

***Unemployment
Insurance
Actuarial
Study
and
Financial
Handbook***

2002

**Frank H. Murkowski, Governor
Alaska Department of Labor and Workforce Development**

Unemployment Insurance Actuarial Study and Financial Handbook

2002

State of Alaska
Frank H. Murkowski, Governor

Department of Labor and Workforce Development
Greg O'Claray, Commissioner

James Wilson, UI Actuary

Printed March 2004
at a cost of \$5.24 per copy

ISSN 1063-3812

Visit the UI Actuarial Web Site at:
<http://www.labor.almis.labor.state.ak.us>

Prepared by the Alaska Department of Labor and Workforce Development,
Research and Analysis Section

Table of Contents

Executive Summary	iv
Chapter 1 ... UI Covered Employment and Wages	1
Table 1.1 Nonagricultural Wage and Salary Employment, 1993-2002	3
Table 1.2 Average Monthly Covered Employment (Excluding Federal) by Industry, 1993-2002	4
Table 1.3 Total Covered Payroll (Excluding Federal) by Industry (\$1,000), 1993-2002	5
Table 1.4 Taxable Covered Payroll by Industry (\$1,000), 1993-2002	6
Table 1.5 Average Annual Earnings in Covered Employment (Excluding Federal) by Industry (\$), 1993-2002	7
Table 1.6 Average Weekly Earnings in Covered Employment (Excluding Federal) by Industry (\$), 1993-2002	8
Table 1.7 Average Monthly Covered Employment (Excluding Federal) by Ownership, 1993-2002	9
Table 1.8 Total Covered Payroll (Excluding Federal) by Ownership (\$1,000), 1993-2002	9
Table 1.9 Taxable Covered Payroll by Ownership (\$1,000), 1993-2002	10
Table 1.10 ... Average Annual Earnings in Covered Employment (Excluding Federal) by Ownership (\$), 1993-2002 ..	10
Table 1.11 ... Average Weekly Earnings in Covered Employment (Excluding Federal) by Ownership (\$), 1993-2002 ..	10
Chapter 2 ... UI Benefit Payments	11
Table 2.1 Unemployment, 1993-2002	15
Table 2.2 Unemployment Insurance Claimant Characteristics, 2002	16
Table 2.3 Schedule of UI Weekly Benefit Amounts	17
Table 2.4 Schedule of Weekly Benefits Duration	18
Table 2.5 Payment Data, UI Regular Benefits (Taxable and Reimbursable), 1993-2002	18
Table 2.6 Average Weekly Benefits (Regular UI) as a Percentage of Average Weekly Earnings, 2002	19
Table 2.7 Payment Data, UI Extended Benefits, 1993-2002	20
Table 2.8 Payment Data, UI State Supplemental Benefits, 1993-2002	21
Table 2.9 UI Regular Benefit Payments by Industry—Intrastate, 1995-2002	22
Table 2.10 ... UI Regular Benefit Payments by Industry—Interstate, 1995-2002	24
Table 2.11 ... UI Regular Benefit Payments by Industry—Total, 1995-2002	26
Table 2.12 ... UI Regular Benefit Payments by Industry—Interstate as a Percentage of Total, 1995-2002	28
Table 2.13 ... Amount of UI Benefit Payments by Census Area, 2002	29
Table 2.14 ... UI Regular Benefit Payments to Interstate Claimants by State, 2001-2002	30
Table 2.15 ... Payment of Dependent Benefits, 1993-2002	31
Table 2.16 ... Average Weekly Percentage of Unemployed Receiving UI Benefits, 2002	32
Chapter 3 ... Alaska’s UI Benefit Financing System	35
Table 3.1 Benefit Cost Rate, 1993-2002	41
Table 3.2 Benefit Cost Rates by Industry, 2002	42
Table 3.3 Trust Fund Deposits and Disbursements, 1993-2002	43
Table 3.4 Tax Base, Average Employer and Employee Tax Rates & Ratio of Taxable to Total Wages, 1993-2002	44
Table 3.5 Employer Accounts by Rate Type and Average Tax Rates by Industry	45
Table 3.6 UI Tax Rate Calculations and Tax Rates by Rate Class for 2003	46
Table 3.7 Administrative Costs, 1993-2002	47
Table 3.8 Collections, UI Regular Benefits Paid—Reimbursable Employment, 1993-2002	47
Table 3.9 Benefits Paid, Contributions Assessed and Ratio of Benefits to Contributions, Taxable Employment, 1993-2002	48
Table 3.10 ... Collections, Benefits Paid, Trust Fund Reserves and Average Employer Tax Rate as Percentages of Payroll, 1993-2002	49
Table 3.11 ... UI Benefits Paid, Taxes Assessed, and Covered Payroll by Industry, 2002	50
Table 3.12 ... UI Benefits Paid as a Percent of Taxes Assessed and Covered Payroll by Industry, 2002	50
Appendix A Data Sources and Limitations	49
Appendix B Summary of Major Changes in the Employment Security Act	51
Appendix C Glossary of Terms	56

Executive Summary

Extensive information about Alaska's Unemployment Insurance (UI) system is presented in this publication. Highlights are noted below.

In 2002--

- Alaska's UI program covered an average of 288,000 workers, or 98.3% of all nonagricultural wage and salary workers.
- Average monthly covered employment, total covered payroll, total taxable payroll, and average annual earnings increased and exceed all previous levels.
- Total covered payroll was \$9.8 billion, \$7.5 billion of which was paid by employers required to pay UI tax contributions.
- Average weekly earnings for covered workers rose to \$693, a 5.2% increase over 2000 (\$659). Top earnings continued to be in the oil and gas industry (\$1,826), while the lowest were in trades (\$450).
- The average employer tax rate was 1.99% of taxable payroll.
- The oil and gas industry posted the fastest wage growth during 2001-2002.
- \$155.2 million in unemployment insurance benefits was paid to 60,671 unemployed workers. Regular benefits amounted to \$123.6 million, while \$161,000 was paid out to those receiving state supplemental benefits. The extended benefits program paid an additional \$10.2 million, while Temporary Emergency Unemployment Compensation paid out \$21.2 million.
- The average weekly benefit payment for regular benefits in Alaska was \$193, up \$3 from 2000. On average, those claiming regular benefits received 14 weeks of benefits. Extended benefits were paid for an average of five weeks.
- Alaska ranked 49th in the nation in terms of benefit adequacy, or the percentage of average weekly earnings replaced by unemployment benefits.
- Alaska ranked third highest in the nation in terms of the percentage of unemployed workers who received benefits.
- At the end of 2002, Alaska's UI trust fund had a reserve balance of \$230 million.

Chapter 1

UI Covered Employment and Wages

Most workers in Alaska (98%) are covered by Unemployment Insurance

State and federal unemployment insurance (UI) programs covered 98.3% (288,107 workers) of all nonagricultural wage and salary workers in 2002. (See Table 1.1 and Figure 1.1.) State programs covered 92.6% and federal programs covered 5.7% of Alaska's workers. Over the past ten years, the total percentage has remained stable, averaging 98.3%. The 1.7% of workers not covered by unemployment insurance include full-commission salespersons, elected and appointed officials, fishers, unpaid family and domestic workers, and the self-employed.

Most employers pay UI taxes, some reimburse the state for benefit costs

Employers are assigned tax rates each year, and pay taxes each quarter of the year, based on the "taxable wages" paid to their employees. Nonprofit organizations, and state and local government agencies have the option to reimburse the state for the cost of benefits paid to their former employees.

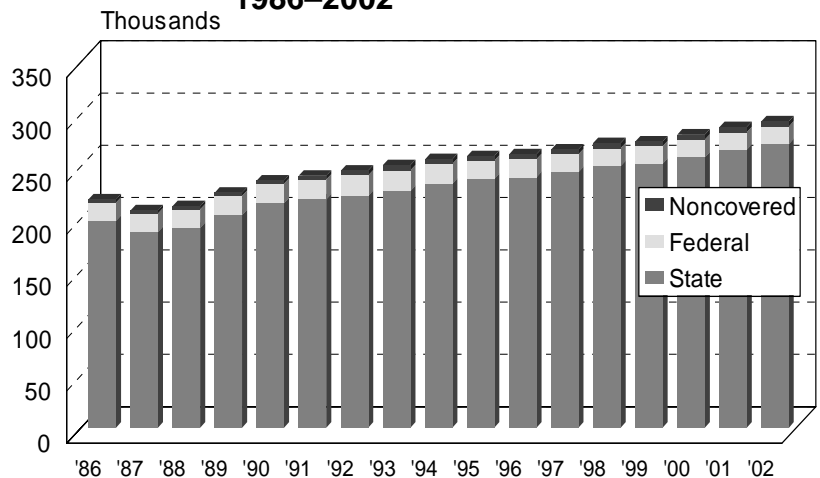
The percentage of covered employment with "reimbursable" employers fell from 22.8% in 1993 to 22.0% in 2002. (See Table 1.2.) In 2002, average monthly employment covered under reimbursable employer accounts was 59,862, slightly more than one-fifth of employment.

Employment and payroll continue to grow

Average monthly covered employment (Table 1.2) grew at the rate of 2.9% in 2001 and 2.0% in 2002. Total covered payroll (Table 1.3) grew 5.9% in 2001 and 4.2% in 2002.

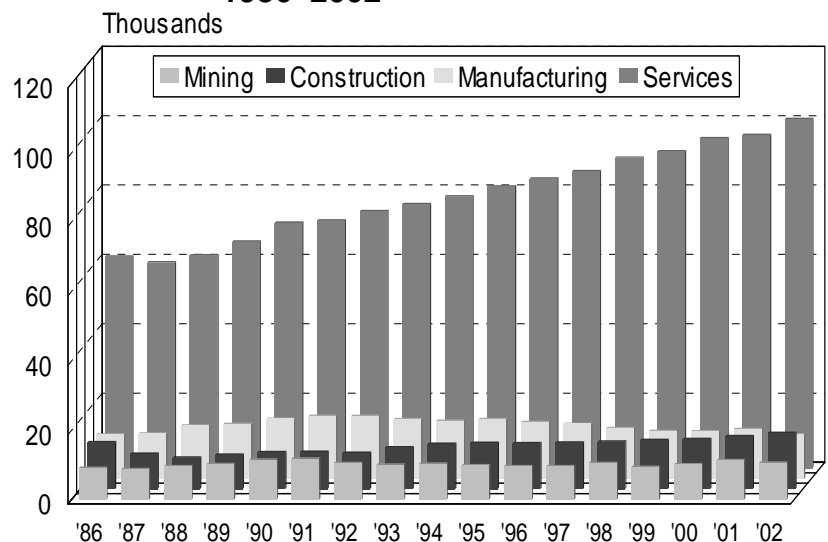
Average monthly covered employment increased from 258,428 in 2000 to 271,350 in 2002. Eight industries have seen employment growth since 2000, with public administration (17.8%) and construction (12.6%) posting the highest rates. In 2001, tribal governments were reclassified from the private sector (services) to the public sector (local government, public administration). This change

Figure 1.1 Employment by Type of UI Coverage 1986–2002



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Figure 1.2 Average Monthly Covered Employment 1986–2002

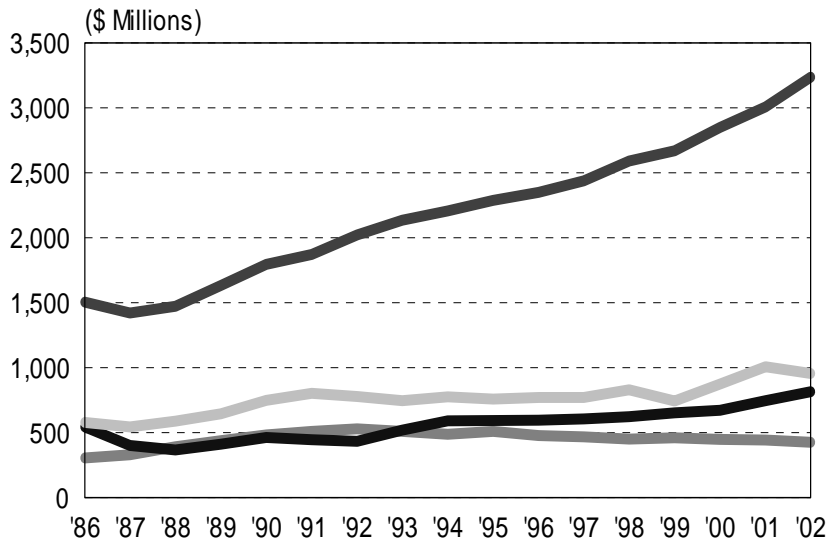


Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

in coding practices accounts for the rise in public administration employment. Other manufacturing (6.0%), services (5.8%) and oil and gas (4.6%) showed moderate gains. Minimal growth was marked in agriculture (2.9%), trade (2.6%) and transportation, communications and public utilities (1.6%).

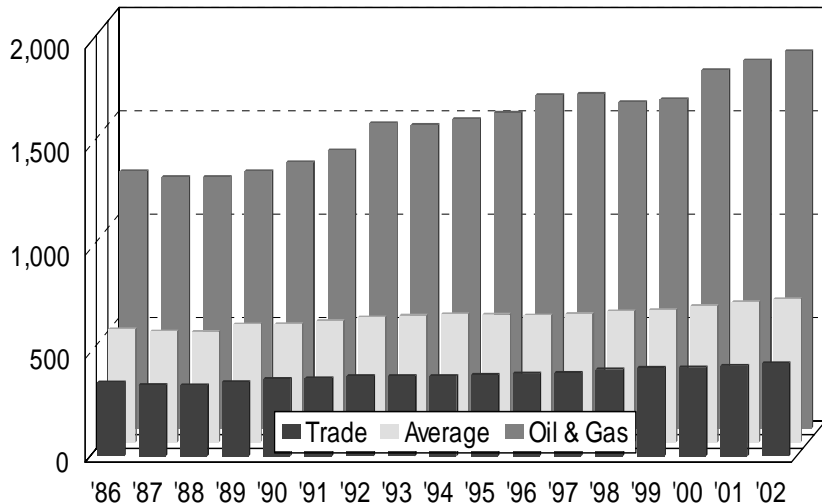
Two industries had employment decreases from 2000 to 2002: manufacturing (-6.6%) and finance, insurance and real estate (-1.9%). Within manufacturing declines in employment were seen in food products (-6.6%) and lumber and wood (-6.3%).

Figure 1.3 Total Covered Payroll 1986–2002



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Figure 1.4 Average Weekly Earnings 1986–2002



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

The total covered payroll (wages of Alaska workers covered by the unemployment insurance system) increased by 35.4% from 1993 to 2002, and 10.3% from 2000 to 2002. Covered payroll in 2002 totaled \$9.8 billion, up from \$7.2 billion in 1993.

Average annual earnings show increases

Average annual earnings increased 5.1% between 2000-2002, from \$34,292 to \$36,040. (See Table 1.5.) This earnings increase is slightly higher than, but generally reflective of, the increase in the Anchorage Consumer Price Index (the CPI-U).

From 1993 to 2002, the industries with the greatest annual wage growth were finance, insurance, and real estate (31.6%), oil and gas (28.9%), food processing (22.4%), and trade (21.8%).

Table 1.1
Nonagricultural Wage and Salary Employment
Covered and Noncovered, 1993–2002

Year	Total Nonagricultural Wage and Salary Employment	State UI Taxable and Reimbursable Employment	% of Total	Alaska Federal Government Employment	% of Total	Non-Covered Employment	% of Total
1993	251,038	226,475	90.2	19,856	7.9	4,707	1.9
1994	256,763	233,455	90.9	18,764	7.3	4,544	1.8
1995	259,737	237,816	91.6	17,504	6.7	4,417	1.7
1996	261,443	239,654	91.7	17,322	6.6	4,467	1.7
1997	266,251	244,255	91.7	17,342	6.5	4,654	1.7
1998	272,141	250,251	92.0	17,182	6.3	4,708	1.7
1999	273,839	252,228	92.1	16,828	6.1	4,783	1.7
2000	280,348	258,428	92.2	17,119	6.1	4,801	1.7
2001	287,720	265,945	92.4	16,807	5.8	4,968	1.7
2002	293,117	271,349	92.6	16,757	5.7	5,011	1.7

Note: Percentages may not add to 100 due to rounding.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section: Employment, Wages, and Contributions/ES-202 report to the U.S. Department of Labor

Table 1.2
Average Monthly Covered Employment (excluding federal)
by Industry, 1993-2002

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Total	226,475	233,455	237,816	239,654	244,255	250,251	252,228	258,428	265,945	271,350
Ag/Forestry/Fish	1,604	1,327	1,357	1,418	1,517	1,424	1,495	1,616	1,591	1,663
Mining	10,051	10,274	9,812	9,616	9,614	10,493	9,355	10,163	11,340	10,556
Oil and Gas	8,952	9,152	8,687	8,209	8,018	8,916	7,863	8,652	9,825	9,049
Other Mining	1,099	1,123	1,126	1,407	1,597	1,577	1,492	1,511	1,515	1,507
Construction	11,986	13,029	13,273	13,224	13,361	13,701	14,106	14,387	15,221	16,195
Manufacturing	17,153	16,688	17,137	16,350	15,786	14,539	13,716	13,659	14,269	12,755
Food Products	11,049	10,730	11,012	10,500	10,167	9,292	8,461	8,534	9,263	7,994
Lumber & Wood	2,348	2,247	2,233	1,882	1,990	1,585	1,684	1,494	1,165	918
Paper Products	771	513	526	524	228	100	14	9	8	2
Other Mfg.	2,985	3,198	3,366	3,444	3,402	3,564	3,557	3,622	3,834	3,842
Trans/Comm/Util	23,805	24,193	23,861	23,766	25,044	26,126	26,913	28,376	28,905	28,845
Trade	49,145	52,668	54,086	54,606	55,963	56,548	57,245	57,588	57,829	59,072
Finance/Insur/R.E.	10,328	11,115	10,871	10,959	11,287	11,640	11,895	11,857	11,779	11,621
Services	76,192	78,341	81,258	83,529	85,709	89,560	91,401	95,194	96,103	100,676
Public Admin.	25,218	25,308	25,588	25,894	25,656	25,719	25,571	25,269	28,663	29,783
Unclassified	994	512	573	295	318	502	533	319	246	186

PERCENT DISTRIBUTION

Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Ag/Forestry/Fish	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Mining	4.4	4.4	4.1	4.0	3.9	4.2	3.7	3.9	4.3	3.9
Oil and Gas	4.0	3.9	3.7	3.4	3.3	3.6	3.1	3.3	3.7	3.3
Other Mining	0.5	0.5	0.5	0.6	0.7	0.6	0.6	0.6	0.6	0.6
Construction	5.3	5.6	5.6	5.5	5.5	5.5	5.6	5.6	5.7	6.0
Manufacturing	7.6	7.1	7.2	6.8	6.5	5.8	5.4	5.3	5.4	4.7
Food Products	4.9	4.6	4.6	4.4	4.2	3.7	3.4	3.3	3.5	2.9
Lumber & Wood	1.0	1.0	0.9	0.8	0.8	0.6	0.7	0.6	0.4	0.3
Paper Products	0.3	0.2	0.2	0.2	0.1	0.0	0.0	0.0	0.0	0.0
Other Mfg.	1.3	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Trans/Comm/Util	10.5	10.4	10.0	9.9	10.3	10.4	10.7	11.0	10.9	10.6
Trade	21.7	22.6	22.7	22.8	22.9	22.6	22.7	22.3	21.7	21.8
Finance/Insur/R.E.	4.6	4.8	4.6	4.6	4.6	4.7	4.7	4.6	4.4	4.3
Services	33.6	33.6	34.2	34.9	35.1	35.8	36.2	36.8	36.1	37.1
Public Admin.	11.1	10.8	10.8	10.8	10.5	10.3	10.1	9.8	10.8	11.0
Unclassified	0.4	0.2	0.2	0.1	0.1	0.2	0.2	0.1	0.1	0.1

REIMBURSABLE ACCOUNTS

Total	51,539	51,509	52,082	52,374	52,911	53,898	54,224	55,138	57,206	59,862
Trans/Comm/Util	935	868	851	875	829	634	676	719	773	874
Services	29,516	29,531	29,900	30,144	30,679	31,663	32,049	33,154	34,631	36,639
Public Admin.	21,010	21,020	21,223	21,369	21,307	21,493	21,399	21,168	21,699	22,242

Notes: Reimbursable account data are included in the uppermost portion of this table.

In 2001, Tribal Governments were reclassified from the Private Sector (Services) to the Public Sector (Local Government, Public Admin). Percentages may not add to 100 due to rounding.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section: Employment, Wages, and Contributions/ES-202 report to the U.S. Department of Labor

Table 1.3
Total Covered Payroll (excluding federal)
by Industry, 1993-2002

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Total	7,222,753	7,529,797	7,655,455	7,659,605	7,904,441	8,261,192	8,389,193	8,862,098	9,384,547	9,779,538
Ag/Forestry/Fish	45,015	34,764	35,653	37,718	42,791	37,208	39,940	42,259	42,191	44,100
Mining	746,335	777,488	758,946	771,032	771,359	831,305	744,384	875,844	1,008,048	955,162
Oil and Gas	683,737	712,455	690,411	688,618	675,047	732,449	651,373	780,347	909,781	859,132
Other Mining	62,598	65,033	68,535	82,414	96,313	98,856	93,011	95,497	98,267	96,029
Construction	520,144	592,441	593,813	597,056	607,686	622,871	652,342	672,828	745,989	816,715
Manufacturing	509,508	489,486	511,816	477,371	469,531	452,335	460,731	450,542	445,104	426,575
Food Products	263,136	252,483	263,782	239,458	228,218	235,025	249,008	240,938	237,320	224,620
Lumber & Wood	97,758	92,347	95,766	80,553	84,106	64,297	68,878	63,713	45,123	37,057
Paper Products	39,489	24,745	25,100	23,751	17,732	5,860	808	452	299	114
Other Mfg.	109,124	119,911	127,169	133,608	139,474	147,152	142,037	145,439	162,362	164,785
Trans/Comm/Util	919,958	964,883	954,099	951,364	1,031,271	1,094,265	1,140,905	1,253,006	1,303,283	1,336,011
Trade	990,457	1,063,143	1,106,233	1,135,009	1,173,263	1,234,688	1,272,294	1,286,217	1,315,591	1,380,916
Finance/Insur/R.E.	315,349	337,803	334,499	349,059	370,950	399,428	415,413	436,362	451,259	467,510
Services	2,135,651	2,206,906	2,288,408	2,349,682	2,439,947	2,591,045	2,670,933	2,850,398	3,008,129	3,236,139
Public Admin.	1,018,185	1,045,716	1,051,876	978,972	980,491	974,901	969,966	976,968	1,051,094	1,103,907
Unclassified	22,152	17,167	20,112	12,342	17,153	23,147	22,286	17,673	13,858	12,504

PERCENT DISTRIBUTION

Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Ag/Forestry/Fish	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.5
Mining	10.3	10.3	9.9	10.1	9.8	10.1	8.9	9.9	10.7	9.8
Oil and Gas	9.5	9.5	9.0	9.0	8.5	8.9	7.8	8.8	9.7	8.8
Other Mining	0.9	0.9	0.9	1.1	1.2	1.2	1.1	1.1	1.0	1.0
Construction	7.2	7.9	7.8	7.8	7.7	7.5	7.8	7.6	7.9	8.4
Manufacturing	7.1	6.5	6.7	6.2	5.9	5.5	5.5	5.1	4.7	4.4
Food Products	3.6	3.4	3.4	3.1	2.9	2.8	3.0	2.7	2.5	2.3
Lumber & Wood	1.4	1.2	1.3	1.1	1.1	0.8	0.8	0.7	0.5	0.4
Paper Products	0.5	0.3	0.3	0.3	0.2	0.1	0.0	0.0	0.0	0.0
Other Mfg.	1.5	1.6	1.7	1.7	1.8	1.8	1.7	1.6	1.7	1.7
Trans/Comm/Util	12.7	12.8	12.5	12.4	13.0	13.2	13.6	14.1	13.9	13.7
Trade	13.7	14.1	14.5	14.8	14.8	14.9	15.2	14.5	14.0	14.1
Finance/Insur/R.E.	4.4	4.5	4.4	4.6	4.7	4.8	5.0	4.9	4.8	4.8
Services	29.6	29.3	29.9	30.7	30.9	31.4	31.8	32.2	32.1	33.1
Public Admin.	14.1	13.9	13.7	12.8	12.4	11.8	11.6	11.0	11.2	11.3
Unclassified	0.3	0.2	0.3	0.2	0.2	0.3	0.3	0.2	0.1	0.1

REIMBURSABLE ACCOUNTS

Total	1,949,119	2,002,542	2,011,599	1,937,890	1,960,524	1,981,410	1,999,588	2,068,377	2,154,236	2,278,413
Trans/Comm/Util	47,506	45,960	43,286	46,086	44,331	30,582	32,068	33,997	38,726	41,695
Services	993,881	1,026,279	1,033,936	1,030,096	1,048,399	1,078,162	1,098,798	1,158,769	1,220,614	1,304,830
Public Admin.	902,081	921,853	925,569	855,163	856,309	861,985	858,376	865,710	885,586	922,453

Notes: Reimbursable account data are included in the uppermost portion of this table.

In 2001, Tribal Governments were reclassified from the Private Sector (Services) to the Public Sector (Local Government, Public Admin). Percentages may not add to 100 due to rounding.

