



# Alaska Employer

Newsletter

## Unemployment Insurance Tax



ALASKA DEPARTMENT OF LABOR  
& WORKFORCE DEVELOPMENT

Mike Dunleavy, Governor

Catherine Muñoz, Commissioner

Paloma Harbour, Director

March 2025

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

#### CONTACTS

##### Juneau Central Office

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Relay Alaska: (800) 770-8973

#### FIELD TAX OFFICES

##### Anchorage

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##### Fairbanks

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##### Juneau

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##### Kenai

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##### Mat-Su

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#### UI Tax Representative

Toll free: (888) 448-2937

## New Year, new rate, new taxable wage base

The 2025 rate notices were mailed in December. Now is the time to update your payroll system with this year's new rate. The taxable wage base for 2025 is \$51,700. Employer tax rates range from one percent to 5.4 percent and the employee rate is 0.50 percent. Please contact our agency if you are unsure of your rate. Many employers' rates are lower than last year; if you are using a previous rate, you may be overpaying your taxes.

## Some employees eligible for refunds

Employees who worked for more than one employer may be eligible for an unemployment insurance (UI) tax refund if they paid more than \$248.50 in unemployment taxes in 2024. The refund form is available on our website at [labor.alaska.gov/estax/forms/eerefund.pdf](http://labor.alaska.gov/estax/forms/eerefund.pdf).

## Buying or acquiring a business

Before buying a business or acquiring assets from an existing business, ask the owner if their UI tax account has a balance due. If the current owner has an UI tax balance due, you are required to withhold from the purchase price enough funds to pay the amount due (AS 23.20.260(c)). More importantly, if you do not withhold funds, the owner's tax balance in most cases becomes your responsibility to pay.

You may also inherit the business's rate and rating history when you purchase an existing business. An inherited experience contribution rate is often lower than a new employer rate. To receive the proper rate, complete the registration form and include information regarding the purchase.

**First quarter reports and payments are due by April 30, 2025.**

*Alaska Economic Trends Magazine is a monthly publication that covers a broad range of economic issues. To view the electronic magazine, search articles and archives, and sign up for a FREE electronic subscription visit [labor.alaska.gov/trends](http://labor.alaska.gov/trends).*

## Unclaimed refunds

UI Tax maintains a list of unclaimed refunds for employers and employees. If you or a representative of your company has requested a refund in the past and did not receive it, you may be on the list. Visit [labor.alaska.gov/estax](http://labor.alaska.gov/estax) and click "Unclaimed Refunds" listed under "Other Links." After clicking on "Do you have an unclaimed refund?" enter your Alaska Employer ID (account number), Federal Employer ID (EIN), or SSN as a search criterion. If there is an unclaimed refund, you will be directed to submit a "Petition for Unclaimed Refund" form. To assist our office in processing your Petition for Unclaimed Refund, follow the instructions provided on the form.

## Children's wages

Are you reporting your children's wages correctly? The business entity determines whether children's wages are reportable.

Entity	X Not reportable	✓ Reportable
Sole Proprietor* (AS 23.20.526(a)(4))	X Age 17 and younger X Age 18-20 if full-time student	✓ Age 18-20 if not a full-time student ✓ Age 21 or older, even if a full-time student
Limited Liability Company (LLC)	X Child is an LLC member	✓ Child is <b>not</b> an LLC member
General Partnership	X Child is a partner	✓ Child is <b>not</b> a partner
Corporation* (for profit)	X Child is an executive officer+	✓ Child is <b>not</b> an executive officer

\*If a Sole Proprietor would like to cover their children's wages or if a corporation would like their executive officer's wages reportable (must include all officers), submit a Voluntary Election of Coverage form available on our website at [labor.alaska.gov/estax/forms/07-1002.pdf](http://labor.alaska.gov/estax/forms/07-1002.pdf). Election of coverage is not available for Sole Proprietors, LLC members or partners of a P artnership.

+Definition of executive officer: (1) named in by-laws, (2) serves at pleasure of the board, and (3) is given and actually exercises authority and responsibility for the overall management of the corporation.

## Issuing checks outside of normal payroll

There are many reasons an employee's pay is issued outside of a normal payroll. When this occurs, these payments may be erroneously omitted from 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. Advances are considered wages per AS 23.20.530(a) and must be reported in the quarter the advance was issued. If the advance is not paid back in the same quarter it was issued, the reportable wages must be reduced in subsequent quarter(s) in which the advance is paid back.