



# Alaska Employer

Newsletter

## Unemployment Insurance Tax



ALASKA DEPARTMENT OF LABOR  
& WORKFORCE DEVELOPMENT

Bill Walker, Governor

Heidi Drygas, Commissioner

Ed Flanagan, Director

June 2018

### 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

##### UI 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

515 East Dahlia Ave.  
Palmer, AK 99645  
Phone: (907) 707-1790  
Fax: (907) 707-1793

##### UI Tax Representative

Toll free: (888) 448-2937

## Penalty rates are preventable

To assure receiving an experience tax rate instead of a penalty rate for 2019, double-check all your quarterly contribution reports and make sure payments have been submitted. If you are unsure, give us a call. Penalty rates for 2018 were assigned to 206 Alaska employers. The maximum employer experience rate for 2018 is 1.32 percent. Alaska employers at the 1.32 percent rate will pay a maximum of \$521.40 per employee this year (1.32 percent x \$39,500).

**In 2018, 260 Alaska employers received a penalty rate.** A penalty-rated employer is taxed at 5.4 percent and can be liable up to a maximum of \$2,133 per employee, more than four times the amount of the highest rate for an experience-rated employer and over five times the amount for the lowest rated employer.

## Do you own a Limited Liability Company?

As an LLC, the wages of the members are not reportable for Unemployment Insurance (UI) Tax purposes. Do not report member wages on the Alaska Quarterly Contribution Report.

However, wages are reportable for the following individuals:

- non-members who serve as a manager
- wages paid to a member's husband, wife and/or children who are not members
- Corporate officer wages of a corporate owned LLC

**An LLC must have at least one manager. If all of your workers are members of the LLC, contact us to cancel your account.**

## **Paper-free forms are HERE! UI Benefits and UI Fraud forms available**

The State Information Data Exchange System (SIDES) program offers employers a free, convenient option for completing electronic, standardized forms to efficiently and accurately respond to requests for information from the UI program. If you are interested, contact Kim Schnell at (907) 269-4758 or Sherry Drake at (907) 465-5949 or go to **dol.sides@alaska.gov** for more information.

## **Help stop Unemployment Insurance fraud**

Wage earnings audits are mailed to employers requesting employment and wage details. This is one of the primary tools used in detecting and investigating potential UI fraud from prior and current employees. Completion and return of these forms helps in detecting and recovering improper payments early on and aids in protecting the UI Trust Fund. This can be done online through SIDES (see above).

The UI program is responsible for implementing and maintaining fraud detection systems and for the investigation and resolution of UI fraud. Our efforts serve to protect the UI Trust Fund. Our responsibility is to ensure the correct amount of UI benefits are paid.

You can report UI benefit fraud at **uifraud@alaska.gov** or by calling UI Investigations at (907) 269-4880 or toll-free at (877) 272-4635. The information you provide is confidential, and you can remain anonymous when reporting UI fraud. We appreciate your help.

## **Buying or starting a business**

When buying a business or acquiring assets from an existing business, remember to ask the owner if there is a UI Tax balance due. If the current owner has a balance, you are required to withhold from the purchase price enough funds to pay what is due. More importantly, you may inherit the business' 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.

**2nd Quarter reports and payments  
are due by July 31, 2018.**