A change in definition of covered payroll began mid 1995, see Appendix A.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section: Employment, Wages, and Contributions/ES-202 report to the U.S. Department of Labor

Table 1.4
Taxable Covered Payroll
by Industry (\$1,000) 1993–2002

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Total	3,397,312	3,592,202	3,698,894	3,739,737	3,853,741	3,995,639	4,124,730	4,396,916	4,556,600	4,722,968
Ag/Forestry/Fish	25,028	26,140	26,811	28,466	29,281	27,883	29,886	31,476	32,170	33,208
Mining	313,736	291,797	301,547	291,153	292,382	307,749	284,576	389,279	382,270	344,256
Oil and Gas	280,940	259,747	266,403	249,099	245,925	263,699	242,956	347,186	334,897	299,331
Other Mining	32,796	32,049	35,144	42,054	46,457	44,051	41,620	42,093	47,372	44,924
Construction	311,875	407,034	408,102	409,505	410,102	424,804	442,912	452,222	496,099	536,660
Manufacturing	385,073	364,459	376,682	352,338	343,164	329,194	344,682	340,363	327,379	318,058
Food Products	221,522	216,050	223,480	205,307	198,445	202,977	213,952	204,849	200,928	193,114
Lumber & Wood	70,073	63,833	64,625	54,887	55,430	43,387	47,514	45,137	32,512	28,467
Paper Products	23,359	14,837	14,467	14,580	11,573	3,831	297	237	184	52
Other Mfg.	70,119	69,739	74,110	77,564	77,716	78,999	82,919	90,141	93,755	96,425
Trans/Comm/Util	452,979	512,598	507,618	500,036	545,896	576,217	601,667	652,568	676,449	695,400
Trade	702,260	820,991	856,898	881,561	902,972	929,309	960,143	981,582	1,002,809	1,049,207
Finance/Insur/R.E.	186,443	225,623	220,764	227,546	238,200	251,495	260,975	266,253	275,884	278,364
Services	729,863	860,167	911,534	962,675	1,006,797	1,065,030	1,118,170	1,203,532	1,241,052	1,333,189
Public Admin.	66,197	75,986	79,359	82,048	80,254	74,933	72,336	73,477	118,699	132,166
Unclassified	223,858	7,407	9,579	4,409	4,693	9,024	9,382	6,162	3,790	2,460

PERCENT DISTRIBUTION

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Ag/Forestry/Fish	0.7	0.7	0.7	0.8	0.8	0.7	0.7	0.7	0.7	0.7
Mining	9.2	8.1	8.2	7.8	7.6	7.7	6.9	8.9	8.4	7.3
Oil and Gas	8.3	7.2	7.2	6.7	6.4	6.6	5.9	7.9	7.3	6.3
Other Mining	1.0	0.9	1.0	1.1	1.2	1.1	1.0	1.0	1.0	1.0
Construction	9.2	11.3	11.0	11.0	10.6	10.6	10.7	10.3	10.9	11.4
Manufacturing	11.3	10.1	10.2	9.4	8.9	8.2	8.4	7.7	7.2	6.7
Food Products	6.5	6.0	6.0	5.5	5.1	5.1	5.2	4.7	4.4	4.1
Lumber & Wood	2.1	1.8	1.7	1.5	1.4	1.1	1.2	1.0	0.7	0.6
Paper Products	0.7	0.4	0.4	0.4	0.3	0.1	0.0	0.0	0.0	0.0
Other Mfg.	2.1	1.9	2.0	2.1	2.0	2.0	2.0	2.1	2.1	2.0
Trans/Comm/Util	13.3	14.3	13.7	13.4	14.2	14.4	14.6	14.8	14.8	14.7
Trade	20.7	22.9	23.2	23.6	23.4	23.3	23.3	22.3	22.0	22.2
Finance/Insur/R.E.	5.5	6.3	6.0	6.1	6.2	6.3	6.3	6.1	6.1	5.9
Services	21.5	23.9	24.6	25.7	26.1	26.7	27.1	27.4	27.2	28.2
Public Admin.	1.9	2.1	2.1	2.2	2.1	1.9	1.8	1.7	2.6	2.8
Unclassified	6.6	0.2	0.3	0.1	0.1	0.2	0.2	0.1	0.1	0.1

Notes: Percentages may not add to 100 due to rounding.

A change in definition of covered payroll began mid 1995, see Appendix A.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section: Employment, Wages, and Contributions/ES-202 report to the U.S. Department of Labor

Table 1.5
Average Annual Earnings in Covered Employment
(excluding federal) by Industry (\$), 1993-2002

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Total	31,892	32,254	32,191	31,961	32,361	33,012	33,260	34,292	35,288	36,040
Ag/Forestry/Fish	28,064	26,197	26,273	26,599	28,208	26,129	26,716	26,150	26,519	26,518
Mining	74,255	75,675	77,349	80,182	80,233	79,225	79,571	86,180	88,893	90,485
Oil and Gas	76,378	77,847	79,476	83,886	84,191	82,150	82,840	90,193	92,599	94,942
Other Mining	56,959	57,910	60,866	58,574	60,309	62,686	62,340	63,201	64,863	63,722
Construction	43,396	45,471	44,738	45,149	45,482	45,462	46,246	46,766	49,011	50,430
Manufacturing	29,704	29,332	29,866	29,197	29,744	31,112	33,591	32,985	31,194	33,444
Food Products	23,815	23,531	23,954	22,806	22,447	25,293	29,430	28,233	25,620	28,099
Lumber & Wood	41,635	41,098	42,887	42,802	42,264	40,566	40,901	42,646	38,732	40,367
Paper Products	51,218	48,236	47,719	45,326	77,772	58,600	57,714	50,222	37,375	57,000 1/
Other Mfg.	36,557	37,496	37,780	38,794	40,998	41,288	39,932	40,154	42,348	42,890
Trans/Comm/Util	38,646	39,883	39,986	40,030	41,178	41,884	42,392	44,157	45,088	46,317
Trade	20,154	20,186	20,453	20,785	20,965	21,834	22,225	22,335	22,750	23,377
Finance/Insur/R.E.	30,533	30,392	30,770	31,851	32,865	34,315	34,923	36,802	38,310	40,230
Services	28,030	28,171	28,162	28,130	28,468	28,931	29,222	29,943	31,301	32,144
Public Admin.	40,375	41,320	41,108	37,807	38,217	37,906	37,932	38,663	36,671	37,065
Unclassified	22,286	33,529	35,099	41,837	53,940	46,110	41,812	55,401	56,333	67,226

REIMBURSABLE ACCOUNTS (\$)

Total	37,818	38,878	38,624	37,001	37,053	36,762	36,876	37,513	37,658	38,061
Trans/Comm/Util	50,809	52,949	50,865	52,670	53,475	48,237	47,438	47,284	50,098	47,706
Services	33,673	34,753	34,580	34,173	34,173	34,051	34,285	34,951	35,246	35,613
Public Admin.	42,936	43,856	43,612	40,019	40,189	40,105	40,113	40,897	40,812	41,473

Notes: Average Annual Earnings = Total Covered Payroll (Table 1.3) divided by Average Covered Employment (Table 1.2).

Reimbursable account data are included in the uppermost portion of this table.

A change in definition of covered payroll began mid 1995, see Appendix A.

1/ The Ketchikan pulp mill closed Mar 97. Workers were given severance payments based on years of service.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section:
Employment, Wages, and Contributions/ES-202 report to the U.S. Department of Labor

Table 1.6
Average Weekly Earnings in Covered Employment
(excluding federal) by Industry (\$), 1993-2002

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Total	613.31	620.26	619.05	614.64	622.34	634.84	639.62	659.47	678.62	693.08
Ag/Forestry/Fish	539.70	503.80	505.26	511.53	542.45	502.48	513.76	502.89	509.97	509.97
Mining	1,427.98	1,455.29	1,487.48	1,541.97	1,542.94	1,523.55	1,530.21	1,657.30	1,709.48	1,740.10
Oil and Gas	1,468.81	1,497.06	1,528.39	1,613.19	1,619.07	1,579.81	1,593.08	1,734.47	1,780.74	1,825.81
Other Mining	1,095.37	1,113.66	1,170.50	1,126.43	1,159.78	1,205.50	1,198.84	1,215.41	1,247.36	1,225.42
Construction	834.54	874.44	860.35	868.26	874.66	874.26	889.34	899.35	942.51	969.81
Manufacturing	571.23	564.07	574.35	561.48	571.99	598.30	645.98	634.33	599.88	643.15
Food Products	457.99	452.51	460.65	438.57	431.67	486.41	565.96	542.94	492.70	540.36
Lumber & Wood	800.67	790.34	824.74	823.11	812.78	780.11	786.57	820.11	744.85	776.29
Paper Products	984.96	927.61	917.67	871.66	1,495.61	1,126.92	1,109.89	965.81	718.75	1,096.15
Other Mfg.	703.03	721.07	726.55	746.05	788.42	794.01	767.92	772.20	814.38	824.82
Trans/Comm/Util	743.18	766.98	768.96	769.82	791.89	805.46	815.24	849.18	867.09	890.71
Trade	387.57	388.19	393.33	399.72	403.17	419.89	427.41	429.52	437.50	449.55
Finance/Insur/R.E.	587.18	584.45	591.73	612.53	632.02	659.91	671.60	707.73	736.74	773.65
Services	539.04	541.74	541.58	540.96	547.46	556.36	561.96	575.83	601.94	618.16
Public Admin.	776.45	794.61	790.54	727.06	734.94	728.96	729.47	743.51	705.21	712.79
Unclassified	428.57	644.79	674.99	804.56	1,037.31	886.72	804.08	1,065.41	1,083.33	1,292.80

REIMBURSABLE ACCOUNTS (\$)

Total	727.28	747.64	742.76	711.56	712.56	706.97	709.16	721.40	724.18	731.94
Trans/Comm/Util	977.09	1,018.26	978.17	1,012.88	1,028.37	927.63	912.27	909.30	963.43	917.42
Services	647.55	668.32	665.00	657.16	657.18	654.83	659.33	672.14	677.81	684.87
Public Admin.	825.69	843.38	838.68	769.59	772.87	771.26	771.40	786.48	784.85	797.57

Notes: Average Weekly Earnings = Average Annual Earnings (Table 1.5) divided by 52.

Reimbursable account data are included in the uppermost portion of this table.

A change in definition of covered payroll began mid 1995, see Appendix A.

1/ The Ketchikan pulp mill closed Mar 97. Workers were given severance payments based on years of service.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section:
Employment, Wages, and Contributions/ES-202 report to the U.S. Department of Labor

Table 1.7
Average Monthly Covered Employment
(excluding federal) by Ownership 1993-2002

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Total	226,475	233,455	237,816	239,654	244,255	250,251	252,228	258,428	265,945	271,350
State Government	19,683	19,887	19,880	19,849	19,441	19,831	19,950	20,198	20,988	21,830
Local Government	29,944	29,815	30,589	30,966	30,997	31,276	31,305	31,468	35,281	37,353
Private Industry	176,848	183,753	187,347	188,839	193,817	199,144	200,973	206,762	209,676	212,167
Taxable	169,641	176,675	180,390	181,707	186,146	191,254	193,007	198,361	200,825	203,010
Reimbursable	7,207	7,078	6,957	7,132	7,671	7,890	7,966	8,401	8,851	9,157

PERCENT DISTRIBUTION

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
State Government	8.7	8.5	8.4	8.3	8.0	7.9	7.9	7.8	7.9	8.0
Local Government	13.2	12.8	12.9	12.9	12.7	12.5	12.4	12.2	13.3	13.8
Private Industry	78.1	78.7	78.8	78.8	79.4	79.6	79.7	80.0	78.8	78.2
Taxable	74.9	75.7	75.9	75.8	76.2	76.4	76.5	76.8	75.5	74.8
Reimbursable	3.2	3.0	2.9	3.0	3.1	3.2	3.2	3.3	3.3	3.4

Note: Percentages may not add up to 100% due to rounding.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section:
Employment, Wages, and Contributions/ES-202 report to the U.S. Department of Labor.

Table 1.8
Total Covered Payroll
(excluding federal) by Ownership 1993-2002

OWNERSHIP	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Total	7,222,753	7,529,797	7,655,455	7,659,605	7,904,441	8,261,192	8,389,193	8,862,098	9,384,548	9,779,538
State Government	816,910	833,973	835,813	755,786	751,853	761,013	766,996	800,004	826,632	879,064
Local Government	1,078,060	1,119,757	1,131,558	1,130,507	1,134,393	1,120,982	1,125,164	1,127,624	1,218,672	1,280,960
Private Industry	5,327,783	5,576,067	5,688,084	5,773,312	6,018,195	6,379,197	6,497,033	6,934,470	7,339,244	7,619,514
Taxable	5,124,752	5,372,562	5,487,951	5,565,271	5,790,375	6,136,602	6,248,464	6,652,396	7,029,444	7,285,303
Reimbursable	203,031	203,505	200,133	208,041	227,820	242,595	248,569	282,074	309,800	334,211

PERCENT DISTRIBUTION

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
State Government	11.3	11.1	10.9	9.9	9.5	9.2	9.1	9.0	8.8	9.0
Local Government	14.9	14.9	14.8	14.8	14.4	13.6	13.4	12.7	13.0	13.1
Private Industry	73.8	74.1	74.3	75.4	76.1	77.2	77.4	78.2	78.2	77.9
Taxable	71.0	71.4	71.7	72.7	73.3	74.3	74.5	75.1	74.9	74.5
Reimbursable	2.8	2.7	2.6	2.7	2.9	2.9	3.0	3.2	3.3	3.4

Notes: Percentages may not add to 100 due to rounding.

A change in definition of covered payroll began in mid 1995, see Appendix A.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section:
Employment, Wages, and Contributions/ES-202 report to the U.S. Department of Labor

**Table 1.9
Taxable Covered Payroll by
Ownership (\$1,000), 1993-2002**

OWNERSHIP	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Total	3,397,312	3,592,202	3,698,894	3,739,737	3,853,741	3,995,639	4,124,730	4,396,916	4,556,600	4,722,968
State Government	8,838	9,003	8,801	8,804	8,823	8,841	8,933	9,125	9,491	8,877
Local Government	86,153	87,916	90,299	95,652	91,641	86,997	83,215	84,403	133,487	147,575
Private Industry	3,302,321	3,495,283	3,599,794	3,635,281	3,753,277	3,899,801	4,032,582	4,303,388	4,413,622	4,566,516
PERCENT DISTRIBUTION (May not add to 100% due to rounding)										
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
State Government	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Local Government	2.5	2.4	2.4	2.6	2.4	2.2	2.0	1.9	2.9	3.1
Private Industry	97.2	97.3	97.3	97.2	97.4	97.6	97.8	97.9	96.9	96.7

**Table 1.10
Average Annual Earnings in Covered Employment
(excluding federal) by Ownership (\$), 1993-2002**

OWNERSHIP	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Total	31,892	32,254	32,191	31,961	32,361	33,012	33,260	34,292	35,288	36,040
State Government	41,503	41,936	42,043	38,077	38,674	38,375	38,446	39,608	39,386	40,269
Local Government	36,003	37,557	36,992	36,508	36,597	35,842	35,942	35,834	34,542	34,293
Private Industry	30,126	30,345	30,361	30,573	31,051	32,033	32,328	33,538	35,003	35,913
Taxable	30,209	30,409	30,423	30,628	31,107	32,086	32,374	33,537	35,003	35,887
Reimbursable	28,171	28,752	28,767	29,170	29,699	30,747	31,204	33,576	35,002	36,498

**Table 1.11
Average Weekly Earnings in Covered Employment
(excluding federal) by Ownership (\$), 1993-2002**

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Total	613.31	620.26	619.05	614.64	622.34	634.84	639.62	659.47	678.62	693.08
State Government	798.14	806.45	808.52	732.25	743.72	737.98	739.34	761.69	757.42	774.40
Local Government	692.36	722.25	711.39	702.08	703.79	689.26	691.19	689.12	664.27	659.48
Private Industry	579.35	583.57	583.87	587.94	597.13	616.02	621.69	644.97	673.13	690.63
Taxable	580.95	584.79	585.05	588.99	598.20	617.04	622.58	644.94	673.13	690.13
Reimbursable	541.76	552.92	553.21	560.96	571.13	591.29	600.07	645.70	673.12	701.88

Notes: Average Annual Earnings = Total Covered Payroll (Table 1.8) divided by Average Covered Employment (Table 1.7)
Average Weekly Earnings = Average Annual Earnings (Table 1.10) divided by 52.
A change in definition of covered payroll began mid 1995, see Appendix A.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section:
Employment, Wages, and Contributions/ES-202 report to the U.S. Department of Labor

Chapter 2 UI Benefit Payments

UI benefit payments in 2001 and 2002 reflect trends in unemployment

Total benefit payments for 2001 totaled \$117.5 million, the second lowest payment total in ten years. The comparable total for 2002 was \$155.2 million. A significant part of the 2002 total was \$21.2 million paid by a federal temporary emergency program, TEUC. (See Table 2.14.)

Four different programs distributed UI benefits in Alaska in 2002. Of the dollars paid out in 2002, 77.5% was paid through the regular UI program; 6.4% was paid through the Extended Benefits (EB) program; the Temporary Extended Unemployment Compensation program (TEUC) accounted for 13.7% of payments; and 0.1% was paid by the State Supplemental Benefits (SSB) program.

The years 1992 and 1993 were the highest years of UI benefit payments in the past decade. During these two years Emergency Unemployment Compensation (EUC) was payable in Alaska. This special, federally funded program brought over \$115 million into the state in 1992 and 1993.

Following the 9/11 disaster, congress created the TEUC program, which began paying benefits in March 2002. The program will end in December of 2003. Regular benefits payments rose 10 percent in 2002. (Table 2.14.)

Regular benefits is the nation's main UI program

In Alaska, eligibility for regular benefits is granted to individuals who have earned at least \$1,000 in their "base period," with at least \$100 earned outside the base period quarter in which they made the most money.

The base period is defined as the first four of the five most recently completed

quarters on the date of application for unemployment insurance benefits. However, base period earnings are not always simply the claimant's earnings during the base period. In 1981, the Alaska Legislature enacted AS 23.20.350, which redefines base period wage to better reflect the claimant's attachment to the labor force. For the purpose of computing benefits payable, base period earnings are determined as follows:

1. If insured workers are paid 90% or more of their earnings in one calendar quarter, base period earnings are the earnings in the three other quarters multiplied by 10; or
2. If insured workers are paid less than 90% of their earnings in one calendar quarter, base period earnings are simply the earnings during the base period.

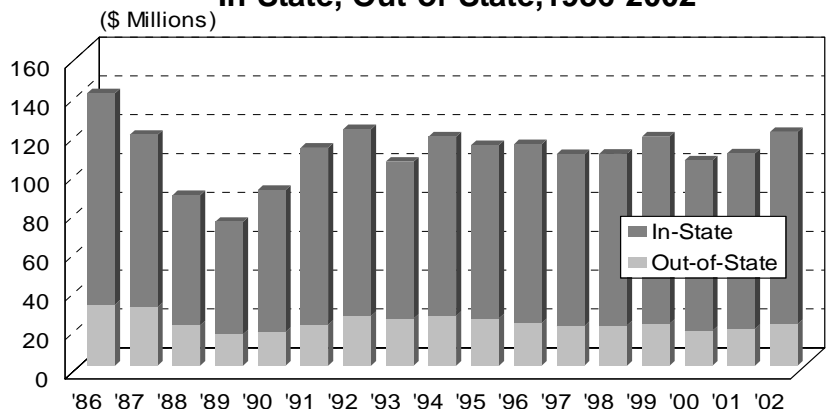
The amount of benefits a claimant may receive weekly depends upon the claimant's base period earnings. The minimum weekly benefit amount currently is \$44 at \$1,000 base period earnings, and increases by \$2 increments for each additional \$250 in earnings. (See Table 2.3.) The maximum benefit amount since 1997 has been \$248 for base period earnings of \$26,500 or more.

In 2002, 48,722 unemployed persons received \$123.6 million in regular UI benefits. These claimants were potentially eligible to receive up to an average of 20.7 weeks, but only actually claimed 14.3 weeks. The average weekly benefit payment was \$193. (See Tables 2.5 and 2.14.)

Claimants with children receive an additional allowance

Alaska is one of only 12 states to provide additional dependent benefits to UI claimants. As in the majority of states with the dependent allowance, the allowance increases the maximum amount of benefits payable during the claim, because it is added to the basic weekly benefit.

Figure 2.1 UI Regular Benefit Payments In-State, Out-of-State, 1986-2002



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Dependent benefits introduce the concept of need into what is fundamentally an insurance program. In Alaska, for example, the dependent allowance can exceed the base weekly benefit amount for individuals earning up to \$4,500 during their base period.

Claimants are eligible to receive \$24 per dependent up to a maximum of \$72. To qualify for dependent benefits, the child must be less than 18 years of age, be lawfully in the individual's physical custody at the time the individual claims the allowance for dependents, or depend on the claimant for more than 50 percent of support. A dependent must be an unmarried child, or step-child, or a legal ward of any age who is both dependent on the claimant for more than 50 percent of support and prevented by infirmity from engaging in gainful employment.

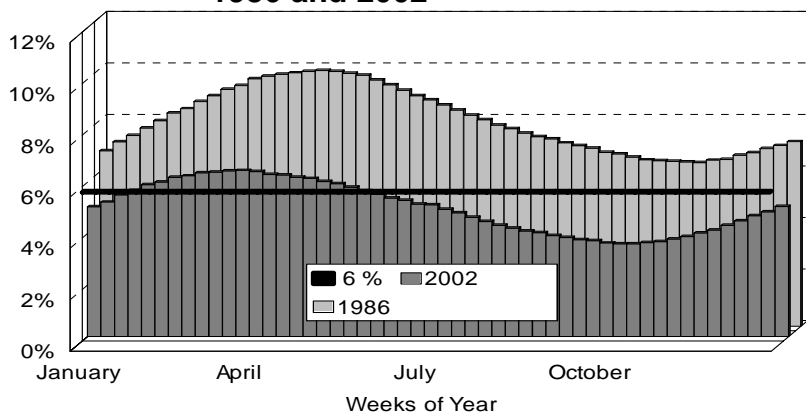
In 2002, 20,491 persons receiving regular UI benefits were paid \$13.4 million in dependent benefits. Those claiming dependent allowance were 33.8 percent of all regular UI program claimants. The dependent allowance they received amounted to 11.2 percent of all regular UI benefit dollars paid in 2002. (See Table 2.16.)

Duration of benefits depends on the stability of the claimant's work

The length of time a claimant may claim benefits varies in each state. Alaska sets potential duration of benefits by dividing the amount of base period earnings by the amount of earnings in the highest quarter. The intent is to provide a duration of benefits which relates to the duration of employment: the higher the ratio of base period earnings to high quarter earnings, the more stable the earnings stream, and therefore, the higher the potential duration of benefits.

The duration of benefits is set according to a schedule in AS 23.20.350(e), and ranges from 16 weeks with a ratio of less than 1.50, to 26 weeks with a ratio of 3.50 or more. (See Table 2.4.)

Figure 2.2 Alaska Insured Unemployment Rate 1986 and 2002



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Claimants with a ratio of less than 1.50 have earned more than two-thirds of their wages in one quarter.

Due to Alaska's highly seasonal economy, the amount paid to claimants in the late winter months is frequently double the amount disbursed in the late summer. The state's duration schedule contributes to this high winter claims load, by providing claimants (without other disqualification) a minimum of 16 weeks of benefits. These long duration periods bring many active claimants into the month of December, or later, maintaining the high levels of claims needed to "trigger" extended benefits. (See Extended Benefits for Alaskans, below.)

Reason claimants leave or refuse work may affect duration of benefits

All states disqualify claimants who voluntarily quit work without good cause, who are discharged for misconduct, or who unreasonably refuse an offer of suitable work. Although the disqualification provisions vary from state to state, almost every state (47 states in all) provides for a complete denial of benefits for the duration of a claimant's unemployment. To requalify for benefits, a claimant must obtain another job, work for a specific period, and then become unemployed again for a nondisqualifying reason.

Alaska is one of the three remaining states in which benefits are either postponed, reduced, or both. In Alaska, a claimant who voluntarily quits work, or who is discharged for misconduct, suffers a six-week postponement of benefits (including the one-week waiting period everyone must serve). There is also a benefit reduction equal to three times the weekly benefit amount. This policy is the most liberal in the nation. The primary argument for this short period is that the disqualification should be no longer than it takes the average person to find work. The rationale is that after a six-week period the worker's continuing unemployment is no longer due

to their reasons for leaving work, but to the unavailability of work. The main argument in favor of longer or unlimited disqualification is that the unemployment does not become involuntary after six weeks, just because the “average” worker returns to work within that time. The worker continues to be unemployed due to a voluntary act. An additional argument is that the leniency of the disqualification is yet another disincentive to work

Extended Benefits for Alaskans

Under normal circumstances, UI claimants receive no more benefits once they exhaust the maximum amount to which they are entitled. However, they may collect additional payments of up to half the amount of their maximum regular benefits when certain economic conditions exist. These additional payments are called extended benefits (EB).

