



Alaska Employer

Newsletter

Unemployment Insurance Tax



ALASKA DEPARTMENT OF LABOR
& WORKFORCE DEVELOPMENT

Michael J. Dunleavy, Governor

Dr. Tamika L. Ledbetter, Commissioner

Patsy Westcott, Director

March 2020

Questions about your rate, account or contributions?

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A geographic code change is coming!

Beginning the first quarter of 2020, a revision to the Alaska geographic coding system will require a change for some employers when filing their Quarterly Contribution Report.

Geographic code **75** (Valdez/Cordova) will become invalid, replaced by **74** (Chugach) and **76** (Copper River). These changes are consistent with U.S. Census redistricting.

Employers are required to include geographic codes with their reports. Please review the codes you use and update your reference materials when filing in 2020.

For the most up-to-date information, visit live.laborstats.alaska.gov/erg/codehelp.cfm.

New year, new rate, new taxable wage base

The 2020 rate notices were mailed in December. Now is the time to update your payroll system with this year's rate. The taxable wage base for 2020 is \$41,500. Tax rates range from one percent to 5.4 percent for employers, and the employee rate is .5 percent.

If you are unsure of your rate, please contact us. This year the majority of employer rates are lower than previous years. This means 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 a UI tax refund if they paid more than \$199.50 in unemployment taxes in 2019.

The refund form is available at: labor.alaska.gov/estax/forms/eerefund.pdf.

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<https://service.govdelivery.com/accounts/AKDOL/subscriber/new?preferences=true>. Newsletters are available on the Employment Security Tax home page under the "Quick Links" section: labor.alaska.gov/estax.

Types of employer payments to be excluded on Quarterly Contribution Reports

The following types of employer payments should **not** be included as employee wages on the Quarterly Contribution Report:

- Employer payments to or on behalf of an employee into a fund for retirement, sickness or accident disability, medical or hospitalization, or death benefits
- Reimbursement for employees' moving expenses
- Per diem for employees working away from home
- Reimbursement for expenses incurred by employees in the performance of duties
- Dismissal pay that the employer is not legally required to pay
- Section 125 Cafeteria Plan benefits including:
 - ◊ Group term life insurance
 - ◊ Accident or health insurance
 - ◊ Participation in a 401(k) retirement plan
 - ◊ Flexible Spending Arrangement (FSA)
 - ◊ Health Savings Account (HSA)
 - ◊ AFLAC Plans

However, the following Section 125 benefits are not excluded and **must be included** on the Quarterly Contribution Report:

- Cash in lieu of benefits
- Dependent care assistance plan
- Adoption assistance
- Group legal services plan

**First quarter reports and payments
are due by April 30, 2020.**