



Alaska Employer

Newsletter

Unemployment Insurance Tax



ALASKA DEPARTMENT OF LABOR
& WORKFORCE DEVELOPMENT

Mike Dunleavy, Governor

Catherine Muñoz, Acting Commissioner

Paloma Harbour, DETS Director

December 2023

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

CONTACTS

Juneau Central Office

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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
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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
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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

2024 Tax rates

The 2024 rate notices will be mailed in early December 2023. The rate notice will include the 2024 tax rate and the individual taxable wage base amount. If you do not receive your rate notice or have questions regarding your rate notice, contact Central Office at **esd.tax@alaska.gov**, (888) 448-3527 or (907) 465-2757.

How your contribution rate is calculated

The mission of Employment Security Tax is to keep the Alaska UI trust fund solvent to pay benefits to eligible claimants. Alaska maintains a reserve rate between 3.0 and 3.3 percent. At this level, the fund can meet the benefit demands of a severe economic recession while also keeping the system from being overfunded.

To maintain solvency, the contribution system must cover the cost of the benefits being paid. The level of employer and employee contributions are based on the Average Benefit Cost Rate, the relationship between benefit costs and the total payroll of contributory employers. Data for multiple years is used in the calculation of the Benefit Cost Rate, thereby "smoothing out" sudden changes to the system and making the rate somewhat counter cyclical. Counter-cyclical financing allows the fund to weather an economic slump while resisting sudden changes in contribution rates during a period of high benefit demands, thus helping with the stabilization of the economy.

Employee advances: When to report

Payroll advances made to an employee are reportable in the calendar quarter in which they are paid, not when they are deducted from a subsequent payroll.

For example: An employee is paid an advance of \$100 on Dec. 27, and the \$100 advance is later deducted from the employee's payroll

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issued on Jan. 5. The \$100 advance must be included in the "Total Reportable Wages" for the fourth quarter, as it was given to the employee on Dec. 27. The employee's reportable wages for the first quarter would be reduced by \$100, due to the advance repay from the payroll issued on Jan. 5.

All remuneration for service is to be reported in the quarter in which the payment is issued, not the date the employee pays it back or the date it is deducted from a paycheck.

Back pay awards or settlement

Back pay awards through a contract grievance procedure, arbitration or court decision are considered wages under AS 23.20.530(a). The gross amount of the payment is reportable by the employer on the quarterly contribution report in the quarter in which the payment is issued.

Back payments and pay awards must also be reported by the employee as deductible income for any week they are filing for UI benefits. When a claim for UI benefits is established, back pay awards and back pay for work already done are attributed to the period in which the work was actually performed or would have been performed. If the claimant received UI benefits for weeks within that period, a benefit overpayment will be established. To avoid the improper payment of UI benefits, an employer that is involved in an award or settlement agreement should contact Benefit Payment Control at (888) 810-6718 or (907) 465-2863 before making the settlement payment. With knowledge of the amount of the settlement and the period covered by the settlement, Benefit Payment Control can determine if a UI benefit overpayment will exist and how much should be deducted from the payment to offset the overpayment of UI benefits. Deductions from settlement payments for paying overpaid UI benefits should be mailed to Benefit Payment Control, Audit and Recover at P.O. Box 115509, Juneau, AK 99811-5509.

Upload ES Tax documents with TaxWeb

Did you know certain ES Tax forms can now be uploaded through TaxWeb? If you need to submit forms such as a Power of Attorney, Correction of Wage Item, Payroll Option or Change Notification, take advantage of this new tool. Access TaxWeb by going to **tos.dol.alaska.gov/tos** and sign in through myAlaska. The "Upload Document" option can be found under "User Services" on the main employer services menu. After the form has been submitted, the status will show as "Pending." Once the form has been processed the status will change to "Reviewed," and a confirmation email will be sent.

**Fourth quarter reports and payments
are due by Jan. 31, 2024.**