to the Commission, who, on the basis of the evidence submitted and such additional evidence as it may require, shall affirm, modify, or set aside such findings of fact and transmit to the deputy a decision upon the issues involved under that subsection, which shall be deemed the decision of the deputy. The deputy shall promptly notify the claimant and any other interested parties of the decision and the reasons therefor; the deputy may for good cause reconsider his decision and shall promptly notify the claimant and such other interested parties of his amended decision and the reasons therefor. Unless the claimant or any such interested party, within ten calendar days after the delivery of the deputy's notification, or within thirty calendar days after such notification was mailed to his last-known address, files an appeal from such decision, such decision shall be final and benefits shall be paid or denied in accordance therewith. If an appeal is duly filed, benefits with respect to the period prior to the final decision of the Commission shall be paid only after such decision; provided, that if an appeal tribunal affirms a decision of a deputy, or the Commission affirms a decision of an appeal tribunal, allowing benefits, such benefits shall

Claim to be examined.

Claim referred to Appeal Tribunal.

Commission makes final determination.

Notice of determination of claim given.

Appeal, time for, procedure, etc.

be paid regardless of any appeal which may thereafter be taken, but if such decision is finally reversed, no employer's account shall be charged with benefits so paid.

Appeal tribunal
to affirm
or modify.

(c) Appeals. Unless such appeal is withdrawn, an appeal tribunal, after affording the parties reasonable opportunity for fair hearing, shall affirm or modify the findings of fact and decision of the deputy. The parties shall be duly notified of such tribunal's decision, together with its reasons therefor, which shall be deemed to be the final decision of the Commission, unless within thirty days after the date of notification or mailing of such decision, further appeal is initiated pursuant to subsection (e) of this Section.

Appeal
Tribunal.

(d) Appeal Tribunals. To hear and decide disputed claims, the Commission shall appoint one or more impartial appeal tribunals consisting in each case of an examiner, selected in accordance with Section 11 (d) of this Act. No person shall participate on behalf of the Commission in any case in which he is an interested party.

Commission
may affirm,
modify or set
aside decision
of Tribunal.

(e) Commission. The Commission may on its own motion affirm, modify, or set aside any decision of an appeal tribunal on the basis of the evidence previously submitted in such case, or direct the taking of additional evidence, or may permit any of the parties of such decision to initiate further appeals before it. The Commission shall permit such further appeal by any of the parties interested in a decision of an appeal tribunal, and by the deputy whose decision has been overruled or modified by an appeal tribunal. The Commission may remove to itself or transfer to another appeal tribunal the proceedings on any claim pending before an appeal tribunal. Any proceeding so removed to the Commission shall be heard by a quorum thereof in accordance with the requirements of sub-section (c) of

this Section. The Commission shall promptly notify the interested parties of its findings and decisions.

(f) Procedure. The manner in which disputed claims shall be presented and the conduct of hearings and appeals shall be in accordance with regulations prescribed by the Commission for determining the rights of the parties, whether or not such regulations conform to common law or statutory rules of evidence and other technical rules of procedure. A full and complete record shall be kept of all proceedings in connection with a disputed claim. All testimony at any hearing upon a disputed claim shall be recorded unless a written stipulation to the contrary is signed by both parties and filed with the examiner, but need not be transcribed unless the disputed claim is further appealed.

Procedure on
disputed claims.

(g) Witness Fees. Witnesses subpoenaed pursuant to this Section shall be allowed fees at a rate fixed by the Commission. Such fees shall be deemed a part of the expense of administering this Act.

Witness fees.

(h) Appeal to Courts. Any decision of the Commission in the absence of an appeal therefrom as herein provided shall become final thirty days after the date of notification or mailing thereof, and judicial review thereof shall be permitted only after any party claiming to be aggrieved thereby has exhausted his administrative remedies as provided by this Act. The Commission shall be deemed to be a party to any judicial action involving any such decision, and may be represented in any such judicial action by any qualified attorney employed by the Commission and designated by it for that purpose, or at the Commission's request by the Attorney General.

Appeal to
Courts.

(i) Court Review. Within thirty days after the decision of the Commission has become final, any party

Court review,
procedure, etc.

