

Unemployment Insurance Actuarial Study and Financial Handbook 2004

State of Alaska
Department of Labor
& Workforce Development

Frank H. Murkowski, Governor
Greg O'Claray, Commissioner



**ALASKA DEPARTMENT OF LABOR
& WORKFORCE DEVELOPMENT**

Jobs are Alaska's Future

Unemployment Insurance Actuarial Study and Financial Handbook

2004



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& WORKFORCE DEVELOPMENT***

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

Introduction

The Unemployment Insurance Actuarial Study and Financial Handbook 2004 is designed to give detailed information about Alaska's unemployment insurance (UI) system and to provide an overview of recent trends.

Alaska's Employment Security Act, under Alaska Statute 23.20.022, requires that the Alaska Department of Labor and Workforce Development provide the actuarial study to the governor every two years. The Department's Research and Analysis Section publishes the actuarial study, now in its 16th year, for even-numbered years. It publishes updated tables for the actuarial study for odd-numbered years.

This publication is primarily used by the staff of the Department's Employment Security Division (ESD) to respond to information requests from the Alaska Legislature, other government agencies and employers. The Research and Analysis Section also answers queries based on the actuarial study. Some common questions include the UI claimant characteristics in a particular area, the average length of time claimants receive UI benefits and the average weekly benefit paid out to claimants.

The Executive Summary presents some highlights of the following chapters:

- Chapter 1 focuses on Alaska's payroll and employment that are covered by Alaska's UI system. It discusses total payroll, average monthly employment and average earnings per worker. Each is broken out by major industry.
- Chapter 2 examines the payment of UI benefits to unemployed workers. It explains some key eligibility provisions of the system and describes the main programs. It also analyzes the distribution of payments by area and industry, the characteristics of UI claimants and discusses some of the important issues regarding the payment of UI benefits.
- Chapter 3 centers on the financing of the UI system. It discusses the UI trust fund and administration of the fund. It also includes a somewhat detailed explanation of how employer and employee taxes are calculated.
- Appendix A describes the data sources used in this publication and some of the limitations of the data. Appendix B summarizes the major changes in UI law since 1937. Appendix C is a glossary.

The 350 copies of this 2004 edition that are printed will be given to ESD staff and mailed to those who have requested it. The publication is also available on the Research and Analysis Web site at almis.labor.state.ak.us. Contact Research and Analysis at (907) 465-4500 for copies of the 2004 edition or earlier editions.

Table of Contents

Introduction iii

Executive Summary vi

Chapter 1	Unemployment Insurance Covered Employment and Wages	1
Figure 1.1	Employment by Type of UI Coverage, 1986-2004.....	1
Figure 1.2	Average Monthly Covered Employment 1986-2004.....	1
Figure 1.3	Total Covered Payroll, 1986-2004.....	2
Figure 1.4	Average Weekly Earnings, 1986-2004.....	2
Table 1.1	Nonagricultural Wage and Salary Employment, Covered and Noncovered, 1995-2004.....	3
Table 1.2	Average Monthly Covered Employment by Industry, 2003-2004.....	4
Table 1.3	Total Covered Payroll by Industry, in Thousands, 2003-2004.....	5
Table 1.4	Taxable Covered Payroll by Industry, in Thousands, 2003-2004.....	6
Table 1.5	Average Annual Earnings in Covered Employment by Industry, in Thousands, 2003-2004.....	7
Table 1.6	Average Weekly Earnings in Covered Employment by Industry, in Thousands, 2003-2004.....	8
Table 1.7	Average Monthly Covered Employment by Ownership, 1995-2004.....	9
Table 1.8	Total Covered Payroll by Ownership, in Thousands, 1995-2004.....	10
Table 1.9	Taxable Covered Payroll by Ownership, in Thousands, 1995-2004.....	10
Table 1.10	Average Annual Earnings in Covered Employment by Ownership, 1995-2004.....	11
Table 1.11	Average Weekly Earnings in Covered Employment by Ownership, 1995-2004.....	11
Chapter 2	Unemployment Insurance Benefit Payments	12
Figure 2.1	Amount of UI Payments, Regular Benefits, 1986-2004.....	12
Figure 2.2	Alaska Insured Unemployment Rate, 1986-2004.....	13
Figure 2.3	UI Regular Benefit Payments by Industry for In-State and Out-of-State Claimants, 2004.....	14
Figure 2.4	Claimants by Processing Center in 2004.....	15
Figure 2.5	Percentage of Unemployed Receiving UI in Alaska.....	16
Table 2.1	Unemployment, 1995-2004.....	16
Table 2.2	Unemployment Insurance Claimant Characteristics, 2004.....	17
Table 2.3	Schedule of Weekly Benefit Amounts.....	18
Table 2.4	Schedule of Weekly Benefits Duration.....	19
Table 2.5	Payment Data, UI Regular Benefits, 1995-2004.....	19
Table 2.6	Average Weekly Benefits as a Percentage of Average Weekly Earnings, 2004.....	20
Table 2.7	Payment Data, UI Extended Benefits, 1995-2004.....	21
Table 2.8	Payment Data, UI State Supplemental Benefits, 1995-2004.....	21
Table 2.9	UI Regular Benefit Payments by Industry - Intrastate, 2003-2004.....	22
Table 2.10	UI Regular Benefit Payments by Industry - Interstate, 2003-2004.....	23
Table 2.11	UI Regular Benefit Payments by Industry - Intrastate and Interstate Total, 2003-2004.....	24
Table 2.12	UI Regular Benefit Payments by Industry - Interstate as a Percentage of Total, 2003-2004.....	25
Table 2.13	Amount of UI Benefit Payments by Census Area, 2004.....	26
Table 2.14	UI Regular Benefit Payments to Interstate Claimants, by State, 2003-2004.....	27
Table 2.15	Payment of Dependents' Benefits, 1995-2004.....	28
Table 2.16	Average Weekly Percentage of Unemployed Receiving UI Benefits, 2004.....	29
Chapter 3	Alaska's Unemployment Insurance Benefit Financing System	30
Figure 3.1	UI Trust Fund End-of-Year Balance, 1986-2004.....	30
Figure 3.2	Reserves, Receipts and Tax Rates as a Percentage of Taxable Payroll.....	31
Figure 3.3	Administrative Grants as a Percentage of FUTA Collections.....	32
Table 3.1	Benefit Cost Rate, 1995-2004.....	34

Table 3.2	Benefit Cost Rates by Industry, 2004	35
Table 3.3	Trust Fund Deposits and Disbursements, 1995-2004	36
Table 3.4	Tax Base, Average Employer and Employee Tax Rates and Ratio of Taxable to Total Wages, 1995-2004	37
Table 3.5	Employer Accounts by Rate Type and Average Tax Rates by Industry	38
Table 3.6	UI Tax Rate Calculations and Tax Rates by Rate Class, 2005	39
Table 3.7	Administrative Costs, 1995-2004	40
Table 3.8	Collections, UI Regular Benefits Paid - Reimbursable Employment, 1995-2004	40
Table 3.9	Benefits Paid, Contributions Assessed and Ratio of Benefits to Contributions for Taxable Employment, in Thousands, 2003-2004	41
Table 3.10	Collections, Benefits Paid, Trust Fund Reserves and Average Employer Tax Rate as Percentages of Payroll, 1995-2004	42
Table 3.11	UI Benefits Paid, Taxes Assessed and Covered Payroll by Industry, 2004	43
Table 3.12	UI Benefits Paid as a Percent of Taxes Assessed and Covered Payroll by Industry, 2004	44
Appendix A	Data Sources and Limitations	45
Appendix B	Summary of Major Changes in the Employment Security Act	47
Appendix C	Glossary of Terms	52

Executive Summary

Here is an overview of some of the most significant findings for 2004:

- Alaska's UI program in 2004 covered over 296,000 workers – 98.3 percent of all wage and salary workers.
- The average monthly employment, total payroll, taxable payroll and average earnings increased during 2004, exceeding all prior year levels.
- Covered payroll in Alaska in 2004 was \$10.6 billion, of which \$8.1 billion was reported from employers that pay UI taxes.
- Workers' average weekly earnings in 2004 rose to \$729, about 3.3 percent more than in 2003 (\$706). Top earnings, expectedly, were in the oil and gas industry (\$2,679), while one of the lowest was the large trade sector (\$547).
- The fastest wage growth during 2003-2004 was in the oil and gas industry (9.7 percent).
- Roughly \$136 million in unemployment benefits were paid to 61,544 workers in 2004. That includes \$124 million in regular benefits, \$121,000 in state supplemental benefits and \$8.4 million in extended benefits.
- The 2004 average weekly benefit payment for regular benefits in Alaska was \$194, up 67 cents from 2003. People claiming regular benefits received an average of 15 weeks of benefits; people receiving extended benefits were paid for an average of seven weeks.
- Alaska ranked 49th in the nation during 2004 in benefit adequacy, which is the percentage of average weekly earnings replaced by unemployment benefits.
- Alaska was third-highest nationally for the percentage of unemployed workers who actually received benefits.
- Alaska's UI trust fund had a reserve balance of \$198 million at the end of 2004.
- The average employer tax rate assigned in 2004 was 2.19 percent of taxable payroll. For 2005, the average employer tax rate is 2.50 percent.

Chapter 1

UI Covered Employment and Wages

Many Chapter 1 tables have changed since the 2002 edition, the last full actuarial study, due to the Alaska Department of Labor's change in industry classification systems. The change from the U.S. Standard Industrial Classification system (SIC) to the North American Industrial Classification System (NAICS) created a break in the data series, so the tables will show two years of data rather than 10 years. The new data series under NAICS began with 2003 data. The high level totals, though, are still comparable. Those are shown toward the end of Chapter 1.

Ninety-eight percent of Alaska's wage and salary workers are covered by Unemployment Insurance

State and federal unemployment insurance programs covered 296,331 workers in Alaska in 2004 – 98.3 percent of all nonagricultural wage and salary workers. (See Table 1.1 and Figure 1.1.) State programs covered 92.6 percent of Alaska's workers and federal programs covered 5.7 percent.¹ In the past 10 years, the total percentage has remained stable at an average 98.3 percent. Since the number of federal workers in Alaska has fallen slightly in the last decade, the percentage of workers covered under state UI programs appears slightly larger.

The 1.7 percent of workers who are typically not covered by UI insurance include full-commission salespeople, elected and appointed officials, fishermen, unpaid family workers and the self-employed.

Employers pay UI taxes and nonprofits reimburse the state

In Alaska, employers are assigned tax rates each year and pay taxes each quarter on the "taxable wages" of their employees. Nonprofit organizations and state and local government agencies use their option to reimburse the state for the UI benefits paid to their former employees.

Reimbursable employment accounts for roughly a fifth of covered employment – 21.3 percent in 2004. This percentage has continued to fall slowly as the economy matures and reimbursable employment becomes a smaller part of the work force. During 2004, the average monthly employment was 279,161 total, including 59,547 in reimbursable employment. (See Table 1.2.)

