



## Are they really contract labor?

Did you issue a worker a 1099 for services within the usual course of your business or services your business offers to the public? These payments might actually be wages and need to be reported on your Alaska Quarterly Contribution report. If you are unsure, review the "Do You Have Contract Labor" brochure ([labor.alaska.gov/estax/forms/contract.pdf](http://labor.alaska.gov/estax/forms/contract.pdf)). You may also contact our Field Tax offices for further clarification.

## Did you hire a replacement for yourself while on leave?

Many healthcare facilities (doctors, dentists, etc.) hire other healthcare professionals to work in their offices while they are out for an extended period of time. These temporary healthcare professionals, whether considered "locum tenens" or independent practitioners, may be considered employees. Locum tenens physicians are not unique to the Department of Labor and have historically been considered employees. There are many facts that determine if they need to be reported as employees. Contact your Field Tax office for information on determining if those you hire to cover for you would be reportable.

## Issuing checks outside of normal payroll

There are many reasons a check is issued outside of a normal payroll. When this occurs these payments may not be reported on your Alaska Quarterly Contribution Report. Inform your bookkeeper, accountant or CPA when this occurs to ensure any payments issued outside of your normal payroll are reported correctly.

During several audits, it was discovered payroll advances are not being correctly reported. Advances are considered wages per AS 23.20.530 and must be reported in the quarter in which the advance was issued. If the advance is not paid back in the same quarter in which it was issued, the reportable wages must be reduced in the quarter(s) in which the advance is paid back.

## Regulation change

Effective July 19, 2019 — The Alaska Administration Code (AAC) 8 AAC 85.400(c) is amended to read: "(c) An overpayment of less than \$5 in employee or employer contributions will not be refunded."

**Third quarter reports and payments  
are due by Oct. 31, 2019.**