In order for EB to be payable, unemployment must be high enough to meet a set federal standard. Specifically, an extended benefits period exists as long as the insured unemployment rate (IUR) in the state is at least six percent. Prior to 1982, the “trigger” rate was five percent, and EB were payable continuously beginning in 1975. With the trigger rate at six percent, Alaska generally triggers off Extended Benefits between July and September, and triggers back on in January or February. As figure 2.2 illustrates, in 1986, during the peak of the recession, the IUR never fell below 6 percent and EB were payable year round.

The IUR is calculated by dividing the average number of weeks of UI claimed for the past thirteen weeks by the average covered employment for the past four quarters. Among the states, only Alaska triggers on to EB each year. Two factors enable EB to trigger on in Alaska each winter. The first is a highly seasonal economy, which drives up unemployment in the winter months. The second is Alaska’s high UI benefits reciprocity rate. (See Table 2.17.) In 2002, Alaska ranked third highest nationally in the average

weekly percentage of the unemployed receiving UI benefits. A number of factors contribute to our state’s high reciprocity rate. These are: eligibility based on relatively low base period earnings, a high minimum duration of 16 weeks, and a short postponement rather than an absolute disqualification from benefits for those leaving employment or refusing work without good cause.

In 2002, 10,950 claimants received over \$10 million in EB payments. The average duration of EB was 5.4 weeks, and the average weekly benefit amount paid was \$255.32. EB triggered on during the week ending on February 9, 2002, and triggered off during the week ending May 11, 2002. On October 26, 2002, EB triggered back on under an alternative mechanism and has been on continuously throughout 2003.

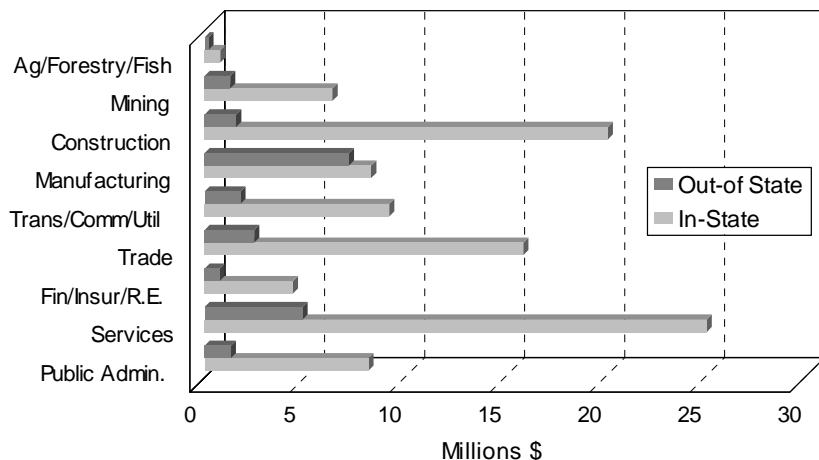
Temporary Extended Unemployment Compensation Program (TEUC)

Typically EB has been the most available supplement to the regular UI program, however, in March 2002, Congress initiated the TEUC program. TEUC provides extra weeks of federally funded unemployment benefits to unemployed workers throughout the country who have received all regular unemployment benefits available to them. TEUC is available for up to 13 weeks to eligible unemployed workers. In 2002, over \$21 million dollars was paid out in TEUC benefits.

Supplemental state benefits assist claimants with low earnings

On September 26, 1982, federal and conforming state law disallowed the payment of extended benefits to low-wage claimants who failed to earn at least 40 times their weekly benefit amount during their base period. More than 1,000 claimants were suddenly ineligible for EB when their regular benefits ran out.

Figure 2.3 UI Regular Benefit Payments by Industry 2002



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

The Supplemental State Benefits (SSB) program was created by the Alaska Legislature to provide an alternative for these low wage claimants. Claimants who are ineligible for extended benefits solely because of the “forty times rule” are eligible for SSB whenever EB is triggered on.

In 2002, 307 unemployed workers received \$161,904 in SSB payments. Their average weekly benefit check was \$102.94 and the average claim duration was 5.7 weeks. (See Tables 2.8 and 2.14.)

Workers from three Alaska industries claim the majority of benefits

In 2002, 58.3% of all regular state benefit payment dollars were paid to former employees of three industries. These were services (24.9% of all regular benefits paid), construction (18.1%), and trade (15.3%). Together they received \$70.1 million of the \$120.3 million paid out in regular state benefits. (See Table 2.11.)

The highest average weekly payments in 2002 were paid to former employees in the other mining industry (\$280.76) and the lowest to the former workers of the trade industry (\$149.58).

Less than 20 percent of all regular UI benefits paid out of state

Between 2001 and 2002, the proportion of regular benefits payments sent out of state was at its lowest level in the last ten years, 17.4% in 2001 and 17.9% in 2002. (See Table 2.12.) In 2002, that 17.9 percentage amounted to \$21 million in interstate benefits paid. These interstate claimants are those who have worked and earned wages in Alaska during their base period. (See Figure 2.1.) More than half of all regular benefits paid out of state went to those

in California (21.7%), Washington (20.7%), and Oregon (9.4%). (See Table 2.15.) More than two-thirds of all interstate payments went to former workers in manufacturing (33.6%), services (22.7%), and trade (11.5%). (See Table 2.10.)

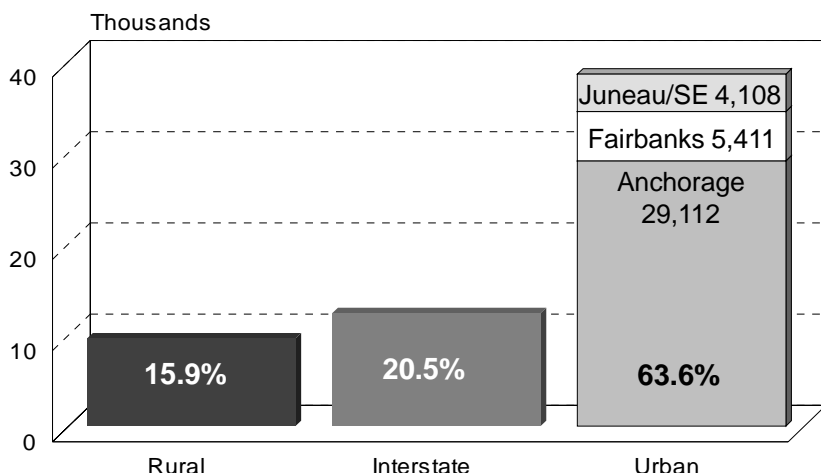
Since 1987, the average weekly benefit amount has been higher for those filing from out of state than for those filing in-state. (See Tables 2.9 and 2.10.) In 2002, the average weekly benefit amount for interstate claimants was \$184.72 with average duration of 16.8 weeks. On average, in-state claimants saw weekly benefit amounts of \$170.05 and duration of 14.4 weeks.

Among out-of-state claimants, those with the highest average weekly benefit amounts were from the oil and gas industry (\$236.13), and other mining (\$227.94). The lowest average benefit amounts were paid to workers from the food products industry.

New Industrial Classification System in the future

Each year the Actuarial Study and Financial Handbook presents time series data for major industry groups. Up to now the industrial classification of businesses has been based on the SIC (Standard Industrial Classification) system. A new classification system, NAICS (North American Industry Classification System), is replacing the SIC system. This year Table 2.2 (UI Claimant Characteristics) is the first to contain industry information based on the NAICS system. Next year’s publication will be extensively based on the NAICS system, with the majority of tables in Chapters 1 and 2 presenting NAICS based data. While NAICS does offer some improvements, it also breaks comparability in time series data, so we will begin to build a new time series.

Figure 2.4 Claimants by Processing Center 2002



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Chapter 2 Tables

UI Benefit Payments

Table 2.1
Unemployment
1993-2002

Year	Total Labor Force	Total Unemployment	Total Unemployment Rate (TUR) %	Covered Employment	Insured Unemployment	Insured Unemployment Rate (IUR) %	% Ratio IUR to TUR
1993	299,000	23,000	7.7	226,475	12,213	5.4	70.1
1994	305,000	24,000	7.9	223,455	13,554	6.1	77.1
1995	303,723	22,220	7.3	237,816	12,885	5.4	74.1
1996	315,928	24,682	7.8	239,654	13,120	5.5	70.1
1997	316,032	24,930	7.9	244,255	12,095	5.0	62.8
1998	316,898	18,351	5.8	250,251	12,140	4.9	83.8
1999	315,209	20,072	6.4	252,228	12,866	5.1	80.1
2000	321,964	21,296	6.6	258,428	12,290	4.8	71.9
2001	321,983	20,191	6.3	265,945	12,224	4.6	73.0
2002	322,793	24,962	7.7	271,350	13,980	5.2	66.9

Note:

The Total Unemployment Rate (TUR), and the Insured Unemployment Rate (IUR) are presented for the purpose of comparison. The TUR is the rate most often used in the media when discussing rates of unemployment in the population. The TUR is the percentage derived from dividing total unemployment (both insured and uninsured) by the total labor force (both insured and uninsured). The IUR is the percentage derived by dividing the 13 week average of UI weeks claimed by the insured labor force.

Sources:

Alaska Department of Labor and Workforce Development, Research and Analysis Section: Employment, Wages, and Contributions, ES 202 report to the U.S. Department of Labor. Report of Claims Activities, ETA 539 report to the U.S. Department of Labor. Local Area Unemployment Statistics (LAUS).

Table 2.2
Unemployment Insurance Claimant Characteristics, 2002

Characteristics	Number	Percent of Total	Characteristics	Number	Percent of Total
Total	60,671	100.0	Average Annual Earnings (\$):		
Gender:			1,000- 9,999	17,226	28.4
Male	37,755	62.2	10,000-19,999	16,685	27.5
Female	22,916	37.8	20,000-29,999	11,197	18.5
Age:			30,000-39,999	6,401	10.6
Less than 21	1,814	3.0	40,000-49,999	3,636	6.0
21-24	7,170	11.8	50,000-59,999	2,219	3.7
25-34	13,910	22.9	60,000-69,999	1,428	2.4
35-44	17,069	28.1	70,000-79,999	781	1.3
45-54	14,069	23.2	80,000-89,999	437	0.7
55-64	5,639	9.3	90,000+	661	1.1
65+	1,000	1.6	Geographic Location:		
Number of Dependents:			Aleutians East Borough	168	0.3
0	36,479	60.1	Aleutians West Census Area	389	0.6
1	9,634	15.9	Anchorage Borough	15,152	25.0
2	8,055	13.3	Bethel Census Area	1,530	2.5
3+	6,503	10.7	Bristol Bay Borough	167	0.3
Ethnic Background:			Denali Borough	261	0.4
Alaska Native/American Indian	13,545	22.3	Dillingham Census Area	436	0.7
Asian and Pacific Islander	4,206	6.9	Fairbanks North Star Borough	5,293	8.7
Black	2,059	3.4	Haines Borough	296	0.5
Hispanic	2,497	4.1	Juneau Borough	1,843	3.0
White	37,732	62.2	Kenai Peninsula Borough	4,862	8.0
Other	632	1.0	Ketchikan Gateway Borough	1,335	2.2
No Information	0	0.0	Kodiak Island Borough	1,624	2.7
Industry:			Lake & Peninsula Borough	138	0.2
Ag, Forestry, Fishing & Hunting	870	1.4	Matanuska-Susitna Borough	5,372	8.9
Mining	3,228	5.3	Nome Census Area	709	1.2
Oil and Gas	186	0.3	North Slope Borough	576	0.9
Other Mining	3,042	5.0	Northwest Arctic Borough	681	1.1
Utilities	287	0.5	Prince of Wales-Outer Ketchikan C A	734	1.2
Construction	7,863	13.0	Sitka Borough	548	0.9
Manufacturing	6,771	11.2	Skagway-Hoonah-Angoon C A	494	0.8
Food Products	6,080	10.0	Southeast Fairbanks Census Area	658	1.1
Wood Products	192	0.3	Valdez-Cordova Census Area	1,018	1.7
Other Manufacturing	499	0.8	Wade Hampton Census Area	912	1.5
Trade	6,741	11.1	Wrangell-Petersburg Census Area	681	1.1
Transportation & Warehousing	4,030	6.6	Yakutat Borough	86	0.1
Information	807	1.3	Yukon-Koyukuk Census Area	669	1.1
Finance and Insurance	1,253	2.1	Alaska Area Unknown	1,626	2.7
Real Estate and Rental & Leasing	1,088	1.8	Total In-State	48,258	79.5
Professional & Technical Service	1,319	2.2	Out-of-State	12,413	20.5
Mangement of Companies	19	0.0	Local Office:		
Administrative & Waste Services	2,528	4.2	Anchorage	29,112	48.0
Educational Services	1,598	2.6	Central - Interstate Claims	12,413	20.5
Health Care & Social Assistance	3,408	5.6	Central - Rural Mail Claims	9,627	15.9
Arts, Entertainment & Recreation	634	1.0	Fairbanks	5,411	8.9
Accommodation & Food Services	5,609	9.2	Juneau/SE Urban	4,108	6.8
Other Services, except Pub Admin	3,302	5.4	Starting in 1996, the UI claims processing work at many offices was consolidated into regional centers in Anchorage and Juneau. All UI claims filing is now done by mail or telephone.		
Public Administration	5,215	8.6	The Anchorage Center serves clients in Anchorage, Bethel, Dillingham, Eagle River, Glennallen, Homer, Kenai, Kodiak, Kotzebue, Mat-Su, Nome, Seward, Tok, and Valdez.		
Unclassified/Unknown	4,101	6.8	Juneau/SE Urban serves Juneau, Ketchikan, Petersburg, Sitka.		
Occupation:			Notes: Percentages may not add to 100 due to rounding.		
Agriculture, Forestry & Fishing	1,197	2.0	Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section:		
Benchwork	134	0.2	UI Claimant Characteristics Files		
Clerical & Sales	10,242	16.9			
Machine Trades	1,527	2.5			
Processing	5,668	9.3			
Professional, Technical, Managerial Service	8,385	13.8			
Structural Work	15,407	25.4			
Miscellaneous & Unknown	9,421	15.5			

**Table 2.3
Schedule of UI Weekly Benefit Amounts**

Base Period Earnings (\$)		Weekly Benefit Amount (\$)	Base Period Earnings (\$)		Weekly Benefit Amount (\$)
At Least	But Less Than	Starting 10-01-90	At Least	But Less Than	Starting 10-01-90
0	1,000	0	15,000	15,250	156
1,000	1,250	44	15,250	15,500	158
1,250	1,500	46	15,500	15,750	160
1,500	1,750	48	15,750	16,000	162
1,750	2,000	50	16,000	16,250	164
2,000	2,250	52	16,250	16,500	166
2,250	2,500	54	16,500	16,750	168
2,500	2,750	56	16,750	17,000	170
2,750	3,000	58	17,000	17,250	172
3,000	3,250	60	17,250	17,500	174
3,250	3,500	62	17,500	17,750	176
3,500	3,750	64	17,750	18,000	178
3,750	4,000	66	18,000	18,250	180
4,000	4,250	68	18,250	18,500	182
4,250	4,500	70	18,500	18,750	184
4,500	4,750	72	18,750	19,000	186
4,750	5,000	74	19,000	19,250	188
5,000	5,250	76	19,250	19,500	190
5,250	5,500	78	19,500	19,750	192
5,500	5,750	80	19,750	20,000	194
5,750	6,000	82	20,000	20,250	196
6,000	6,250	84	20,250	20,500	198
6,250	6,500	86	20,500	20,750	200
6,500	6,750	88	20,750	21,000	202
6,750	7,000	90	21,000	21,250	204
7,000	7,250	92	21,250	21,500	206
7,250	7,500	94	21,500	21,750	208
7,500	7,750	96	21,750	22,000	210
7,750	8,000	98	22,000	and over	212
8,000	8,250	100			
8,250	8,500	102			
8,500	8,750	104			
8,750	9,000	106			
9,000	9,250	108			
9,250	9,500	110			
9,500	9,750	112			
9,750	10,000	114			
10,000	10,250	116			
10,250	10,500	118			
10,500	10,750	120			
10,750	11,000	122			
11,000	11,250	124			
11,250	11,500	126			
11,500	11,750	128			
11,750	12,000	130			
12,000	12,250	132			
12,250	12,500	134			
12,500	12,750	136			
12,750	13,000	138			
13,000	13,250	140			
13,250	13,500	142			
13,500	13,750	144			
13,750	14,000	146			
14,000	14,250	148			
14,250	14,500	150			
14,500	14,750	152			
14,750	15,000	154			

Amendment effective 01-01-97

Source: Alaska Statutes 23.20.350(d).
The existing schedule was amended, effective January 1, 1997, to provide for earnings over \$22,000.

Table 2.4
Schedule of Weekly Benefits Duration

Ratio of Base Period Earnings to High Quarter Earnings	Duration of Benefits (in weeks)
Less than 1.50	16
1.50—1.99	18
2.00—2.49	20
2.50—2.99	22
3.00—3.49	24
3.5 or more	26

Source: Alaska Statutes 23.20.350(e)

Table 2.5
Payment Data, UI Regular Benefits
(Taxable and Reimbursable), 1993-2002

Year	All Claimants		Claimants Exhausting Benefits		Average Duration (in Weeks)			Average Weekly Benefit Amount (AWBA)		Maximum Weekly Benefit Amount	
	Number of First Payments 1/	Number of Weeks Paid	Number 3/	Percent of First Payments 1/	Potential	Actual	Actual for Exhausts 3/	(\$)	Ratio of Average Weekly Amount 2/Earnings	Without Dependent Benefits	With Dependent Benefits
1993	40,689	642,198	20,292	49.9	21.0	15.8	20.8	\$170.73	0.28	\$212.00	\$284.00
1994	46,801	712,689	21,336	45.6	20.8	15.2	20.5	169.99	0.27	212.00	284.00
1995	46,832	678,057	19,480	41.6	20.9	14.5	20.7	172.88	0.28	212.00	284.00
1996	45,116	684,730	19,623	43.5	20.8	15.2	20.5	172.53	0.28	212.00	284.00
1997	43,617	641,264	17,726	40.6	20.5	14.7	20.6	175.76	0.28	248.00	320.00
1998	43,750	632,329	17,706	40.5	20.8	14.5	20.8	176.00	0.28	248.00	320.00
1999	45,635	679,381	19,252	42.2	20.9	14.9	20.8	181.58	0.28	248.00	320.00
2000	43,557	619,357	16,962	38.9	20.8	14.2	20.7	189.86	0.29	248.00	320.00
2001	44,017	626,241	17,256	39.2	20.8	14.2	20.7	192.99	0.28	248.00	320.00
2002	48,722	696,807	20,353	41.8	20.7	14.3	20.7	193.34	0.28	248.00	320.00

1/ The number of first payments relates to the calendar year indicated. The percent who exhaust their benefits relates to first payments in the 12-month period ending June 30 of the same year.

2/ Average weekly benefit amount for all claimants excluding certain part-time workers.

3/ Exhausts: Persons receiving payments for the maximum number of weeks available to them in a particular program.

Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section:

ETA 5-159 report to the U.S. Department of Labor;

BEP 3565 P Quarterly Management Reports;

ES-218 report to the U.S. Department of Labor.

Table 2.6
Average Weekly Benefits (Regular UI) as a Percentage
of Average Weekly Earnings (Covered Employment), 2002

State	Benefit Amount (\$)	Rank	Weekly Earnings (\$)	Rank	as % of Earnings	Rank
Alabama	167.44	51	587.06	34	28.5	47
ALASKA	193.34	47	693.70	15	27.9	49
Arizona	176.21	49	648.33	23	27.2	51
Arkansas	223.40	36	533.28	47	41.9	17
California	217.24	38	792.47	6	27.4	50
Colorado	313.18	5	723.98	12	43.3	12
Connecticut	286.90	11	900.27	2	31.9	44
Delaware	228.08	33	760.97	7	30.0	46
Dist. of Columbia	289.70	10	1033.97	1	28.0	48
Florida	225.33	34	616.36	30	36.6	35
Georgia	238.73	28	679.77	19	35.1	38
Hawaii	297.23	8	608.05	31	48.9	1
Idaho	231.70	32	534.33	46	43.4	11
Illinois	280.06	12	759.50	8	36.9	34
Indiana	254.58	22	622.91	27	40.9	21
Iowa	254.72	21	566.50	39	45.0	6
Kansas	276.37	15	586.51	35	47.1	3
Kentucky	245.83	26	589.36	33	41.7	19
Louisiana	197.25	46	572.53	37	34.5	39
Maine	224.42	35	562.72	40	39.9	24
Maryland	240.94	27	731.52	9	32.9	42
Massachusetts	360.09	1	861.88	5	41.8	18
Michigan	276.49	14	730.34	10	37.9	29
Minnesota	317.61	4	717.54	13	44.3	8
Mississippi	168.49	50	503.72	48	33.4	41
Missouri	205.49	44	631.01	25	32.6	43
Montana	187.07	48	486.98	51	38.4	27
Nebraska	211.51	40	561.21	41	37.7	30
Nevada	232.13	30	649.08	22	35.8	37
New Hampshire	259.84	18	691.90	16	37.6	32
New Jersey	331.22	2	866.39	4	38.2	28
New Mexico	207.09	43	549.59	42	37.7	31
New York	275.47	16	886.03	3	31.1	45
North Carolina	258.98	19	624.17	26	41.5	20
North Dakota	219.27	37	502.93	49	43.6	9
Ohio	251.05	23	652.55	21	38.5	26
Oklahoma	233.87	29	538.24	44	43.5	10
Oregon	276.90	13	641.78	24	43.1	13
Pennsylvania	291.06	9	683.18	18	42.6	14
Rhode Island	304.31	7	659.55	20	46.1	4
South Carolina	208.11	42	571.63	38	36.4	36
South Dakota	198.30	45	497.15	50	39.9	23
Tennessee	209.57	41	618.25	29	33.9	40
Texas	258.68	20	691.78	17	37.4	33
Utah	275.41	17	577.85	36	47.7	2
Vermont	250.16	24	590.36	32	42.4	15
Virginia	311.27	6	697.12	14	44.7	7
Washington	328.63	3	728.99	11	45.1	5
West Virginia	214.92	39	537.52	45	40.0	22
Wisconsin	247.17	25	621.84	28	39.7	25
Wyoming	232.01	31	548.54	43	42.3	16
United States	256.76		697.67		36.8	

Note: U.S. Data include Puerto Rico and the Virgin Islands.

Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section: ETA 5-159 report, and ES-202 Report, U.S. Department of Labor.