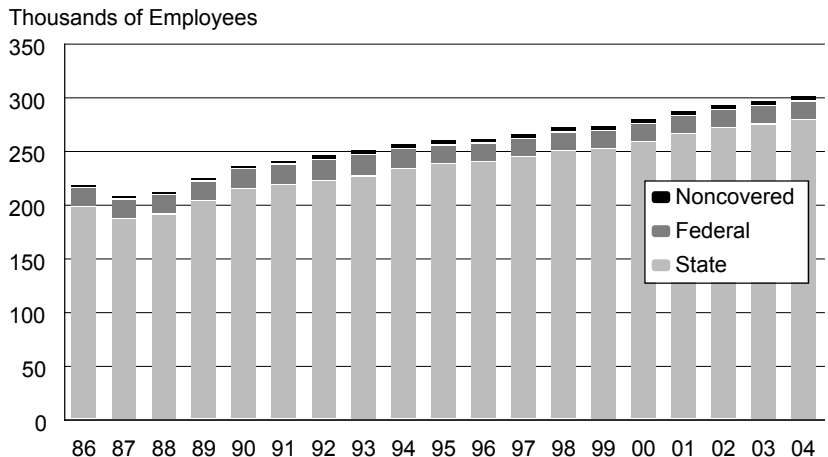
Employment and payroll is growing

During the past two years, Alaska saw a 1.4-percent average annual growth in covered employment and a 4.1-percent growth in total

payroll. Average monthly employment grew at the rate of 1.3 percent in 2003 and 1.6 percent in 2004. (See Tables 1.2 and 1.7.) Total covered

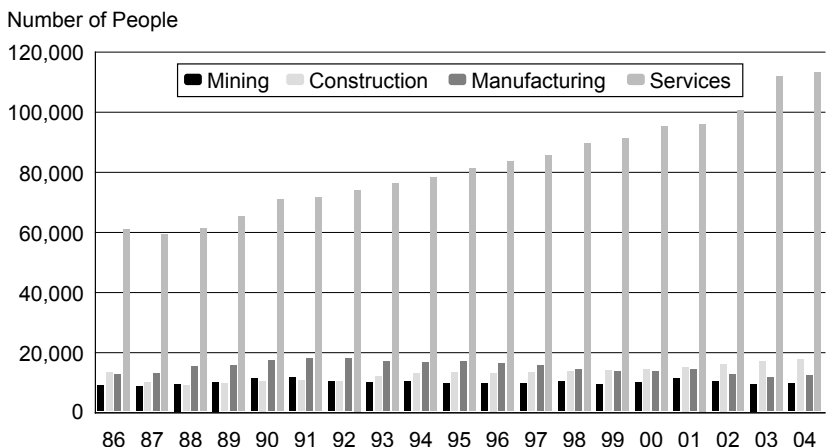
¹ The state programs include regular unemployment, extended benefits (EB), state supplemental benefits (SSB) and Temporary Emergency Unemployment Compensation (TEUC). The federal programs include Unemployment Compensation for Federal Employees (UCFE), which is designed to provide temporary unemployment benefits to former federal government employees, and UCX, which is designed to provide temporary unemployment benefits to former military personnel.

Figure 1.1 Employment by Type of UI Coverage 1986-2004



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

Figure 1.2 Average Monthly Covered Employment 1986-2004



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

payroll grew 3.3 percent in 2003 and 4.8 percent in 2004. (See Tables 1.3 and 1.8.)

Employment

Average monthly covered employment rose from 274,755 in 2003 to 279,161 in 2004. Because of the conversion to the North American Industry Classification System, or NAICS, it's not possible to take the traditional look at industry growth from 2002. However, it can be noted that many major industries shared in the growth from 2003 to 2004, such as mining (1.0 percent), construction (4.5 percent), manufacturing (5.4 percent), trade (2.5 percent) and accommodation and food services (2.2 percent). Transportation and warehousing was fairly flat in employment change (0.4 percent) during 2004. Public administration showed a 0.3 percent decline in 2004. (See Table 1.2.)

Payroll

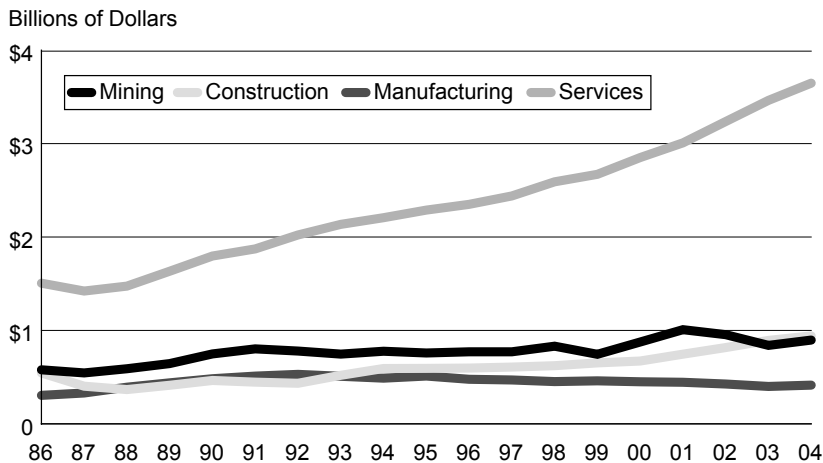
Total covered payroll – wages covered by the UI system – grew by 38.2 percent in the last 10 years and 8.2 percent from 2002 to 2004. Total covered payroll now stands at about \$10.6 billion, up from roughly \$7.7 billion in 1995. (See Table 1.3.)

During 2004, the growth in total covered payroll measured 4.8 percent, which should be good news for those who watch the indicators of the Alaska economy. All of the major industry groups had positive growth in covered payroll this last year, including mining (6.8 percent), construction (5.4 percent), transportation and warehousing (6.1 percent), trade (4.4 percent), as well as health care and social assistance (8.8 percent). (See Table 1.3.)

The service industry is a vital part of Alaska's economy

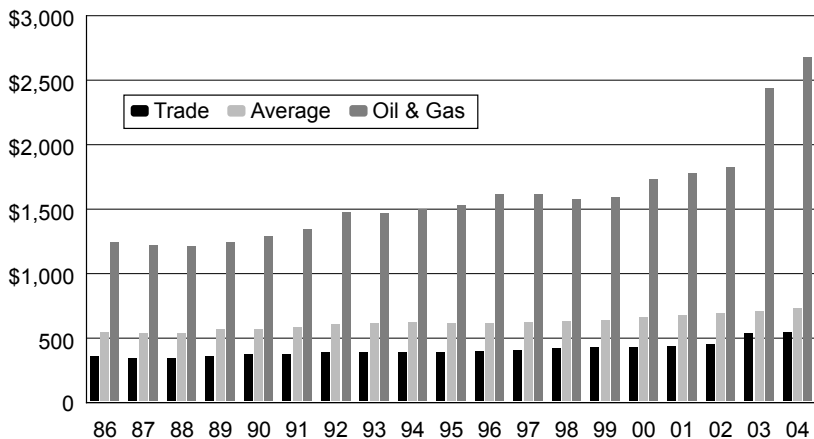
Past issues of this publication have detailed how Alaska's service industry grew steadily over time, how it created roughly half of new jobs and how it provided nearly 40 percent of employment. The ability to measure such indicators is more refined in the NAICS classification system, which creates many more service sector industries. In time, a new comparative series of data will be built for these services industries. In the meantime, the basic observations about the importance of the services sector are the same. (See Figures 1.2 and 1.3.)

Figure 1.3 Total Covered Payroll 1986-2004



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

Figure 1.4 Average Weekly Earnings 1986-2004



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

Average annual earnings continue to increase

Average annual earnings have grown steadily for the last nine years. (See Tables 1.5 and 1.10.) Overall earnings rose 5.2 percent the last two years, from \$36,040 in 2002 to \$37,907 in 2004. (See Table 1.10) This earnings increase is roughly equal to the increase in the Anchorage Consumer Price Index (the CPI-U) from 2002 to 2004. Although the growth in the overall average wage has been keeping pace with the rise in the cost of living, Alaska's earnings ranking nationally has eroded over time, from top in the nation in the early 1980s to 18th place in 2004 (See Table 2.6).

Alaska's best paying industries continue to be oil and gas extraction, with \$139,298 in annual average earnings, and other mining industries. (See Table 1.5). Alaska's lower wage rate industries are in the trade and service categories. The two lowest in 2004 were arts, entertainment and recreation, with \$15,727 in annual average earnings, and accommodation and food services, with \$17,454 in annual average earnings.

Table 1.1
Nonagricultural Wage and Salary Employment,
Covered and Noncovered, 1995-2004

Year	Total Nonagricultural Wage and Salary Employment	State UI Taxable and Reimbursable Employment	Percent of Total	Alaska Federal Government Employment	Percent of Total	Non-Covered Employment	Percent of Total
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
2003	296,909	274,755	92.5	17,104	5.8	5,050	1.7
2004	301,558	279,161	92.6	17,170	5.7	5,227	1.7

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

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section: Quarterly Census of Employment and Wages (QCEW) report to the U.S. Department of Labor

Table 1.2
Average Monthly Covered Employment¹ by Industry
2003-2004

	Employment		Percent	
	2003	2004	2003	2004
Total Taxable and Reimbursable	274,755	279,161	100.0	100.0
Agriculture, Forestry, Fishing & Hunting	1,137	1,025	0.4	0.4
Mining	9,593	9,691	3.5	3.5
Oil & Gas Extraction	2,571	2,521	0.9	0.9
Mining Support	5,593	5,813	2.0	2.1
Other Mining	1,429	1,357	0.5	0.5
Utilities	1,997	1,883	0.7	0.7
Construction	17,078	17,848	6.2	6.4
Manufacturing	11,683	12,319	4.3	4.4
Food	8,540	9,073	3.1	3.3
Wood Products	290	380	0.1	0.1
Other Manufacturing	2,854	2,866	1.0	1.0
Transportation & Warehousing	19,604	19,686	7.1	7.1
Trade	40,201	41,204	14.6	14.8
Information	6,908	6,867	2.5	2.5
Finance & Insurance	8,464	8,569	3.1	3.1
Real Estate, Rental & Leasing	5,007	5,134	1.8	1.8
Professional & Technical Services	11,049	11,244	4.0	4.0
Management of Companies	1,094	1,164	0.4	0.4
Administrative & Waste Services	10,969	10,962	4.0	3.9
Educational Services	27,916	27,209	10.2	9.7
Health Care & Social Assistance	32,212	34,157	11.7	12.2
Arts, Entertainment & Recreation	3,952	3,900	1.4	1.4
Accommodation & Food Services	25,691	26,245	9.4	9.4
Other Services, except Public Administration	9,853	9,266	3.6	3.3
Public Administration	30,087	29,994	11.0	10.7
Unclassified	264	794	0.1	0.3
Total Reimbursable Accounts	60,254	59,457		
Transportation & Warehousing	847	867		
Educational Services	26,147	25,516		
Health Care & Social Assistance	9,208	9,697		
Other Services, except Public Administration	1,339	869		
Public Administration	22,437	22,240		
Unclassified	277	268		

¹Excluding federal.