aggrieved thereby may secure judicial review thereof by commencing an action in the United States District Court against the Commission for the review of such decision, in which action any other party to the proceeding before the Commission shall be made a defendant. In such action, a petition which need not be verified, but which shall state the grounds upon which a review is sought, shall be served upon the Commission, or upon such person as the Commission may designate and such service shall be deemed completed service on all parties, but there shall be left with the party so served as many copies of the petition as there are defendants and the Commission shall forthwith mail one such copy to each such defendant. With its answer, the Commission, shall certify and file with said Court all documents and papers and a transcript of all testimony taken in the matter, together with the Commission's findings of fact and decision therein. The Commission may also, in its discretion, certify to such court questions of law involved in any decision. In any judicial proceeding under this Section, the findings of the Commission as to the facts, if supported by evidence and in the absence of fraud, shall be conclusive, and the jurisdiction of said Court shall be confined to questions of law. Such actions, and the questions so certified, shall be heard in a summary manner and shall be given precedence over all other civil cases except cases arising under the Workmen's Compensation Law of this Territory. An appeal may be taken from the decision of the United States District Court as is provided in civil cases. It shall not be necessary, in any judicial proceeding under this Section, to enter exceptions to the rulings of the Commission and no bond shall be required for entering such appeal. Upon the final determination of such judicial proceeding the Commission shall enter an order in accordance with such determination. A petition for judicial review shall not act as a supersedeas or stay unless the Commission shall so order.

Section 7. Contributions.

Contributions.

(a) Payment.

Payment.
By employer.

(1) On and after January 1, 1937, contributions shall accrue and become payable by each employer for each calendar year in which he is subject to this Act, with respect to wages payable for employment occurring during such calendar year. Such contributions shall become due and be paid by each employer to the Commission for the fund in accordance with such regulation as the Commission may prescribe, and shall not be deducted, in whole or in part, from the wages of individuals in such employer's employ.

(2) In the payment of any contributions, a fractional part of a cent shall be disregarded unless it amounts to one-half cent or more, in which case it shall be increased to one cent.

Fractions
of cent.

(b) Rate of Contribution. Each employer shall pay contributions equal to the following percentages of wages payable by him with respect to employment:

Rate of
contribution.

(1) 1.8 per centum with respect to employment during the calendar year 1937;

1.8% in 1937.

(2) with respect to employment after December 31, 1937, 2.7 per centum, except as otherwise prescribed in sub-section (c) of this Section.

2.7% after
December, 31,
1937.

(c) Future Rates Based on Benefit Experience. The Commission shall, for the period of twelve months commencing January 1, 1942, and for each calendar year thereafter, classify employers in accordance with their actual contribution and benefit experience and shall determine for each employer the rate of contribution which shall apply to him throughout the calendar year in order to reflect said experience and classification. In

Commissioner.
to base future
rate on benefit
experience
table.

making such classification, the Commission shall take account of the degree of unemployment hazard shown by each employer's experience, and of any other measurable factors which it finds bear a reasonable relation to the purposes of this sub-section. He may apply such form of classification or rating system which in its judgment is best calculated to rate individually and most equitably the employment risk for each employer and to encourage the stabilization of employment. The general basis of classification proposed to be used for any calendar year shall be subject to fair notice, opportunity for hearing, and publication. The rates for any calendar year shall be so fixed that they would, if applied to all employers and their annual pay rolls of the preceding calendar year, have yielded total contributions equalling approximately two and seven-tenths per centum of the total of all such annual pay rolls. The Commission shall determine the contribution rate applicable to each employer for any calendar year subject to the following limitations:

2.7%
Limitation.

(1) Each employer's contribution rate shall be two and seven-tenths per centum, unless and until there shall have been three calendar years throughout which any individual in his employ could have received benefits if unemployed and eligible.

1% Minimum.

(2) No employer's contribution rate shall be less than 1 per centum.

Annual Pay
Roll defined.

As used in this Section the term "annual pay roll" means the total amount of wages payable by an employer (regardless of the time of payment) for employment during a calendar year.

Section 8. Period, Election, and Termination of Employer's Coverage.

Year minimum
coverage.

(a) Any employing unit which is or becomes an employer subject to this Act within any calendar year

shall be subject to this Act during the whole of such calendar year.

(b) Except as otherwise provided in sub-section (c) of this Section, an employing unit shall cease to be an employer subject to this Act only as of the 1st day of January of any calendar year, only if it files with the Commission, prior to the 5th day of January of such year, a written application for termination of coverage, and the Commission finds that there were no twenty different days, each day being in a different week within the preceding calendar year, within which such employing unit employed eight or more individuals in employment subject to this Act. For the purposes of this sub-section, the two or more employing units mentioned in paragraph (2) or (3) or (4) of Section 2 (h) shall be treated as a single employing unit.

Termination
of coverage.
Procedure.

(c) (1) An employing unit, not otherwise subject to this Act, which files with the Commission its written election to become an employer subject hereto for not less than two calendar year, shall, with the written approval of such election by the Commission, become an employer subject hereto to the same extent as all other employers, as of the date stated in such approval, and shall cease to be subject hereto as of January 1 of any calendar year subsequent to such two calendar years, only if at least thirty days prior to such 1st day of January, it has filed with the Commission a written notice to that effect.

Election.