Table 2.7
Payment Data, UI Extended Benefits, 1993-2002

Year	Number of First Payments	Number of Weeks Paid	Claimants Exhausting Benefits	Average Average Duration in Weeks	Weekly Benefit (\$) Amount 1/
1993	2	10	3	5.0	131.75
1994	13,605	89,840	4,857	6.6	166.65
1995	7,505	43,695	2,028	5.8	169.55
1996	7,037	41,199	1,897	5.9	171.15
1997	5,702	33,047	1,434	5.8	167.34
1998	5,973	31,666	1,293	5.3	171.60
1999	7,160	41,123	1,970	5.7	168.77
2000	5,368	28,266	1,084	5.3	182.33
2001	5,137	27,065	1,066	5.3	182.24
2002	10,950	59,234	1,757	5.4	255.32

1/ Excludes certain part-time workers.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section: Claims and Payment Activities, ETA 5-159 report to the U.S. Department of Labor

Table 2.8
Payment Data, UI State Supplemental Benefits, 1993-2002

Year	Number of First Payments	Number of Weeks Paid	Number of Claimants Exhausting Benefits	Average Duration in Weeks	Average Weekly Benefit (\$) Amount 1/
1993	1,067	7,943	688	7.4	102.75
1994	384	2,696	290	7.0	94.73
1995	233	1,298	104	5.6	101.32
1996	231	1,337	102	5.8	103.19
1997	154	914	72	5.9	97.60
1998	212	1,212	91	5.7	97.43
1999	250	1,470	128	5.9	92.68
2000	226	1,218	82	5.4	92.68
2001	193	1,096	90	5.7	102.92
2002	307	1,755	139	5.7	102.94

1/ Excludes certain part-time workers.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section: Claims and Payment Activities, ETA 5-159 report to the U.S. Department of Labor

Table 2.9
UI Regular Benefit Payments (Taxable and Reimbursable)
by Industry—1995-2002

	1995	1996	1997	1998	1999	2000	2001	2002
NUMBER OF WEEKS PAID								
Totals (incl. unclass.)	550,571	570,030	538,485	536,869	574,601	533,309	537,989	581,335
Ag/Forestry/Fish	4,795	4,685	4,620	4,440	4,185	4,228	4,545	4,856
Mining	24,200	29,449	23,149	19,020	39,697	16,599	20,823	28,949
Oil and Gas	19,470	25,160	19,390	14,380	35,595	12,578	16,271	23,914
Other Mining	4,730	4,289	3,759	4,640	4,102	4,021	4,552	5,035
Construction	100,049	101,613	97,178	95,982	99,814	97,082	89,038	99,393
Manufacturing	64,437	71,060	66,022	66,062	62,766	60,681	59,411	54,319
Food Products	44,708	49,927	44,069	44,921	43,609	44,143	42,010	39,328
Lumber & Wood	7,490	10,167	8,456	10,954	11,196	10,434	10,316	7,986
Paper Products	5,781	3,372	5,746	2,952	372	207	26	19
Other Mfg.	6,458	7,594	7,751	7,235	7,589	5,897	7,059	6,986
Trans/Comm/Util	57,640	52,545	48,083	49,981	49,082	46,104	50,036	52,713
Trade	101,412	105,561	98,486	100,375	106,598	101,532	99,649	108,511
Finance/Insur/R.E.	25,147	22,680	21,368	23,360	24,855	24,126	24,694	25,384
Services	129,740	138,392	135,416	134,510	143,953	139,128	146,206	153,500
Public Admin.	41,734	41,971	42,094	40,791	41,211	40,892	40,775	51,252
Unclassified	1,417	2,074	2,069	2,348	2,440	2,937	2,812	2,458
NUMBER OF FIRST PAYMENTS								
Totals (incl. unclass.)	37,113	36,813	35,920	36,492	38,653	37,352	37,633	40,429
Ag/Forestry/Fish	330	310	321	327	283	299	328	345
Mining	1,614	1,961	1,354	1,389	2,528	1,181	1,546	2,059
Oil and Gas	1,265	1,723	1,095	1,078	2,272	922	1,235	1,698
Other Mining	349	238	259	311	256	259	311	361
Construction	6,989	6,760	6,654	6,691	6,859	6,885	6,485	7,137
Manufacturing	4,350	4,367	4,337	4,347	3,911	3,982	3,806	3,455
Food Products	2,927	2,825	2,791	2,897	2,601	2,778	2,556	2,467
Lumber & Wood	635	724	662	730	789	741	758	523
Paper Products	356	259	388	206	47	11	1	1
Other Mfg.	432	559	496	514	474	452	491	464
Trans/Comm/Util	3,840	3,390	3,259	3,423	3,423	3,381	3,570	3,764
Trade	6,787	6,749	6,548	6,871	7,215	7,265	6,954	7,681
Finance/Insur/R.E.	1,551	1,318	1,414	1,448	1,586	1,596	1,591	1,614
Services	8,684	9,024	9,059	9,021	9,890	9,640	10,391	10,722
Public Admin.	2,833	2,757	2,807	2,802	2,734	2,848	2,740	3,465
Unclassified	135	177	167	173	224	275	222	187
AMOUNT OF PAYMENTS								
Totals (incl. unclass.)	89,143,076	92,123,501	88,426,083	88,232,651	96,274,373	87,718,650	90,285,518	98,855,890
Ag/Forestry/Fish	716,245	722,423	716,400	689,356	659,528	660,549	720,309	786,048
Mining	4,784,505	5,789,479	4,868,294	3,917,167	8,860,426	3,479,159	4,376,336	6,387,569
Oil and Gas	3,879,894	4,915,804	4,132,349	2,976,320	8,028,376	2,653,259	3,469,575	5,347,227
Other Mining	904,611	873,675	735,945	940,847	832,050	825,900	906,761	1,040,342
Construction	18,898,006	19,193,516	19,204,267	19,288,194	19,859,679	19,469,057	17,932,394	20,153,522
Manufacturing	9,363,301	10,252,579	10,118,976	10,066,630	9,501,276	9,205,777	9,256,528	8,319,615
Food Products	5,659,127	6,348,381	5,704,308	5,845,808	5,814,106	6,030,827	5,959,049	5,382,323
Lumber & Wood	1,400,714	1,894,373	1,637,920	2,162,409	2,178,116	2,035,262	1,980,485	1,630,918
Paper Products	1,153,993	658,751	1,324,327	662,986	76,099	39,577	5,360	1,912
Other Mfg.	1,149,467	1,351,074	1,452,421	1,395,427	1,432,955	1,100,111	1,311,634	1,304,462
Trans/Comm/Util	9,825,550	8,756,292	7,881,034	8,288,612	8,135,030	7,733,461	8,590,130	9,228,681
Trade	14,616,436	15,279,534	14,121,728	14,514,619	15,576,244	14,641,150	14,858,372	15,929,975
Finance/Insur/R.E.	4,206,776	3,761,251	3,477,139	3,807,280	4,175,253	3,995,930	4,224,350	4,409,452
Services	19,723,709	21,064,470	20,767,479	20,469,052	22,370,585	21,524,259	23,280,595	25,096,505
Public Admin.	6,799,592	7,007,920	6,963,130	6,841,856	6,803,356	6,590,303	6,628,367	8,184,233
Unclassified	208,956	296,037	307,636	349,885	332,996	419,005	418,137	360,290

Table 2.9 UI Regular Benefit Payments (Taxable and Reimbursable) by Industry—1995-2002 (continued)

	1995	1996	1997	1998	1999	2000	2001	2002
PERCENT DISTRIBUTION OF PAYMENTS								
Totals (incl. unclass.)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Ag/Forestry/Fish	0.8	0.8	0.8	0.8	0.7	0.8	0.8	0.8
Mining	5.4	6.3	5.5	4.4	9.2	4.0	4.8	6.5
Oil and Gas	4.4	5.3	4.7	3.4	8.3	3.0	3.8	5.4
Other Mining	1.0	0.9	0.8	1.1	0.9	0.9	1.0	1.1
Construction	21.2	20.8	21.7	21.9	20.6	22.2	19.9	20.4
Manufacturing	10.5	11.1	11.4	11.4	9.9	10.5	10.3	8.4
Food Products	6.3	6.9	6.5	6.6	6.0	6.9	6.6	5.4
Lumber & Wood	1.6	2.1	1.9	2.5	2.3	2.3	2.2	1.6
Paper Products	1.3	0.7	1.5	0.8	0.1	0.0	0.0	0.0
Other Mfg.	1.3	1.5	1.6	1.6	1.5	1.3	1.5	1.3
Trans/Comm/Util	11.0	9.5	8.9	9.4	8.4	8.8	9.5	9.3
Trade	16.4	16.6	16.0	16.5	16.2	16.7	16.5	16.1
Finance/Insur/R.E.	4.7	4.1	3.9	4.3	4.3	4.6	4.7	4.5
Services	22.1	22.9	23.5	23.2	23.2	24.5	25.8	25.4
Public Admin.	7.6	7.6	7.9	7.8	7.1	7.5	7.3	8.3
Unclassified	0.2	0.3	0.3	0.4	0.3	0.5	0.5	0.4
AVERAGE WEEKLY PAYMENTS (\$)								
Totals (incl. unclass.)	161.91	161.61	164.21	164.35	167.55	164.48	167.82	170.05
Ag/Forestry/Fish	149.37	154.20	155.06	155.26	157.59	156.23	158.48	161.87
Mining	197.71	196.59	210.30	205.95	223.20	209.60	210.17	220.65
Oil and Gas	199.28	195.38	213.12	206.98	225.55	210.94	213.24	223.60
Other Mining	191.25	203.70	195.78	202.77	202.84	205.40	199.20	206.62
Construction	188.89	188.89	197.62	200.96	198.97	200.54	201.40	202.77
Manufacturing	145.31	144.28	153.27	152.38	151.38	151.71	155.80	153.16
Food Products	126.58	127.15	129.44	130.14	133.32	136.62	141.85	136.86
Lumber & Wood	187.01	186.33	193.70	197.41	194.54	195.06	191.98	204.22
Paper Products	199.62	195.36	230.48	224.59	204.57	191.19	206.15	100.63
Other Mfg.	177.99	177.91	187.38	192.87	188.82	186.55	185.81	186.73
Trans/Comm/Util	170.46	166.64	163.90	165.84	165.74	167.74	171.68	175.07
Trade	144.13	144.75	143.39	144.60	146.12	144.20	149.11	146.81
Finance/Insur/R.E.	167.29	165.84	162.73	162.98	167.98	165.63	171.07	173.71
Services	152.02	152.21	153.36	152.17	155.40	154.71	159.23	163.50
Public Admin.	162.93	166.97	165.42	167.73	165.09	161.16	162.56	159.69
Unclassified	147.46	142.74	148.69	149.01	136.47	142.66	148.70	146.58
AVERAGE DURATION IN WEEKS								
Totals (incl. unclass.)	14.8	15.5	15.0	14.7	14.9	14.3	14.3	14.4
Ag/Forestry/Fish	14.5	15.1	14.4	13.6	14.8	14.1	13.9	14.1
Mining	15.0	15.0	17.1	13.7	15.7	14.1	13.5	14.1
Oil and Gas	15.4	14.6	17.7	13.3	15.7	13.6	13.2	14.1
Other Mining	13.6	18.0	14.5	14.9	16.0	15.5	14.6	13.9
Construction	14.3	15.0	14.6	14.3	14.6	14.1	13.7	13.9
Manufacturing	14.8	16.3	15.2	15.2	16.0	15.2	15.6	15.7
Food Products	15.3	17.7	15.8	15.5	16.8	15.9	16.4	15.9
Lumber & Wood	11.8	14.0	12.8	15.0	14.2	14.1	13.6	15.3
Paper Products	16.2	13.0	14.8	14.3	7.9	18.8	26.0	19.0
Other Mfg.	14.9	13.6	15.6	14.1	16.0	13.0	14.4	15.1
Trans/Comm/Util	15.0	15.5	14.8	14.6	14.3	13.6	14.0	14.0
Trade	14.9	15.6	15.0	14.6	14.8	14.0	14.3	14.1
Finance/Insur/R.E.	16.2	17.2	15.1	16.1	15.7	15.1	15.5	15.7
Services	14.9	15.3	14.9	14.9	14.6	14.4	14.1	14.3
Public Admin.	14.7	15.2	15.0	14.6	15.1	14.4	14.9	14.8
Unclassified	10.5	11.7	12.4	13.6	10.9	10.7	12.7	13.1

Note: Percentages may not add to 100 due to rounding.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section
UC-217 report, Benefit Payments by Industry and Area

Table 2.10
UI Regular Benefit Payments (Taxable and Reimbursable)
by Industry—Interstate, 1995-2002

	1995	1996	1997	1998	1999	2000	2001	2002
NUMBER OF WEEKS PAID								
Totals (incl. unclass.)	142,693	127,164	117,420	120,789	118,762	101,627	103,794	116,372
Ag/Forestry/Fish	1,035	902	1,129	915	789	1,034	864	947
Mining	7,636	6,044	5,049	3,175	9,690	3,126	3,679	5,411
Oil and Gas	6,667	5,061	4,299	2,414	8,668	2,496	3,160	4,804
Other Mining	969	983	750	761	1,022	630	519	607
Construction	12,235	10,865	8,771	8,910	7,621	6,914	6,768	7,153
Manufacturing	48,944	45,471	43,679	48,474	42,971	41,870	40,505	43,194
Food Products	40,571	38,235	36,046	41,212	38,539	37,517	35,544	39,722
Lumber & Wood	4,508	4,794	4,355	5,155	3,486	3,469	3,998	2,449
Paper Products	2,775	1,101	2,548	1,243	71	43	9	9
Other Mfg.	1,090	1,341	730	864	875	841	954	1,014
Trans/Comm/Util	11,567	9,020	8,358	8,026	7,699	6,666	7,744	9,074
Trade	19,547	17,753	15,810	15,833	16,495	13,255	12,588	14,489
Finance/Insur/R.E.	5,711	4,946	4,187	4,320	3,927	3,434	3,737	3,559
Services	28,020	24,855	23,775	24,177	23,377	19,380	22,122	25,811
Public Admin.	7,885	7,103	6,441	6,635	5,948	5,547	5,347	6,494
Unclassified	113	205	221	324	245	401	440	240
NUMBER OF FIRST PAYMENTS								
Totals (incl. unclass.)	9,678	8,293	7,680	7,354	6,967	6,199	6,375	6,924
Ag/Forestry/Fish	78	69	78	63	57	71	54	71
Mining	521	413	282	218	547	174	236	314
Oil and Gas	444	362	233	170	490	143	205	281
Other Mining	77	51	49	48	57	31	31	33
Construction	859	716	637	502	430	416	384	425
Manufacturing	3,626	3,288	3,062	3,269	2,703	2,723	2,557	2,695
Food Products	2,972	2,758	2,527	2,851	2,422	2,445	2,265	2,522
Lumber & Wood	425	398	387	317	223	227	238	119
Paper Products	150	58	104	53	6	1	1	0
Other Mfg.	79	74	44	48	52	50	53	54
Trans/Comm/Util	727	551	516	461	451	414	461	530
Trade	1,243	1,060	974	869	910	741	776	832
Finance/Insur/R.E.	343	282	281	227	209	207	209	185
Services	1,791	1,490	1,465	1,345	1,319	1,124	1,372	1,522
Public Admin.	479	409	369	381	322	305	302	338
Unclassified	11	15	16	19	19	24	24	12
AMOUNT OF PAYMENTS (\$)								
Totals (incl. unclass.)	24,466,248	21,908,339	20,459,119	20,805,096	21,629,019	17,975,643	18,982,377	21,496,500
Ag/Forestry/Fish	172,999	156,953	198,756	164,103	166,928	204,143	184,075	190,733
Mining	1,602,016	1,250,924	1,118,122	729,302	2,323,245	703,735	849,205	1,272,752
Oil and Gas	1,410,215	1,062,318	959,189	560,450	2,099,792	563,001	729,034	1,134,390
Other Mining	191,801	188,606	158,933	168,852	223,453	140,734	120,171	138,362
Construction	2,461,715	2,123,025	1,808,173	1,967,330	1,674,265	1,495,375	1,492,049	1,572,113
Manufacturing	7,618,549	7,224,018	7,142,649	7,295,672	6,864,822	6,669,077	6,749,669	7,213,782
Food Products	5,961,543	5,801,113	5,521,293	5,707,362	5,897,449	5,759,934	5,685,374	6,477,898
Lumber & Wood	877,042	941,660	885,400	1,130,011	774,874	732,842	875,379	523,191
Paper Products	568,802	234,220	581,081	280,718	12,750	10,664	2,232	2,232
Other Mfg.	211,162	247,025	154,875	177,581	179,749	165,637	186,684	210,461
Trans/Comm/Util	2,153,581	1,709,935	1,566,659	1,550,961	1,513,564	1,284,463	1,522,684	1,790,273
Trade	3,141,060	2,876,736	2,484,454	2,634,055	2,846,013	2,154,320	2,133,384	2,468,120
Finance/Insur/R.E.	1,037,681	915,628	766,350	829,235	770,423	698,587	772,143	749,297
Services	4,775,805	4,252,860	4,114,491	4,269,413	4,236,727	3,583,703	4,128,595	4,884,706
Public Admin.	1,485,577	1,366,070	1,223,650	1,303,275	1,188,161	1,110,530	1,076,353	1,312,566
Unclassified	17,265	32,190	35,815	61,750	44,871	71,710	74,220	42,158

Table 2.10 UI Regular Benefit Payments (Taxable and Reimbursable) by Industry—Interstate, 1995-2002 (continued)

	1995	1996	1997	1998	1999	2000	2001	2002
PERCENT DISTRIBUTION OF PAYMENTS								
Totals (incl. unclass.)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Ag/Forestry/Fish	0.7	0.7	1.0	0.8	0.8	1.1	1.0	0.9
Mining	6.5	5.7	5.5	3.5	10.7	3.9	4.5	5.9
Oil and Gas	5.8	4.8	4.7	2.7	9.7	3.1	3.8	5.3
Other Mining	0.8	0.9	0.8	0.8	1.0	0.8	0.6	0.6
Construction	10.1	9.7	8.8	9.5	7.7	8.3	7.9	7.3
Manufacturing	31.1	33.0	34.9	35.1	31.7	37.1	35.6	33.6
Food Products	24.4	26.5	27.0	27.4	27.3	32.0	30.0	30.1
Lumber & Wood	3.6	4.3	4.3	5.4	3.6	4.1	4.6	2.4
Paper Products	2.3	1.1	2.8	1.3	0.1	0.1	0.0	0.0
Other Mfg.	0.9	1.1	0.8	0.9	0.8	0.9	1.0	1.0
Trans/Comm/Util	8.8	7.8	7.7	7.5	7.0	7.1	8.0	8.3
Trade	12.8	13.1	12.1	12.7	13.2	12.0	11.2	11.5
Finance/Insur/R.E.	4.2	4.2	3.7	4.0	3.6	3.9	4.1	3.5
Services	19.5	19.4	20.1	20.5	19.6	19.9	21.7	22.7
Public Admin.	6.1	6.2	6.0	6.3	5.5	6.2	5.7	6.1
Unclassified	0.1	0.1	0.2	0.3	0.2	0.4	0.4	0.2
AVERAGE WEEKLY PAYMENT (\$)								
Totals (incl. unclass.)	171.46	172.28	174.24	172.24	182.12	176.88	182.89	184.72
Ag/Forestry/Fish	167.15	174.01	176.05	179.35	211.57	197.43	213.05	201.41
Mining	209.80	206.97	221.45	229.70	239.76	225.12	230.82	235.22
Oil and Gas	211.52	209.90	223.12	232.17	242.25	225.56	230.71	236.13
Other Mining	197.94	191.87	211.91	221.88	218.64	223.39	231.54	227.94
Construction	201.20	195.40	206.15	220.80	219.69	216.28	220.46	219.78
Manufacturing	155.66	158.87	163.53	150.51	159.75	159.28	166.64	167.01
Food Products	146.94	151.72	153.17	138.49	153.03	153.53	159.95	163.08
Lumber & Wood	194.55	196.42	203.31	219.21	222.28	211.25	218.95	213.63
Paper Products	204.97	212.73	228.05	225.84	179.58	248.00	248.00	248.00
Other Mfg.	193.73	184.21	212.16	205.53	205.43	196.95	195.69	207.56
Trans/Comm/Util	186.18	189.57	187.44	193.24	196.59	192.69	196.63	197.30
Trade	160.69	162.04	157.14	166.36	172.54	162.53	169.48	170.34
Finance/Insur/R.E.	181.70	185.12	183.03	191.95	196.19	203.43	206.62	210.54
Services	170.44	171.11	173.06	176.59	181.23	184.92	186.63	189.25
Public Admin.	188.41	192.32	189.98	196.42	199.76	200.20	201.30	202.12
Unclassified	152.79	157.02	162.06	190.59	183.15	178.83	168.68	175.66
AVERAGE DURATION IN WEEKS								
Totals (incl. unclass.)	14.7	15.3	15.3	16.4	17.0	16.4	16.3	16.8
Ag/Forestry/Fish	13.3	13.1	14.5	14.5	13.8	14.6	16.0	13.3
Mining	14.7	14.6	17.9	14.6	17.7	18.0	15.6	17.2
Oil and Gas	15.0	14.0	18.5	14.2	17.7	17.5	15.4	17.1
Other Mining	12.6	19.3	15.3	15.9	17.9	20.3	16.7	18.4
Construction	14.2	15.2	13.8	17.7	17.7	16.6	17.6	16.8
Manufacturing	13.5	13.8	14.3	14.8	15.9	15.4	15.8	16.0
Food Products	13.7	13.9	14.3	14.5	15.9	15.3	15.7	15.8
Lumber & Wood	10.6	12.0	11.3	16.3	15.6	15.3	16.8	20.6
Paper Products	18.5	19.0	24.5	23.5	11.8	43.0	9.0	N/A
Other Mfg.	13.8	18.1	16.6	18.0	16.8	16.8	18.0	18.8
Trans/Comm/Util	15.9	16.4	16.2	17.4	17.1	16.1	16.8	17.1
Trade	15.7	16.7	16.2	18.2	18.1	17.9	16.2	17.4
Finance/Insur/R.E.	16.7	17.5	14.9	19.0	18.8	16.6	17.9	19.2
Services	15.6	16.7	16.2	18.0	17.7	17.2	16.1	17.0
Public Admin.	16.5	17.4	17.5	17.4	18.5	18.2	17.7	19.2
Unclassified	10.3	13.7	13.8	17.1	12.9	16.7	18.3	20.0

Note: Percentages may not add to 100 due to rounding.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section:
UC-217 report, Benefit Payments by Industry and Area.

Table 2.11
UI Regular Benefit Payments (Taxable and Reimbursable)
by Industry—Total, 1995-2002

	1995	1996	1997	1998	1999	2000	2001	2002
NUMBER OF WEEKS PAID								
Totals (incl. unclass.)	693,264	697,194	655,905	657,658	693,363	634,936	641,783	697,707
Ag/Forestry/Fish	5,830	5,587	5,749	5,355	4,974	5,262	5,409	5,803
Mining	31,836	35,493	28,198	22,195	49,387	19,725	24,502	34,360
Oil and Gas	26,137	30,221	23,689	16,794	44,263	15,074	19,431	28,718
Other Mining	5,699	5,272	4,509	5,401	5,124	4,651	4,651	5,642
Construction	112,284	112,478	105,949	104,892	107,435	103,996	95,806	106,546
Manufacturing	113,381	116,531	109,701	114,536	105,737	102,551	99,916	97,513
Food Products	85,279	88,162	80,115	86,133	82,148	81,660	77,554	79,050
Lumber & Wood	11,998	14,961	12,811	16,109	14,682	13,903	14,314	10,435
Paper Products	8,556	4,473	8,294	4,195	443	250	35	28
Other Mfg.	7,548	8,935	8,481	8,099	8,464	6,738	6,738	8,000
Trans/Comm/Util	69,207	61,565	56,441	58,007	56,781	52,770	57,780	61,787
Trade	120,959	123,314	114,296	116,208	123,093	114,787	112,237	123,000
Finance/Insur/R.E.	30,858	27,626	25,555	27,680	28,782	27,560	28,431	28,943
Services	157,760	163,247	159,191	158,687	167,330	158,508	168,328	179,311
Public Admin.	49,619	49,074	48,535	47,426	47,159	46,439	46,122	57,746
Unclassified	1,530	2,279	2,290	2,672	2,685	3,338	3,252	2,698
NUMBER OF FIRST PAYMENTS								
Totals (incl. unclass.)	46,791	45,106	43,600	43,846	45,620	43,551	44,008	47,353
Ag/Forestry/Fish	408	379	399	390	340	370	382	416
Mining	2,135	2,374	1,636	1,607	3,075	1,355	1,782	2,373
Oil and Gas	1,709	2,085	1,328	1,248	2,762	1,065	1,440	1,979
Other Mining	426	289	308	359	313	290	290	394
Construction	7,848	7,476	7,291	7,193	7,289	7,301	6,869	7,562
Manufacturing	7,976	7,655	7,399	7,616	6,614	6,705	6,363	6,150
Food Products	5,899	5,583	5,318	5,748	5,023	5,223	4,821	4,989
Lumber & Wood	1,060	1,122	1,049	1,047	1,012	968	996	642
Paper Products	506	317	492	259	53	12	2	1
Other Mfg.	511	633	540	562	526	502	502	518
Trans/Comm/Util	4,567	3,941	3,775	3,884	3,874	3,795	4,031	4,294
Trade	8,030	7,809	7,522	7,740	8,125	8,006	7,730	8,513
Finance/Insur/R.E.	1,894	1,600	1,695	1,675	1,795	1,803	1,800	1,799
Services	10,475	10,514	10,524	10,366	11,209	10,764	11,763	12,244
Public Admin.	3,312	3,166	3,176	3,183	3,056	3,153	3,042	3,803
Unclassified	146	192	183	192	243	299	246	199
AMOUNT OF PAYMENTS (\$)								
Totals (incl. unclass.)	113,609,324	114,031,840	108,885,202	109,037,747	117,903,392	105,694,293	109,267,895	120,352,390
Ag/Forestry/Fish	889,244	879,376	915,156	853,459	826,456	864,692	904,384	976,781
Mining	6,386,521	7,040,403	5,986,416	4,646,469	11,183,671	4,182,894	5,225,541	7,660,321
Oil and Gas	5,290,109	5,978,122	5,091,538	3,536,770	10,128,168	3,216,260	4,198,609	6,076,261
Other Mining	1,096,412	1,062,281	894,878	1,109,699	1,055,503	966,634	966,634	1,584,060
Construction	21,359,721	21,316,541	21,012,440	21,255,524	21,533,944	20,964,432	19,424,443	21,725,635
Manufacturing	16,981,850	17,476,597	17,261,625	17,362,302	16,366,098	15,874,854	16,006,197	16,533,397
Food Products	11,620,670	12,149,494	11,225,601	11,553,170	11,711,555	11,790,761	11,644,423	11,860,221
Lumber & Wood	2,277,756	2,836,033	2,523,320	3,292,420	2,952,990	2,768,104	2,855,864	2,154,109
Paper Products	1,722,795	892,971	1,905,408	943,704	88,849	50,241	7,592	4,144
Other Mfg.	1,360,629	1,598,099	1,607,296	1,573,008	1,612,704	1,265,748	1,498,318	1,514,923
Trans/Comm/Util	11,979,131	10,466,227	9,447,693	9,839,573	9,648,594	9,017,924	10,112,814	11,018,954
Trade	17,757,496	18,156,270	16,606,182	17,148,674	18,422,257	16,795,470	16,991,756	18,398,095
Finance/Insur/R.E.	5,244,457	4,676,879	4,243,489	4,636,515	4,945,676	4,694,517	4,996,493	5,158,749
Services	24,499,514	25,317,330	24,881,970	24,738,465	26,607,312	25,107,962	27,409,190	29,981,211
Public Admin.	8,285,169	8,373,990	8,186,780	8,145,131	7,991,517	7,700,833	7,704,720	9,496,799
Unclassified	226,221	328,227	343,451	411,635	377,867	490,715	492,357	402,448

Table 2.11 UI Regular Benefit Payments (Taxable and Reimbursable) by Industry--Total 1995-2002 (continued)