Notes: Reimbursable account data are included in the uppermost portion of this table. Percentages may not add up to 100 percent due to rounding.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section: Quarterly Census of Employment and Wages (QCEW) report to the U.S. Department of Labor

Table 1.3
Total Covered Payroll¹ by Industry
In Thousands, 2003-2004

	Wages		Percent	
	2003	2004	2003	2004
Total Taxable and Reimbursable	\$10,093,400	\$10,582,052	100.0	100.0
Agriculture, Forestry, Fishing & Hunting	45,585	41,194	0.5	0.4
Mining	839,940	896,715	8.3	8.5
Oil & Gas Extraction	326,372	351,171	3.2	3.3
Mining Support	418,575	451,727	4.1	4.3
Other Mining	94,993	93,817	0.9	0.9
Utilities	114,871	112,887	1.1	1.1
Construction	893,230	941,676	8.8	8.9
Manufacturing	400,443	414,266	4.0	3.9
Food	257,603	265,409	2.6	2.5
Wood Products	8,953	11,615	0.1	0.1
Other Manufacturing	133,888	137,242	1.3	1.3
Transportation & Warehousing	886,564	940,857	8.8	8.9
Trade	1,122,220	1,171,711	11.1	11.1
Information	310,402	330,085	3.1	3.1
Finance & Insurance	383,850	394,539	3.8	3.7
Real Estate, Rental & Leasing	144,082	156,416	1.4	1.5
Professional & Technical Services	511,205	547,937	5.1	5.2
Management of Companies	65,822	72,061	0.7	0.7
Administrative & Waste Services	326,602	346,118	3.2	3.3
Educational Services	991,650	1,009,720	9.8	9.5
Health Care & Social Assistance	1,135,931	1,235,587	11.3	11.7
Arts, Entertainment & Recreation	59,621	61,337	0.6	0.6
Accommodation & Food Services	430,933	458,092	4.3	4.3
Other Services, except Public Administration	267,615	262,710	2.7	2.5
Public Administration	1,147,270	1,157,047	11.4	10.9
Unclassified	15,565	31,098	0.2	0.3
Total Reimbursable Accounts	2,362,563	2,411,561		
Transportation & Warehousing	41,286	44,162		
Educational Services	942,177	959,755		
Health Care & Social Assistance	374,606	406,308		
Other Services, except Public Administration	28,661	19,593		
Public Administration	959,376	965,320		
Unclassified	16,456	16,424		

¹Excluding federal.

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

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section: Quarterly Census of Employment and Wages (QCEW) report to the U.S. Department of Labor

Table 1.4
Taxable Covered Payroll by Industry
In Thousands, 2003-2004

	Wages		Percent	
	2003	2004	2003	2004
Total	\$4,874,371	\$5,130,288	100.0	100.0
Agriculture, Forestry, Fishing & Hunting	32,913	30,226	0.7	0.6
Mining	306,285	317,623	6.3	6.2
Oil & Gas Extraction	74,914	75,492	1.5	1.5
Mining Support	187,835	199,102	3.9	3.9
Other Mining	43,536	43,029	0.9	0.8
Utilities	53,414	50,572	1.1	1.0
Construction	571,202	606,097	11.7	11.8
Manufacturing	287,921	316,668	5.9	6.2
Food	204,767	228,433	4.2	4.5
Wood Products	7,165	9,125	0.1	0.2
Other Manufacturing	75,989	79,111	1.6	1.5
Transportation & Warehousing	457,595	475,093	9.4	9.3
Trade	816,553	851,522	16.8	16.6
Information	171,248	175,050	3.5	3.4
Finance & Insurance	212,295	220,642	4.4	4.3
Real Estate, Rental & Leasing	104,610	111,814	2.1	2.2
Professional & Technical	283,810	296,771	5.8	5.8
Management of Companies	34,742	37,788	0.7	0.7
Administrative & Waste Services	236,771	247,706	4.9	4.8
Educational Services	36,363	35,709	0.7	0.7
Health Care & Social Assistance	514,564	560,943	10.6	10.9
Art, Entertainment & Recreation	51,907	52,206	1.1	1.0
Accommodation & Food Services	386,329	410,174	7.9	8.0
Other Service, except Public Administration	175,008	176,769	3.6	3.4
Public Administration	136,800	140,767	2.8	2.7
Unclassified	4,040	16,150	0.1	0.3

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

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section: Quarterly Census of Employment and Wages (QCEW) report to the U.S. Department of Labor

Table 1.5
Average Annual Earnings in Covered Employment¹ by Industry
In Thousands, 2003-2004

	2003	2004
Total Taxable and Reimbursable	\$36,736	\$37,907
Agriculture, Forestry, Fishing & Hunting	40,092	40,189
Mining	87,558	92,531
Oil & Gas Extraction	126,944	139,298
Mining Support	74,839	77,710
Other Mining	66,475	69,136
Utilities	57,522	59,951
Construction	52,303	52,761
Manufacturing	34,276	33,628
Food	30,164	29,253
Wood Products	30,872	30,566
Other Manufacturing	46,912	47,886
Transportation & Warehousing	45,224	47,793
Trade	27,915	28,437
Information	44,934	48,068
Finance & Insurance	45,351	46,043
Real Estate, Rental & Leasing	28,776	30,467
Professional & Technical Services	46,267	48,732
Management of Companies	60,166	61,908
Administrative & Waste Services	29,775	31,574
Educational Services	35,523	37,110
Health Care & Social Assistance	35,264	36,174
Arts, Entertainment & Recreation	15,086	15,727
Accommodation & Food Services	16,774	17,454
Other Services, except Public Administration	27,161	28,352
Public Administration	38,132	38,576
Unclassified	59,412	38,873
Total Reimbursable Accounts	\$39,210	\$40,560
Transportation & Warehousing	48,758	50,937
Educational Services	36,034	37,614
Health Care & Social Assistance	40,685	41,900
Other Services, except Public Administration	21,405	22,547
Public Administration	42,758	43,405

¹Excluding federal.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section: Quarterly Census of Employment and Wages (QCEW) report to the U.S. Department of Labor

Table 1.6
Average Weekly Earnings in Covered Employment¹ by Industry
In Thousands, 2003-2004

	2003	2004
Total Reimbursable and Non-Reimbursable	\$706.47	\$728.98
Agriculture, Forestry, Fishing & Hunting	771.01	772.87
Mining	1,683.80	1,779.44
Oil & Gas Extraction	2,441.22	2,678.81
Mining Support	1,439.21	1,494.42
Other Mining	1,278.37	1,329.53
Utilities	1,106.19	1,152.90
Construction	1,005.83	1,014.63
Manufacturing	659.15	646.70
Food	580.08	562.55
Wood Products	593.70	587.80
Other Manufacturing	902.16	920.89
Transportation & Warehousing	869.69	919.10
Trade	536.83	546.86
Information	864.11	924.39
Finance & Insurance	872.13	885.43
Real Estate, Rental & Leasing	553.39	585.90
Professional & Technical Services	889.75	937.14
Management of Companies	1,157.05	1,190.54
Administrative & Waste Services	572.60	607.20
Educational Services	683.13	713.65
Health Care & Social Assistance	678.16	695.65
Arts, Entertainment & Recreation	290.12	302.45
Accommodation & Food Services	322.57	335.66
Other Services, except Public Administration	522.32	545.23
Public Administration	733.30	741.85
Unclassified	1,142.54	747.55
Total Reimbursable Accounts	\$754.04	\$780.00
Transportation & Warehousing	937.66	979.55
Educational Services	692.97	723.34
Health Care & Social Assistance	782.40	805.78
Other Services, except Public Administration	411.63	433.59
Public Administration	822.27	834.71

¹Excluding federal.

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

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section: Quarterly Census of Employment and Wages (QCEW) report to the U.S. Department of Labor

Table 1.7
Average Monthly Covered Employment¹ by Ownership
1995-2004

Ownership	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Total	237,816	239,654	244,255	250,251	252,228	258,428	265,945	271,350	274,755	279,161
State Government	19,880	19,849	19,441	19,831	19,950	20,198	20,988	21,830	22,022	21,831
Local Government	30,589	30,966	30,997	31,276	31,305	31,468	35,281	37,353	37,076	36,428
Private Industry	187,347	188,839	193,817	199,144	200,973	206,762	209,676	212,167	215,657	220,902
Taxable	180,390	181,707	186,146	191,254	193,007	198,361	200,825	203,010	205,949	211,161
Reimbursable	6,957	7,132	7,671	7,890	7,966	8,401	8,851	9,157	9,708	9,741
Percent Distribution										
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
State Government	8.4	8.3	8.0	7.9	7.9	7.8	7.9	8.0	8.0	7.8
Local Government	12.9	12.9	12.7	12.5	12.4	12.2	13.3	13.8	13.5	13.0
Private Industry	78.8	78.8	79.4	79.6	79.7	80.0	78.8	78.2	78.5	79.1
Taxable	75.9	75.8	76.2	76.4	76.5	76.8	75.5	74.8	75.0	75.6
Reimbursable	2.9	3.0	3.1	3.2	3.2	3.3	3.3	3.4	3.5	3.5

¹Excluding federal.

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

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section: Quarterly Census of Employment and Wages (QCEW) report to the U.S. Department of Labor

Table 1.8
Total Covered Payroll¹ by Ownership
In Thousands, 1995-2004

Ownership	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Total	\$7,655,455	\$7,659,605	\$7,904,441	\$8,261,192	\$8,389,193	\$8,862,098	\$9,384,548	\$9,779,538	\$10,093,400	\$10,582,052
State Government	835,813	755,786	751,853	761,013	766,996	800,004	826,632	879,064	910,098	913,913
Local Government	1,131,558	1,130,507	1,134,393	1,120,982	1,125,164	1,127,624	1,218,672	1,280,960	1,312,305	1,339,864
Private Industry	5,688,084	5,773,312	6,018,195	6,379,197	6,497,033	6,934,470	7,339,244	7,619,514	7,870,997	8,328,275
Taxable	5,487,951	5,565,271	5,790,375	6,136,602	6,248,464	6,652,396	7,029,444	7,285,303	7,511,133	7,945,879
Reimbursable	200,133	208,041	227,820	242,595	248,569	282,074	309,800	334,211	359,864	382,396

Percent Distribution

Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
State Government	10.9	9.9	9.5	9.2	9.1	9.0	8.8	9.0	9.0	8.6
Local Government	14.8	14.8	14.4	13.6	13.4	12.7	13.0	13.1	13.0	12.7
Private Industry	74.3	75.4	76.1	77.2	77.4	78.2	78.2	77.9	78.0	78.7
Taxable	71.7	72.7	73.3	74.3	74.5	75.1	74.9	74.5	74.4	75.1
Reimbursable	2.6	2.7	2.9	2.9	3.0	3.2	3.3	3.4	3.6	3.6

¹Excluding federal.

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

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section: Quarterly Census of Employment and Wages (QCEW) report to the U.S. Department of Labor

Table 1.9
Taxable Covered Payroll by Ownership
In Thousands, 1995-2004

Ownership	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Total	\$3,698,894	\$3,739,737	\$3,853,741	\$3,995,639	\$4,124,730	\$4,396,916	\$4,556,600	\$4,722,968	\$4,874,371	\$5,130,288
State Government	8,801	8,804	8,823	8,841	8,933	9,125	9,491	8,877	8,675	8,911
Local Government	90,299	95,652	91,641	86,997	83,215	84,403	133,487	147,575	149,563	154,032
Private Industry	3,599,794	3,635,281	3,753,277	3,899,801	4,032,582	4,303,388	4,413,622	4,566,516	4,716,133	4,967,345

Percent Distribution

Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
State Government	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Local Government	2.4	2.6	2.4	2.2	2.0	1.9	2.9	3.1	3.1	3.0
Private Industry	97.3	97.2	97.4	97.6	97.8	97.9	96.9	96.7	96.8	96.8

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

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section: Quarterly Census of Employment and Wages (QCEW) report to the U.S. Department of Labor

Table 1.10
Average Annual Earnings in Covered Employment¹ by Ownership
In Thousands, 1995-2004

Ownership	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Total	\$32,191	\$31,961	\$32,361	\$33,012	\$33,260	\$34,292	\$35,288	\$36,040	\$36,736	\$37,907
State Government	42,043	38,077	38,674	38,375	38,446	39,608	39,386	40,269	41,327	41,863
Local Government	36,992	36,508	36,597	35,842	35,942	35,834	34,542	34,293	35,395	36,781
Private Industry	30,361	30,573	31,051	32,033	32,328	33,538	35,003	35,913	36,498	37,701
Taxable	30,423	30,628	31,107	32,086	32,374	33,537	35,003	35,887	36,471	37,629
Reimbursable	28,767	29,170	29,699	30,747	31,204	33,576	35,002	36,498	37,069	39,256

Note: Average Annual Earnings = Total Covered Payroll (Table 1.8) divided by Average Covered Employment (Table 1.7).