(2) Any employing unit for which services that do not constitute employment as defined in this Act are performed, may file with the Commission a written election that all such services performed by individuals in its employ in one or more distinct establishments or places of business shall be deemed to constitute employment for all the purposes of this Act for not less than two calendar years. Upon the written approval of

Services deemed
to constitute
employment.

such election by the Commission, such services shall be deemed to constitute employment subject to this Act from and after the date stated in such approval. Such services shall cease to be deemed employment subject hereto as of January 1 of any calendar year subsequent to such two calendar years, only if at least thirty days prior to such 1st day of January such employing unit has filed with the Commission a written notice to that effect.

Section 9. Unemployment Compensation Fund.

Unemployment
Compensation
Fund.

Establishment
and control of.

(a) Establishment and Control. There is hereby established as a special fund, separate and apart from all public moneys or funds of this Territory, an unemployment compensation fund, which shall be administered by the Commission exclusively for the purposes of this Act. This fund shall consist of:

Contributions.

(1) all contributions collected under this Act, together with any interest thereon collected pursuant to Section 14 of this Act;

Fines.

(2) all fines and penalties collected pursuant to the provisions of this Act;

Interest.

(3) interest earned upon any moneys in the fund;

Property and
Securities.

(4) any property or securities acquired through the use of moneys belonging to the fund; and

Earnings of.

(5) all earnings of such property or securities. All moneys in the fund shall be mingled and undivided.

Treasurer to
administer
funds.

(b) Accounts and Deposit. The Territorial Treasurer shall be ex-officio the treasurer and custodian of the fund and shall administer such funds in accordance with the directions of the Commission and shall issue his warrants upon it in accordance with such regula-

tions as the Commission shall prescribe. He shall maintain within the fund three separate accounts:

- (1) A clearing account, Accounts
Maintained.
- (2) An unemployment trust fund account, and
- (3) A benefit account.

All moneys payable to the fund, upon receipt thereof by the Commission, shall be forwarded to the Treasurer who shall immediately deposit them in the clearing account. Refunds payable pursuant to Section 14 of this Act may be paid from the clearing account upon warrants issued by the Treasurer under the direction of the Commission. After clearance thereof, all other moneys in the clearing account shall be immediately deposited with the Secretary of the Treasury of the United States of America to the credit of the account of this Territory in the unemployment trust fund, established and maintained pursuant to Section 904 of the Social Security Act, as amended, any provision of law in this Territory relating to the deposit, administration, release, or disbursement of moneys in the possession or custody of this Territory to the contrary notwithstanding. The benefit account shall consist of all moneys requisitioned from this Territory's account in the unemployment trust fund. Except as herein otherwise provided, moneys in the clearing and benefit accounts may be deposited by the Treasurer, under the direction of the Commission, in any bank or public depository in which general funds of the Territory may be deposited, but no public deposit insurance charge or premium shall be paid out of the fund. The Treasurer shall give a separate bond conditioned upon the faithful performance of his duties as custodian of the fund in an amount fixed by the Commission and in a form prescribed by law or approved by the Attorney Gen-

Clearing
Account.

Unemployment
Trust Fund.

Benefit
Account.

eral. Premiums for said bond shall be paid from the administration fund.

Withdrawal
procedure.

(c) Withdrawals. Moneys shall be requisitioned from this Territory's account in the unemployment trust fund solely for the payment of benefits and in accordance with regulations prescribed by the Commission. The Commission shall from time to time requisition from the unemployment trust fund such amounts, not exceeding the amount standing to this Territory's account therein, as he deems necessary for the payment of benefits for a reasonable future period. Upon receipt thereof the Treasurer shall deposit such moneys in the benefit account and shall issue his warrants for the payments of benefits solely from such benefit account. Expenditures of such moneys in the benefit account and refunds from the clearing account shall not be subject to any provisions of law requiring specific appropriations or other formal release by Territorial officers of money in their custody. All warrants issued by the Treasurer for the payment of benefits and refunds shall bear the signature of the Treasurer and the countersignature of the Commission or its duly authorized agent for that purpose. Any balance of moneys requisitioned from the unemployment trust fund which remains unclaimed or unpaid in the benefit account after the expiration of the period for which such sums were requisitioned shall either be deducted from estimates for, and may be utilized for the payment of, benefits during succeeding periods, or, in the discretion of the Commission, shall be redeposited with the Secretary of the Treasurer of the United States of America, to the credit of this Territory's account in the unemployment trust fund, as provided in subsection (b) of this Section.

Unemployment
Trust Fund,
Management
upon discontinuance of.

