

Alaska Employer

Alaska Department of Labor and Workforce Development

Unemployment Insurance Tax

Third Quarter 2004

Frank H. Murkowski, Governor

Greg O'Claray, Commissioner

Thomas Nelson, Director

JUNEAU

1111 W. Eighth Street
Rm. 203
P.O. Box 25509
Juneau, AK 99802-5509
(907) 465-2757
Toll Free 1-888-448-3527
FAX (907) 465-2374
Email: esd_tax@labor.state.ak.us
TDD - Relay Alaska Operator
1-800-770-8973

UI TAX OFFICES

ES Tax Representative
Toll Free 1-888-448-2937

Anchorage UI Tax
3301 Eagle St., Rm. 103
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 25509
Juneau, AK 99802-5509
(907) 465-2787
FAX (907) 465-2374

Kenai UI Tax
11312 Kenai Spur Hwy.
Suite 2
Kenai, AK 99611-9106
(907) 283-4478
FAX (907) 283 -5152

Wasilla UI Tax
877 Commercial Drive
Wasilla, AK 99654-6937
(907) 373-2682
FAX (907) 373-2683

REDUCE YOUR 2005 ES TAX RATE

As a reminder, the tax annual rating process is beginning for calendar year 2005. As an employer, there are some things you can do to ensure you receive the lowest tax rate possible.

If you

- have a balance due on your account;
- have not filed factual reports for all quarters; or
- have been notified of a balance due or missing factual reports on your predecessor's account,



contact any of our offices listed to the left of this page. We can

- establish deferred payment contracts.
- advise you of Employer Options that you may not have realized were available.
- assist you in the completion of any of our forms.
- confirm that contributions and reports are posted correctly to your account or to your predecessor's account.

FILE YOUR QUARTERLY TAX REPORT ON-LINE

ES Tax has on-line web services available for Quarterly Contribution Reporting. This on-line process allows you to:

- Enter wage information for filing single or multiple accounts
- Upload wage details by sending a computer file over the web
- Submit zero or "no wage" reports

To file on-line, go to: <http://www.labor.state.ak.us/estax/home.htm> and click on the link: [NEW! *ONLINE* Employer Quarterly Contribution Reporting](#)

For employers who mail in your Wage Schedule attached to your Quarterly Contribution Report form or if you have designed your own Quarterly Contribution Report form using Microsoft Word, please use the **Standard 12pt font**. Using a smaller font will increase the chance of keying errors occurring as the reports are being processed.

HOW ARE YOUR TAX RATES CALCULATED?

Alaska has three classes of employers in its experience rating system.

E-rated firms are those employers who qualify for **experience rating** because they:

- have been subject to the Alaska Employment Security Act for four or more quarters;
- have filed factual quarterly reports for all quarters within the rating period;
- have paid all outstanding balances for contributions, interest and penalties; and
- are a successor to an employer account that does not have missing factual reports and does not have any outstanding contributions due.

I-rated firms are those employers who do not have the wage history to qualify for experience rating and are assigned a tax rate that is based on an **industry average**.

P-rated firms are those employers who are delinquent in filing quarterly reports, paying contributions, interest, and penalties due, or who is a successor to an employer account that has missing factual reports or has outstanding contributions due remaining. These employers are assigned the maximum **penalty tax rate**.

Alaska's rate system is based on quarterly wage declines. A decline in quarterly wages exists when the amount of total wages you report reflects a decrease from one quarter to the next.

For rate purposes, a **quarterly decline quotient** is calculated, which is the percentage of the decrease in wages between quarters. All your quarterly decline quotients for qualifying quarters are added together, and this total is then averaged. The experience rate you are assigned is based on the average of all the quarterly decline quotients.

Several factors may create **artificial quarterly declines**, such as when you:

- pay bonuses,
- issue lump-sum payments,
- have a bi-weekly payroll,
- pay a labor dispute settlement,
- have a change in your accounting methods, or
- issue payroll in a different quarter than you normally do.

Your ES Tax Office may be able to lower your tax rate by removing the effects of artificial declines created by these situations with the use of **Employer Option Forms**.

Questions on Options, and tax rates should be directed to the ES Tax Employer Accounts Unit at 1-888-448-3527. Employer Option Forms, in addition to a variety of other ES Tax forms, are available online at www.labor.state.ak.us/estax/home. The Alaska Employer Handbook, which also contains information on tax rates and Option forms is also available on-line.