¹ Excluding federal.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section: Quarterly Census of Employment and Wages (QCEW) report to the U.S. Department of Labor

Table 1.11
Average Weekly Earnings in Covered Employment¹
By Ownership, 1995-2004

Ownership	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Total	\$619.05	\$614.64	\$622.34	\$634.84	\$639.62	\$659.47	\$678.62	\$693.08	\$706.46	\$728.98
State Government	808.52	732.25	743.72	737.98	739.34	761.69	757.42	774.40	794.75	805.06
Local Government	711.39	702.08	703.79	689.26	691.19	689.12	664.27	659.48	680.67	707.33
Private Industry	583.87	587.94	597.13	616.02	621.69	644.97	673.13	690.63	701.88	725.02
Taxable	585.05	588.99	598.20	617.04	622.58	644.94	673.13	690.13	701.36	723.63
Reimbursable	553.21	560.96	571.13	591.29	600.07	645.70	673.12	701.88	712.86	754.92

¹ Excluding federal.

Note: Average Weekly Earnings = Average Annual Earnings (Table 1.10) divided by 52.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section: Quarterly Census of Employment and Wages (QCEW) report to the U.S. Department of Labor

Chapter 2

UI Benefit Payments

Benefit payments in 2004 were \$135.8 million

Alaska moved from a time of high total benefit payments in 2003 to more modest levels in 2004. Total benefit payments in 2003 were \$174.9 million – the highest in 10 years – while the benefit payments in 2004 were \$135.8 million. (See Table 2.13.)

Alaska’s two highest years of UI benefit payments in the past 10 years were in 2002 and 2003, when Temporary Emergency Unemployment Compensation (TEUC) was payable in Alaska. Congress created this special federally funded program after 9/11. The program pumped \$47.7 million into the state from March 2002, when it began paying benefits, until the program ended in April 2004. (See Table 2.13.)

Alaska’s UI system paid \$22 million in benefits to out-of-state claimants in 2004, which was 18.2 percent of all regular UI benefit payments. (See Table 2.14.)

Four different UI programs distributed benefits in Alaska in 2004, including two federally funded programs: the Unemployment Compensation for Federal Employees (UCFE) program, which is designed to provide temporary unemployment benefits to former federal government employees; and the UCX program, which is designed to

provide temporary unemployment benefits to former military personnel. Of the money that the UI programs paid to claimants in 2004, 91.7 percent was through the regular UI program, 6.2 percent was through the extended benefits program, 2.0 percent was through the TEUC program and 0.09 percent was through the state’s supplemental benefits program, or SSB. (See Table 2.13.)

Regular benefits – the nation’s fundamental UI program

The regular benefits program is the largest part of each state’s UI program. Created by the Employment Security Act of 1937, the regular benefits program is loosely modeled after benefit programs in Europe.

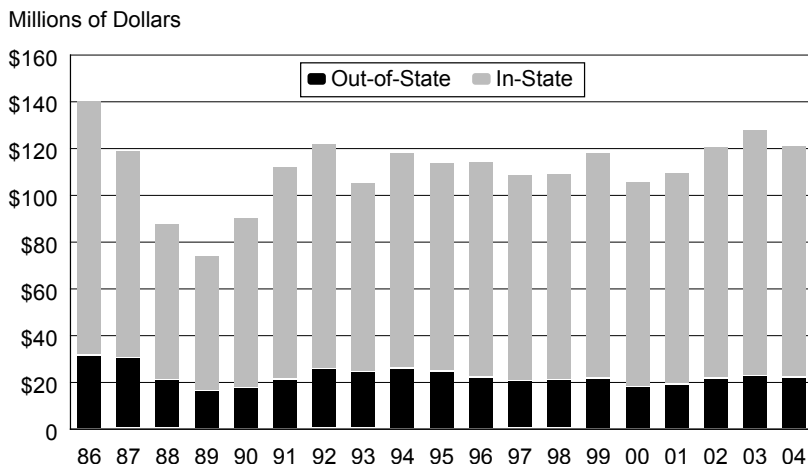
In Alaska, eligibility for regular benefits requires individuals to earn at least \$1,000 in their “base period,” with at least \$100 earned outside the highest earnings quarter in their base period. (See the Glossary, Appendix C.)

The base period is defined as the first four of the five most recently completed quarters. However, base period earnings are not always a claimant’s earnings during the base period. In 1981, the Alaska Legislature enacted AS 23.20.350, which redefined base period wages 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 the insured worker is paid 90 percent or more of his or her earnings in one calendar quarter, the worker’s base period earnings are his or her earnings in the three other quarters multiplied by 10; or
2. If the insured worker is paid less than 90 percent of his or her earnings in one calendar quarter, the worker’s base period earnings are simply his or her earnings during the base period.

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

Figure 2.1 Amount of UI Payments, Regular Benefits 1986-2004



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

Alaska's \$193.71 in average weekly benefits in 2004 was low when compared to other states and the District of Columbia. Alaska ranked 48th. (See Table 2.6.)

During 2004, 46,224 unemployed people received \$124.5 million in regular UI benefits, including UCFE and UCX. The 46,224 were potentially eligible to receive an average of 20.7 weeks in benefits, but only claimed an average 14.8 weeks. (See Tables 2.5 and 2.13.)

Claimants with children receive an additional allowance

Alaska is one of 13 states that provides additional benefits to UI claimants with dependents. The allowance increases the maximum amount of benefits payable during the claim because it is added to the basic weekly benefit.

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.

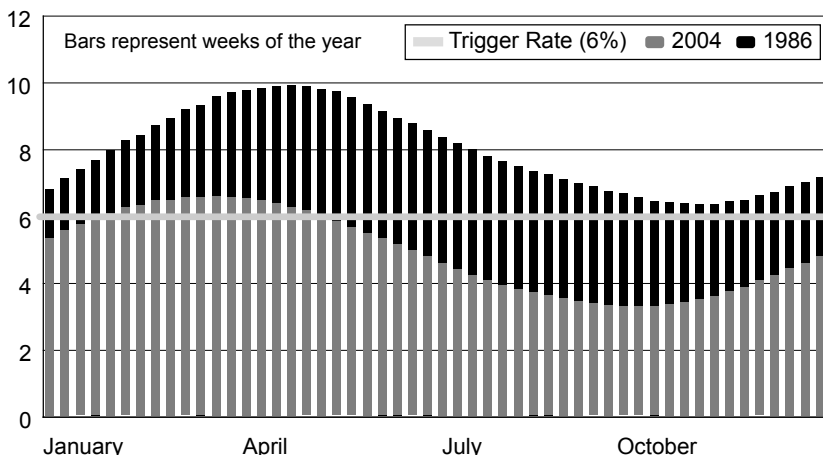
Claimants are eligible to receive \$24 per dependent up to a maximum of \$72 per week. To qualify for dependent benefits, the child must be younger than 18 years old and be an unmarried child or stepchild of the claimant who is lawfully in the claimant's physical custody at the time the claimant claims the allowance for the dependent or depend on the claimant for more than 50 percent of his or her support. A dependent may also be a legal ward of the claimant of any age who is dependent on the claimant for more than 50 percent of his or her support and is physically or mentally unable to work.

In 2004, the UI program paid \$12.9 million in dependent benefits to 18,839 people receiving regular UI benefits. (See Table 2.15.) Dependent allowance recipients accounted for 38.3 percent of all claimants. (See Table 2.2.) Claimants who received the maximum three-child allowance represented 10.2 percent of all claimants. The total dependent allowances paid in 2004 amounted to 10.6 percent of the regular UI benefit dollars paid that year.

Duration of benefits depends on the work stability

The length of time a claimant may claim benefits varies in each state. In Alaska, it varies with each claimant. Alaska sets the potential duration of benefits for each claimant by dividing the amount

Figure 2.2 Alaska Insured Unemployment Rate 1986 and 2004



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

of base period earnings by the amount of earnings in the highest quarter. The intent is to provide a duration of benefits that 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 potential duration of benefits is defined by 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.) Claimants with a ratio of less than 1.50 have earned more than two-thirds of their wages in one quarter.

Alaska's highly seasonal economy ensures 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 a minimum of 16 weeks of benefits to claimants without a disqualification. These long duration periods propel many claimants into December, or later, virtually ensuring the high levels of claims needed to "trigger" extended benefits.

Shorter benefits duration for workers who quit work or were fired

All states either disqualify or postpone benefits for claimants who voluntarily quit work without good cause or are discharged for misconduct.

Alaska and two other states either postpone or reduce benefits or do both. Claimants in Alaska who voluntarily quit work or are discharged for

misconduct must wait six weeks for their benefits to begin, including the week waiting period for all claimants. Their benefits are also reduced equal to three times their weekly benefit amount.

Forty-seven states completely deny benefits to claimants who voluntarily quit work or are discharged for misconduct. To requalify for benefits, claimants in those states must obtain another job, work for a specific period and then become unemployed again for a nondisqualifying reason.

Alaska's policy is the most lenient in the nation. The primary argument for the short waiting period is that the disqualification should be no longer than it takes the average person to find work. The rationale is that after the six-week waiting period, the workers' continuing unemployment is no longer due to their reasons for leaving work, but to the unavailability of work.

