



Alaska Employer Unemployment Insurance Tax



Sean Parnell, Governor

Clark Bishop, Commissioner

Thomas Nelson, Director

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Alaska's Doing It Right

Despite a climbing unemployment rate and increased weekly benefit amount, Alaska's Unemployment Insurance Trust Fund is not in any immediate danger of running out of money.

"Compared to other states, we are doing great," Employment Security Director Tom Nelson recently told the Juneau Empire.

Eighteen states have run out of money in their trust funds and have been forced to borrow \$12.1 billion from the federal government. A Nevada newspaper reports that state is considering doubling the taxes employers pay to make up for the billion dollars borrowed from the federal government to pay unemployment benefits.

Alaska law provides for an annual adjustment in tax rates that keeps the trust fund healthy without hitting employers with a large tax increase during an economic crisis when businesses can least afford to absorb the cost.

Another factor affecting Alaska's Trust Fund is that workers also pay into it. Alaska is one of only three states that collect unemployment insurance taxes from workers.

An overview of the unemployment insurance financing system is available on the Web at labor.alaska.gov/research/ui/taxbasic.pdf. This document provides a basic understanding of how the tax rates are calculated to avoid sudden changes when the number of unemployed workers rises.

Reduce Your 2010 UI Tax Rate

The annual process of determining employer tax rates for calendar year 2010 has begun. As an employer, there are some things you can do to ensure you receive the lowest tax rate possible. Factors that may unfavorably affect your tax rate include:

- a balance due on your account;
- missing reports for any quarter;
- a balance due or missing reports on your predecessor's account.

Contact any of the offices listed in this newsletter. Our staff can:

- establish deferred payment contracts;
- advise you of rate-lowering options;
- assist you in the completion of our forms;
- confirm that contributions and reports are posted correctly to your account or to your predecessor's account.

Recent Law Changes Affecting Employers

Senate Bill 170 allows **federally recognized** tribal employers to elect the reimbursable method of payment. Department staff can assist you in determining if this payment method would benefit your business.

House Bill 152 now requires all wages paid to staff 18 years of age or older who deliver or sell newspapers to be reported on the quarterly contribution reports.

These changes bring Alaska law into conformity with federal law.

Tax Online Services

UI Tax online services are easy and convenient. Using these services, employers can:

- register a new business or change business type;
- update or close an account;
- make payments through electronic funds transfer (EFT);
- view balance and payment history;
- enter wage information for filing single or multiple accounts;
- upload wage detail by sending a computer file over the Web;
- submit zero or "no wages" reports.

To view a demonstration of our online services, visit labor.alaska.gov/estax and select "Online Filing Demonstrations."