

CHAPTER 74

AN ACT

[S. B. 105]

To amend Chapter 4 of the Extraordinary Session Laws of Alaska, 1937, as amended by Chapters 1 and 51, Session Laws of Alaska, 1939, as amended by Section 20, Chapter 40, Session Laws, 1941, by amending Subsection 7(c) providing for and establishing an Experience Rating for Territorial Employers under the Alaska Unemployment Compensation Law and amending Subsection 4(d) and to declare an effective date.

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

Section 1. That Subsection 7(c) is hereby amended by striking out the present Section and substituting the following:

Subsection 7(c). "Experience Rating Credits."

Subsection 7(c)(1). Meaning of terms. As used in this Subsection,

Definitions.

(A) "Computation date" means January first (1st) of any year in which credits are being computed.

(B) "Effective date" means June thirtieth (30th) next following the computation date.

(C) "Credit year" means the four consecutive calendar quarters immediately following the effective date.

(D) "Cut-off date" means March fifteenth (15th) next following the computation date.

(E) "Qualified employer" means any employer who was an employing unit and had employment for which remuneration was payable in each of the four consecutive calendar years immediately preceding the computation date and who filed any wage reports which may have been required thereon on or before the cut-off date, and has paid all contributions due on or before the effective date, provided however, that no such employer shall be deemed a qualified employer if he has had or has reported no employment for four or more consecutive calendar quarters in such four calendar years, and provided further, that when an employer or prospective employer has acquired all or substantially all the operating assets of another employing unit, the experience of both during such four calendar years shall be jointly considered for the purpose of determining and establishing the acquiring party's qualification for, and amount of, credit; and the transferring employing unit shall be divested of its experience, and provided further that to the extent permitted by and in compliance with the requirements of Section 1602 of the Federal Internal Revenue Code, the Commission may by regulation provide for the fair and equitable allocation of experience with unemployment risk as measured by annual percentage declines in payrolls, to or among two or more employers whose operations have been transferred, joined, combined, merged or consolidated because of governmental regulations limiting a natural product, raw materials, supplies or manpower.

Qualified
employer.

Acquisition of
operating assets
of another
employer.

(F) "Payroll" means all remuneration payable for employment exclusive of remuneration in excess of three thousand dollars (\$3,000.)

Payroll.

payable by any one employing unit to an individual during any one calendar year.

(G) "Surplus" means the lesser of:

(1) That amount by which the moneys in the Unemployment Compensation Trust Fund, as of the cut-off date, exceed four times the amount of contributions paid on or before the cut-off date with respect to the payrolls reported by all employers on or before said cut-off date for the preceding calendar year, or

(2) an amount equal to sixty per cent (60%) of the contributions so paid for the preceding calendar year. No portion of the surplus shall be credited to any employer unless the amount of the surplus is at least ten per cent (10%) of the amount of the contributions paid on the payrolls reported by all employers on or before the cut-off date for the preceding calendar year.

Subsection 7(c)(2). Establishment of credits. The amount of credit for each qualified employer shall be established in the following manner:

(A) Qualified employers shall be grouped into six credit classes, to be designated as classes 6, 5, 4, 3, 2 and 1, in accordance with the sum of the annual percentage payroll declines in regard to the three consecutive calendar years immediately preceding the computation date, each such percentage to be obtained by dividing any decline of the payroll of a qualified employer in any calendar year from the preceding calendar year by the amount of the payroll in such preceding year, each division being carried out to the fourth decimal place and the remaining fraction, if any, disregarded.

Computation
of surplus.

Credit class
established
by payroll
declines.

Each qualified employer shall be in the credit class which is listed below on the same horizontal line on which the sum of annual percentage payroll declines of such employer appear.

Sum of Annual Percentage Payroll Declines	Credit Class
Less than 10	6
10 or more but less than 30	5
30 or more but less than 50	4
50 or more but less than 70	3
70 or more but less than 80	2
80 or more	1

Payroll decline
—for credit
class.

(B) A “class weight” shall be assigned to each credit class as follows:

Credit Class	Class Weight
6	6
5	5
4	4
3	3
2	2
1	0

Class weight.

(C) The “class product” shall be obtained by dividing the total of the payrolls for the calendar year immediately preceding the computation date for all qualified employers in the same class by the total of the payrolls of all qualified employers for such year, such division being carried out to the fourth decimal place, and multiplying the quotient by the class weight.

Formula for
class product.

Computation of surplus for each class.

(D) The surplus to be credited to each class shall be the product obtained by dividing the class product for each class by the sum of the class products for all classes and multiplying the quotient by the surplus to be credited to all employers. No portion of the surplus shall be credited to credit class 1.