	1995	1996	1997	1998	1999	2000	2001	2002
PERCENT DISTRIBUTION OF PAYMENTS								
Totals (incl. unclass.)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Ag/Forestry/Fish	0.8	0.8	0.8	0.8	0.7	0.8	0.8	0.8
Mining	5.6	6.2	5.5	4.3	9.5	4.0	4.8	6.4
Oil and Gas	4.7	5.2	4.7	3.2	8.6	3.0	3.8	5.0
Other Mining	1.0	0.9	0.8	1.0	0.9	0.9	0.9	1.3
Construction	18.8	18.7	19.3	19.5	18.3	19.8	17.8	18.1
Manufacturing	14.9	15.3	15.9	15.9	13.9	15.0	14.6	13.7
Food Products	10.2	10.7	10.3	10.6	9.9	11.2	10.7	9.9
Lumber & Wood	2.0	2.5	2.3	3.0	2.5	2.6	2.6	1.8
Paper Products	1.5	0.8	1.7	0.9	0.1	0.0	0.0	0.0
Other Mfg.	1.2	1.4	1.5	1.4	1.4	1.2	1.4	1.3
Trans/Comm/Util	10.5	9.2	8.7	9.0	8.2	8.5	9.3	9.2
Trade	15.6	15.9	15.3	15.7	15.6	15.9	15.6	15.3
Finance/Insur/R.E.	4.6	4.1	3.9	4.3	4.2	4.4	4.6	4.3
Services	21.6	22.2	22.9	22.7	22.6	23.8	25.1	24.9
Public Admin.	7.3	7.3	7.5	7.5	6.8	7.3	7.1	7.9
Unclassified	0.2	0.3	0.3	0.4	0.3	0.5	0.5	0.3
AVERAGE WEEKLY PAYMENTS (\$)								
Totals (incl. unclass.)	163.88	163.56	166.01	165.80	170.05	166.46	170.26	172.50
Ag/Forestry/Fish	152.53	157.40	159.19	159.38	166.16	164.33	167.20	168.32
Mining	200.61	198.36	212.30	209.35	226.45	212.06	213.27	222.94
Oil and Gas	202.40	197.81	214.93	210.60	228.82	213.36	216.08	211.58
Other Mining	192.39	201.49	198.46	205.46	205.99	207.83	207.83	280.76
Construction	190.23	189.52	198.33	202.64	200.44	201.59	202.75	203.91
Manufacturing	149.78	149.97	157.35	151.59	154.78	154.80	160.20	169.55
Food Products	136.27	137.81	140.12	134.13	142.57	144.39	150.15	150.03
Lumber & Wood	189.84	189.56	196.97	204.38	201.13	199.10	199.52	206.43
Paper Products	201.36	199.64	229.73	224.96	200.56	200.96	216.91	148.00
Other Mfg.	180.26	178.86	189.52	194.22	190.54	187.85	222.37	189.37
Trans/Comm/Util	173.09	170.00	167.39	169.63	169.93	170.89	175.02	178.34
Trade	146.81	147.24	145.29	147.57	149.66	146.32	151.39	149.58
Finance/Insur/R.E.	169.95	169.29	166.05	167.50	171.83	170.34	175.74	178.24
Services	155.30	155.09	156.30	155.89	159.01	158.40	162.83	167.20
Public Admin.	166.98	170.64	168.68	171.74	169.46	165.83	167.05	164.46
Unclassified	147.86	144.02	149.98	154.06	140.73	147.01	151.40	149.17
AVERAGE DURATION IN WEEKS								
Totals (incl. unclass.)	14.8	15.5	15.0	15.0	15.2	14.6	14.6	14.7
Ag/Forestry/Fish	14.3	14.7	14.4	13.7	14.6	14.2	14.2	13.9
Mining	14.9	15.0	17.2	13.8	16.1	14.6	13.7	14.5
Oil and Gas	15.3	14.5	17.8	13.5	16.0	14.2	13.5	14.5
Other Mining	13.4	18.2	14.6	15.0	16.4	16.0	16.0	14.3
Construction	14.3	15.0	14.5	14.6	14.7	14.2	13.9	14.1
Manufacturing	14.2	15.2	14.8	15.0	16.0	15.3	15.7	15.9
Food Products	14.5	15.8	15.1	15.0	16.4	15.6	16.1	15.8
Lumber & Wood	11.3	13.3	12.2	15.4	14.5	14.4	14.4	16.3
Paper Products	16.9	14.1	16.9	16.2	8.4	20.8	17.5	28.0
Other Mfg.	14.8	14.1	15.7	14.4	16.1	13.4	13.4	15.4
Trans/Comm/Util	15.2	15.6	15.0	14.9	14.7	13.9	14.3	14.4
Trade	15.1	15.8	15.2	15.0	15.1	14.3	14.5	14.4
Finance/Insur/R.E.	16.3	17.3	15.1	16.5	16.0	15.3	15.8	16.1
Services	15.1	15.5	15.1	15.3	14.9	14.7	14.3	14.6
Public Admin.	15.0	15.5	15.3	14.9	15.4	14.7	15.2	15.2
Unclassified	10.5	11.9	12.5	13.9	11.0	11.2	13.2	13.6

Note: Percentages may not add to 100 due to rounding.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section: UC-217 report, Benefit Payments by Industry and Area

Table 2.12
UI Regular Benefit Payments (Taxable and Reimbursable)
by Industry—Interstate as a Percentage of Total, 1995-2002

	1995	1996	1997	1998	1999	2000	2001	2002
NUMBER OF WEEKS PAID								
Totals (incl. unclass.)	20.6	18.2	17.9	18.4	17.1	16.0	16.2	16.7
Ag/Forestry/Fish	17.8	16.1	19.6	17.1	15.9	19.7	16.0	16.3
Mining	24.0	17.0	17.9	14.3	19.6	15.8	15.0	15.7
Oil and Gas	25.5	16.7	18.1	14.4	19.6	16.6	16.3	16.7
Other Mining	17.0	18.6	16.6	14.1	19.9	13.5	11.4	10.8
Construction	10.9	9.7	8.3	8.5	7.1	6.6	7.1	6.7
Manufacturing	43.2	39.0	39.8	42.3	40.6	40.8	40.5	44.3
Food Products	47.6	43.4	45.0	47.8	46.9	45.9	45.8	50.2
Lumber & Wood	37.6	32.0	34.0	32.0	23.7	25.0	27.9	23.5
Paper Products	32.4	24.6	30.7	29.6	16.0	17.2	25.7	32.1
Other Mfg.	14.4	15.0	8.6	10.7	10.3	12.5	11.9	12.7
Trans/Comm/Util	16.7	14.7	14.8	13.8	13.6	12.6	13.4	14.7
Trade	16.2	14.4	13.8	13.6	13.4	11.5	11.2	11.8
Finance/Insur/R.E.	18.5	17.9	16.4	15.6	13.6	12.5	13.1	12.3
Services	17.8	15.2	14.9	15.2	14.0	12.2	13.1	14.4
Public Admin.	15.9	14.5	13.3	14.0	12.6	11.9	11.6	11.2
Unclassified	7.4	9.0	9.7	12.1	9.1	12.0	15.6	8.9
NUMBER OF FIRST PAYMENTS								
Totals (incl. unclass.)	20.7	18.4	17.6	16.8	15.3	14.2	14.5	14.6
Ag/Forestry/Fish	19.1	18.2	19.5	16.2	16.8	19.2	14.1	17.1
Mining	24.4	17.4	17.2	13.6	17.8	12.8	13.2	13.2
Oil and Gas	26.0	17.4	17.5	13.6	17.7	13.4	14.2	14.2
Other Mining	18.1	17.6	15.9	13.4	18.2	10.7	9.1	8.4
Construction	10.9	9.6	8.7	7.0	5.9	5.7	5.6	5.6
Manufacturing	45.5	43.0	41.4	42.9	40.9	40.6	40.2	43.8
Food Products	50.4	49.4	47.5	49.6	48.2	46.8	47.0	50.6
Lumber & Wood	40.1	35.5	36.9	30.3	22.0	23.5	23.9	18.5
Paper Products	29.6	18.3	21.1	20.5	11.3	8.3	50.0	0.0
Other Mfg.	15.5	11.7	8.1	8.5	9.9	10.0	9.7	10.4
Trans/Comm/Util	15.9	14.0	13.7	11.9	11.6	10.9	11.4	12.3
Trade	15.5	13.6	12.9	11.2	11.2	9.3	10.0	9.8
Finance/Insur/R.E.	18.1	17.6	16.6	13.6	11.6	11.5	11.6	10.3
Services	17.1	14.2	13.9	13.0	11.8	10.4	11.7	12.4
Public Admin.	14.5	12.9	11.6	12.0	10.5	9.7	9.9	8.9
Unclassified	7.5	7.8	8.7	9.9	7.8	8.0	9.8	6.0
AMOUNT OF PAYMENTS (\$)								
Totals (incl. unclass.)	21.5	19.2	18.8	19.1	18.3	17.0	17.4	17.9
Ag/Forestry/Fish	19.5	17.8	21.7	19.2	20.2	23.6	20.4	19.5
Mining	25.1	17.8	18.7	15.7	20.8	16.8	16.3	16.6
Oil and Gas	26.7	17.8	18.8	15.8	20.7	17.5	17.4	18.7
Other Mining	17.5	17.8	17.8	15.2	21.2	14.6	11.7	8.7
Construction	11.5	10.0	8.6	9.3	7.8	7.1	7.7	7.2
Manufacturing	44.9	41.3	41.4	42.0	41.9	42.0	42.2	43.6
Food Products	51.3	47.7	49.2	49.4	50.4	48.9	48.8	54.6
Lumber & Wood	38.5	33.2	35.1	34.3	26.2	26.5	30.7	24.3
Paper Products	33.0	26.2	30.5	29.7	14.4	21.2	29.4	53.9
Other Mfg.	15.5	15.5	9.6	11.3	11.1	13.1	12.5	13.9
Trans/Comm/Util	18.0	16.3	16.6	15.8	15.7	14.2	15.1	16.2
Trade	17.7	15.8	15.0	15.4	15.4	12.8	12.6	13.4
Finance/Insur/R.E.	19.8	19.6	18.1	17.9	15.6	14.9	15.5	14.5
Services	19.5	16.8	16.5	17.3	15.9	14.3	15.1	16.3
Public Admin.	17.9	16.3	14.9	16.0	14.9	14.4	14.0	13.8
Unclassified	7.6	9.8	10.4	15.0	11.9	14.6	15.1	10.5

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Table 2.13
Amount of UI Benefit Payments by Census Area, 2002

Census Areas	State UI 1/ Regular (\$)	State UI 1/ EB (\$)	UCFE Regular (\$)	UCFE EB (\$)	UCX Regular (\$)	UCX EB (\$)	* TEUC (\$)	SSB (\$)	All Programs Total (\$)
Aleutians East Borough	275,963	15,285	0	0	0	0	34,033	440	325,721
Aleutians West CA	755,206	29,329	446	0	0	0	63,963	642	849,586
Anchorage Municipality	31,458,758	2,438,775	523,149	32,866	365,214	17,347	5,184,196	21,812	40,042,117
Bethel CA	2,618,166	322,287	16,455	819	8,191	1,046	520,898	20,874	3,508,736
Bristol Bay Borough	257,472	23,759	3,011	0	892	0	55,389	450	340,973
Denali Borough	510,485	62,173	74,627	10,770	0	0	46,670	384	705,109
Dillingham CA	678,418	79,200	3,514	0	0	0	156,414	6,588	924,134
Fairbanks North Star Bor	10,723,779	775,087	363,352	16,915	202,635	3,631	1,627,189	6,852	13,719,440
Haines Borough	620,942	81,463	6,665	816	710	0	118,639	1,012	830,247
Juneau Borough	3,452,025	282,129	36,035	7,316	13,207	2,899	567,338	5,102	4,366,051
Kenai Peninsula Bor	10,395,185	1,081,267	106,319	13,504	31,646	0	1,768,320	21,125	13,417,366
Ketchikan Gateway Bor	2,990,538	282,623	11,542	196	17,568	0	434,193	2,131	3,738,791
Kodiak Island Borough	3,335,813	185,797	8,386	0	5,261	2,249	247,798	1,334	3,786,638
Lake & Peninsula Bor	266,033	33,821	5,608	142	0	0	48,690	315	354,609
Matanuska-Susitna Bor	11,664,013	1,041,582	145,365	20,097	69,179	8,318	1,889,419	12,961	14,850,934
Nome CA	1,374,833	187,270	3,848	0	0	0	319,720	4,019	1,889,690
North Slope Borough	1,335,510	133,810	6,350	0	0	0	343,948	2,348	1,821,966
Northwest Arctic Bor	1,575,602	217,278	2,230	0	992	0	470,822	4,804	2,271,728
Prince of Wales-Outer Ketch	1,679,833	167,266	4,481	345	0	0	304,190	5,208	2,161,323
Sitka Borough	996,829	64,996	13,161	0	4,002	0	114,919	164	1,194,071
Skagway-Hoonah-Angoon	967,006	99,835	25,329	2,701	223	0	113,646	3,110	1,211,850
Southeast Fairbanks CA	1,280,889	154,802	87,549	36,649	15,410	0	252,205	2,164	1,829,668
Valdez - Cordova CA	2,339,427	238,559	53,900	12,653	0	0	343,857	2,684	2,991,080
Wade Hampton CA	1,759,966	206,427	5,976	0	17,568	1,547	386,429	16,494	2,394,407
Wrangell - Petersburg CA	1,433,454	139,795	13,803	992	5,575	0	183,046	2,499	1,779,164
Yakutat Borough	189,386	23,871	1,857	223	0	0	30,681	0	246,018
Yukon - Koyukuk CA	1,478,400	180,740	15,988	655	1,326	0	276,466	2,036	1,955,611
Area Unknown	2,441,959	260,079	32,549	2,631	29,490	1,862	452,252	9,473	3,230,295
In-State Totals	98,855,890	8,809,305	1,571,495	160,290	789,089	38,899	16,355,330	157,025	126,737,323
Interstate Totals	21,496,500	1,132,110	818,148	34,696	110,945	5,636	4,871,203	4,879	28,474,117
Totals All Areas	120,352,390	9,941,415	2,389,643	194,986	900,034	44,535	21,226,533	161,904	155,211,440

Ten-Year Historical Data Series for Census Area Totals (\$)

Year	State UI 1/ Regular	State UI 1/ EB	UCFE Regular	UCFE EB	UCX Regular	UCX EB	* EUC/TEUC	SSB	All Programs Total
1992	121,771,578	3,801	3,897,584	0	2,476,242	0	47,069,125	613,796	175,832,126
1993	105,041,423	579	3,827,029	0	1,767,553	0	68,737,851	813,931	180,188,366
1994	117,904,643	14,895,807	4,536,264	449,480	1,280,696	144,639	10,494,385	304,145	150,010,059
1995	113,609,324	7,248,703	4,343,639	202,109	1,199,348	57,836	46,043	136,008	126,843,010
1996	114,031,840	6,906,444	3,342,795	186,912	883,029	49,526	15,994	137,013	125,553,553
1997	108,885,202	5,438,470	2,911,603	115,401	998,659	34,166	0	90,726	118,474,227
1998	109,037,747	5,478,978	3,243,112	115,178	962,573	39,421	0	119,680	118,996,689
1999	117,903,392	6,842,307	2,992,843	172,629	1,129,943	56,767	0	136,217	129,234,098
2000	105,694,293	4,721,726	2,681,902	87,153	986,447	44,851	0	115,354	114,331,726
2001	109,267,895	4,507,552	2,516,390	108,500	967,571	40,899	0	106,195	117,515,002
2002	120,352,390	9,941,415	2,389,643	194,986	900,034	44,535	21,226,533	161,904	155,211,440

1/ UI and UI-Combined (includes federal portion of UI-Combined).

* The EUC program expired on April 30, 1994. The TEUC program began March, 2002.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Table 2.14
UI Regular Benefit Payments to Interstate Claimants by State 2001-2002

State	(\$) Regular Benefits Paid	Percent Distribution	(\$) Regular Benefits Paid	Percent Distribution
Alabama	150,485	0.8	161,066	0.7
Arizona	728,776	3.8	860,522	4.0
Arkansas	115,673	0.6	150,064	0.7
California	4,303,991	22.7	4,654,505	21.7
Colorado	302,274	1.6	345,587	1.6
Connecticut	27,185	0.1	23,804	0.1
Delaware	7,306	0.0	16,430	0.1
Dist. of Columbia	7,663	0.0	4,897	0.0
Florida	616,652	3.2	688,828	3.2
Georgia	212,306	1.1	246,168	1.1
Guam	0	0.0	0	0.0
Hawaii	404,027	2.1	556,507	2.6
Idaho	638,430	3.4	742,073	3.5
Illinois	119,588	0.6	147,948	0.7
Indiana	81,945	0.4	72,282	0.3
Iowa	61,176	0.3	47,653	0.2
Kansas	61,316	0.3	75,946	0.4
Kentucky	92,170	0.5	66,598	0.3
Louisiana	176,137	0.9	194,231	0.9
Maine	74,387	0.4	77,299	0.4
Maryland	51,075	0.3	92,312	0.4
Massachusetts	63,635	0.3	33,705	0.2
Michigan	206,334	1.1	200,970	0.9
Minnesota	217,694	1.1	243,188	1.1
Mississippi	129,842	0.7	127,893	0.6
Missouri	197,753	1.0	229,275	1.1
Montana	500,473	2.6	620,000	2.9
Nebraska	30,691	0.2	81,823	0.4
Nevada	465,126	2.5	514,372	2.4
New Hampshire	41,811	0.2	50,060	0.2
New Jersey	45,075	0.2	63,368	0.3
New Mexico	213,728	1.1	237,668	1.1
New York	169,135	0.9	175,006	0.8
North Carolina	259,736	1.4	234,144	1.1
North Dakota	64,585	0.3	119,144	0.6
Ohio	146,629	0.8	176,844	0.8
Oklahoma	149,521	0.8	297,777	1.4
Oregon	1,782,775	9.4	2,014,063	9.4
Pennsylvania	151,861	0.8	162,824	0.8
Puerto Rico	31,299	0.2	24,742	0.1
Rhode Island	17,722	0.1	17,393	0.1
South Carolina	62,325	0.3	126,617	0.6
South Dakota	56,949	0.3	54,050	0.3
Tennessee	187,441	1.0	183,507	0.9
Texas	903,931	4.8	1,052,626	4.9
Utah	162,336	0.9	170,845	0.8
Vermont	38,632	0.2	46,221	0.2
Virginia	141,257	0.7	144,859	0.7
Virgin Islands	3,543	0.0	5,268	0.0
Washington	4,007,362	21.1	4,449,595	20.7
West Virginia	14,916	0.1	50,982	0.2
Wisconsin	119,346	0.6	172,399	0.8
Wyoming	128,501	0.7	123,497	0.6
Canada	24,043	0.1	58,183	0.3
US Other	13,808	0.0	8,872	0.0
Total	18,982,377	100.0	21,496,500	100.0

Note: These are payments from Alaska to recipients in other states.
Percentages may not sum to 100 due to rounding.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

**Table 2.15
Payment of Dependent Benefits, 1993-2002**

Year	Number of First Pays with Dependents	All First Pays	Percent First Pays with Dependents	Weeks Compensated with Dependents	All Weeks Compensated	Percent Weeks Compensated with Dependents	(\$) Amount of Dependent Benefits	Average (\$) Payment of Dependent Benefits	
								Claimants with Dependents	All Claimants
1993	14,847	40,689	36.5	257,242	642,198	40.1	11,541,100	44.86	17.97
1994	18,586	46,801	39.7	288,853	712,689	40.5	14,004,072	48.48	19.65
1995	19,655	46,832	42.0	288,692	678,057	42.6	13,639,536	47.25	20.12
1996	19,259	45,116	42.7	294,374	684,730	43.0	13,197,336	44.83	19.27
1997	18,511	43,617	42.4	275,395	641,264	42.9	12,363,624	44.89	19.28
1998	19,226	43,750	43.9	278,024	632,329	44.0	12,486,840	44.91	19.75
1999	20,315	45,635	44.5	305,563	679,381	45.0	13,733,040	44.94	20.21
2000	19,228	43,557	44.1	278,312	619,357	44.9	12,545,376	45.08	20.26
2001	19,099	44,017	43.4	277,275	626,241	44.3	12,523,440	45.17	19.99
2002	20,491	48,722	42.1	298,151	696,807	42.8	13,446,864	45.10	19.30

Notes: Dependent allowance is \$24.00 per dependent (maximum \$72.00).
State UI (Regular) program only.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section:
BEP 3565 P Quarterly Management Report.

Table 2.16
Average Weekly Percentage of Unemployed Receiving UI Benefits, 2002

State	Average Weekly Unemployed	Average Weeks Compensated	Compensated as % of Unemployed	Rank
Alabama	121,800	36,652	30.1	40
Alaska	22,625	13,400	59.2	3
Arizona	149,575	41,397	27.7	43
Arkansas	66,375	28,846	43.5	16
California	1,141,250	484,013	42.4	20
Colorado	129,625	33,341	25.7	48
Connecticut	68,725	51,247	74.6	1
Delaware	16,750	9,373	56.0	5
District of Columbia	17,925	9,210	51.4	10
Florida	420,325	105,383	25.1	49
Georgia	202,400	64,632	31.9	35
Hawaii	25,425	10,928	43.0	17
Idaho	37,650	15,896	42.2	21
Illinois	400,625	170,495	42.6	19
Indiana	158,400	54,006	34.1	32
Iowa	60,950	28,811	47.3	12
Kansas	66,975	25,356	37.9	25
Kentucky	106,100	39,191	36.9	27
Louisiana	121,250	29,647	24.5	50
Maine	28,450	10,973	38.6	24
Maryland	131,825	40,491	30.7	39
Massachusetts	166,625	109,836	65.9	2
Michigan	316,075	134,535	42.6	18
Minnesota	120,525	55,536	46.1	15
Mississippi	86,750	22,915	26.4	46
Missouri	151,850	55,718	36.7	28
Montana	20,775	7,690	37.0	26
Nebraska	33,825	11,611	34.3	31
Nevada	57,725	27,178	47.1	13
New Hampshire	31,475	8,106	25.8	47
New Jersey	236,975	127,068	53.6	7
New Mexico	51,275	12,532	24.4	51
New York	547,875	225,697	41.2	22
North Carolina	264,525	94,476	35.7	29
North Dakota	11,675	3,745	32.1	34
Ohio	327,850	108,813	33.2	33
Oklahoma	74,225	21,159	28.5	42
Oregon	134,150	62,923	46.9	14
Pennsylvania	341,175	186,176	54.6	6
Puerto Rico	166,175	45,376	27.3	44
Rhode Island	24,925	13,334	53.5	8
South Carolina	114,000	40,306	35.4	30
South Dakota	12,300	2,752	22.4	52
Tennessee	145,825	58,796	40.3	23
Texas	654,250	175,813	26.9	45
Utah	63,150	18,142	28.7	41
Vermont	13,325	7,712	57.9	4
Virginia	152,375	47,964	31.5	37
Washington	217,325	105,546	48.6	11
West Virginia	48,200	15,258	31.7	36
Wisconsin	160,375	84,581	52.7	9
Wyoming	11,025	3,429	31.1	38
United States	8,147,750	3,199,193	39.3	

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section: UI Data Summary, Quarters 1-4, 1999, produced by the U.S. Department of Labor

Chapter 3

Alaska's UI Benefit Financing System

Unemployment insurance is a self-financing system

Unemployment compensation is an insurance program, not a social welfare program. As such, it should be self-supporting. This means that, in the long run, employer and employee contributions and reimbursements must be roughly equal to benefits paid out to claimants. Each state has its own financing system to achieve that goal by varying employer taxes and in some cases employee taxes. Alaska is one of only two states that tax employees each year in order to pay for part of benefit costs.

Alaska's system prior to 1980 was based solely upon the "reserve multiple" (a system still used in many states), which varies tax rates according to a schedule based on the ratio of UI trust fund reserves to payroll. In 1980, state law transformed the unemployment insurance tax structure into a highly reliable, self-adjusting financial system based less on trust fund reserves and more on UI benefit costs. The tax base assessment automatically adjusts to changes in average earnings, and the tax rate automatically adjusts to changes in benefit costs, payroll, and the trust fund reserve ratio.

Benefit costs and benefit cost rate drive the UI system

The primary purpose of any financing system is to cover benefit costs. The cost of benefits is expressed as the ratio of the amount of benefits paid in the current year to the total payroll during the previous year. This ratio is called the benefit cost rate (BCR). The BCR is a measure of the potential funding needed

to pay unemployment benefits and the financial impact of unemployment benefits on the economy of the state.