(d) Management of Funds Upon Discontinuance of Unemployment Trust Fund. The provisions of subsections (a), (b), and (c) to the extent that they relate

to the unemployment trust fund, shall be operative only so long as such unemployment trust fund continues to exist and so long as the Secretary of the Treasury of the United States of America continues to maintain for this Territory a separate book account of all funds deposited therein by this Territory for the benefit purposes, together with this Territory's proportionate share of the earnings of such employment trust fund, from which no other State is permitted to make withdrawals. If and when such unemployment trust fund ceases to exist, or such separate book account is no longer maintained, all moneys, properties, or securities therein, belonging to the unemployment compensation fund of this Territory shall be transferred to the Treasurer of the unemployment compensation fund, who shall hold, invest, transfer, sell, deposit, and release such moneys, properties, or securities in a manner approved by the Commission in accordance with the provisions of this Act: Provided, that such moneys shall be invested in the following readily marketable classes of securities: Bonds, or other interest-bearing obligations of the United States of America: Provided further, that such investment shall be at all times so made that all the assets of the fund shall always be readily convertible into cash when needed for the payment of benefits. The Treasurer shall dispose of securities or other properties belonging to the unemployment compensation fund only under the direction of the Commission.

Separate Book
Account.

Investment
Proviso.

Section 10. Unemployment Compensation Commission.

Unemployment
Compensation
Commission.

(a) Organization. There is hereby created a Commission to be known as the Unemployment Compensation Commission of Alaska. The Commission shall consist of three members, who shall be appointed by the Governor, by and with the consent of the Legislature, as soon as possible after the passage and approval of this Act and thereafter when any vacancy occurs in

Members,
Organization,
etc.

its membership. During his term of membership on the Commission no member shall serve as an officer or committee member of any political party organization, and not more than two members of the Commission shall be members of the same political party. Each member shall hold office for a term of six years, except that:

Vacancy.

(1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term; and

Term of Office.

(2) the term of office of the members first taking office after the date of enactment of this Act shall expire, one February 1, 1939, one February 1, 1941, and one February 1, 1943. The members of the Commission shall be Territorial officers and before entering upon the duties of their office shall take the oath of office prescribed for Territorial officers. The Governor may at any time, after notice and hearing, remove any Commissioner for gross inefficiency, neglect of duty or malfeasance in office.

Director to be appointed, qualifications, salary, etc.

(3) The Commission shall appoint a director who shall be the chief executive of the Commission, whose compensation shall be Four Thousand Two Hundred Dollars (\$4,200.00) per annum, payable in equal monthly installments; he shall be appointed for a term of four years and may be removed at the pleasure of the Commission. No person shall be appointed Director unless he is a citizen of the United States, a resident of this Territory and has been such resident at least five years immediately preceding his appointment. The Director shall be subject to the supervision and direction of the Commission and shall perform such duties as the Commission may assign to him.

(b) Compensation of Commissioners. One of the members of the Commission so appointed shall be the chairman of the Commission. The members of the Commission shall not receive any fixed salary but shall be paid at the rate of Ten Dollars (\$10.00) per day plus necessary expenses while engaged in the actual performance of their duties but no commissioner shall in any event receive more than One Thousand Dollars (\$1,000.00) salary in addition to expenses for any calendar year. The salaries of all commissioners shall be paid from the unemployment compensation administration fund. The chairman of the Commission shall be designated by the Governor.

Commissioner's
salary.

Maximum.

(c) Divisions. The Commission shall establish two coordinate divisions: the Alaska Territorial employment service division, created pursuant to Section 12 of this Act, and the unemployment compensation division. Each division shall be responsible for the discharge of its distinctive functions. Each division shall be a separate administrative unit with respect to personnel, budget, and duties, except insofar as the Commission may find that such separation is impracticable.

Two coordinate
divisions
established.

(d) Quorum. Any two Commissioners shall constitute a quorum. No vacancy shall impair the right of the remaining Commissioners to exercise all of the powers of the Commission.

Quorum.

Section 11. Administration.

Administration.

(a) Duties and Powers of Commission. It shall be the duty of the Commission to administer this Act; and it shall have power and authority to adopt, amend, or rescind such rules and regulations, to employ such persons, make such expenditures, require such reports, made such investigations, and take such other action as it deems necessary or suitable to that end. Such rules and regulations shall be effective upon publication

Duties and
Powers of
Commission.

in the manner, not inconsistent with the provisions of this Act, which the Commission shall prescribe. The Commission shall determine its own organization and methods of procedure in accordance with the provisions of this Act, and shall have an official seal which shall be judicially noticed. Not later than the first day of January of each year, the Commission shall submit to the Governor a report covering the administration and operation of this Act during the preceding twelve months and shall make such recommendations for amendments to this Act as the Commission deems proper. Such report shall include a balance sheet of the moneys in the fund in which there shall be provided, if possible, a reserve against the liability in future years to pay benefits in excess of the then current contributions, which reserve shall be set up by the Commission in accordance with accepted actuarial principles on the basis of statistics of employment, business activity, and other relevant factors for the longest possible period.

Report to Governor, contents.

General and Special Rules and Regulations.

