



Alaska Employer

Newsletter

Unemployment Insurance Tax



ALASKA DEPARTMENT OF LABOR
& WORKFORCE DEVELOPMENT

Michael J. Dunleavy, Governor

Dr. Tamika L. Ledbetter, Commissioner

Patsy Westcott, Director

September 2020

Questions about your rate, account or contributions?

CONTACTS

Juneau Central Office

P.O. Box 115509
Juneau, AK 99811-5509
Phone: (907) 465-2757
Toll free: (888) 448-3527
Fax: (907) 465-2374
Email: ESD.Tax@Alaska.Gov
Relay Alaska: (800) 770-8973

FIELD TAX OFFICES

Anchorage

P.O. Box 241767
Anchorage, AK 99524-1767
Phone: (907) 269-4850
Fax: (907) 269-4845

Fairbanks

675 7th Ave., Station L
Fairbanks, AK 99701-4595
Phone: (907) 451-2876
Fax: (907) 451-2883

Juneau

P.O. Box 115509
Juneau, AK 99811-5509
Phone: (907) 465-2787
Fax: (907) 465-2374

Kenai

145 Main Street Loop,
Suite 143, Kenai, AK 99611
Phone: (907) 283-0350
Fax: (907) 283-5152

Mat-Su

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

UI Tax Representative

Toll free: (888) 448-2937

NOTIFICATION BY EMAIL

Do not ignore these messages as it may cause additional dues and collection action. If you receive an email notification from ES Tax advising your report and/or payment have not been received, you can go online to see the status of your report and the balance of your account. If you feel you received the notification in error, please contact us to discuss your account.

REDUCE YOUR 2021 UI TAX RATE

The annual process of determining employer tax rates for calendar year 2021 has begun. Factors that may unfavorably affect your tax rate include:

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

Contact any of the offices listed in this newsletter to resolve the above bulleted items and to:

- establish deferred payment contracts;
- advise you of rate-lowering options (including the new emergency option form to be used due to wage fluctuations for COVID-19); or
- confirm contributions and reports are posted correctly to your account or to your predecessor's account.

PENALTY RATE PREVENTION

For the year 2020, 229 Alaska employers received a Penalty rate.

2020 Experience rates for employers span from one to 1.09 percent, with a taxable wage base of \$41,500. Experience rated Alaska

Tax online services

Visit labor.alaska.gov/estax and click on "Online Employer Services" to file your reports online, make payments using electronic fund transfer (EFT), update your account, and more!

employers will pay no more than \$452.35 per employee. The 229 Penalty rated employers are taxed at 5.4 percent. For example, an employer with the highest Experience rate compared to a Penalty rated employer — where each had an employee who made more than \$50,000 a year — the Experience rated employer would pay \$452.35 for that employee while the Penalty rated employer would pay \$2,241 — paying \$1,788.65 or 4.31 percent more per employee.

FILING REPORTS

File your Quarterly Contribution Report timely, even if you are unable to currently pay what is due.

It is extremely important to file your Quarterly Contribution Report (QR) timely. The wages earned by your former employees are used to determine a person's monetary eligibility to be paid Unemployment Insurance (UI) benefits. By not filing your reports timely you could prevent or delay your former employees from receiving their UI benefits. These benefits help to stabilize our economy by providing funds to those out of work so they are able to continue to purchase goods and services.

As an employer it is important for you to file your reports timely to avoid being assessed a penalty for late filing and the possibility of being penalty rated for 2021. If you are unable to make your payment due to your business's revenue stream being negatively impacted by the current social situation, please contact us to discuss payment options.

If you did not issue any payroll for quarter ending Sept. 30, 2020, but plan to have employees in the future, a "no wage" or "zero" QR must be filed. Again, the QR must be filed timely to avoid a penalty being assessed on your account. If you have either closed your business permanently or do not plan to have employees in the future, complete the Change Notification Sheet included with your QR, also available at labor.alaska.gov/estax/forms/toc_forms.htm, or contact us to close your account.

THE CARES ACT AND FRAUD

The UI program takes fraudulent activities to collect UI benefits seriously. If an individual refuses an offer of work because UI pays more than their weekly wage, is asking to be laid off or requests to have their hours reduced so they can collect UI benefits, they may be committing fraud. Employers should immediately report these activities for investigation. Visit labor.alaska.gov/estax for instructions on what to provide and where to send the information.

**Third quarter reports and payments
are due by Oct. 31, 2020.**