In contrast, the main argument for a longer waiting period or an outright disqualification is that the unemployment doesn't become involuntary after

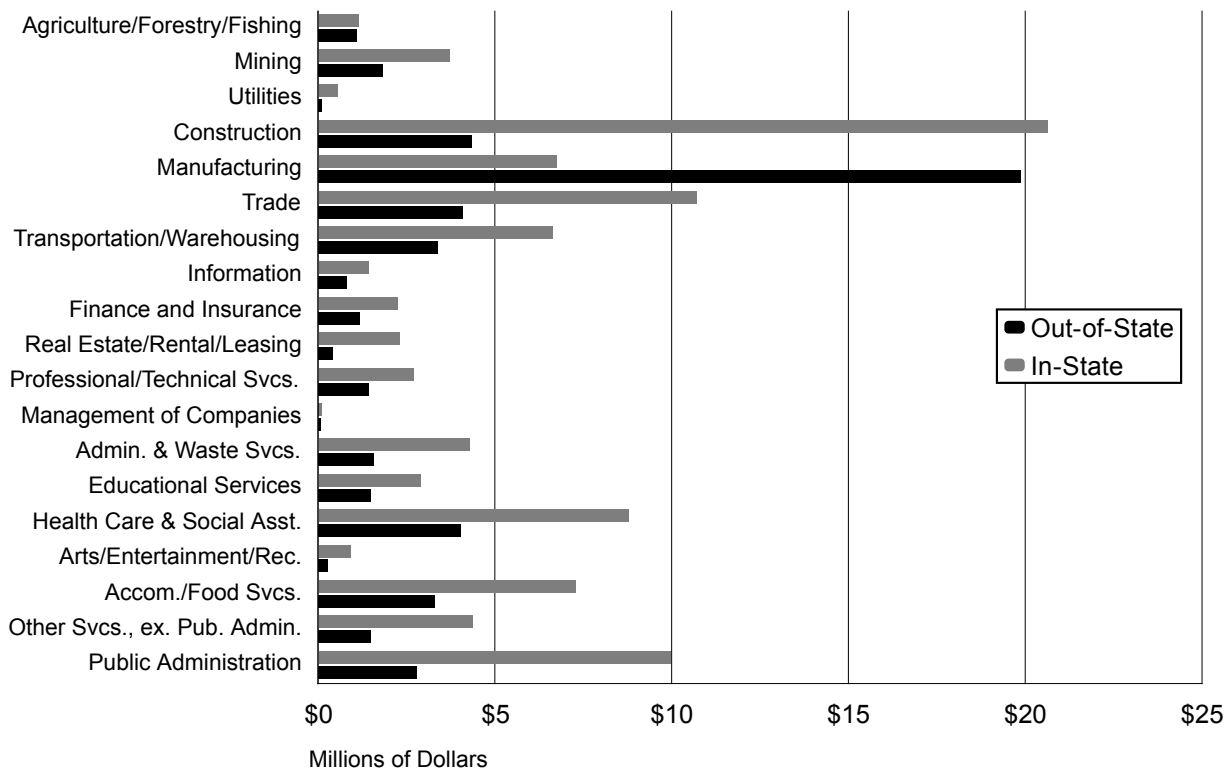
six weeks just because the "average" worker returns to work within that time; the worker continues to be unemployed due to a voluntary act. Another similar argument is that the leniency of the disqualification is yet another disincentive to work.

Extended benefits often kick in during the winter

Normally, UI claimants throughout the U.S. receive no further benefits once they exhaust their maximum entitlement amount. But when certain economic conditions exist in a state and the state's extended benefits program kicks in, the UI claimants may collect additional payments of up to half their maximum regular benefits.

For extended benefits to be "triggered," 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 6 percent, the "trigger rate." Before 1982, the trigger rate was 5 percent, which meant that in Alaska, extended benefits

Figure 2.3 UI Regular Benefit Payments by Industry for In-State and Out-of-State Claimants, 2004



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

were continuously available beginning in 1975. Since 1982, the trigger rate has been 6 percent. For Alaska, that has meant extended benefits have generally not been available between May and December and they have been available from January to April.

The insured unemployment rate is calculated by dividing the average number of weeks of UI claimed for the previous 13 weeks by the average covered employment for the previous four quarters.

Alaska is the only state that has traditionally paid extended benefits each year, primarily for two reasons: Alaska’s highly seasonal economy, which drives up unemployment in the winter months, and Alaska’s high UI claim reciprocity rate.

Alaska had the third-highest reciprocity rate in the U.S. in 2004 – the percentage of the unemployed people each week who received UI benefits. In Alaska, 52.3 percent of the unemployed received benefits in 2004; nationally 31.9 percent received benefits. (See Table 2.16.)

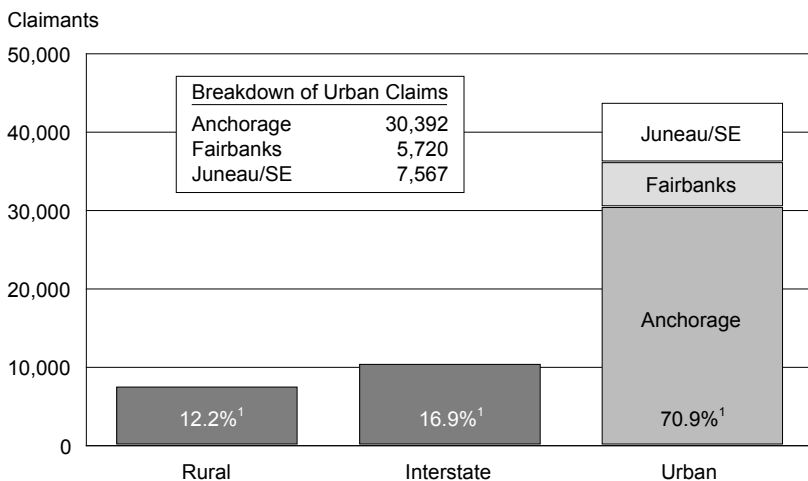
A number of factors contribute to Alaska’s high reciprocity rate. Those include eligibility based on relatively low base period earnings, a high minimum duration of 16 weeks and a short postponement rather than an absolute disqualification from benefits for those leaving employment or refusing work without good cause.

In 2004, 7,162 claimants received more than \$8 million in extended benefit payments. The average length of extended benefit payments was 6.7 weeks and the average weekly benefit amount paid was \$187.26. Extended benefits “triggered on” during the week ending Jan. 31, 2004 and “triggered off” during the week ending May 15, 2004. (See Tables 2.7 and 2.13.)

Temporary Extended Unemployment Compensation Program ends

Typically, extended benefits had been the most common supplement to regular UI programs throughout the United States until Congress started the TEUC program in March 2002. The program, which ended in April 2004, provided up to 13 weeks of federally funded unemployment benefits once people had exhausted their state’s regular UI benefits. The federal government’s program paid more than \$2 million to Alaskans in 2004.

Figure 2.4 Claimants by Processing Center in 2004



¹ Percentage of total claimants that each processing center served.

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

Supplemental state benefits assist some claimants with low earnings

Federal law since 1982, and state law that mirrors the federal law, has dictated that claimants who earn low wages – those who don’t earn at least 40 times their weekly benefit amount during their base period – aren’t eligible for extended benefits when their regular benefits run out. In 1982, more than 1,000 Alaskans fell into this category.

The Alaska Legislature created the Supplemental State Benefits (SSB) program in 1982 to fill the gap and give claimants with low wages a way to get additional benefits when their regular UI benefits run out. Claimants who are ineligible for extended benefits solely because of the “40 times rule” are eligible for SSB whenever extended benefits are triggered on.

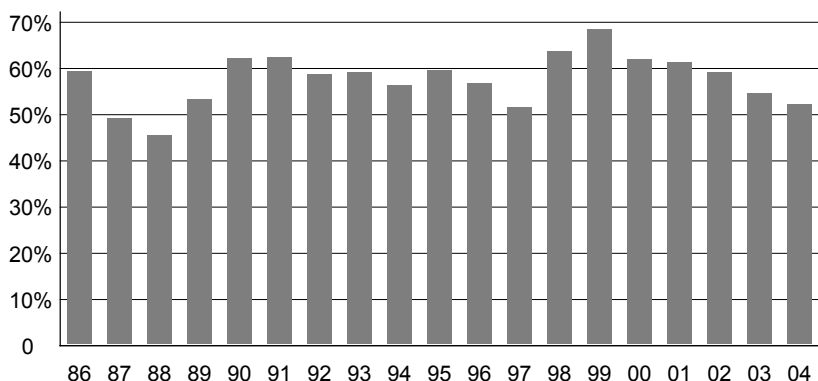
In 2004, 211 unemployed Alaskan workers received \$121,482 in SSB payments. Their average weekly benefit check was \$99.62; the average claim duration was 6.4 weeks. (See Tables 2.8 and 2.13.)

Alaska sends nearly 20 percent of its regular UI payments outside Alaska

Alaska sent 18.2 percent, or \$22 million, of its regular benefit payments to claimants living outside the state in 2004; it sent 17.7 percent of its payments out of state in 2003. (See Table 2.12.) Interstate claimants are people who earned wages in Alaska during their base period but lived out

Figure 2.2 Percentage of Unemployed Receiving UI in Alaska 1986-2004

Average Weekly Percentage



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

of state when UI benefits were paid. (See Figure 2.1.) More than half of the benefits sent out of state in 2004 went to the West Coast: California (24.2 percent), Washington (20.9 percent) and Oregon (8.2 percent). (See Table 2.14.) More than a third of the out-of-state payments that year, 36.3 percent, went to former workers in manufacturing, the industry with the highest amount of out-of-state payments. (See Table 2.10.)

Since 1987, the average weekly benefit amount has been higher for those filing from outside Alaska than for those filing in-state. (See Tables 2.9 and 2.10.) The average weekly benefit payment for claimants outside Alaska was \$188.11 in 2004; their claims lasted an average 16.9 weeks. In-state claimants, on the other hand, averaged \$170.02 in weekly payments and their claims lasted an average 14.8 weeks.

Out-of-state claimants with the highest average weekly benefit amounts were from the “management of companies” industry (\$252.72) and mining (\$238.13). The lowest average benefit amounts, \$153.10, were paid to workers from the accommodations and food services industry.

Table 2.1 Unemployment, 1995-2004

Year	Total Labor Force ¹	Total Unemployment ¹	Total Unemployment Rate (TUR) Percent ¹	Covered Employment	Insured Unemployment	Insured Unemployment Rate (IUR) Percent	Percent Ratio IUR to TUR
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	73.3
2002	322,793	24,962	7.7	271,350	13,980	5.2	66.6
2003	331,675	26,561	8.0	274,755	14,259	5.2	64.8
2004	344,918	25,249	7.3	279,161	13,471	4.8	65.9

¹ These data were current as of January 2005.

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: Quarterly Census of Employment and Wages (QCEW) 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
2004**