(b) Regulations; General and Special Rules. General and special rules may be adopted, amended, or rescinded by the Commission only after public hearing or opportunity to be heard thereon, of which proper notice has been given. General rules shall become effective thirty days after filing with the Secretary of the Territory and publication in one newspaper of general circulation in each of the four judicial divisions of the Territory for such period as the Commission may prescribe. Special rules shall become effective thirty days after notification to or mailing to the last known address of the individuals or concerns affected thereby. Regulations may be adopted, amended, or rescinded by the Commission and shall become effective in the manner and at the time prescribed by the Commission.

Publications by Commission.

(c) Publication. The Commission shall cause to be printed for distribution to the public the text or ex-

planation of this Act, the Commission's regulations and general rules, its annual reports to the Governor, and any other material the Commission deems relevant and suitable and shall furnish the same to any person upon application therefor.

(d) Personnel. Subject to other provisions of this Act, the Commission is authorized to appoint, fix the compensation, and prescribe the duties and powers of such officers, accountants, attorneys, experts and other persons as may be necessary in the performance of its duties. All positions shall be filled by persons selected and appointed on a nonpartisan merit basis. The Commission may delegate to any such person so appointed such power and authority as it deems reasonable and proper for the effective administration of this Act, and may in its discretion bond any person handling moneys or signing checks hereunder.

Authorized to employ Personnel, fix salaries, duties, etc.

(e) Advisory Councils. The Commission shall appoint a Territorial advisory council and may appoint local or industry advisory councils, composed in each case of an equal number of employer representatives and employee representatives who may fairly be regarded as representative because of their vocation, employment, or affiliations, and of such members representing the general public as the Commission may designate. Such councils shall aid the Commission in formulating policies and discussing problems related to the administration of this Act and in assuring impartiality and freedom from political influence in the solution of such problems. Such advisory councils shall serve without compensation, but shall be reimbursed for any necessary expense.

Territorial Advisory Councils, duties.

(f) Employment Stabilization. The Commission, with the advice and aid of advisory councils, and through the appropriate divisions, shall take all appropriate steps to reduce and prevent unemployment; and

Stabilization of employment.

to promote the re-employment of unemployed workers throughout the Territory in every way that may be feasible.

Records and reports to be kept, and to be available for inspection.

(g) Records and Reports. Each employing unit shall keep true and accurate work records, containing such information as the Commission may prescribe. Such records shall be open to inspection and be subject to being copied by the Commission or its authorized representatives at any reasonable time and as often as may be necessary. The Commission, and the chairman of any appeal tribunal may require from any employing unit any sworn or unsworn reports, with respect to persons employed by it, which he or it deems necessary for the effective administration of this Act. Information thus obtained, or obtained from any individual pursuant to the administration of this Act, shall, except to the extent necessary for the proper presentation of a claim, be held confidential and shall not be published or be open to public inspection (other than to public employees in the performance of their public duties) in any manner revealing the individual's or employing unit's identity, but any claimant (or his legal representative) at a hearing before an appeal tribunal or the Commission shall be supplied with information from such records to the extent necessary for the proper presentation of his claim. Any employee or member of the Commission or any employee of the Commission who violates any provision of this Section shall be fined not more than Two Hundred Dollars (\$200.00), or imprisoned for not longer than ninety days, or both.

Penalty for Violations.

Oaths and Witnesses.

(h) Oaths and Witnesses. In the discharge of the duties imposed by this Act the members of the Commission and any duly authorized representative of it shall have power to administer oaths and affirmations, take depositions, certify to official acts, and issue subpoenas to compel the attendance of witnesses and the produc-

tion of books, papers, correspondence, memoranda, and other records deemed necessary as evidence in connection with a disputed claim or the administration of this Act.

(i) Subpoenas. In case on contumacy by, or refusal to obey a subpoena issued to, any person, the United States District Court of this Territory, upon application by the Commission, or any duly authorized representative thereof shall have jurisdiction to issue to such person an order requiring such person to appear before the Commission, or any duly authorized representative of any of them, there to produce evidence if so ordered or there to give testimony touching the matter under investigation or in question; and any failure to obey such order of the Court may be punished by said Court as a contempt thereof. Any person who shall without just cause fail or refuse to attend and testify or to answer any lawful inquiry or to produce books, papers, correspondence, memoranda, and other records, if it is in his power so to do, in obedience to a subpoena of the Commission, or any duly authorized representative of any of them, shall be punished by a fine of not more than Two Hundred Dollars (\$200.00) or by imprisonment for not longer than sixty days, or by both such fine and imprisonment.

Subpoenas
authorized.

Failure to obey,
Contempt.

Penalty.

(j) Protection Against Self-incrimination. No person shall be excused from attending and testifying or from producing books, papers, correspondence, memoranda, and other records before the Commission, or any duly authorized representative of any of them, or in obedience to the subpoena of any of them in any cause or proceeding before the Commission, or an appeal tribunal, on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture for or on account

Self Incrimina-
tion Protection.

of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, documentary or otherwise, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

Commission to cooperate with Federal Board.

