



Alaska Employer Unemployment Insurance Tax



Sean Parnell, Governor

Clark Bishop, Commissioner

Thomas Nelson, Director

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JUNEAU CENTRAL OFFICE

1111 W. Eighth St., Rm. 203
P.O. Box 115509
Juneau, AK 99811-5509
(907) 465-2757
Toll Free: (888) 448-3527
Fax: (907) 465-2374
E-mail: esd_tax@labor.state.ak.us
TDD - Relay Alaska Operator
(800) 770-8973

UI TAX OFFICES

UI Tax Representative
Toll Free: (888) 448-2937

Anchorage UI Tax
3301 Eagle St., Rm. 106
P.O. Box 241767
Anchorage, AK 99524-1767
(907) 269-4850
Fax: (907) 269-4845

Fairbanks UI Tax
675 Seventh Ave.
Station L, Fairbanks, AK
99701-4595
(907) 451-2876
Fax: (907) 451-2883

Juneau UI Tax
1111 W. Eighth St., Rm. 203
P.O. Box 115509
Juneau, AK 99811-5509
(907) 465-2787
Fax: (907) 465-2374

Kenai UI Tax
11312 Kenai Spur Highway,
Suite 2, Kenai, AK
99611-9106
(907) 283-2920
Fax: (907) 283-5152

Wasilla UI Tax
877 Commercial Drive
Wasilla, AK 99654-6937
(907) 352-2535
Fax: (907) 352-2581

Are Employee Reimbursement Payments Reportable?

For a payment to qualify as a reimbursement for expenses, the employer must maintain evidence the reimbursement reflects the actual expenses incurred. Reimbursement payments made without evidence are not considered expense reimbursements and should be included on your quarterly contribution report as wages.

Employee expenses that are reimbursements must have a business connection to the expenditure. The reimbursement documentation must reflect the date, time, place, amount and the business purpose of the expense. Receipts are required unless the reimbursement is made under a valid per diem plan.

Reimbursements or allowances in excess of actual expenses incurred by the employee are considered reportable wages unless the employee returns the excess amount. Your travel policy should also list the above elements or the travel expense will be considered reportable wages.

Let Us Help You Recruit and Keep Qualified Staff

Do you want to reduce employee turnover? How about saving time and money in your training programs? The Alaska Department of Labor and Workforce Development can show you how the Alaska Career Ready program, WorkKeys and the Career Readiness Certificate can help save money in recruiting and training, and ensure you are getting the highest qualified applicants possible.

WorkKeys is a job skills assessment system that measures real-world foundational skills critical to job success. WorkKeys defines specific applied skills in a meaningful way and provides a means to document those skills. It also identifies skills needed for any occupation and at any level of education. WorkKeys was developed by ACT Corp., the same company that tests for college admission.

Find out what thousands of companies worldwide have already learned – WorkKeys and the Career Readiness Certificate can help your company be more competitive.

- More information is available at careerready.alaska.gov.
- Find the closest Alaska Job Center WorkKeys office at jobs.alaska.gov/offices/index.html.
- Call the Anchorage Business Connection toll-free at (888) 830-4473.

HB 377 – Volunteer Amateur Sports Officials What Does It Mean to You?

HB 377 was signed into law on May 3, 2010, exempting reimbursement payments to volunteer sports officials from unemployment insurance tax liability. Payments must be documented and must reimburse officials for actual expenses incurred to perform or as a result of performing their officiating duties, regardless of the dollar amount.

HB 377 defines "sports official" as a participant in a sports event or competition whose participation is neutral with respect to who wins or loses. This would include umpires, referees, judges, scorekeepers, timekeepers or organizers. "Volunteer work" is defined as work for which compensation does not exceed \$1,500 a year and is paid only to defray or reimburse reasonable food, travel and incidental expenses the person incurs to perform the work or as a result of performing the work.

Any reimbursement payments for expenses must have documentation for the expenses or the payment needs to be included on your quarterly contribution report as wages. See the article "Are Employee Reimbursement Payments Reportable?" on the first page of this newsletter for more information on reimbursements.

File Online, Keep Employer Tax Rates Lower

Almost half of Alaska employers used the Tax Online Service to file their first quarter 2010 Quarterly Contribution Reports.

Employment Security Tax Online Services are easy and convenient. Using these services, employers can:

- Enter quarterly wage information
- Submit zero or "no wages" reports
- Make payments through electronic funds transfer (EFT)
- View balance and payment history
- Update registration information
- Register a new business or change business type
- Request to close an account

In addition to being convenient for employers, online reporting also helps the Alaska Department of Labor and Workforce Development detect and prevent Unemployment Insurance fraud up to four weeks quicker than reports filed by mail. Preventing payments of fraudulent unemployment insurance benefits helps keep the UI Trust Fund healthy and employer tax rates lower.

To file quarterly contribution reports online and make payments electronically go to **labor.alaska.gov/estax**.