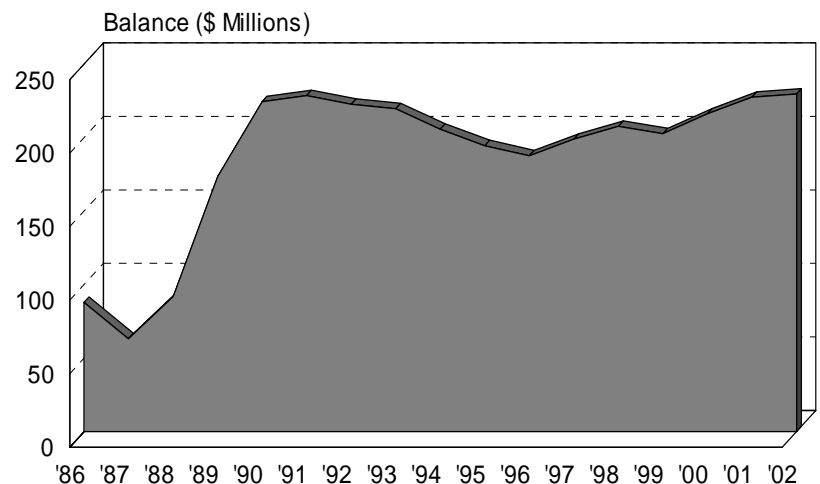
The BCR for taxable employment was 1.6% in 2002, compared to the 1.9% past 10-year average. (See Table 3.1.) In general, the benefit cost rate in Alaska is higher than in other states. This is attributable to both the seasonality of employment and the fact that a larger proportion of the unemployed in Alaska receive UI benefits than in any other state.

Benefit cost rates in reimbursable employment tend to be less than one-third the rate in taxable employment. The benefit cost rate in reimbursable employment was 0.5% in 2002, and averaged about 0.5% over the ten year period from 1993 to 2002. These low benefit cost rates result from the generally stable and non-seasonal employment practices of our major reimbursable employers: state and local government.

The UI Trust Fund is a savings account for paying benefits

Each state has a trust fund for the sole purpose of paying unemployment insurance benefits. Withdrawals are made from reserves as needed to make payments to claimants. Taxes, reimbursements, interest, and other sources of contributions are deposited into the fund to build reserves.

Figure 3.1 UI Trust Fund End-of-Year Balance 1986-2002



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

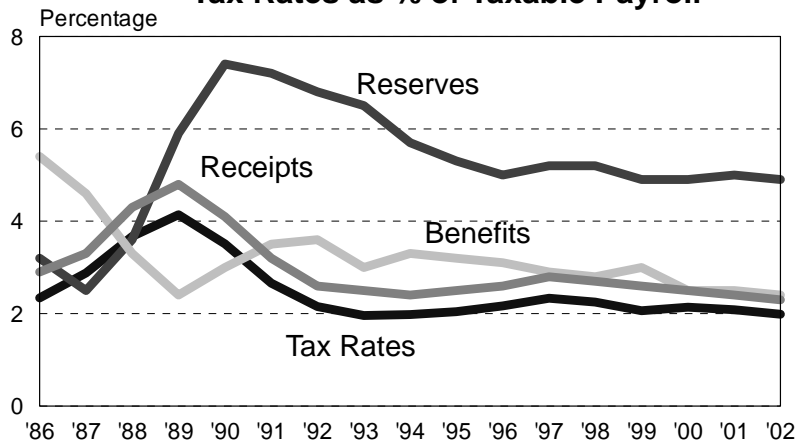
Maintaining the solvency of the trust fund is one of the most important tasks of any UI system. Occasionally, a recession may be severe enough that money drawn from the fund to pay benefits exceeds revenues and fund reserves. If a state's fund becomes insolvent, the state may borrow from the federal government.

Between 1955 and 1960, Alaska borrowed \$9 million from the federal government to keep its trust fund solvent. Annual benefit payments from 1952 through 1959 exceeded collections, breaking the fund temporarily in 1955 and then again in 1957. To replenish the fund, the amount of wages subject to taxes was increased, and taxes were levied on employees beginning in 1955. Although many states borrowed to pay benefits in the early 1980's, Alaska has not borrowed to pay UI benefits since 1960.

The level of employment and payroll in the economy has a direct effect on the amount of benefits that will potentially need to be paid. Therefore, the ability of trust fund reserves to pay benefits during recessions cannot be measured simply by the level of reserves. A better measure is the reserve rate, which is the ratio of reserves to total wages subject to contributions. A trust fund reserve rate of approximately 3.2% of wages subject to contributions is generally considered adequate in Alaska.

The recession of 1986-87 had a serious impact on Alaska's UI trust fund, but reserves were adequate to maintain solvency. At the end of 1985, Alaska's trust fund reserves were \$145.4 million, and the reserve rate was 3.3%. By 1987, trust fund reserves had fallen to \$63.0 million with a reserve rate of 1.7%. The fund reserve balance bottomed out in April 1988 at \$45.9 million. By the end of 1990, however, fund reserves had rebuilt to \$224.3 million, with a reserve rate of 4.8%. (See Tables 3.3 and 3.10.) At the end of 2002, the reserve rate was 3.1%. (See Table 3.10.)

Figure 3.2 Reserves, Receipts, Benefits and Tax Rates as % of Taxable Payroll



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

State taxes are the principal income source for UI Trust Fund

State UI tax revenues collected from employers and employees are the principal source of income to the unemployment insurance trust fund. In 2002, tax contributions to the UI trust fund were \$107.1 million, 56.2% of total revenues. (See Table 3.3.) This continues the general trend of increasing tax contributions.

Alaska employers have been experiencing lower than average tax rates since 1991. For employers, the 2003 tax rate was the lowest in over 15 years (1.85% of the taxable wage base in 2003)^{1/}.

State taxes are assessed on wages up to a set taxable wage base. The tax base is defined in AS 23.20.175(c) as 75 percent of the average annual earnings in covered employment for the immediately preceding year ending June 30. The state taxable wage base was \$26,000 in 2002, and 26,700 for tax year 2003. For tax year 2004 it will be \$27,100 in order to keep pace with the growing wages in the Alaska economy.

Tax rates calculated on Benefit Cost Rate and Trust Fund Reserve Rate

There are three essential components of employer and employee taxes in Alaska, the average benefit cost rate (ABCR), individual employer experience factors, and the trust fund solvency adjustment (TFSA). Tax rates are calculated in November and apply to the following calendar year. The formulas for calculating tax rates are as follows:

Employer tax rate = (.8 times the average benefit cost rate times the experience factor) plus the trust fund solvency adjustment

Employee tax rate = .2 times the average benefit cost rate

For tax rate calculation purposes, the

average benefit cost rate (ABCR) is defined as the cost of benefits over the most recent three year period ending June 30 divided by the total payroll of contributing employers over the first three of the last four years ending June 30. (See Table 3.6.)

The ABCR measures benefit outlays which must be replaced by contributions. Basing the calculations on three-year periods makes the system “counter-cyclical.” This means that contribution rates increase slowly or even decrease during recessions as the trust fund is drawn down, then increase more rapidly during periods of economic stability or growth to replenish the fund. When the ABCR is low, or when the trust fund reserves are high relative to payroll, contribution rates decline.

Prior to January 1, 1997, employers paid 82 percent of the ABCR, with employees paying the additional 18 percent. Beginning in 1997, these rates shifted to 80 percent and 20 percent. Employee rates are the same for each employee. Employer rates vary according to the employer’s individual experience with employee turnover and include a surtax to guarantee the solvency of the trust fund.

Experience rating sets individual employer taxes according to their experience with unemployment

If an individual employer has a tendency to lay off employees at a higher rate than other employers, or on a regular seasonal basis, they will likely contribute more to unemployment and the payment of UI benefits. Experience rating systems have been established in each state in recognition that such employers should contribute more to the trust fund to cover the benefit costs of their former employees.

Three types of tax rates are assigned to employers. A-rated firms are those which have at least four quarters of wage history prior to June 30 of the year immediately preceding the tax year. A-rated firms qualify for experience rating. B-rated firms are those which have fewer than four quarters of wage history; they pay the standard industry tax rate. C-rated firms are those which fail to report on a timely basis or are delinquent in their payments; they are taxed at the maximum rate, which can be no less than 5.4%. In 2002, 88.2% of all contributing firms were A-rated; 10.7% were B-rated; and

1.1% were C-rated. (See Table 3.5.)

Alaska is the only state that uses the payroll decline quotient method of experience rating. The logic behind Alaska’s payroll decline system is that employers with a high payroll decline are likely responsible for more compensable unemployment than are employers with a low payroll decline. Therefore, following this logic, they should contribute more to cover the higher benefit costs of their former employees.

Under the payroll decline system, each employer’s percentage decline in payroll from one quarter to the next is averaged for the prior four to 12 quarters. The resulting decline quotients of all employers are then arrayed in ascending order and divided into 21 rate classes. Employers are assigned to the rate classes so that 5% of the total statewide payroll is accounted for in each class, except for the 20th and 21st rate classes, which account for 4.99% and 0.01% respectively. (The 21st rate class was added in 1984 in response to federal legislation requiring a standard tax rate of 5.4% from which the state could reduce tax rates in accordance with experience.) Experience factors are assigned to each rate class – the higher the rate class the greater the experience factor. Experience factors range from 0.4 to 1.65, according to a schedule in AS 23.20.290(c). (See Table 3.6.)

Other methods of experience rating used in other states are the reserve ratio system (30 states, and Washington DC, Puerto Rico, and the Virgin Islands), the benefit ratio system (17 states), and the benefit-wage ratio system (two states). All of these systems use actual benefit payments, or approximations of benefit payments, as the basis for experience rating – they are called chargeback systems. In contrast, the payroll decline quotient system considers only changes in payroll as an approximation of benefit charges, without considering actual benefit payments.

Alaska’s payroll decline quotient system has worked well. The system withstood the tremendous shock of the 1986-87 recession, and fully recovered by the end of 1989. The ratio of benefits paid to contributions paid averages around 1.0 for most industries in Alaska, so although there may be individual employers with problems, industry-wide the system functions well.

There is little doubt that chargeback systems are more complex and expensive to administer than a payroll decline quotient system. This is due to the constant policy decisions about individual employer responsibility for charges, the types of benefits to exempt from charging, and the increased staffing needed for the higher level of

employer contact prevalent in the administration of chargeback systems.

In the end, the simple fact is employer (and employee) taxes must cover benefit payments. This is true of any state's system. If benefit costs are higher in Alaska than in other states, taxes will be higher. If a state wants to reduce employer taxes, then benefits must be reduced.

The Trust Fund solvency adjustment is a uniform tax surcharge

In order to be able to pay benefits during recessions, the trust fund reserve balance must be maintained at a high enough level. Benefit cost rates are not always sufficient for this purpose. Therefore, a surcharge is added to employers' tax rates if the trust fund reserve rate falls below 3.0%. A credit is provided to reduce employers' tax rates if the reserve rate equals or exceeds 3.3%. The trust fund solvency adjustment (TFSA) is applied uniformly to all employers at a rate of -0.4% to 1.1% depending on the trust fund reserve rate, according to a schedule in AS 23.20.290(f). The TFSA may only be increased or decreased by 0.3%, or less, from one year to the next. The TFSA was 0.0% for each year since 1997, except 1999 when there was a credit of -0.1%. In 2002, there was no adjustment.

Administration of the UI program is funded through federal taxes

Besides state unemployment taxes, employers also pay taxes to the federal government to cover administrative costs. In 1985, these FUTA (Federal Unemployment Tax Act) taxes were raised to 6.2% of payroll up to a base of \$7,000. However, as long as state law conforms to federal law, employers receive a credit of 5.4% against their FUTA taxes, making the effective tax rate 0.8%. This is \$56 for each employee earning \$7,000 or more annually. In federal

fiscal year 2002, the federal government estimated employers in Alaska contributed \$14.4 million in FUTA tax revenues. (See Table 3.7.)

The FUTA credit is a powerful incentive to keep state programs within federal limits. Conformity to federal law is frequently the reason for adopting new state provisions. Alaska's Employment Security Act currently conforms to federal law. There have been no recent changes in federal law that would require state conformity legislation.

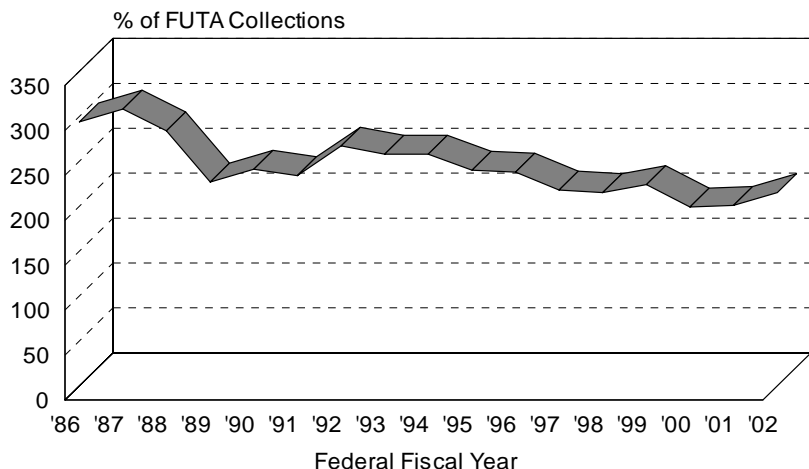
The federal government pays for administration of the state's unemployment program through administrative grants. A portion of FUTA collections, which are kept in a federal account and not in the state trust fund, funds the grants. In federal fiscal year 2002, Alaska received \$30.9 million in administrative grants (\$22.7 million for unemployment insurance administrative costs and \$8.2 million for employment services). In federal fiscal year 2002, Alaska's total administrative grants amounted to 214.6% of state FUTA contributions, a good bargain for workers and employers in the state. (See Figure 3.3)

Employer tax contributions are supplemented by direct reimbursements

Chapter 2 described the three programs through which unemployment benefits were disbursed in 2001 and 2002. Regular benefits, extended benefits, and supplemental state benefits are disbursed through the state trust fund. These programs differ in the way they are financed. As mentioned earlier, the major source of revenues deposited into the fund is employer taxes. But revenues also come from a variety of other sources.

The federal government reimburses the trust fund for 100 percent of regular and extended benefits paid to former federal

Figure 3.3 Administrative Grants as Percent of FUTA Collections



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

employees (UCFE) and former military employees (UCX), as well as a portion (about 50 percent) of all non-federal extended benefit (EB) payments. In 2001 and 2002, the federal government reimbursed over \$15.8 million (not including interest) to Alaska's trust fund. The federal share of EB funds amounted to about \$5.9 million. (See Table 3.3.)

Nonprofit organizations and state and local government agencies which choose to reimburse the trust fund directly (instead of paying tax contributions) reimburse 100 percent of the regular UI benefits and EB paid to their former employees. Through 1988, nonprofit agencies reimbursed only half of EB. In 1989, however, the legislature changed the law. (See Appendix B.) In 2002, reimbursable employers reimbursed \$9.7 million to the UI trust fund.

Some parts of the UI system subsidize other parts

UI claimants occasionally receive more in benefits than their employer contributed in taxes. The benefits paid to the claimant are subsidized by other employers. The flow of funds is never perfect in any UI system, and every type of experience rating system has problems with subsidies. Some categories of employers tend to be subsidized more than others.

One form of subsidy occurs across years. One way to measure the equity of the system is to measure the ratio of benefits paid in one year to the contribution paid in the prior year. Table 3.9 is such a calculation, broken out by major industry grouping. In the years surrounding the recession (1985-87) the benefit/contribution ratio exceeded 1.0, meaning that benefits paid out in those years were more than tax revenues in the immediately preceding years. During this time, the difference was being made up with trust fund reserves. Employers in prior years were subsidizing employers during the recession years. Starting in 1988, and continuing through 1991, the ratio declined to less than 1.0;

employers were now subsidizing employers in future recessions. In 1992 the ratio increased to 1.1, a reflection of the fact that the trust fund was attempting to reduce its level of reserves. This trend held through 1997. In 2002, the ratio of benefits to prior year contributions was 1.0.

One of the most important subsidy categories is cross-industry. Although cross-industry subsidies occur under all economic conditions, the expression of the subsidies is better seen during the years Alaska is experiencing more stable economic conditions. Under good economic conditions, some industries have historically had ratios higher than 1.0. These industries with higher ratios also tend to have higher benefit cost rates than other industries. (See Tables 3.2 and 3.9.)

Typically some of the most subsidized industries with taxable employment are: lumber and wood, food products, and construction. On the other hand, the industries which normally pay more than their fair share in contributions are transportation, communications and public utilities, other manufacturing, oil and gas, trade, and services.

The industries that are historically the most subsidized in Alaska also have some of the most seasonal employment patterns. The subsidies are partly a reflection of the highly seasonal nature of Alaska's economy. Even after being subsidized, firms in these industries historically pay the highest tax rates in Alaska. (See Table 3.5.) The payroll decline system attempts to recover benefit costs by taxing high-cost employers at higher rates.

Table 3.1
Benefit Cost Rate, 1993-2002

Year	Taxable Employment			Reimbursable Employment		
	Benefits Paid (\$1,000)	Total Payroll (\$1,000)	Benefit Cost Rate (%)	Benefits Paid (\$1,000)	Total Payroll (\$1,000)	Benefit Cost Rate (%)
1993	102,784	5,077,533	2.0	10,632	1,901,857	0.6
1994	119,651	5,273,634	2.3	12,246	1,949,119	0.6
1995	117,353	5,527,255	2.1	10,760	2,002,542	0.5
1996	116,301	5,643,856	2.1	10,747	2,011,599	0.5
1997	113,212	5,721,715	2.0	10,249	1,937,890	0.5
1998	112,764	5,943,917	1.9	10,347	1,960,524	0.5
1999	124,144	6,279,782	2.0	10,207	1,981,410	0.5
2000	111,096	6,389,605	1.7	9,273	1,999,588	0.5
2001	114,259	6,793,721	1.7	9,046	2,068,377	0.4
2002	114,736	7,230,311	1.6	9,862	2,154,236	0.5

Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section: Unemployment Insurance Financial Transaction Summary, ETA 2-112 report to the U.S. Department of Labor; Employment, Wages, and Contributions/ES-202 report to the U.S. Department of Labor

Table 3.2
Benefit Cost Rates by Industry, 2002

	Benefits Paid 2002	Total Payroll 2001 (Lagged 1 Yr)	Benefit Cost Rate
<u>Taxable Employers</u>			
Total	110,342,189	7,230,311,615	1.5
Ag/Forestry/Fish	976,781	42,190,615	2.3
Mining	7,660,321	1,008,048,142	0.8
Oil and Gas	6,481,617	909,781,245	0.7
Other Mining	1,178,704	98,266,897	1.2
Construction	21,725,635	745,988,934	2.9
Manufacturing	15,533,397	445,104,306	3.5
Food Products	11,860,221	237,320,343	5.0
Lumber & Wood	2,154,109	45,123,041	4.8
Paper Products	4,144	299,237	1.4
Other Mfg.	1,514,923	162,361,685	0.9
Trans/Comm/Util	10,770,835	1,264,556,353	0.9
Trade	18,398,095	1,315,527,150	1.4
Finance/Insur/R.E.	5,158,749	451,216,811	1.1
Services	24,956,953	1,787,515,531	1.4
Public Admin.	4,758,975	165,508,005	2.9
Unclassified	402,448	4,655,768	8.6
<u>Reimbursable Employers</u>			
Total	10,010,201	2,067,784,576	0.5
Trans/Comm/Util	248,119	33,996,525	0.7
Services	5,024,258	1,158,769,118	0.4
Public Admin.	4,737,824	865,709,976	0.5
Other	0	9,308,957	0.0

Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section: UC-217 report, Benefit Payments by Industry and Area; Employment, Wages, and Contributions/ES-202 report to the U.S. Department of Labor.

Table 3.3
Trust Fund Deposits and Disbursements,
1993-2002

DEPOSITS (\$)

Year	U.I. Tax Contributions (exc. Reimb.)	Federal Share Extended Benefits	Amounts Rec'd From Reimb. Employers	Interstate Benefits Wage Combining	Federal Emerg. Comp. /1	Penalty& Interest 2/	Other 3/	Trust Fund Interest Earned	Total Revenue Deposited 4/
1993	83,513,846	0	9,940,970	1,572,065	68,582,000	3,809,622	7,570,305	16,554,512	191,543,321
1994	86,627,444	6,359,000	13,074,629	1,662,708	10,213,200	4,021,879	7,761,625	14,529,694	144,250,178
1995	91,354,148	3,223,200	11,537,794	1,571,217	0	4,074,458	7,151,800	13,798,221	132,710,838
1996	95,809,515	3,076,000	10,847,305	1,521,687	0	4,125,073	5,727,000	13,153,679	134,260,259
1997	108,001,845	2,384,800	10,440,082	1,202,063	0	4,298,297	5,376,077	16,119,266	147,822,431
1998	109,544,374	2,392,600	10,491,200	1,401,321	0	4,555,936	5,689,820	13,410,177	147,485,428
1999	105,253,612	3,131,500	10,317,683	2,732,710	0	4,760,095	5,982,654	13,297,687	145,475,942
2000	110,928,171	2,016,000	9,754,979	2,425,500	0	6,765,671	5,209,934	13,465,280	150,565,535
2001	109,083,728	1,960,100	9,190,683	2,015,866	0	9,574,918	5,013,393	14,054,171	150,892,859
2002	107,100,241	3,985,800	9,654,868	17,715,300	23,256,300	9,722,188	4,825,500	14,439,725	190,699,922

DISBURSEMENTS (\$)

Year	Regular Benefits + SSB	Extended Benefit Payments	Reimburs- able Benefit Payments	Interstate Benefits Wage Combining	Federal Emerg. Comp. 1/	Training And Building Fund	Other 3/	Total Benefits Disbursed 4/	Reserve Fund Balance 5/
1993	95,057,075	329,604	10,632,482	8,938,721	68,895,999	3,816,169	6,928,597	194,598,645	219,579,116
1994	108,852,719	11,911,904	12,246,477	7,149,765	7,838,127	4,031,097	6,161,042	158,191,131	205,638,163
1995	103,314,489	6,426,203	10,760,456	12,380,540	(155,124)	4,075,596	7,129,544	143,931,704	194,417,297
1996	104,442,247	6,097,233	10,746,992	10,325,627	(188,894)	4,091,045	5,647,092	141,161,342	187,516,215
1997	102,836,147	4,718,468	10,248,935	9,223,653	(230,513)	4,311,808	5,392,125	136,500,623	198,838,022
1998	103,394,074	4,854,224	10,347,429	8,336,648	(54,352)	4,556,761	7,386,723	138,821,506	207,501,944
1999	115,358,617	6,102,710	10,207,166	8,466,554	(214,357)	4,675,030	5,915,499	150,511,220	202,466,665
2000	103,636,278	4,146,009	9,272,649	7,805,675	(263,836)	7,179,296	5,179,377	136,955,449	216,076,750
2001	104,948,376	3,872,511	9,045,948	9,381,601	(190,514)	7,189,124	5,295,069	139,542,115	227,427,495
2002	115,649,332	8,671,278	9,862,070	12,479,230	23,080,741	12,174,169	6,632,040	188,548,860	229,578,558

1/ EUC - Emergency Unemployment Compensation: November 1991 - April 1994.

2/ Net collections of penalties, interest, and fines.

3/ PSE, DUA, TRA, transfer to Training and Building fund, prior year refunds, child support withholding transfers, federal UCFE and UCX benefits and receipts, federal share of regular benefits.

4/ Deposits from all sources including federal and all disbursements made to claimants.

5/ Amount available for benefits in trust fund on December 31.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section:
Unemployment Insurance Financial Transaction Summary, ETA 2-112 report to the U.S. Department of Labor

Table 3.4
Tax Base, Average Employer and Employee Tax Rates
and Ratio of Taxable to Total Wages, 1993-2002

Year	Payroll in Taxable Employment (\$1,000)		Ratio of Taxable to Total Payroll (%)	Tax Base (\$)	Average Employer Tax Rate		Average Employee Tax Rate	
	Total Payroll	Taxable Payroll			% of Taxable Payroll	% of Total Payroll	% of Taxable Payroll	% of Total Payroll
1993	5,273,634	3,397,312	64.4	23,200	1.96	1.26	0.50	0.3
1994	5,527,255	3,592,202	65.0	23,800	1.98	1.29	0.50	0.3
1995	5,643,856	3,698,894	65.5	23,900	2.04	1.34	0.50	0.3
1996	5,721,715	3,739,737	65.4	24,400	2.17	1.42	0.50	0.3
1997	5,943,917	3,853,741	64.8	24,200	2.33	1.51	0.58	0.4
1998	6,279,782	3,995,639	63.6	24,100	2.25	1.43	0.56	0.4
1999	6,389,605	4,124,730	64.6	24,500	2.06	1.33	0.54	0.3
2000	6,793,721	4,396,916	64.7	24,800	2.14	1.39	0.54	0.3
2001	7,230,311	4,556,600	63.0	25,500	2.08	1.31	0.52	0.3
2002	7,501,125	4,722,968	63.0	26,000	1.99	1.25	0.50	0.3

Sources: Alaska Statutes 23.20.175.
Alaska Statutes 23.20.290.
Alaska Department of Labor and Workforce Development, Research and Analysis Section:
Employment, Wages, and Contributions/ES-202 report to the U.S. Department of Labor;
Unemployment Insurance Financial Transaction Summary, ETA 2-112 report to the U.S. Department of Labor

**Table 3.5
Employer Accounts by Rate Type and
Average Tax Rates by Industry**

2002 EMPLOYERS BY RATE TYPE

	A-Rated		B-Rated		C-Rated		Total	
	No.	% of A-Rated	No.	% of B-Rated	No.	% of C-Rated	No.	% of Grand Total
Ag/Forestry/Fish	232	1.6	32	1.8	4	2.2	268	1.6
Mining	147	1.0	20	1.1	2	1.1	169	1.0
Construction	2,078	14.3	369	21.0	22	11.8	2,469	15.0
Manufacturing	445	3.1	41	2.3	5	2.7	491	3.0
Trans/Comm/Util	1,037	7.2	105	6.0	13	7.0	1,155	7.0
Trade	3,597	24.8	326	18.6	55	29.6	3,978	24.2
Finance/Insur/R.E.	886	6.1	69	3.9	6	3.2	961	5.9
Services	5,713	39.5	655	37.3	51	27.4	6,419	39.1
Public Admin.	317	2.2	5	0.3	22	11.8	344	2.1
Unclassified	29	0.2	132	7.5	6	3.2	167	1.0
Total	14,481	100.0	1,754	100.0	186	100.0	16,421	100.0
Percent of Grand Total		88.2		10.7		1.1		100.0

AVERAGE EMPLOYER TAX RATES

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Total	2.43	2.51	2.63	2.76	2.67	2.49	2.56	2.47	2.40	2.24
Ag/Forestry/Fish	2.81	2.93	3.03	3.10	3.02	2.81	2.84	2.73	2.68	2.49
Mining	2.76	2.86	2.97	3.12	2.99	2.76	2.89	2.80	2.71	2.41
Construction	3.14	3.21	3.31	3.43	3.31	3.08	3.14	3.03	2.90	2.69
Manufacturing	2.76	2.81	2.89	3.07	2.95	2.74	2.81	2.67	2.62	2.41
Trans/Comm/Util	2.44	2.50	2.61	2.73	2.63	2.47	2.53	2.48	2.42	2.24
Trade	2.33	2.45	2.57	2.70	2.61	2.43	2.49	2.39	2.32	2.17
Finance/Insur/R.E.	2.04	2.05	2.19	2.33	2.31	2.14	2.18	2.12	2.11	1.98
Services	2.28	2.35	2.48	2.61	2.52	2.36	2.43	2.34	2.28	2.14
Public Admin.	2.35	2.36	2.45	2.55	2.45	2.32	2.41	2.30	2.28	2.15
Unclassified	2.66	2.80	2.77	3.02	2.89	2.71	2.74	2.62	2.50	2.46

Notes:

A-rated firms are those which have been subject to the Employment Security Act for four or more quarters and qualify for a rate determination based on their quarterly payroll experience. Employers are assigned to rate classes based on their payroll decline experience as compared to all other ratable employers.