(k) Territorial Federal Cooperation. In the administration of this Act, the Commission shall cooperate to the fullest extent consistent with the provisions of this Act, with the Social Security Board, created by the Social Security Act, approved August 14, 1935, as amended, shall make such reports, in such form and containing such information as the Social Security Board may from time to time require, and shall comply with such provisions as the Social Security Board may from time to time find necessary to assure the correctness and verification of such reports; and shall comply with the regulations prescribed by the Social Security Board governing the expenditures of such sums as may be allotted and paid to this Territory under Title III of the Social Security Act for the purpose of assisting in the administration of this Act.

Cooperation defined.

Upon request therefor the Commission shall furnish to any agency of the United States charged with the administration of public works or assistance through public employment, the name, address, ordinary occupation, and employment status of each recipient of benefits and such recipient's rights to further benefits under this Act.

Employment Service.

Section 12. Employment Service.

Territorial Employment Service established, duties defined.

(a) Territorial Employment Service. The Alaska Territorial Employment Service is hereby established under the Unemployment Compensation Commission as a division thereof. The Commission, through such divi-

sion, shall establish and maintain free public employment offices in such number and in such places as may be necessary for the proper administration of this Act and for the purposes of performing such duties as are within the purview of the Act of Congress entitled "An Act to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes", approved June 6, 1933, (48 Stat. 113; U.S.C., title 29 sec. 49 (c)), as amended. It shall be the duty of the Commission to cooperate with any official or agency of the United States having powers or duties under the provisions of the said Act of Congress, as amended, and to do and perform all things necessary to secure to this Territory the benefits of the said Act of Congress, as amended, in the promotion and maintenance of a system of public employment offices. The provisions of the said Act of Congress, as amended, are hereby accepted by this Territory, in conformity with Section 4 of said Act, and this Territory will observe and comply with the requirements thereof. The Unemployment Compensation Commission is hereby designated and constituted the agency of this Territory for the purposes of said Act. The Commission is directed to appoint the director, other officers, and employees of the Alaska Territorial employment service. Such director shall have been a resident of Alaska for at least five (5) years before date of appointment.

Commission to
Appoint
Director.

(b) Financing. All moneys received by this Territory under the said Act of Congress, as amended, shall be paid into the special "employment service account" in the unemployment compensation administration fund, and said moneys are hereby made available to the Commission for the Alaska Territorial Employment Service, to be expended as provided by this Section and by said Act of Congress. For the purpose of establishing and maintaining free public employment offices, the Commission is authorized to enter into agreements with any

Financing.

political subdivision of this Territory or with any private, non-profit organization, and as a part of any such agreement the Commission may accept moneys, services, or quarters as a contribution to the employment service account.

Unemployment
Compensation
Administration
Fund.

Section 13. Unemployment Compensation Administration Fund.

Special Fund.

(a) Special Fund. There is hereby created in the Territorial Treasury a special fund to be known as the Unemployment Compensation Administration Fund. All moneys which are deposited or paid into this fund are hereby appropriated and made available to the Commission. All moneys in this fund shall be expended solely for the purpose of defraying the cost of the administration of this Act, and for no other purpose whatsoever. The fund shall consist of all moneys appropriated by this Territory, and all moneys received from the United States of America, or any agency thereof, including the Social Security Board and the United States Employment Service, or from any other source, for such purpose. All moneys in this fund shall be deposited, administered, and disbursed, in the same manner and under the same conditions and requirements as is provided by law for other special funds in the Territorial Treasury. Any balances in this fund shall not lapse at any time, but shall be continuously available to the Commission for expenditures consistent with this Act. The Territorial Treasurer shall give a separate and additional bond conditioned upon the faithful performance of his duties in connection with the Unemployment Compensation Administration Fund in an amount to be fixed by the Commission and in a form prescribed by law or approved by the Attorney General. The premiums for such bond and the premiums for the bond given by the Treasurer of the Unemployment Compensation Fund under Section 9 of this Act shall be paid from the

Bond provided
for.

moneys in the Unemployment Compensation Administration Fund.

(b) Employment Service Account. A special "employment service account" shall be maintained as a part of the Unemployment Compensation Administration Fund for the purpose of maintaining the public employment offices established pursuant to Section 12 of this Act and for the purpose of cooperating with the United States Employment Service. There is hereby appropriated to the Employment Service Account of the Unemployment Compensation Administration Fund, from any money in the Territorial Treasury not otherwise appropriated, the sum of Fifteen Thousand Dollars (\$15,000.00). In addition, there shall be paid into such account the moneys designated in Section 12 (b) of this Act, and such moneys as are apportioned for the purposes of this account from any moneys received by this Territory under Title III of the Social Security Act, as amended.

Special
Account.

Appropriation.

Section 14. Collection of Contributions.