Characteristics	Number	Percent of Total	Characteristics	Number	Percent of Total
Total	61,544	100.0	Occupation:		
Gender:			Agriculture, Forestry & Fishing	1,216	2.0
Male	37,473	60.9	Benchwork	158	0.3
Female	24,071	39.1	Clerical & Sales	10,917	17.7
Age:			Machine Trades	1,425	2.3
Less than 21	1,852	3.0	Processing	6,452	10.5
21-24	8,075	13.1	Professional, Technical, Managerial	9,298	15.1
25-34	13,764	22.4	Service	9,970	16.2
35-44	15,995	26.0	Structural Work	15,831	25.7
45-54	14,478	23.5	Miscellaneous & Unknown	6,277	10.2
55-64	6,155	10.0	Average Annual Earnings:		
65+	1,225	2.0	\$1,000-\$9,999	15,120	24.6
Number of Dependents:			\$10,000-\$19,999	17,570	28.5
0	37,977	61.7	\$20,000-\$29,999	12,317	20.0
1	9,617	15.6	\$30,000-\$39,999	7,137	11.6
2	7,694	12.5	\$40,000-\$49,999	3,783	6.1
3+	6,256	10.2	\$50,000-\$59,999	2,294	3.7
Ethnic Background:			\$60,000-\$69,999	1,414	2.3
Alaska Native/American Indian	14,533	23.6	\$70,000-\$79,999	830	1.3
Asian and Pacific Islander	4,679	7.6	\$80,000-\$89,999	471	0.8
Black	2,289	3.7	\$90,000+	608	1.0
Hispanic	2,664	4.3	Geographic Location:		
White	36,672	59.6	Aleutians East Borough	161	0.3
Other	707	1.1	Aleutians West Census Area	441	0.7
No Information	0	0.0	Anchorage Borough	15,917	25.9
Industry:			Bethel Census Area	1,851	3.0
Agriculture, Forestry, Fishing & Hunting	765	1.2	Bristol Bay Borough	137	0.2
Mining	2,150	3.5	Denali Borough	263	0.4
Oil and Gas	91	0.1	Dillingham Census Area	474	0.8
Other Mining	2,059	3.3	Fairbanks North Star Borough	5,633	9.2
Utilities	251	0.4	Haines Borough	296	0.5
Construction	9,872	16.0	Juneau Borough	2,100	3.4
Manufacturing	7,379	12.0	Kenai Peninsula Borough	4,926	8.0
Food Products	6,577	10.7	Ketchikan Gateway Borough	1,275	2.1
Wood Products	140	0.2	Kodiak Island Borough	1,578	2.6
Other Manufacturing	662	1.1	Lake & Peninsula Borough	204	0.3
Trade	6,846	11.1	Matanuska-Susitna Borough	5,906	9.6
Transportation & Warehousing	3,967	6.4	Nome Census Area	895	1.5
Information	818	1.3	North Slope Borough	715	1.2
Finance and Insurance	1,154	1.9	Northwest Arctic Borough	711	1.2
Real Estate and Rental & Leasing	1,264	2.1	Prince of Wales-Outer Ketchikan Census Area	750	1.2
Professional & Technical Service	1,527	2.5	Sitka Borough	620	1.0
Mangement of Companies	82	0.1	Skagway-Hoonah-Angoon Census Area	524	0.9
Administrative & Waste Services	2,534	4.1	Southeast Fairbanks Census Area	684	1.1
Educational Services	1,803	2.9	Valdez-Cordova Census Area	1,043	1.7
Health Care & Social Assistance	4,921	8.0	Wade Hampton Census Area	1,099	1.8
Arts, Entertainment & Recreation	678	1.1	Wrangell-Petersburg Census Area	691	1.1
Accommodation & Food Services	5,765	9.4	Yakutat Borough	111	0.2
Other Services, except PA	2,718	4.4	Yukon-Koyukuk Census Area	760	1.2
Public Administration	6,261	10.2	Alaska Area Unknown	1,182	1.9
Unclassified/Unknown	789	1.3	Total In-State	50,947	82.8
			Out-of-State	10,597	17.2
			Local Office:		
			Anchorage	30,392	49.4
			Central - Interstate Claims	10,381	16.9
			Central - Rural Mail Claims	7,484	12.2
			Fairbanks	5,720	9.3
			Juneau / SE Urban	7,567	12.3

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.

The Anchorage Call Center serves clients in Anchorage, Bethel, Dillingham, Eagle River, Glennallen, Homer, Kenai, Kodiak, Kotzebue, Mat-Su, Nome, Seward, Tok and Valdez. Juneau/SE Urban serves Juneau, Ketchikan, Petersburg and Sitka.

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

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section: UI Claimant Characteristics Files

Table 2.3
Schedule of UI Weekly Benefit Amounts

Base Period Earnings			Base Period Earnings		
At Least	But Less Than	Weekly Benefit Amount Starting Oct. 1, 1990	At Least	But Less Than	Weekly Benefit Amount Starting Oct. 1, 1990
\$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 Jan. 1, 1997		
At Least	But Less Than	Weekly Benefit Amount Starting Oct. 1, 1990
22,000	22,250	212
22,250	22,500	214
22,500	22,750	216
22,750	23,000	218
23,000	23,250	220
23,250	23,500	222
23,500	23,750	224
23,750	24,000	226
24,000	24,250	228
24,250	24,500	230
24,500	24,750	232
24,750	25,000	234
25,000	25,250	236
25,250	25,500	238
25,500	25,750	240
25,750	26,000	242
26,000	26,250	244
26,250	26,500	246
26,500	26,750	248
26,750	and over	248

Source: Alaska Statute 23.20.350(d).
The existing schedule was amended (effective Jan. 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
3.50 or more	26

Source: Alaska Statute 23.20.350(e)

Table 2.5
Payment Data, UI Regular Benefits¹
1995-2004

Year	All Claimants		Claimants Exhausting Benefits		Average Duration (in Weeks)			Average Weekly Benefit Amount (AWBA)		Maximum Weekly Benefit Amount (\$)	
	Number of First Payments ²	Number of Weeks Paid	Number ⁴	Percent of First Payments ²	Potential	Actual	Actual for Exhausts ³	Amount ³	Ratio of WBA to Average Weekly Earnings	Benefits Without Dependents	Benefits With Dependents
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
2003	49,493	729,399	21,728	43.9	20.7	14.7	20.7	193.04	0.27	248.00	320.00
2004	46,224	687,388	20,192	43.7	20.7	14.9	20.7	193.71	0.27	248.00	320.00

¹ Taxable and reimbursable.

² 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.

³ Average weekly benefit amount for all claimants excluding certain part-time workers.

⁴ Exhausts are people 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; and ES-218 report to the U.S. Department of Labor

Table 2.6
Average Weekly Benefits as a Percentage of
Average Weekly Earnings¹, 2004

State	Benefit		Weekly		Average Weekly	
	Amount	Rank	Earnings	Rank	Benefit Amount	as Percentage of Earnings
Alabama	\$176.64	50	\$629.47	34	28.1	48
Alaska	193.71	48	728.86	18	26.6	49
Arizona	176.95	49	697.44	22	25.4	50
Arkansas	228.16	35	573.64	45	39.8	15
California	260.27	17	853.77	6	30.5	44
Colorado	298.04	7	766.00	12	38.9	17
Connecticut	284.04	10	979.53	2	29.0	46
Delaware	246.63	28	815.42	7	30.2	45
Dist. of Columbia	257.35	20	1133.02	1	22.7	51
Florida	223.15	37	669.01	25	33.4	37
Georgia	242.02	30	719.48	19	33.6	35
Hawaii	323.32	4	656.27	31	49.3	1
Idaho	229.00	34	565.20	47	40.5	11
Illinois	279.12	11	808.62	8	34.5	34
Indiana	266.88	14	662.40	30	40.3	13
Iowa	261.08	16	613.04	36	42.6	5
Kansas	271.76	12	621.98	35	43.7	4
Kentucky	257.38	19	630.73	33	40.8	9
Louisiana	194.78	47	604.68	39	32.2	38
Maine	235.33	33	603.18	40	39.0	16
Maryland	253.70	23	789.75	9	32.1	39
Massachusetts	351.35	1	938.70	4	37.4	25
Michigan	289.15	9	773.12	11	37.4	26
Minnesota	317.67	5	773.43	10	41.1	8
Mississippi	171.87	51	538.46	49	31.9	40
Missouri	205.05	45	663.68	29	30.9	43
Montana	197.32	46	520.35	51	37.9	21
Nebraska	219.51	39	599.49	41	36.6	28
Nevada	244.83	29	708.20	21	34.6	33
New Hampshire	250.69	26	748.56	14	33.5	36
New Jersey	330.90	2	920.36	5	36.0	30
New Mexico	220.41	38	585.75	43	37.6	24
New York	270.53	13	958.06	3	28.2	47
North Carolina	255.66	22	663.87	27	38.5	19
North Dakota	226.39	36	548.49	48	41.3	7
Ohio	251.97	24	694.64	23	36.3	29
Oklahoma	218.55	41	576.81	44	37.9	22
Oregon	251.61	25	678.18	24	37.1	27
Pennsylvania	293.61	8	735.18	16	39.9	14
Rhode Island	324.34	3	712.84	20	45.5	2
South Carolina	210.66	42	606.23	38	34.8	32
South Dakota	205.31	44	532.81	50	38.5	18
Tennessee	209.26	43	663.87	28	31.5	42
Texas	259.34	18	734.48	17	35.3	31
Utah	265.71	15	607.10	37	43.8	3
Vermont	256.36	21	632.47	32	40.5	10
Virginia	240.28	31	757.44	13	31.7	41
Washington	309.76	6	748.46	15	41.4	6
West Virginia	219.07	40	569.28	46	38.5	20
Wisconsin	250.67	27	664.94	26	37.7	23
Wyoming	238.36	32	589.72	42	40.4	12
United States	262.50		746.30		35.2	

¹ Covered employment.

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 Quarterly Census of Employment and Wages (QCEW) report to the U.S. Department of Labor

Table 2.7
Payment Data, UI Extended Benefits, 1995-2004

Year	Number of First Payments	Number of Weeks Paid	Number of Claimants Exhausting Benefits	Average Duration in Weeks	Average Weekly Benefit Amount¹
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
2003	14,527	111,012	8,262	7.6	188.10
2004	7,162	48,341	3,131	6.8	187.26

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, 1995-2004

Year	Number of First Payments	Number of Weeks Paid	Number of Claimants Exhausting Benefits	Average Duration in Weeks	Average Weekly Benefit Amount¹
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
2003	476	3,398	385	7.1	98.47
2004	211	1,347	114	6.4	99.62

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 Payments¹ by Industry
Intrastate, 2003-2004

Industry	<u>Number of Weeks Paid</u>		<u>Number of First Payments</u>		<u>Amount of Payments</u>	
	2003	2004	2003	2004	2003	2004
Totals	620,015	582,618	42,137	39,300	\$105,256,026	\$99,056,646
Agriculture, Forestry, Fishing & Hunting	6,719	6,642	519	465	1,229,805	1,214,825
Mining	27,610	17,617	1,645	1,175	6,108,356	3,802,977
Utilities	3,180	3,189	219	207	607,177	630,233
Construction	101,045	101,056	7,222	7,132	20,487,938	20,696,071
Manufacturing	46,319	46,599	3,033	3,068	6,785,785	6,810,922
Wholesale Trade	9,986	8,202	658	565	1,846,340	1,495,196
Retail Trade	68,858	60,209	4,600	4,099	10,604,198	9,273,160
Transportation & Warehousing	44,360	39,646	2,981	2,793	7,498,962	6,703,267
Information	7,940	7,477	509	477	1,552,782	1,487,163
Finance & Insurance	13,486	13,059	882	799	2,346,059	2,334,253
Real Estate, Rental & Leasing	15,124	14,470	955	935	2,501,196	2,381,189
Professional & Technical Services	15,662	14,593	1,158	885	2,983,027	2,782,352
Management of Companies	302	749	17	55	66,475	139,090
Administrative & Waste Services	28,723	26,601	1,916	1,749	4,665,167	4,344,559
Educational Services	20,026	19,008	1,371	1,268	3,109,603	2,980,239
Health Care & Social Assistance	44,555	49,367	2,974	3,176	7,999,665	8,839,670
Arts, Entertainment & Recreation	7,376	7,037	517	488	1,030,621	990,092
Accommodation & Food Services	59,957	54,729	4,304	3,805	8,050,716	7,349,217
Other Services, except Public Administration	24,977	26,947	1,751	1,831	4,055,954	4,443,542
Public Administration	66,828	63,342	4,400	4,128	10,664,347	10,038,300
Unclassified	6,982	2,079	506	200	1,061,853	320,329

	<u>Percent Distribution</u>		<u>Average Weekly Payments</u>		<u>Average Duration in Weeks</u>	
	<u>Amount of Payments</u>		2003	2004	2003	2004
Totals	100.0	100.0	\$169.76	\$170.02	14.7	14.8
Agriculture, Forestry, Fishing & Hunting	1.2	1.2	183.03	182.90	12.9	14.3
Mining	5.8	3.8	221.24	215.87	16.8	15.0
Utilities	0.6	0.6	190.94	197.63	14.5	15.4
Construction	19.5	20.9	202.76	204.80	14.0	14.2
Manufacturing	6.4	6.9	146.50	146.16	15.3	15.2
Wholesale Trade	1.8	1.5	184.89	182.30	15.2	14.5
Retail Trade	10.1	9.4	154.00	154.02	15.0	14.7
Transportation & Warehousing	7.1	6.8	169.05	169.08	14.9	14.2
Information	1.5	1.5	195.56	198.90	15.6	15.7
Finance & Insurance	2.2	2.4	173.96	178.75	15.3	16.3
Real Estate, Rental & Leasing	2.4	2.4	165.38	164.56	15.8	15.5
Professional & Technical Services	2.8	2.8	190.46	190.66	13.5	16.5
Management of Companies	0.1	0.1	220.12	185.70	17.8	13.6
Administrative & Waste Services	4.4	4.4	162.42	163.32	15.0	15.2
Educational Services	3.0	3.0	155.28	156.79	14.6	15.0
Health Care & Social Assistance	7.6	8.9	179.55	179.06	15.0	15.5
Arts, Entertainment & Recreation	1.0	1.0	139.73	140.70	14.3	14.4
Accommodation & Food Services	7.6	7.4	134.27	134.28	13.9	14.4
Other Services, except Public Administration	3.9	4.5	162.39	164.90	14.3	14.7
Public Administration	10.1	10.1	159.58	158.48	15.2	15.3
Unclassified	1.0	0.3	152.08	154.08	13.8	10.4

¹ Taxable and reimbursable.