Employers with a low quarterly payroll decline receive more favorable rates than employers with higher declines in quarterly payroll figures.

B-rated firms are those which have been subject to the Employment Security Act for fewer than four quarters immediately preceding the computation date and must pay the standard industry tax rate.

C-rated firms are those which fail to pay contributions or file reports on a timely basis and must pay contributions at the highest rate.

Percentages may not add to 100 due to rounding.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section:
Taxable Wages Within Size of Payroll Code, Report No. BRT 5500 P.

Table 3.6
UI Tax Rate Calculations, and Tax Rates by Rate Class
for 2003

TAX RATE CALCULATIONS

	SFY 1999	SFY 2000	SFY 2001	SFY 2002
(1) Benefit Cost (Ben-Reimb-Int)		101,268,654	98,503,603	92,691,519
(2) Total Payroll (taxable employers)	6,309,309,628	6,630,911,665	6,998,331,083	7,357,892,192
(3) Taxable Payroll				4,674,838,718
(4) Benefit Cost for 3 Prev SFY				\$292,463,776
(5) Total Payroll, First 3 of Last 4 SFY				\$19,938,552,376
(6) 3-Yr Benefit Cost/Total Payroll (4)/(5)				0.014668
(7) Taxable/Total Payroll, Last SFY				0.635350
(8) Average Benefit Cost Rate (6)/(7)				0.023087
(9) UI Trust Fund Balance, Sep 30				\$234,329,606
(10) Total Payroll, Last SFY				\$7,357,892,192
(11) UI Trust Fund Reserve Rate (9)/(10)				0.031847
(12) Solvency Adjustment				0.000
(13) Average Employer Tax Rate as a Percent of Taxable Payroll (0.80 x ABCR) + TFSA = (0.80 x #8) + #12				1.85%
(14) Average Employee Tax Rate: (0.20 x ABCR) = (0.20 x #8)				0.50%

TAX RATES FOR EMPLOYEES AND EXPERIENCE RATED EMPLOYERS

Rate Class	Experience Factor	Employee Tax Rate (%)	Employer Tax Rate (%)	Total Tax Rate (%)
1	0.40	0.50	1.00	1.50
2	0.45	0.50	1.00	1.50
3	0.50	0.50	1.00	1.50
4	0.55	0.50	1.02	1.52
5	0.60	0.50	1.11	1.61
6	0.65	0.50	1.20	1.70
7	0.70	0.50	1.29	1.79
8	0.80	0.50	1.48	1.98
9	0.90	0.50	1.66	2.16
10	1.00	0.50	1.85	2.35
11	1.00	0.50	1.85	2.35
12	1.10	0.50	2.03	2.53
13	1.20	0.50	2.22	2.72
14	1.30	0.50	2.40	2.90
15	1.35	0.50	2.49	2.99
16	1.40	0.50	2.59	3.09
17	1.45	0.50	2.68	3.18
18	1.50	0.50	2.77	3.27
19	1.55	0.50	2.86	3.36
20	1.60	0.50	2.96	3.46
21	1.65	0.50	5.40	5.90

Notes: Total payroll, taxable payroll, and UI benefits costs are all for employees (current or former) of contributing (taxable) employers only. Reimbursable employers are excluded.

Sources: Alaska Statutes 23.20.290.

Alaska Department of Labor and Workforce Development, Research and Analysis Section: Employment, Wages, and Contributions, ES-202 report to the U.S. Dept. of Labor; Unemployment Insurance Financial Transaction Summary, ETA 2-112 report.

**Table 3.7
Administrative Costs, 1993-2002**

Federal Fiscal Year 1/	F.U.T.A.	UI Admin.	ES Admin.	Total Admin. Grants	
	Collections (\$1,000,000)	Grants (\$1,000,000)	Grants (\$1,000,000)	(\$1,000,000)	% of F.U.T.A.
1993	10.7	19.0	8.6	27.6	257.9
1994	11.1	19.8	8.8	28.6	257.7
1995	11.4	18.8	8.6	27.4	240.4
1996	11.8	19.4	8.7	28.1	238.1
1997	12.5	19.1	8.1	27.2	217.6
1998	13.1	20.0	8.1	28.1	214.5
1999	13.1	20.0	9.4	29.4	224.4
2000	13.9	19.9	7.8	27.7	199.3
2001	14.3	20.8	7.9	28.7	200.7
2002	14.4	22.7	8.2	30.9	214.6

1/ Federal fiscal years are 12-month periods between October 1 of one year through September 30 of the following year.

Notes: In 1995, U.S. Department of Labor estimation methods for FUTA were changed.

Figures in earlier publications of this table will not match these data.

Source: U. S. Department of Labor, Division of Actuarial Services.

**Table 3.8
Collections, UI Regular Benefits Paid,
Reimbursable Employment, 1993-2002**

Year	Collections (\$)			Benefits Paid (\$)			Total Collections less Benefits Paid (\$)
	Total	Private Nonprofit	Government (State & Local)	Total	Private Nonprofit	Government (State & Local)	
1993	9,940,970	891,492	9,049,478	10,632,482	954,723	9,677,758	-691,512
1994	13,074,629	1,220,156	11,854,473	12,246,477	885,469	11,361,008	828,152
1995	11,537,794	1,063,269	10,474,526	10,760,456	1,200,773	9,559,683	777,339
1996	10,847,305	1,063,556	9,783,749	10,746,992	1,632,636	9,114,357	100,313
1997	10,440,082	1,006,860	9,433,222	10,248,935	1,648,463	8,600,472	191,147
1998	10,491,200	913,961	9,577,239	10,347,429	1,648,836	8,698,593	143,771
1999	10,317,683	1,021,259	9,296,424	8,316,206	1,910,398	6,405,809	2,001,477
2000	9,754,979	995,435	8,759,545	9,272,649	1,656,099	7,616,550	482,330
2001	9,190,683	911,483	8,279,200	9,045,949	1,616,565	7,429,384	144,734
2002	9,654,868	1,095,234	8,559,634	9,862,070	1,352,348	8,509,722	-207,202
Ten-Year Total							3,977,750

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section:
Unemployment Insurance Financial Transaction Summary, ETA 2-112 report to the U.S. Department of Labor.

Table 3.9
Benefits Paid, Contributions Assessed and Ratio of Benefits to Contributions,
Taxable Employment, 1993-2002

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
BENEFITS PAID (Regular + 1/2 EB), from UC-217 report (\$1,000)										
Totals (incl. unclass.)	94,559	113,472	105,945	107,028	101,833	101,543	111,092	98,644	102,634	115,313
Ag/Forestry/Fish	1,061	1,287	922	906	931	878	839	875	920	1,017
Mining	7,118	7,229	6,645	7,272	6,238	4,775	11,442	4,390	5,335	7,989
Oil and Gas	5,734	5,870	5,511	6,159	5,320	3,636	10,345	3,396	4,284	6,765
Other Mining	1,385	1,358	1,134	1,113	918	1,139	1,097	994	990	1,224
Construction	14,490	20,443	22,203	22,141	21,613	21,834	22,252	21,460	19,875	22,718
Manufacturing	16,444	21,783	17,372	17,808	17,449	17,670	16,670	16,093	16,237	16,046
Food Products	11,145	14,639	11,821	12,355	11,350	11,723	11,784	17,919	11,807	12,232
Lumber & Wood	2,467	2,980	2,317	2,879	2,547	3,333	3,028	2,824	2,900	2,233
Paper Products	1,185	2,503	1,826	936	1,918	1,009	89	51	8	6
Other Mfg.	1,648	1,661	1,409	1,638	1,635	1,606	1,769	1,299	1,522	1,576
Trans/Comm/Util	9,698	11,386	11,959	10,572	9,500	9,876	9,744	9,043	10,108	11,229
Trade	18,295	20,154	18,314	18,672	17,030	17,546	18,983	17,170	17,357	19,079
Finance/Insur/R.E.	3,899	4,610	5,395	4,813	4,359	4,759	5,087	4,785	5,125	5,391
Services	20,000	22,774	20,158	21,617	21,594	20,986	22,993	21,286	23,829	26,202
Public Admin.	3,196	3,426	2,740	2,887	2,766	2,794	2,694	3,043	3,341	5,226

TOTAL EMPLOYER AND EMPLOYEE CONTRIBUTIONS ASSESSED, from ES-202 report (\$1,000)

Totals (incl. unclass.)	86,136	91,740	96,386	100,987	112,177	102,458	101,424	118,595	118,400	118,269
Ag/Forestry/Fish	964	812	874	955	1,035	841	885	987	977	986
Mining	6,735	7,180	7,613	7,279	8,235	7,908	5,425	10,275	9,648	8,868
Oil and Gas	5,987	6,304	6,581	5,870	6,711	6,763	4,403	9,241	8,641	7,774
Other Mining	748	876	1,032	1,409	1,524	1,144	1,022	1,034	1,007	1,093
Construction	12,181	14,139	14,598	14,835	15,684	15,678	15,258	15,949	16,926	17,559
Manufacturing	11,351	11,480	12,445	12,233	12,531	8,890	11,009	11,737	10,824	998
Food Products	7,570	7,576	8,251	8,057	7,996	5,462	7,323	7,614	7,202	6,657
Lumber & Wood	1,982	2,018	2,168	1,943	2,131	1,321	1,574	1,612	1,094	975
Paper Products	371	264	272	330	318	92	10	8	6	2
Other Mfg.	1,428	1,623	1,753	1,903	2,086	2,014	2,101	2,504	2,522	2,364
Trans/Comm/Util	11,554	11,782	11,482	12,064	14,770	13,346	12,385	16,351	16,232	15,913
Trade	16,909	18,689	19,714	21,276	23,730	20,515	21,557	24,291	24,193	24,081
Finance/Insur/R.E.	4,236	4,637	4,597	5,068	5,753	5,310	5,389	6,054	6,351	6,406
Services	19,638	20,768	22,631	24,881	27,855	27,520	27,237	30,738	30,140	31,340
Public Admin.	2,048	1,974	2,066	2,234	2,394	2,100	1,939	1,972	2,966	3,032

RATIO OF BENEFITS TO PRIOR YEAR CONTRIBUTIONS

Totals (incl. unclass.)	1.1	1.3	1.2	1.1	1.0	0.9	1.1	1.0	0.9	1.0
Ag/Forestry/Fish	1.2	1.3	1.1	1.0	1.0	0.8	1.0	1.0	0.9	1.0
Mining	1.0	1.1	0.9	1.0	0.9	0.6	1.4	0.8	0.5	0.8
Oil and Gas	0.9	1.0	0.9	0.9	0.9	0.5	1.5	0.8	0.5	0.8
Other Mining	1.8	1.8	1.3	1.1	0.7	0.7	1.0	1.0	1.0	1.2
Construction	1.4	1.7	1.6	1.5	1.5	1.4	1.4	1.4	1.2	1.3
Manufacturing	1.4	1.9	1.5	1.4	1.4	1.4	1.9	1.5	1.4	1.5
Food Products	1.4	1.9	1.6	1.5	1.4	1.5	2.2	2.4	1.6	1.7
Lumber & Wood	1.2	1.5	1.1	1.3	1.3	1.6	2.3	1.8	1.8	2.0
Paper Products	2.6	6.7	6.9	3.4	5.8	3.2	1.0	5.2	1.0	1.0
Other Mfg.	1.1	1.2	0.9	0.9	0.9	0.8	0.9	0.6	0.6	0.6
Trans/Comm/Util	0.8	1.0	1.0	0.9	0.8	0.7	0.7	0.7	0.6	0.7
Trade	1.0	1.2	1.0	0.9	0.8	0.7	0.9	0.8	0.7	0.8
Finance/Insur/R.E.	0.9	1.1	1.2	1.0	0.9	0.8	1.0	0.9	0.8	0.8
Services	1.0	1.2	1.0	1.0	0.9	0.8	0.8	0.8	0.8	0.9
Public Admin.	1.6	1.7	1.4	1.4	1.2	1.2	1.3	1.6	1.7	1.8

Notes: Percentages may not add up to 100 due to rounding.

*Current year data are not used in calculating the ratio of benefits to contributions.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section, UC-217 and ES-202 reports.

Table 3.10
Collections, Benefits Paid, Trust Fund Reserves and Average Employer Tax Rate
as Percentages of Payroll, 1993-2002

Year	Percent of Total Payroll				Percent of Taxable Payroll			
	Collections	Benefits Paid	Year-End Reserve	Average Employer Tax Rate	Collections	Benefits Paid	Year-End Reserve	Average Employer Tax Rate
1993	1.6	1.9	4.2	1.26	2.5	3.0	6.5	1.96
1994	1.6	2.2	3.7	1.29	2.4	3.3	5.7	1.98
1995	1.6	2.1	3.4	1.34	2.5	3.2	5.3	2.04
1996	1.7	2.0	3.3	1.42	2.6	3.1	5.0	2.17
1997	1.8	1.9	3.3	1.51	2.8	2.9	5.2	2.33
1998	1.7	1.8	3.3	1.43	2.7	2.8	5.2	2.25
1999	1.6	1.9	3.2	1.33	2.6	3.0	4.9	2.06
2000	1.6	1.6	3.2	1.39	2.5	2.5	4.9	2.14
2001	1.5	1.6	3.1	1.31	2.4	2.5	5.0	2.08
2002	1.4	1.5	3.1	1.25	2.3	2.4	4.9	1.99

Note: Net benefits paid by taxable employers include regular unemployment benefits plus all State Supplemental Benefits payments plus Alaska's share of extended benefit payments for taxable employers plus the net of benefits paid minus receipts for interstate wage combining.

Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section: Unemployment Insurance Financial Transaction Summary, ETA 2-112 report to the U.S. Department of Labor; Employment, Wages, and Contributions/ES-202 report to the U.S. Department of Labor.

Table 3.11
UI Benefits Paid, Taxes Assessed, and Covered Payroll
by Industry, 2002

	Benefits Paid (\$)		Employer and Employee Contributions Assessed (\$)	Total Payroll (\$)	Taxable Payroll (\$)	Percent of Total Payroll Taxable
	Regular	Regular Plus 1/2 EB				
Totals (incl. unclass.)	110,342,189	115,312,899	118,269,313	7,501,124,987	4,722,967,853	63.0
Ag/Forestry/Fish	976,781	1,016,686	986,448	44,099,754	33,207,943	75.3
Mining	7,660,321	7,989,084	8,867,555	955,161,626	344,255,615	36.0
Oil and Gas	6,481,617	6,764,796	7,774,249	859,132,264	299,331,428	34.8
Other Mining	1,178,704	1,224,288	1,093,306	96,029,362	44,924,187	46.8
Construction	21,725,635	22,718,499	17,559,360	816,714,540	536,660,119	65.7
Manufacturing	15,533,397	16,046,169	9,997,629	426,575,331	318,058,215	74.6
Food Products	11,860,221	12,231,838	6,656,610	224,620,072	193,113,867	86.0
Lumber & Wood	2,154,109	2,232,712	975,291	37,056,938	28,466,903	76.8
Paper Products	4,144	5,904	1,764	113,738	52,000	45.7
Other Mfg.	1,514,923	1,575,715	2,363,964	164,784,583	96,425,445	58.5
Trans/Comm/Util	10,770,835	11,229,077	15,913,165	1,294,315,984	695,399,703	53.7
Trade	18,398,095	19,078,850	24,080,758	1,380,859,518	1,049,207,451	76.0
Finance/Insur/R.E.	5,158,749	5,390,659	6,406,311	467,351,375	278,363,557	59.6
Services	24,956,953	26,201,843	31,339,614	1,931,308,678	1,333,189,136	69.0
Public Admin.	4,758,975	5,225,552	3,031,599	181,453,461	132,166,035	72.8
Unclassified	402,448	416,480	86,874	3,284,720	2,460,079	74.9

Notes: Reimbursable account data are excluded. Federally funded programs and federal employment are excluded.
Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section: Employment
Wages, and Contributions/ES-202 report to the U.S. Dept. of Labor; UC-217 report, Benefit Payments by Industry & Area

Table 3.12
UI Benefits Paid as Percent of Taxes Assessed
and Covered Payroll by Industry 2002

	<u>Regular Benefits as a Percentage of:</u>			<u>Regular Benefits plus 1/2 Extended Benefits as a Percentage of:</u>		
	Collections	Total Payroll	Taxable Payroll	Collections	Total Payroll	Taxable Payroll
Totals (incl. unclass.)	93.3	1.5	2.3	97.5	1.5	2.4
Ag/Forestry/Fish	99.0	2.2	2.9	103.1	2.3	3.1
Mining	86.4	0.8	2.2	90.1	0.8	2.3
Oil and Gas	83.4	0.8	2.2	87.0	0.8	2.3
Other Mining	107.8	1.2	2.6	112.0	1.3	2.7
Construction	123.7	2.7	4.0	129.4	2.8	4.2
Manufacturing	155.4	3.6	4.9	160.5	3.8	5.0
Food Products	178.2	5.3	6.1	183.8	5.4	6.3
Lumber & Wood	220.9	5.8	7.6	228.9	6.0	7.8
Paper Products	234.9	3.6	8.0	334.7	5.2	11.4
Other Mfg.	64.1	0.9	1.6	66.7	1.0	1.6
Trans/Comm/Util	67.7	0.8	1.5	70.6	0.9	1.6
Trade	76.4	1.3	1.8	79.2	1.4	1.8
Finance/Insur/R.E.	80.5	1.1	1.9	84.1	1.2	1.9
Services	79.6	1.3	1.9	83.6	1.4	2.0
Public Admin.	157.0	2.6	3.6	172.4	2.9	4.0
Unclassified	463.3	12.3	16.4	479.4	12.7	16.9

Notes: Reimbursable account data are excluded. Federally funded programs and federal employment are excluded.
Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section: Employment Wages, and Contributions/ES-202 report to the U.S. Dept. of Labor; UC-217 report, Benefit Payments by Industry & Area

Appendix A

Data Sources and Limitations

Limitations of Data

The data in this publication are derived from a number of different sources, each with its own limitations. Much of the data come from reports that are produced directly from computer files in the State's mainframe computer. While the reports come from the same source, data that appear similar are not necessarily comparable, because the programs that produce the reports are run at different times and use different selection criteria.

Consequently, some of the tables in this publication are not directly comparable. For instance, Table 2.13 reports payment data by UI local office, while Tables 2.9-2.12 report the same data by industry grouping. The totals are not the same, however, because Table 2.13 comes from the Quarterly Management Report, which scans the file each week, while Tables 2.9-2.12 come from the UC-217 report, which scans the file once each month. Supplemental payments for weeks previously paid, overpayments, and other adjustments made during the month will cause the totals to differ slightly. Similarly, Table 2.13 differs slightly from Table 2.14 for the same reasons, even though both report benefit payments by area.

Differences also will occur whenever two tables are derived from different sources. Each table includes the data source at the bottom of the page. The reader should be cautious about other limitations as well. Percentages occasionally do not sum to 100% due to rounding when using only one or two digits. The data are reported to the full dollar amount whenever possible throughout the publication, but the dollar amounts in some tables are rounded to the nearest \$1,000 because of space limitations. Finally, industry groupings include subcategories for manufacturing and mining; these must be subtracted when summing the columns.

CHAPTER 1: UI Covered Employment and Wages

Chapter 1 provides information on employment, payroll, and earnings. The major source of data is the Employment, Wages, and Contributions report (ES-202), a report submitted to the U.S. Department of Labor, Bureau of Labor Statistics.

The information used in ES-202 is derived from quarterly payroll and employment information submitted to the

Alaska Department of Labor and Workforce Development (DOLWD) by employers in Alaska. The information is also derived from DOLWD estimates for delinquent employers.

The ES-202 includes all employers covered by Alaska's unemployment insurance system. It also includes Alaska employers' average monthly employment, total payroll, and taxable payroll. Additionally, ES-202 includes taxable employers' contributions assessed by the state and paid into the UI Trust Fund.

A change in the legal definition of wages for UI tax reporting purposes went into effect July 1, 1995. Employers, however, had the option of waiting to implement the change at the start of the next calendar year. Under the new definition, certain retirement benefits are excluded from the computation of wages paid to employees. The impact of this change will be the lowering of wages reported by employers. This definitional change should be kept in mind when comparing annual time series data (such as Tables 1.3, 1.4, or 1.5) after 1994. The full impact of the change would be in place in 1996. All data series which use ES-202 wages will be affected.

All data found in the chapters are broken out by industry, area, ownership, and tax status.

'Average monthly employment' is an estimate of employment based on actual employment data covering that pay period which includes the 12th of each month. It is an estimate of the number of jobs filled each month. Caution must be used when deriving annual earnings from these figures, as they represent average annual earnings per job, not per worker. Payroll is the actual total payroll during each quarter.

Throughout Chapter 1, industries are broken out according to categories established in the Standard Industrial Classification (SIC) Manual. Specific industries, based on 2 digit SIC codes, were selected because of their relevance to the Alaska economy. The same categories are used for benefit payments in chapters 2 and 3. Employment, payroll, and earnings information is also broken out by ownership, private, state government, and local government. In all industry and ownership categories, federal government employment is excluded, as

federal employees and members of the military are not covered under the state unemployment insurance program.

It is noteworthy that public administration (SIC codes 91 97) is not directly comparable with state and local government ownership. While all of public administration employment is included in either state or local government, the opposite is not true; some of the operations included under state or local government ownership are listed under industries other than public administration, particularly construction, transportation, and services.

CHAPTER 2: UI Benefit Payments

Chapter 2 provides information on benefit payments. Information on unemployment claims is entered into Alaska's Data Base 2 System (DB2), and is recorded in the state's computer. Three of the basic reports from this file form the basis of most benefit payment data used in this publication.

Payments by industry and area, Tables 2.9-2.12 and Tables 2.14 2.15, are derived from the UC-217 report. The UC-217 report is a monthly compilation of data by 2 digit SIC codes and 3 digit geographic area codes. Payment amounts differ from the amounts shown in Table 2.13 due to the omission of supplemental payments for weeks previously paid, penalties and interest, and other adjustments.

Two reports provide information for the payment data on Tables 2.5-2.8, 2.13, and 2.16. These data are derived from the DOLWD's Quarterly Management Report, which scans, weekly, the department's active claimant file. Some of the data are also derived from the U.S. Department of Labor's Claims Activity Report (ETA 5-159), which is taken from the weekly and monthly management reports.

Data in Table 2.2 are derived from the 'Claimant Characteristics' program. This program provides a special compilation of information on all claimants who received unemployment compensation during a specified year. Occupations are listed according to classifications in the Dictionary of Occupational Titles (or DOT codes). Ethnic information is based on information voluntarily submitted at the time of initial filing.

Table 2.1 uses data from the Local Area Unemployment Statistics (LAUS), an DOLWD report produced for the U.S. Department of Labor. This report estimates the total number of employed and unemployed in the state each month.

Table 2.6 uses payment data from the yearly ETA 5 159 report on all states compiled by the U.S. Department of Labor, Division of Actuarial Services.

Table 2.17 is derived from the UI Data Summary, a quarterly publication of key UI information published by the U.S. Department of Labor, Division of Actuarial Services.

