



Alaska Employer

Newsletter

Unemployment Insurance Tax



ALASKA DEPARTMENT OF LABOR
& WORKFORCE DEVELOPMENT

Michael J. Dunleavy, Governor

Dr. Tamika L. Ledbetter, Commissioner

Patsy Westcott, Director

December 2019

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

CONTACTS

Juneau Central Office

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Toll free: (888) 448-2937

*Alaska Economic Trends
monthly magazine:*
labor.alaska.gov/trends

2020 Tax rates

The 2020 tax rate notices will be mailed in early December. The rate notice will include the 2020 tax 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, (888) 448-3527 or (907) 465-2757.

Reports and payments received by Jan. 31 are eligible for FUTA Tax reduction

Under the Federal Unemployment Tax Act, employers may receive a 5.4 percent offset against the six percent FUTA tax imposed if their state has an approved Unemployment Insurance program and no delinquent federal loans.

Throughout its history, Alaska's UI Trust Fund has remained solvent without the need to borrow from the federal government. Alaska employers can therefore expect to continue to receive their full federal tax offset, **provided employers file their report and make their payments on or before the last day of the month which follows the calendar quarter for which contributions have accrued (8 AAC 85.30).**

To ensure your reports are received by the ES Tax Office timely, use the "Online Employer Services" link at labor.alaska.gov/estax. Reports and payments received after Jan. 31, regardless of when mailed, may not receive the FUTA tax credit. Additionally, no grace period is provided for this federal requirement.

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Employer Option Forms

Alaska UI contribution rates are based on quarterly wage declines. A decline in quarterly wages exists when the amount of total wages reported in one quarter decreases in the next quarter. The larger the decline in wages, the higher your contribution rate may be.

Several factors that may create artificial quarterly declines include the following:

- Bonus payments
- Bi-weekly payroll systems
- Issuance of lump-sum payments
- Paying a labor dispute settlement
- Changes in your accounting or payroll methods

“Employer Option Forms” will be enclosed with your Annual Rate Notice and may be used to help equalize any quarterly declines caused by these anomalies. Employer Options may help stabilize your payroll from one quarter to the next, thus obtaining a more favorable rate.

Employers have until June 30 each year to submit the form to reduce the previous year’s contribution rate. It’s important to note that submitted Option Forms must include all years in the rating period. The applicable quarters can be found on the annual rate notice.

Questions should be directed to the UI Employer Account Unit at (888) 448-3527.

Employer Option Forms, and a variety of other UI forms, are available online at:

labor.alaska.gov/estax/forms/toc_forms.htm.

Fidelity Bonding: A no-cost tool for employers

Fidelity Bonding is an effective job placement tool for concerned employers and at-risk job seekers. It offers a no-cost, no-deductible bonds to employers who hire at-risk individuals such as ex-offenders, people recovering from substance abuse, those with poor work or credit histories, and workers who are not otherwise bondable.

Bonds insure employers against any job-related theft, forgery, larceny or embezzlement by an employee, on or off the worksite. The opportunity to obtain a free fidelity bond allows the employer to focus on a worker’s skills and productivity without taking added risk in the event of worker dishonesty on the job. It is the only program that bonds ex-offenders.

For more information about Alaska’s Fidelity Bonding program, visit

labor.alaska.gov/bonding, contact your local Alaska job center:

jobs.alaska.gov/offices or call toll-free at (877) 724-2539.

**Fourth quarter reports and payments
are due by Jan. 31, 2020.**