Note: Percentages may not add to 100 percent 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 Payments¹ by Industry
Interstate, 2003-2004

Industry	<u>Number of Weeks Paid</u>		<u>Number of First Payments</u>		<u>Amount of Payments</u>	
	2003	2004	2003	2004	2003	2004
Totals	123,898	117,002	7,361	6,904	\$22,704,677	\$22,008,741
Agriculture, Forestry, Fishing & Hunting	2,360	2,255	145	139	494,330	466,228
Mining	5,559	3,166	298	189	1,332,622	753,920
Utilities	459	304	23	20	107,440	68,371
Construction	8,574	7,917	518	483	1,863,549	1,761,363
Manufacturing	43,258	44,856	2,852	2,822	7,213,871	7,979,868
Wholesale Trade	2,070	1,420	110	87	400,254	271,940
Retail Trade	9,429	8,085	496	474	1,614,841	1,393,347
Transportation & Warehousing	7,086	7,173	423	419	1,340,084	1,383,181
Information	1,413	1,649	82	88	289,424	353,212
Finance & Insurance	2,960	2,385	160	122	622,668	497,684
Real Estate, Rental & Leasing	964	1,001	56	47	188,206	189,654
Professional & Technical Services	2,773	2,772	154	150	594,976	600,786
Management of Companies	49	64	3	3	10,927	16,174
Administrative & Waste Services	3,784	3,518	196	193	704,808	658,317
Educational Services	3,376	3,194	188	161	625,446	626,217
Health Care & Social Assistance	7,458	7,823	391	411	1,532,844	1,637,725
Arts, Entertainment & Recreation	1,060	828	56	60	159,533	136,313
Accommodation & Food Services	9,682	8,833	561	496	1,465,064	1,352,316
Other Services, except Public Administration	3,313	3,665	175	199	566,961	625,111
Public Administration	5,809	5,518	324	307	1,186,756	1,138,113
Unclassified	2,462	576	150	34	390,073	98,901

	<u>Percent Distribution</u>		<u>Average Weekly Payments</u>		<u>Average Duration in Weeks</u>	
	<u>Amount of Payments</u>		2003	2004	2003	2004
Totals	100.0	100.0	\$183.25	\$188.11	16.8	16.9
Agriculture, Forestry, Fishing & Hunting	2.2	2.1	209.46	206.75	16.3	16.2
Mining	5.9	3.4	239.72	238.13	18.7	16.8
Utilities	0.5	0.3	234.07	224.90	20.0	15.2
Construction	8.2	8.0	217.35	222.48	16.6	16.4
Manufacturing	31.8	36.3	166.76	177.90	15.2	15.9
Wholesale Trade	1.8	1.2	193.36	191.51	18.8	16.3
Retail Trade	7.1	6.3	171.26	172.34	19.0	17.1
Transportation & Warehousing	5.9	6.3	189.12	192.83	16.8	17.1
Information	1.3	1.6	204.83	214.20	17.2	18.7
Finance & Insurance	2.7	2.3	210.36	208.67	18.5	19.6
Real Estate, Rental & Leasing	0.8	0.9	195.23	189.46	17.2	21.3
Professional & Technical Services	2.6	2.7	214.56	216.73	18.0	18.5
Management of Companies	0.0	0.1	223.00	252.72	16.3	21.3
Administrative & Waste Services	3.1	3.0	186.26	187.13	19.3	18.2
Educational Services	2.8	2.8	185.26	196.06	18.0	19.8
Health Care & Social Assistance	6.8	7.4	205.53	209.35	19.1	19.0
Arts, Entertainment & Recreation	0.7	0.6	150.50	164.63	18.9	13.8
Accommodation & Food Services	6.5	6.1	151.32	153.10	17.3	17.8
Other Services, except Public Administration	2.5	2.8	171.13	170.56	18.9	18.4
Public Administration	5.2	5.2	204.30	206.25	17.9	18.0
Unclassified	1.7	0.4	158.44	171.70	16.4	16.9

¹ Taxable and reimbursable.

Note: Percentages may not add to 100 percent 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 Payments¹ by Industry
Intrastate and Interstate Total, 2003-2004

Industry	Number of Weeks Paid		Number of First Payments		Amount of Payments	
	2003	2004	2003	2004	2003	2004
Totals	743,913	699,620	49,498	46,204	\$127,960,703	\$121,065,387
Agriculture, Forestry, Fishing & Hunting	9,079	8,897	664	604	1,724,135	1,681,053
Mining	33,169	20,783	1,943	1,364	7,440,978	4,556,897
Utilities	3,639	3,493	242	227	714,617	698,604
Construction	109,619	108,973	7,740	7,615	22,351,487	22,457,434
Manufacturing	89,577	91,455	5,885	5,890	13,999,656	14,790,790
Wholesale Trade	12,056	9,622	768	652	2,246,594	1,767,136
Retail Trade	78,287	68,294	5,096	4,573	12,219,039	10,666,507
Transportation & Warehousing	51,446	46,819	3,404	3,212	8,839,046	8,086,448
Information	9,353	9,126	591	565	1,842,206	1,840,375
Finance & Insurance	16,446	15,444	1,042	921	2,968,727	2,831,937
Real Estate, Rental & Leasing	16,088	15,471	1,011	982	2,689,402	2,570,843
Professional & Technical Services	18,435	17,365	1,312	1,035	3,578,003	3,383,138
Management of Companies	351	813	20	58	77,402	155,264
Administrative & Waste Services	32,507	30,119	2,112	1,942	5,369,975	5,002,876
Educational Services	23,402	22,202	1,559	1,429	3,735,049	3,606,456
Health Care & Social Assistance	52,013	57,190	3,365	3,587	9,532,509	10,477,395
Arts, Entertainment & Recreation	8,436	7,865	573	548	1,190,154	1,126,405
Accommodation & Food Services	69,639	63,562	4,865	4,301	9,515,780	8,701,533
Other Services, except Public Administration	28,290	30,612	1,926	2,030	4,622,915	5,068,653
Public Administration	72,637	68,860	4,724	4,435	11,851,103	11,176,413
Unclassified	9,444	2,655	656	234	1,451,926	419,230

	Percent Distribution		Average Weekly Payments		Average Duration in Weeks	
	Amount of Payments		2003	2004	2003	2004
Totals	100.0	100.0	\$172.01	\$182.90	15.0	15.1
Agriculture, Forestry, Fishing & Hunting	1.3	1.3	189.90	193.79	13.7	14.7
Mining	5.8	5.8	224.34	358.03	17.1	15.2
Utilities	0.6	0.6	196.38	204.59	15.0	15.4
Construction	17.5	17.5	203.90	205.11	14.2	14.3
Manufacturing	10.9	10.9	156.29	153.08	15.2	15.5
Wholesale Trade	1.8	1.8	186.35	233.49	15.7	14.8
Retail Trade	9.5	9.5	156.08	178.92	15.4	14.9
Transportation & Warehousing	6.9	6.9	171.81	188.79	15.1	14.6
Information	1.4	1.4	196.96	201.86	15.8	16.2
Finance & Insurance	2.3	2.3	180.51	192.23	15.8	16.8
Real Estate, Rental & Leasing	2.1	2.1	167.17	173.84	15.9	15.8
Professional & Technical Services	2.8	2.8	194.09	206.05	14.1	16.8
Management of Companies	0.1	0.1	220.52	95.21	17.6	14.0
Administrative & Waste Services	4.2	4.2	165.19	178.29	15.4	15.5
Educational Services	2.9	2.9	159.60	168.23	15.0	15.5
Health Care & Social Assistance	7.4	7.4	183.27	166.68	15.5	15.9
Arts, Entertainment & Recreation	0.9	0.9	141.08	151.32	14.7	14.4
Accommodation & Food Services	7.4	7.4	136.64	149.71	14.3	14.8
Other Services, except Public Administration	3.6	3.6	163.41	151.02	15.5	15.1
Public Administration	9.3	9.3	163.16	172.10	15.4	15.5
Unclassified	1.1	1.1	153.74	546.86	14.4	11.3

¹ Taxable and reimbursable.

Note: Percentages may not add to 100 percent 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 Benefits Payments¹ by Industry
Interstate as a Percentage of Total, 2003-2004

Industry	Percentage of Weeks Paid to Interstate		Percentage of First Payments to Interstate		Percentage of Payments to Interstate	
	2003	2004	2003	2004	2003	2004
Totals (including unclassified)	16.7	16.7	15.0	14.9	17.7	18.2
Agriculture, Forestry, Fishing & Hunting	26.0	25.3	21.8	23.0	28.7	27.7
Mining	16.8	15.2	15.3	13.9	17.9	16.5
Utilities	12.6	8.7	9.5	8.8	15.0	9.8
Construction	7.8	7.3	6.7	6.3	8.3	7.8
Manufacturing	48.3	49.0	48.5	47.9	51.5	54.0
Wholesale Trade	17.2	14.8	14.3	13.3	17.8	15.4
Retail Trade	12.0	11.8	9.7	10.4	13.2	13.1
Transportation & Warehousing	13.8	15.3	12.4	13.0	15.2	17.1
Information	15.1	18.1	13.9	15.6	15.7	19.2
Finance & Insurance	18.0	15.4	15.4	13.2	21.0	17.6
Real Estate, Rental & Leasing	6.0	6.5	5.5	4.8	7.0	7.4
Professional & Technical Services	15.0	16.0	11.7	14.5	16.6	17.8
Management of Companies	14.0	7.9	15.0	5.2	14.1	10.4
Administrative & Waste Services	11.6	11.7	9.3	9.9	13.1	13.2
Educational Services	14.4	14.4	12.1	11.3	16.7	17.4
Health Care & Social Assistance	14.3	13.7	11.6	11.5	16.1	15.6
Arts, Entertainment & Recreation	12.6	10.5	9.8	10.9	13.4	12.1
Accommodation & Food Services	13.9	13.9	11.5	11.5	15.4	15.5
Other Services, except Public Administration	11.7	12.0	9.6	9.8	12.3	12.3
Public Administration	8.0	8.0	6.9	6.9	10.0	10.2
Unclassified	26.1	21.7	22.9	14.5	26.9	23.6

¹ Taxable and reimbursable.