CHAPTER 3: Alaska's UI Benefit Financing System

Chapter 3 discusses financial transactions, Alaska's UI Trust Fund, and Alaska's benefit financing structure. One of the major subjects of the chapter is benefit costs. Therefore, it draws heavily from the Alaska Department of Labor and Workforce Development's Benefit Payments by Industry and Area (UC 217) report and the ES-202 quarterly reports (the USDOL's Employment, Wages, and Contributions report). In fact, several of the tables directly reproduce data reported in chapters one and two.

The other major data source for chapter 3 is the Financial Transactions Summary (ETA 2 112). This is a monthly accounting report produced by DOLWD. It is the most accurate source of information on financial transactions and cash flow. Its major limitation is that it does not break out data by industry or area. It is used to compute UI tax rates (see Tables 3.4 and 3.6), benefit costs, and benefit cost rates (tables 3.1, 3.2 and 3.6). It is also the source for UI Trust Fund balances (Tables 3.3 , 3.6 and 3.10), deposits and disbursements for all programs (Table 3.3), as well as interstate wage combining, reimbursable employers (Table 3.8), and collections, benefits and trust fund balance as a percentage of wages. (See Tables 3.4, 3.10, and 3.11)

Table 3.3 also uses data from the USDOL Contributions Operations (ETA 581) report in order to estimate reimbursable contributions between 1981 and 1984.

Table 3.5 lists experience ratings by industry, which are reported on the Array of Taxable Wages Within Size of Payroll Codes -- a yearly listing of employers, their payroll experience, and their quarterly decline quotients. This information is produced by DOLWD.

APPENDIX B

SUMMARY OF MAJOR CHANGES IN THE EMPLOYMENT SECURITY ACT

Coverage Provisions of the Alaska Employment Security Act 1937-2002

- Apr. 2, 1937** Alaska Employment Security Law enacted. Employers liable for taxes are those with eight or more employees in twenty weeks of the year. The following types of employment are excluded from coverage: agriculture, domestic service, officers and crews on vessels, service performed by a parent, spouse, or child under 21, government, nonprofit organizations, and those covered under a federal unemployment program. Employers not subject to the Law may elect coverage with permission of the Commission. Ch. 4, ESLA 1937
- July 1, 1945** Coverage extended to employers of one or more persons at any time. Ch.7, SLA 1945
- Mar. 20, 1947** List of excluded services extended. Additional exclusions include newsboys and students. Any employment liable for a tax under the FUTA (Federal Unemployment Tax Act) will be automatically covered under the state UI law. Ch. 48, SLA 1947
- Mar. 17, 1959** Employees in finance, insurance, and real estate paid on a commission basis are excluded from coverage. Ch. 46, SLA 1959
- Apr. 17, 1961** Faculty of nonprofit universities excluded. Ch. 108, SLA 1961
- Jan. 1, 1972** Coverage made mandatory for employees of nonprofit organizations, state hospitals, and institutes of higher education employing four or more in twenty weeks of the year. These employers are allowed to elect coverage on a reimbursable basis. Reimbursable financing also made available, by election, to any political subdivision. Ch. 94, SLA 1971
- Jan. 1, 1972** Fishermen covered. Ch. 94, SLA 1971
- Apr. 1, 1977** Fishermen earning wages on a sharebasis excluded from coverage. Ch. 122, SLA 1977
- Jan. 1, 1978** Coverage made mandatory for most employees of the state and local governments. Coverage also extended to certain domestic and agricultural workers. Ch. 122, SLA 1977
- July 1, 1984** Executive officers of nongovernmental corporations are excluded. Ch. 106, SLA 1984
- Sep. 27, 1995** Certain direct sellers of consumer products are excluded. Ch. 97, SLA 95

Financing Provisions of the Alaska Employment Security Act 1937-2002

- Apr. 2, 1937** All wages paid to employees covered under the law are assessed a uniform tax of 1.8%. Ch. 4, ESLA 1937
- Jan. 1, 1938** Uniform tax raised to 2.7% of total covered wages. Ch. 4, ESLA 1937
- Mar. 26, 1941** Taxable wages limited to first \$3,000 of wages paid to an employee. Ch. 40, SLA 1941
- June 30, 1947** Credits against the tax are available to qualified employers if a fund surplus exists. The credit is

based on the individual employer's annual payroll decline. Ch. 74, SLA 1947

- Jan. 1, 1955** Tax base increased to first \$3,600 of wages. An employee tax of 0.5% is also assessed. Employer tax credit is eliminated. Ch. 5, ELSA 1955
- Apr. 4, 1957** Tax base increased to first \$4,200 of wages. Ch. 169, SLA 1957
- Mar. 30, 1960** Uniform employer tax raised to 2.9%. Uniform employee tax raised to 0.6%. Tax base increased to \$7,200. Ch. 60, SLA 1960
- Oct. 1, 1960** Individual employer and employee tax rates made variable depending on quarterly payroll declines of employer. Employer tax rates range from 1.5% to 4.0% with an average tax rate of 2.9%. Employee tax rates range from 0.3% to 0.9% averaging 0.65%. Ch. 60, SLA 1960
- Jan. 1, 1974** Employee tax made uniform and employer tax left variable. Tax base \$10,000. There are ten alternative tax rate schedules with the appropriate schedule determined by the "reserve multiple" which measures the ability of the fund to meet potential benefit payments. Ch. 43, SLA 1973
- Jan. 1, 1981** Tax base will be 60% of the average annual wage for calendar years 1981 and 1982 and will be 75% of the average annual wage for future years. Replaces the ten alternative tax rate schedules with 20 "experience factors." An employer's yearly rate calculation will be 82% of the benefit cost rate times the experience factor. A solvency tax will be added across the board if the "reserve ratio" of the fund is under 3.2%. Employee tax will be a uniform 18% of the benefit cost rate. Ch. 9, SLA 1980
- Oct. 1, 1984** The amount of interest earned on the trust fund balance will be deducted from the amount of benefits in calculation of average benefit cost rate. Ch. 106, SLA 1984
- Jan. 1, 1985** A new rate class 21 is established and assigned an experience rating of 1.65 and a minimum employer tax rate of 5.4%. Solvency adjustments changed to provide a surcharge if the trust fund reserve rate falls below 3.0% and a credit if the reserve rate equals or exceeds 3.3%. Ch. 106, SLA 1984
- Sep. 13, 1987** Interest on funds borrowed from the federal government to cover shortfalls in the trust fund may be paid out of employee contributions. Ch. 82, SLA 1987
- July 1, 1989** Training programs pilot project to be funded by transfer of 0.1% of taxable wages from amount contributed by employees. Ch. 95, SLA 1989
- June 30, 1993** Extension of training programs pilot project until 1996. Ch.17, SLA 1993
- July 1, 1996** Extended authorization of training programs (STEP) until 6/30/2002. Ch. 116, SLA 1996
- Jan. 1, 1997** Employer's yearly rate calculation will be 80% of the benefit cost rate times the experience factor. (No change in solvency tax provision). Employee tax will be a uniform 20% of the benefit cost rate. Ch.116, SLA 1996
- July 1, 2000** Technical and Vocational Education Program (TVEP) created. Ch. 132, SLA 2000
- July 1, 2002** Extended authorization of training programs (STEP) until 6/30/2003. Ch. 86, SLA 2002
- July 1, 2003** Extended authorization of training programs (STEP) until 6/30/2004. Ch. 49, SLA 2003

Benefit Provisions of the Alaska Employment Security Act 1937-2002

- Apr. 2, 1937** Benefits first made payable January 1, 1939. Minimum payment \$5; maximum \$15. WBA (Weekly Benefit Amount) set at 50% of full-time weekly wage. Total benefit payments not to exceed 16 times WBA. Ch. 4, ELSA 1937
- Jan. 17, 1939** Minimum payment \$5; maximum \$16. WBA set at 1/20 of high quarter wages. Total benefit payments not to exceed either 16 times WBA or one-third of base year earnings. Ch. 1, SLA 1939
- Oct. 1, 1946** Minimum payment \$8; maximum \$25. Maximum reduced to \$20 if the fund balance is less than \$2 million on January 1. Total benefit payments not to exceed either 25 times WBA or one-third of base year earnings. Ch. 32, ESLA 1946
- July 1, 1949** WBA is increased by 20% for each dependent of the claimant up to three. Ch. 25, SLA 1949
- July 1, 1951** Minimum payment \$8; maximum \$30. Ch. 11, SLA 1951
- July 1, 1953** Minimum payment \$8; maximum \$35. WBA now based on total wages in base year. Total benefit payments limited to 26 times WBA for most claimants. Ch. 99, SLA 1953
- July 3, 1955** Minimum payment \$10; maximum \$45. Maximum limited to \$25 for claimants residing outside the Territory. WBA is increased by \$5 for each dependent of the claimant up to five. Claimants with dependents residing outside the Territory are disqualified for the dependent allowance. Ch. 5, ESLA 1955
- Mar. 30, 1960** Maximum WBA for interstate claimants reduced to \$20. Ch. 60, SLA 1960
- July 1, 1966** Minimum payment \$10; maximum \$55. Total benefit payments limited to 28 x WBA for most claimants. Ch. 112, SLA 1966
- July 1, 1969** Minimum payment \$18; maximum \$60. Ch. 106, SLA 1969
- Jan. 29, 1971** Depending on the level of national and state unemployment rates, benefit payments may be extended. Extended benefit payments not to exceed one half of total benefits available under the regular program. Ch. 106, SLA 1971
- Jan. 1, 1972** Discrimination against nonresident claimants is ended. Ch. 106, SLA 1971
- July 1, 1973** Minimum payment \$18; maximum \$90. Dependent allowance set at \$10 per dependent up to three. Ch. 43, SLA 1973
- Oct. 1, 1980** Minimum payment \$34; maximum payment \$150 basic WBA. Dependent allowance set at \$24 per dependent up to three. Dependent allowance increases if an additional dependent is acquired by birth or adoption. Potential duration of benefits (16 to 26 weeks) is determined by the ratio of total base period wages to high quarter wages. Ch 9, SLA 1980
- Oct. 31, 1981** Weekly benefits are reduced dollar for dollar upon receipt of periodic payments based on wages used to establish a benefit year. Ch. 114, SLA 1981
- Sep. 26, 1982** Child support obligations may be deducted from weekly benefit checks. Ch. 115, SLA 1982
- Jan. 1, 1983** Minimum payment \$34; maximum payment \$156 basic WBA. Ch. 115, SLA 1982

- Oct. 1, 1984** Minimum payment \$38; maximum payment \$188 basic WBA. Ch. 106, SLA 1984
- Oct. 1, 1990** Minimum payment \$44; maximum payment \$212 basic WBA. Ch. 167, SLA 1990
- Jan. 1, 1997** Minimum payment \$44; maximum payment \$248 basic WBA. Ch. 116, SLA 1996

Qualifying Provisions of the Alaska Employment Security Act 1937-1996

- Apr. 2, 1937** To qualify for benefits, a claimant must have: 1) been unemployed in two of the last thirteen weeks preceding claim, 2) have wages in the first three of the last four calendar quarters totaling more than 16 times the Weekly Benefit Amount (WBA), and 3) be ready and able to work. The claimant is disqualified for five additional weeks upon quitting the last employment without good cause. Ch. 4, ESLA 1937
- Jan. 17, 1939** Total wages in base year must equal or exceed 25 times the WBA. Ch. 1, SLA 1939
- Mar. 26, 1941** Claimant must have been unemployed for two weeks in the benefit year including the week in which the claim was filed. Ch. 40, SLA 1941
- July 1, 1945** Women are disqualified during the last two months of pregnancy and the month following pregnancy. Ch. 50, SLA 1945
- Oct. 1, 1946** Minimum required wages in base year set at \$150. Ch. 32, SLA 1946
- June 30, 1947** Waiting period reduced to one week. Ch. 74, SLA 1947
- July 1, 1953** Minimum wage requirement set at \$300. Seasonal workers are disqualified for benefits for unemployment not occurring during their regular working season. Ch. 99, SLA 1953
- July 3, 1955** Minimum wage requirement set at \$450 or 1 1/4 times high quarter wages. Women are disqualified until they subsequently earn \$120 if they leave work 1) to get married; 2) to live with their husband; or 3) due to pregnancy. Any week of unemployment due to a labor dispute is disqualified. A claimant found guilty of fraud is disqualified for 26 weeks. Ch. 5, ESLA 1955
- Apr. 4, 1957** Minimum wage requirement set at \$500 or 1 1/4 times high-quarter wages. Ch. 169, SLA 1957
- Apr. 7, 1962** Claimants are not disqualified while attending a training course to improve their skills. Ch. 63, SLA 1962
- July 1, 1969** Minimum wage requirement set at \$750, \$100 of which must have been earned outside the quarter with the highest wages. Ch. 106, SLA 1969
- Jan. 1, 1972** Women no longer disqualified during pregnancy. Ch. 106, SLA 1971
- Oct. 1, 1980** Minimum wage requirement set at \$1,000 with at least ten percent earned outside the quarter of highest wages. If a claimant earns more than 90% of the base period wages in one quarter, base period wages used for determining benefits will be reduced to ten times the wages paid in the base period outside the high quarter. The six-week disqualification for voluntary quit and misconduct includes a reduction of potential benefits by three times the basic WBA. The six week disqualification is lifted if the claimant returns to work and earns eight times the WBA. Ch. 9, SLA 1980

- Oct. 31, 1981** A waiting week must be served for each new benefit year. Extended benefit claimants must actively seek work and may not refuse an offer of “suitable” work. Claimants filing for extended benefits from a state not triggered on to extended benefits are eligible for no more than two weeks of benefits. Ch. 114, SLA 1981
- June 26, 1982** The national “on” and “off” trigger indicators for extended benefits are repealed in conformity with federal law. Ch. 115, SLA 1982
- Sep. 26, 1982** In conformity with federal law, the state “on” indicator for extended benefits is increased to six percent insured unemployment rate. In conformity with federal law, a claimant is not eligible for extended benefits unless total base period wages equal or exceed forty times the weekly benefit entitlement including dependent benefits. Supplemental state benefits are provided for claimants otherwise eligible for extended benefits except for the new 40 times WBA requirement. All other conditions of extended benefits apply to supplemental state benefits. Ch. 115, SLA 182
- June 16, 1984** State interim benefits provided for noncertified teachers of indigenous languages and school employees in other than an instructional, research, or principal capacity. Ch. 106, SLA 1984
- July 2, 1989** An insured worker is ineligible for benefits for one year if discharged for commission of a felony or theft in connection with work. Ch. 100, SLA 1989
- Nov. 15, 1991** An agreement with the U.S. Dept. of Labor allows the temporary payment of benefits under the Emergency Unemployment Act of 1991 (PL 102-162) in place of extended benefits.
- July 1, 1993** The implementation of the Emergency Unemployment Compensation (EUC) program, 26 U.S.C. 3304. Eligibility for supplemental state benefits (SSB) remains in effect during a period in which extended benefits (EB) are triggered “off”, but during which EUC benefits are payable. The eligibility for extended benefits (Oct. 3, 1993) requires the claimant meet the existing 40 times WBA requirement, or have a total of 1.5 times the base period high quarter wage.
- The total amount of extended benefits payable is the lowest of (1) 80 percent of total regular benefits, (2) 20 times the WBA, or (3) 40 times the WBA minus total regular benefits paid.
- In addition to the existing extended benefits triggers, EB is “on” if the State three-month total unemployment rate (TUR) is 6.5%, and is 110% of the same three-month period in either of the prior two years. EB is “off” if there is no “on” indicator, or if the State is eligible for the EUC program. Ch. 28, SLA 1993

APPENDIX C

GLOSSARY OF TERMS

AREA Geographic areas within Alaska, recorded by census areas and subareas.

AVERAGE ANNUAL EARNINGS Total payroll in covered employment, divided by average monthly covered employment.

AVERAGE MONTHLY COVERED EMPLOYMENT The sum of all reported covered employment for a 12-month period, divided by 12.

AVERAGE WEEKLY BENEFIT AMOUNT (AWBA) The total benefits paid for fulltime unemployment, divided by the number of weeks compensated.

AVERAGE WEEKLY EARNINGS Average annual earnings in covered employment, divided by 52.

BASE PERIOD The first four of the last five completed calendar quarters immediately preceding the first day of an individual's benefit year.

BASE PERIOD EARNINGS (BASE PERIOD WAGE) **a)** If the worker was paid 90% or more of their earnings in any single quarter of the base period, BPW is defined as earnings in the other three quarters times 10; **b)** If the worker was not paid 90% or more of their earnings in a single quarter of the base period, BPW is defined as earnings during the base period.

BENEFITS Money payments payable to an individual under AS.23.20.

BENEFIT COST RATE The cost of benefits as determined by the ratio of regular benefits paid in the current year, divided by total payroll in the previous year.

BENEFIT YEAR A one-year period beginning with the day an insured worker files a request for determination of insured status.

CLAIMANT An individual who has filed a request for determination of insured status, a notice of unemployment, a certification for waiting week credit, or a claim for benefits.

COMBINED WAGES (INTERSTATE WAGE COMBINING) Earnings during a base period that were paid in more than one state, for purposes of determining the share of liability in each state.

CONTINUED WEEK CLAIMED A claim for waiting week credit or payment of benefits for a week.

CONTINUED WEEK PAID Payment for a week of unemployment or for a waiting week.

COVERAGE The determination by the state whether an employing unit should be considered an employer subject to the state's unemployment insurance laws.

COVERED EMPLOYMENT The number of persons employed during the pay period which includes the 12th of each month, by place of work. Workers that are not covered include agricultural workers, self-employed workers, some employed students, most fishermen, full-commissioned salespersons, private railroad workers, and elected and appointed officials.

DATA BASE 2 SYSTEM (DB2) A transaction driven system which automates all Employment Security Unemployment Insurance benefit functions, including on-line data collection and batch processing for database updating and report generation.

DECLINE QUOTIENT An estimate of an employer's experience with unemployment, determined by dividing the decline in payroll from quarter one to quarter two by the payroll in quarter one.

DEPENDENT BENEFITS Benefits paid to claimants with dependents, up to three dependents per claimant.

DURATION The number of weeks in which payments were received by an individual (actual), or qualified for (potential), for each program. Average duration is defined as the number of weeks paid per program in a 12-month period, divided by the number of first payments received in that program during that period.

EARNINGS REPLACEMENT The proportion of average weekly earnings replaced by the UI weekly benefit amount.

EMERGENCY UNEMPLOYMENT COMPENSATION (EUC) A federally funded program similar to extended benefits, paying additional weeks of benefits, beginning November 17, 1991, and ending April 30, 1994.

ETA Employment and Training Administration, a division of the U.S. Department of Labor.

EXHAUSTS Persons receiving payments for the maximum number of weeks available to them within a particular benefits program.

EXPERIENCE RATING A method of measuring an employer's experience with unemployment, in which employers are ranked by their average quarterly decline quotient, and assigned to one of 21 rate classes, each with a factor between 0.4 and 1.65.

EXTENDED BENEFITS (EB) Additional benefits allowable after regular State UI benefits have been exhausted, but only when an Extended Benefits period is in effect.

EXTENDED BENEFITS PERIOD A period during which EB payments are allowed, which is usually defined as a period of 13 weeks or more when the state's Insured Unemployment Rate is 6% or higher. Section 23.20.408 of the Alaska Employment Security Act defines the conditions under which an extended benefits period exists.

FEDERAL FISCAL YEAR October 1 of the prior year through September 30 of the current year.

FEDERAL SUPPLEMENTAL BENEFITS (FSB) A federally funded program similar to FSC that was in effect between 1975 and 1978.

FEDERAL SUPPLEMENTAL COMPENSATION (FSC) A federally funded program in effect between October 1982 and April 1985, which provided additional payments after regular benefits had been exhausted, and extended benefits had been exhausted or an extended benefits period was not in effect.

FINAL PAYMENT The last payment of a weekly benefits entitlement. (See EXHAUSTS.)

FIRST PAYMENT The first payment for a week of unemployment claimed under a specific program.

FUTA Federal Unemployment Tax Act.

HIGH QUARTER The quarter of the base period in which the greatest amount of earnings occurred.

INDUSTRY Classification of an employer establishment by primary economic activity according to a government coding system. (See SIC and NAICS.)

INSURED UNEMPLOYMENT The number of persons filing continued claims for full regular benefits, partial regular benefits, or in waiting week status, during a given week.

INSURED UNEMPLOYMENT RATE Ratio of insured unemployed, expressed as a percentage of average covered employment; computed as average insured unemployment over a 13week period, divided by average covered employment lagged six months.

INTERSTATE CLAIMS, INTERSTATE PAYMENTS Claims made by, or payments made to, persons residing in other states who worked in Alaska, and for which Alaska is at least partially liable for unemployment compensation.

INTRASTATE CLAIMS, PAYMENTS Claims made by, or payments made to, persons residing within Alaska, including payments from other liable states.

LAUS Local Area Unemployment Statistics, a federal/state cooperative statistical program.

LOCAL OFFICES Unemployment Insurance (UI) claims centers. Until December 1995, there were 20 offices, including the mail claims and interstate units. Beginning in late 1996, for UI claims purposes, the local offices were reorganized into three UI Call Centers.

MAIL CLAIMS Claims filed by mail to the Mail Claims center, by persons residing more than 55 miles from the nearest Local Office.

NAICS North American Industry Classification System. A national standardized system to classify employers into industries that will replace the SIC coding system.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT Employment that does not include self-employed workers, unpaid family workers, domestics, most fishermen, or agricultural workers, by place of work rather than residence.

OWNERSHIP Classification of employers according to legal proprietorship (federal, state, local, or private industry) rather than by type of economic activity.

REGULAR BENEFITS (See STATE UI PROGRAM.)

REIMBURSABLE A contribution system whereby certain employers (state and local governments, hospitals, schools, nonprofit corporations) can elect to reimburse the state trust fund directly for benefits paid to former employees, rather than pay taxes under the experience rating system.

SOLVENCY ADJUSTMENT A surcharge added to employer taxes whenever the trust fund balance falls below 3.0% of the total payroll, or subtracted whenever the balance rises above 3.3%.

STANDARD INDUSTRIAL CLASSIFICATION (SIC) A national standardized system to classify employer establishments into industries by four digit codes, according to primary economic activity. To be phased out after 2002.

STATE FISCAL YEAR July 1 through June 30.

STATE INTERIM BENEFITS (SIB) A special Alaska program which pays benefits to certain noninstructional educational employees during periods between sessions.

STATE SUPPLEMENTAL BENEFITS (SSB) A special Alaska program which pays benefits to claimants who have been denied Extended Benefits because they do not meet the federal requirement that they earn 40 times their weekly benefit amount in their base period.

STATE UI (REGULAR) PROGRAM An insurance program designed to provide temporary compensation for those who are involuntarily unemployed, funded through employer and employee taxes and reimbursements.

SUPPLEMENTAL PAYMENTS Payments made to claimants who were paid previously but may have been underpaid for various reasons.

TAX BASE The maximum amount of each employee's earnings subject to State Unemployment Insurance taxes. Calculated as 75% of Average Annual Earnings.

TAXABLE PAYROLL The portion of total payroll of employers within the experience rating system that are subject to state unemployment tax provisions.

TEMPORARY EMERGENCY UNEMPLOYMENT COMPENSATION (TEUC) A federal program enacted by Congress following the 9/11/2001 World Trade Center disaster. Benefits were first payable the week ending March 16, 2002. The last week for new claims was December 27, 2003, with the last weekly claim payable for April 3, 2004.

TOTAL LABOR FORCE All persons age 16 and over residing in a specific geographical area who are either employed, unemployed and seeking employment, or involved in a labor dispute.

TOTAL UNEMPLOYMENT All persons age 16 and over who did not work during the survey week, but were available and seeking work, or waiting to report for work within 30 days.

TOTAL UNEMPLOYMENT RATE An expression of the number of unemployed persons as a percent of the total civilian labor force. Defined as total unemployment divided by the total labor force.

TOTAL PAYROLL The total of all wages and salaries (taxable and reimbursable) paid by covered employers. Includes bonuses, tips, and the cash value of meals, lodging, and other gratuities when furnished with the job.

TRA Trade Readjustment Allowance. An allowance authorized under the federal Trade Act of 1974 for the purpose of providing benefits and training to workers whose employment opportunities have been impacted by adjustments made in federal regulations concerning international trade.

TRAINING AND BUILDING FUND A fund (separate from the unemployment compensation fund) based on interest and penalties collected from taxable employers and used to support training activities and to provide office space.

TRUST FUND A state fund to receive and disburse unemployment insurance funds.

TRUST FUND RESERVE Funds on deposit in the trust fund, plus balances in the state's clearing account and benefit payment account, plus interest credited for the last quarter of the calendar year.

UCFE Unemployment Compensation for Federal Employees. A federally funded insurance program designed to provide temporary compensation for former employees of the federal government who are involuntarily unemployed.

UCX A federally funded insurance program designed to provide temporary unemployment compensation for former members of the Armed Forces.

UI Unemployment Insurance.

UI CLAIMS CENTER Offices in Anchorage, Fairbanks, and Juneau (including Mail Claim and Interstate Claim Centers) which process UI claims. During 1996-1997, in-person claim filing was phased out. Most claims are now filed by telephone.

WAITING WEEK The first week for which a claimant files for unemployment and for which there is no disqualification.

WEEKLY BENEFIT AMOUNT Amount of benefits paid (actual) or entitled to (potential), per week.