Class credit factor.

(E) The "class credit factor" shall be the quotient obtained by dividing that portion of the surplus assigned to any class of qualified employers by the sum of the payrolls of all employers in that class for the calendar year immediately preceding the computation date, such division being carried out to the fourth decimal place and the remaining fraction, if any, disregarded.

Computation of surplus for each employer.

(F) That portion of the surplus which is to be credited to any qualified employer is the product obtained by multiplying his taxable payroll in the calendar year immediately preceding the computation date by the class credit factor of his class.

Employer notified of his credits.

(G) As soon as practicable after the effective date each qualified employer shall be furnished a notice showing the amount of credit to which he is entitled, if any. The amount shown on the notice may be applied only against contributions which are payable by him on wages payable in the credit year and reported not later than the date prescribed by the Commission for payment of contributions on wages payable in the last quarter of such credit year, except that when an employer or prospective employer has acquired all or substantially all of the operating assets of another employer, any unused portion of the credit of the transfer-

ring employer shall be transferred to the acquiring party, provided that the transferring employer has submitted all reports and has paid all contributions and interest due to the date of such acquisition.

Transfer of
credits on
purchase.

The first credit notices shall be effective with the credit year beginning July 1, 1947.

(H) Corrections and Appeals:

(1) Corrections or modifications of an employer's payroll shall not be taken into account for the purpose of an increase of his credit unless such corrections or modifications were established on or before the cut-off date.

Corrections
and appeals.

(2) Corrections or modifications of an employer's payroll may be taken into account within three years after the cut-off date, for the purpose of a reduction of his credit.

Time limit.

(3) Within one year from the effective date the Commission may reconsider the credit allowed any employer whenever it finds that there has been an error in the computation thereof. When an increase is due, it shall issue to such employer a supplementary credit notice reflecting the increase in the employer's credit; however, when a credit notice has been issued to an employer whose credit is reduced, such notice shall be recalled and a revised notice issued. If the credit shown by the incorrect notice has already been applied in payment of contributions in excess of the correct credit, the employer shall thereupon become liable for payment into the fund of an amount equal to the excess of the credit taken by him over the credit to which he is entitled and such amount shall be deemed and collected as contributions payable under this act.

Error in
computation.

(4) Increases or reductions of an employer's credit shall not affect the credits established or to be established for any other employer, and shall further not affect any other computation made under this Subsection.

Appeal from
determination
of credit.

(5) Any employer dissatisfied with the amount of credit shown on his credit notice may file a request for adjustment with the Commission within thirty (30) days of the mailing of such credit notice to an employer, showing wherein the amount of credit may be in error. Should such request for adjustment be denied, the employer, within ten (10) days of the mailing of such notice of denial of adjustment, may file with the Appeal Tribunal a petition for hearing which shall be heard in the same manner as a petition for a denial of refund. The appellate procedure prescribed by this Act for further appeal shall apply to all denials of adjustment .

Appeal tribunal.

Section 2. That Chapter 4, Section 4(d), Extraordinary Session Laws of Alaska, 1937, as amended by Chapters 1 and 51, Session Laws of Alaska, 1939, as amended by Chapter 40, Session Laws of Alaska, 1941, as amended by Chapter 32, Section 3, Extraordinary Session Laws of 1946, be amended to read as follows:

Waiting period.

Subsection 4(d). He has been unemployed for a waiting period of one week. No work shall be counted as a week of unemployment for the purpose of this subsection:

(1) Unless it occurs within the benefit year which includes the week with respect to which he claims payment of benefits, provided that this requirement shall not interrupt the payment of benefits for consecutive weeks of unemployment.

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

(3) Unless the individual was eligible for benefits in all respects, except for the requirements of this subsection, of subsection (d) of section 3 and of subsection (e) of section 5.

Section 3. Effective Date. This Act shall become effective June 30, 1947.

Passed by the Senate Mar. 13, 1947.

Passed by the House Mar. 22, 1947.

CHAPTER 75

AN ACT

[S. B. 106]

To amend Section 726 of the Compiled Laws of Alaska, 1933, relating to the duties of the Auditor.

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

Section 1. That Subsection (1) of Section 726 of the Compiled Laws of Alaska, 1933, relating to the duties of the Auditor be amended by deleting the first sentence in that Subsection (1) and substituting therefore the following:

He shall audit all vouchers showing claims or demands against the Territory, which are to be submitted in detail and show the authority for the expenditure, and he shall allow all which he finds to be just and true and a legal charge against the Territory and for which appropriation has been made by the Legislature.

Auditing of
vouchers.

Passed by the Senate Mar. 17, 1947.

Passed by the House Mar. 22, 1947.