



# Alaska Employer Newsletter Unemployment Insurance



ALASKA DEPARTMENT OF LABOR  
& WORKFORCE DEVELOPMENT

Sean Parnell, Governor

Dianne Blumer, Commissioner

James Harvey, Director

December 2014

## Questions about your account or contributions?

### Contacts

#### Juneau Central Office

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Juneau, AK 99811-5509  
Phone: (907) 465-2757  
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Email: ESD.Tax@Alaska.Gov  
Relay Alaska: (800) 770-8973

#### UI TAX OFFICES

##### Anchorage

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##### Fairbanks

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##### Juneau

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##### Kenai

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##### Wasilla

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#### UI Tax Representative

Toll free: (888) 448-2937

## FUTA tax credit

Filing quarterly contribution reports after the due date can negatively affect your Federal Unemployment Tax Act (FUTA) tax credit. Your report for the fourth quarter of 2014 is due Jan. 31, 2015. If it is not received in our office by Jan. 31, it is considered late and can reduce your FUTA tax credit. To ensure your quarterly contribution reports are filed timely, use our online filing system at [labor.alaska.gov/estax](http://labor.alaska.gov/estax).

## 2015 tax rates and taxable wage base

The 2015 tax rate notices will be mailed in early December. The tax notice will include the 2015 rate and the individual taxable wage base amount. If you have questions regarding your rate notice, contact the Tax Central Office in Juneau at [esd.tax@alaska.gov](mailto:esd.tax@alaska.gov), (888) 448-3527 or (907) 465-2757.

## How Alaska's UI tax rates are calculated

All states have an experience rating system for calculation of employer contribution rates. Alaska's rating system is based on quarterly wage declines. A decline is a decrease in wages from one quarter to the next.

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

### Alaska has three rate types in its rating system:

**Experience-rated employers** — Employers who qualify for experience rates are those who:

- Have been subject to the Alaska Employment Security Act for four or more quarters; and
- Timely filed all quarterly tax reports; and

- Hold no outstanding balance of contributions, interest and penalties that total more than \$100.

**Industry-rated employers** — Employers who do not have the wage history to qualify for an experience rate are assigned a rate based on their industry average.

**Penalty-rated employers** — Employers who are delinquent in filing quarterly reports, paying contributions, interest, or penalties due are assigned the maximum penalty.

## New UI requirement may help increase your job applicant pool

Employers can expect an increase of unemployed workers contacting their businesses in search of work. Alaska Law (8 AAC 85.352) requires all workers who are collecting Unemployment Insurance to conduct and report one or more weekly searches for work.

## Regulation changes

The following regulations went into effect on June 27, 2014:

- **8 AAC 85.015** — Provides guidance in determining a liable employer based on the service performed by an employee.
- **8 AAC 85.020(a)** — States "electronically" is the preferred and primary method for filing contribution reports.
- **8 AAC 85.020(d)** — Requires employers who are reporting 50 or more employees to file their quarterly reports online through the Alaska Department of Labor and Workforce Development's Tax website. Agents reporting for employers must also file their clients' reports online.
- **8 AAC 85.295(a)** — Clarifies the circumstances under which employers would receive a penalty rate.

## Updated: ES Tax Handbook

The ES Tax Handbook contains answers to questions concerning the UI tax program and collection of taxes. The updated handbook is located online at [labor.alaska.gov/estax](http://labor.alaska.gov/estax).

### UPDATE YOUR ACCOUNT ONLINE

Phone your local tax office with any questions,  
or visit us online at [labor.alaska.gov/estax](http://labor.alaska.gov/estax)

## Quarterly reports and payments are due by Jan. 31, 2015

We are an equal opportunity employer/program.  
Auxiliary aids and services are available upon request to individuals with disabilities.