Collection of
Contributions

(a) Interest on Past-due Contributions. Contributions unpaid on the date on which they are due and payable, as prescribed by the Commission, shall bear interest at the rate of six per centum per annum from and after such date until payment plus accrued interest is received by the Commission. Interest collected pursuant to this subsection shall be paid into the Unemployment Compensation Fund.

—Interest on
past due
contributions.

(b) Collection. If, after due notice, any employer defaults in any payment of contributions or interest thereon, the amount due shall be collected by civil action in the name of the Commission, and the employer adjudged in default shall pay the costs of such action. Civil actions brought under this Section to collect contributions or interest thereon from an employer shall

Collection of
Contributions
by suit.

be heard by the court at the earliest possible date and shall be entitled to preference upon the calendar of the court over all other civil cases except petitions for judicial review under this Act and cases arising under the Workmen's Compensation Law of this Territory.

Priorities.

(c) Priorities Under Legal Dissolutions or Distributions. In the event of any distribution of an employer's assets pursuant to an order of any Court under the laws of this Territory, including any receivership, assignment for benefit of creditors, adjudicated insolvency, composition, or similar proceeding, contributions then or thereafter due shall be paid in full prior to all other claims except taxes and claims for wages of not more than Two Hundred and Fifty Dollars (\$250.00) to each claimant, earned within six months of the commencement of the proceeding. In the event of an employer's adjudication in bankruptcy, judicially confirmed extension proposal, or composition, under the Federal Bankruptcy Act of 1898, as amended, contributions then or thereafter due shall be entitled to such priority as is provided in Section 64 (b) of that Act (U.S.C., Title II, Section 104 (b)), as amended.

Wages
excepted.

Adjustment re-
funds allowed.

(d) Refunds. If not later than one year after the date on which any contributions or interest thereon became due, an employer who has paid such contributions or interest thereon shall make application for an adjustment thereof in connection with subsequent contribution payments, or for a refund thereof because such adjustment cannot be made, and the Commission shall determine that such contributions or interest or any portion thereof was erroneously collected, the Commission shall allow such employer to make an adjustment thereof, without interest, in connection with subsequent contribution payments by him, or if such adjustment cannot be made the Commission shall refund said amount, without interest, from the fund. For like

cause and within the said period, adjustment or refund may be so made on the Commission's own initiative.

Section 15. Protection of Rights and Benefits.

Rights and Benefits, Protection of

(a) Waiver of Rights Void. Any agreement by an individual to waive, release or commute his rights to benefits or any other rights under this Act shall be void. Any agreement by any individual in the employ of any person or concern to pay all or any portion of an employer's contributions, required under this Act from such employer, shall be void. No employer shall directly or indirectly make or require or accept any deduction from wages to finance the employer's contributions required from him, or require or accept any waiver of any right hereunder by any individual in his employ. Any employer or officer or agent of an employer who violates any provision of this sub-section shall, for each offense be fined not more than One Thousand Dollars (\$1,000.00) or be imprisoned for not more than six months, or both.

Waiver of Rights, Void.

Penalty.

(b) Limitation of Fees. No individual claiming benefits shall be charged fees of any kind in any proceeding under this Act by the Commission or its representatives, or by any court or any officer thereof. Any individual claiming benefits in any proceeding before the Commission or its representatives or a court may be represented by counsel or other duly authorized agent; but no such counsel or agents shall either charge or receive for such services more than an amount approved by the Commission. Any person who violates any provision of this sub-section shall, for each offense, be fined not more than Five Hundred Dollars (\$500.00), or imprisoned for not more than six months, or both.

Offense— Limited Fee.

Penalty.

(c) No Assignment of Benefits: Exemptions. Any assignment, pledge, or encumbrance of any rights to benefits which are or may become due or payable under

Exempt and not Assignable.

this Act shall be void; and such rights to benefits shall be exempt from levy, execution, attachment, or any other remedy whatsoever provided for the collection of debt; and benefits received by any individual, so long as they are not mingled with other funds of the recipient, shall be exempt from any remedy whatsoever for the collection of all debts except debts incurred for necessities furnished to such individual or his spouse or dependents during the time when such individual was unemployed. Any waiver of any exemption provided for in this sub-section shall be void.

Penalties.

Section 16. Penalties.

False statement
to secure
benefits.

(a) Whoever makes a false statement or representation knowing it to be false or knowingly fails to disclose a material fact, to obtain or increase any benefit or other payment under this Act, either for himself or for any other person, shall be punished by a fine of not more than Fifty Dollars (\$50.00), or by imprisonment for not longer than thirty days, or by both such fine and imprisonment; and each such false statement or representation or failure to disclose a material fact shall constitute a separate offense.

Punishment
for.

False statement
by employer.

