



# Alaska Employer

Newsletter

## Unemployment Insurance Tax



ALASKA DEPARTMENT OF LABOR  
& WORKFORCE DEVELOPMENT

Bill Walker, Governor

Heidi Drygas, Commissioner

Patsy Westcott, Acting Director

December 2018

### Questions about your rate, account or contributions?

#### CONTACTS

##### Juneau Central Office

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#### UI TAX OFFICES

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#### UI Tax Representative

Toll free: (888) 448-2937

## 2019 annual rates

The 2019 annual Tax Rate Notices are mailed in early December. The notice will include your 2019 rate and the taxable wage base for the year. If you have questions regarding your rate notice, contact the Tax Central Office by emailing us at [esd.tax@alaska.gov](mailto:esd.tax@alaska.gov), or by phone: **(907) 465-2757** or **(888) 448-3527 (toll free)**.

## Save money, update your rate

Rates for 2019 have been issued! Make sure you update your accounting software with your new rate and/or ensure your accountant, payroll provider, or other employers who report workers on your account have your new rate. This will prevent you from either paying more than you owe or not paying enough and causing interest to accumulate.

## Employer Option Forms

Alaska UI contribution rates are based on quarterly wage declines. A decline in quarterly wages exists when the amount of total wages reported in one quarter decreases in the next quarter. The larger the decline in wages, the higher your contribution rate may be.

Several factors that may create artificial quarterly declines include the following:

- Bonus payments
- Bi-weekly payroll systems
- Issuance of lump-sum payments
- Paying a labor dispute settlement
- Changes in your accounting or payroll methods

“Employer Option Forms” were enclosed with your Annual Rate Notice and may be used to equalize any quarterly declines caused by these anomalies. Employer Options may help stabilize your payroll from one quarter to the next, thus obtaining a more favorable rate.

Employers have until June 30 each year to submit a completed form to reduce the previous year’s contribution rate. The applicable quarters can be found on the annual rate notice.

Questions should be directed to the UI Employer Account Unit at (888) 448-3527. Employer Option Forms, and a variety of other UI forms, are available online at: [labor.alaska.gov/estax/forms/toc\\_forms.htm](http://labor.alaska.gov/estax/forms/toc_forms.htm).

## General partnership

As a general partnership, the wages of the partners are NOT reportable for Unemployment Insurance (UI) Tax purposes. Do not report your wages on the Alaska Quarterly Contribution Report.

Partnerships do not have the same exclusions as a Sole Proprietor, so the following individuals must also be reported on your Alaska Quarterly Contribution Report:

- the owner's spouse (if not a partner)
- the owner's children
- the parents of the owner
- employees

A change in partnership will require a new registration form submitted.

If your workers are general partners, please contact us to cancel your account.

## Which employers are eligible for FUTA tax reduction

Under the Federal Unemployment Tax Act (FUTA), employers may receive a 5.4 percent offset against the 6 percent FUTA tax imposed if their state has an approved Unemployment Insurance (UI) program and no delinquent federal loans. As Alaska has no federal loans, Alaska employers can expect to continue to receive their full federal tax offset, provided employers file their report and make their payments on or before the last day of the month which follows the calendar quarter for which contributions have accrued (8 AAC 85.30).

To ensure your reports are received by the ES Tax Office on or before Jan. 31, use the "Online Employer Services" link at [labor.alaska.gov/estax](http://labor.alaska.gov/estax). Reports mailed by Jan. 31, but not received by the ES Tax Office timely, may not receive the FUTA tax credit. Additionally, no grace period is provided for this federal requirement.

**Fourth Quarter reports and payments  
are due by January 31, 2019.**