(b) Any employing unit or any officer or agent of an employing unit or any other person who makes a false statement or representation knowing it to be false, or who knowingly fails to disclose a material fact, to prevent or reduce the payment of benefits to any individual entitled thereto, or to avoid becoming or remaining subject hereto or to avoid or reduce any contribution or other payment required from an employing unit under this Act or who wilfully fails or refuses to make any such contributions or other payment or to furnish any reports required hereunder or to produce or permit the inspection or copying of records as required hereunder, shall be punished by a fine of not more than Two Hundred Dollars (\$200.00), or by imprisonment for not

Punishment
for.

longer than sixty days, or by both such fine and imprisonment.

(c) Any person who shall wilfully violate any provision of this Act or any order, rule, or regulation thereunder, the violation of which is made unlawful or the observance of which is required under the terms of this Act, and for which a penalty is neither prescribed herein nor provided by any other applicable statute, shall be punished by a fine of not more than Two Hundred Dollars (\$200.00), or by imprisonment for not longer than sixty days, or by both such fine and imprisonment.

Offenses not provided for, Penalty.

(d) Any person who, by reason of the nondisclosure or misrepresentation by him or by another, of a material fact (irrespective of whether such nondisclosure or misrepresentation was known or fraudulent) has received any sum as benefits under this Act while any conditions for the receipt of benefits imposed by this Act were not fulfilled in his case, or while he was disqualified from receiving benefits, shall, in the discretion of the Commission, either be liable to have such sum deducted from any future benefits payable to him under this Act or shall be liable to repay to the Commission for the Unemployment Compensation Fund, a sum equal to the amount so received by him, and such sum shall be collectible in the manner provided in Section 14 (b) of this Act for the collection of past-due contributions.

Payments made wrongfully or under mistake of fact.

Section 17. **Representation in Court.**

Representation in Court.

(a) In any civil action to enforce the provisions of this Act the Commission and the Territory may be represented by any qualified attorney who is employed by the Commission and is designated by it for this purpose or at the Commission's request by the Attorney General.

Civil Actions.

**Criminal
Actions.**

(b) All criminal actions for violations of any provision of this Act, or of any rules or regulations issued pursuant thereto, shall at the request of the Commission be prosecuted by the Attorney General of the Territory or United States District Attorney.

**Reciprocal
arrangements
with States
authorized.**

Section 18. **Reciprocal Arrangements.** The Commission is hereby authorized to enter into arrangements with the appropriate agencies of other States or the Federal Government whereby individuals performing services in this Territory and other States for a single employing unit under circumstances not specifically provided for in Section 2 (i) of this Act, or under similar provisions in the unemployment compensation laws of such other States, shall be deemed to be engaged in employment performed entirely within this Territory or within one of such other States and whereby potential rights to benefits accumulated under the unemployment compensation laws of several States or under such a law of the Federal Government, or both, may constitute the basis for the payment of benefits through a single appropriate agency under terms which the Commission finds will be fair and reasonable as to all affected interests and will not result in any substantial loss to the fund.

Saving Clause.

Section 19. **Saving Clause.** The Legislature reserves the right to amend or repeal all or any part of this Act at any time; and there shall be no vested right of any kind against such amendment or repeal. All the rights, privileges, or immunities conferred by this Act or by acts pursuant thereto shall exist subject to the power of the Legislature to amend or repeal this Act at any time.

**Separability
of Provisions.**

Section 20. **Separability of Provisions.** If any provisions of this Act, or the application thereof to any person or circumstance, is held invalid, the remainder of this Act, and the application of such provision to

other persons or circumstances, shall not be affected thereby.

Section 21. **Non-liability of Territory.** Benefits shall be deemed to be due and payable under this Act only to the extent provided in this Act and to the extent that moneys are available therefor to the credit of the Unemployment Compensation Fund, and neither the Territory nor the Commission shall be liable for any amount in excess of such sums. Territory not liable.

Section 22. **Termination.** If at any time Title IX of the Social Security Act, as amended, shall be amended or repealed by Congress or held unconstitutional by the Supreme Court of the United States, with the result that no portion of the contributions required under this Act may be credited against the tax imposed by said Title IX, in any such event the operation of the provisions of this Act requiring the payment of contributions and benefits shall immediately cease, the Commission shall thereupon requisition from the Unemployment Trust Fund all moneys therein standing to its credit, and such moneys, together with any other moneys in the Unemployment Compensation Fund shall be refunded, without interest and under regulations prescribed by the Commission, to each employer by whom contributions have been paid, proportionately to his pro rata share of the total contributions paid under this Act. Any interest or earnings of the fund shall be available to the Commission to pay for the costs of making such refunds. When the Commission shall have executed the duties prescribed in this Section and performed such other acts as are incidental to the termination of its duties under this Act, the provisions of this Act, in their entirety, shall cease to be operative. Termination of Act.

Section 23. **Effective Date.** An emergency is hereby declared to exist and this Act shall take effect immediately upon its passage and approval. Emergency.

Approved April 2, 1937.