Note: Percentages may not add up to 100 percent 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 2.13
Amount of UI Benefit Payments by Census Area, 2004

Census Areas	State UI ¹	State UI ¹	UCFE	UCFE	UCX	UCX	TEUC	SSB	All Programs Total
	Regular	EB	Regular	EB	Regular	EB			
Aleutians East Borough	\$298,862	\$13,684	\$0	\$0	\$0	\$0	\$4,433	\$0	\$316,979
Aleutians West CA	892,459	34,971	5,536	0	0	0	12,418	0	945,384
Anchorage, Municipality of	31,759,064	2,107,409	430,132	25,441	361,420	31,207	674,860	17,623	35,407,156
Bethel CA	3,318,324	305,644	8,488	84	19,090	0	83,810	12,390	3,747,830
Bristol Bay Borough	220,810	14,872	2,880	1,521	223	0	3,988	0	244,294
Denali Borough	473,557	69,485	82,384	8,595	0	0	7,589	43	641,653
Dillingham CA	823,661	71,583	0	0	0	0	19,555	2,090	916,889
Fairbanks North Star Borough	10,284,013	723,903	423,702	14,285	239,082	19,913	190,504	8,589	11,903,991
Haines Borough	538,837	54,844	11,085	0	3,774	0	10,394	748	619,682
Juneau Borough	3,792,512	248,983	50,838	1,857	14,349	0	71,315	4,613	4,184,467
Kenai Peninsula Borough	9,676,497	946,618	132,948	13,673	53,107	1,984	175,383	13,344	11,013,554
Ketchikan Gateway Borough	2,202,376	177,739	15,561	1,573	6,682	2,648	37,593	4,424	2,448,596
Kodiak Island Borough	3,255,552	123,119	19,343	1,240	0	0	13,497	2,818	3,415,569
Lake & Peninsula Borough	353,691	32,212	12,137	675	1,115	0	4,653	669	405,152
Matanuska-Susitna Borough	12,154,425	945,956	153,779	13,998	125,342	0	236,260	12,543	13,642,303
Nome CA	1,719,575	164,589	13,911	367	244	0	35,991	3,416	1,938,093
North Slope Borough	1,432,807	177,293	0	0	0	0	62,414	1,870	1,674,384
Northwest Arctic Borough	1,428,515	162,526	7,712	452	446	0	66,627	1,706	1,667,984
Prince of Wales-Outer Ketchikan	1,445,631	122,625	6,615	846	7,013	0	23,255	4,285	1,610,270
Sitka Borough	1,100,983	78,326	34,640	1,364	384	0	17,950	719	1,234,366
Skagway-Hoonah-Angoon CA	952,826	86,412	26,755	1,690	0	0	7,289	0	1,074,972
Southeast Fairbanks CA	1,423,780	102,009	37,876	776	7,147	0	22,140	958	1,594,686
Valdez - Cordova CA	2,139,089	239,330	71,756	6,656	1,666	0	43,507	2,898	2,504,902
Wade Hampton CA	2,054,128	215,630	6,092	0	2,007	2,456	37,671	12,243	2,330,227
Wrangell - Petersburg CA	1,470,299	117,877	18,800	0	8,666	296	25,462	2,825	1,644,225
Yakutat Borough	195,229	16,629	0	0	798	0	2,369	3,376	218,401
Yukon - Koyukuk CA	1,408,471	169,899	19,895	2,007	0	0	42,841	5,032	1,648,145
Area Unknown	2,240,673	201,206	51,969	3,427	8,830	0	49,095	0	2,555,200
In-State Totals	99,056,646	7,725,373	1,644,834	100,527	861,385	58,504	1,982,863	119,222	111,549,354
Interstate Totals	22,008,741	529,998	848,074	16,735	76,723	2,842	748,071	2,914	24,234,098
Totals All Areas	121,065,387	8,255,371	2,492,908	117,262	938,108	61,346	2,730,934	122,136	135,783,452

10-Year Historical Data Series for Census Area Totals

Year	State UI ¹	State UI ¹	UCFE	UCFE	UCX	UCX	TEUC	SSB	All Programs Total
	Regular	EB	Regular	EB	Regular	EB			
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
2003	127,960,703	19,105,289	2,458,226	280,639	970,080	113,295	23,715,550	310,673	174,914,455
2004	121,065,387	8,255,371	2,492,908	117,262	938,108	61,346	2,730,934	122,136	135,783,452

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

The TEUC program was effective from March 2002 to April 2004.

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

Table 2.14
UI Regular Benefit Payments to Interstate Claimants
By State, 2003-2004

State	2003		2004	
	Regular Benefits Paid	Percent Distribution	Regular Benefits Paid	Percent Distribution
Alabama	\$248,042	1.1	\$169,066	0.8
Arizona	920,565	4.1	946,548	4.3
Arkansas	169,866	0.7	134,372	0.6
California	5,060,869	22.3	5,327,107	24.2
Colorado	395,927	1.7	363,607	1.7
Connecticut	18,522	0.1	26,591	0.1
Delaware	20,129	0.1	10,491	0.0
Dist. of Columbia	4,780	0.0	13,192	0.1
Florida	681,216	3.0	728,261	3.3
Georgia	238,055	1.0	242,984	1.1
Guam	0	0.0	0	0.0
Hawaii	569,675	2.5	666,891	3.0
Idaho	745,657	3.3	660,893	3.0
Illinois	150,267	0.7	136,080	0.6
Indiana	79,828	0.4	95,289	0.4
Iowa	74,821	0.3	65,423	0.3
Kansas	103,121	0.5	109,607	0.5
Kentucky	99,066	0.4	87,093	0.4
Louisiana	167,729	0.7	146,981	0.7
Maine	64,857	0.3	78,130	0.4
Maryland	99,246	0.4	66,836	0.3
Massachusetts	39,164	0.2	29,164	0.1
Michigan	243,670	1.1	219,220	1.0
Minnesota	257,167	1.1	223,105	1.0
Mississippi	121,614	0.5	92,247	0.4
Missouri	199,610	0.9	168,471	0.8
Montana	584,028	2.6	526,719	2.4
Nebraska	70,619	0.3	48,651	0.2
Nevada	573,546	2.5	625,157	2.8
New Hampshire	50,221	0.2	47,418	0.2
New Jersey	65,848	0.3	55,325	0.3
New Mexico	264,412	1.2	230,329	1.0
New York	169,080	0.7	225,319	1.0
North Carolina	328,469	1.4	239,047	1.1
North Dakota	91,939	0.4	63,774	0.3
Ohio	169,141	0.7	128,272	0.6
Oklahoma	277,234	1.2	213,482	1.0
Oregon	2,049,983	9.0	1,811,575	8.2
Pennsylvania	151,423	0.7	150,229	0.7
Puerto Rico	14,234	0.1	30,258	0.1
Rhode Island	21,607	0.1	17,062	0.1
South Carolina	135,106	0.6	112,553	0.5
South Dakota	56,249	0.2	46,309	0.2
Tennessee	191,095	0.8	158,367	0.7
Texas	1,048,999	4.6	1,139,670	5.2
Utah	205,233	0.9	205,784	0.9
Vermont	67,751	0.3	44,508	0.2
Virginia	131,672	0.6	119,857	0.5
Virgin Islands	1,579	0.0	4,136	0.0
Washington	4,805,738	21.2	4,589,046	20.9
West Virginia	26,753	0.1	31,506	0.1
Wisconsin	204,840	0.9	164,317	0.7
Wyoming	95,637	0.4	124,847	0.6
Canada	72,603	0.3	47,575	0.2
US Other	6,175	0.0	0	0.0
Total	22,704,677	100.0	22,008,741	100.0

Note: Data in this table are payments from Alaska to recipients in other states. Percentages may not add to 100 percent 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 2.15
Payment of Dependents' Benefits, 1995-2004

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
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
2003	20,642	49,493	41.7	311,362	729,399	42.7	13,930,008	44.74	19.10
2004	18,839	46,224	40.8	287,121	687,388	41.8	12,871,944	44.83	18.73

Notes: The allowance for dependents is \$24 with a maximum of \$72. Data are for the state regular UI 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, 2004

State	Average Weekly Unemployed	Average Weeks Compensated	Compensated as Percent of Unemployed	Rank
Alabama	122,000	27,332	22.4	48
Alaska	25,275	13,219	52.3	3
Arizona	131,700	30,212	22.9	45
Arkansas	73,200	22,750	31.1	27
California	1,075,325	383,424	35.7	15
Colorado	128,375	25,019	19.5	51
Connecticut	83,450	43,171	51.7	4
Delaware	16,175	8,501	52.6	2
Dist. of Columbia	23,000	6,632	28.8	33
Florida	383,900	88,485	23.0	44
Georgia	179,750	47,992	26.7	36
Hawaii	21,150	7,129	33.7	17
Idaho	33,725	12,894	38.2	11
Illinois	390,150	142,746	36.6	13
Indiana	163,050	48,343	29.7	32
Iowa	71,575	24,097	33.7	18
Kansas	69,425	21,186	30.5	30
Kentucky	101,975	32,406	31.8	23
Louisiana	117,425	28,044	23.9	39
Maine	31,725	9,758	30.8	29
Maryland	119,125	33,129	27.8	35
Massachusetts	171,725	84,899	49.4	6
Michigan	341,500	129,121	37.8	12
Minnesota	132,725	44,618	33.6	19
Mississippi	75,475	17,707	23.5	43
Missouri	160,975	49,710	30.9	28
Montana	21,700	6,878	31.7	24
Nebraska	35,600	11,260	31.6	25
Nevada	48,800	19,161	39.3	10
New Hampshire	27,325	6,180	22.6	46
New Jersey	216,525	118,789	54.9	1
New Mexico	49,350	11,140	22.6	47
New York	543,950	182,378	33.5	20
North Carolina	221,550	71,044	32.1	22
North Dakota	11,100	3,096	27.9	34
Ohio	353,925	93,580	26.4	37
Oklahoma	78,575	18,652	23.7	41
Oregon	132,200	45,764	34.6	16
Pennsylvania	336,600	161,587	48.0	7
Puerto Rico	148,575	35,033	23.6	42
Rhode Island	29,700	12,277	41.3	9
South Carolina	134,125	32,928	24.6	38
South Dakota	13,850	2,466	17.8	52
Tennessee	144,900	44,120	30.4	31
Texas	642,075	131,357	20.5	49
Utah	57,025	11,506	20.2	50
Vermont	12,325	6,308	51.2	5
Virginia	132,100	31,401	23.8	40
Washington	193,750	69,744	36.0	14
West Virginia	41,600	12,965	31.2	26
Wisconsin	153,475	72,296	47.1	8
Wyoming	10,175	3,337	32.8	21
United States	8,149,250	2,598,195	31.9	

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section: UI Data Summary, Quarters 1-4, 2004, produced by the U.S. Department of Labor

Chapter 3

Alaska's UI Financing System

Unemployment insurance is a self-financing system

Unemployment compensation is, by design, an insurance program that is self-supporting. In the long run, employer taxes, reimbursements – and in some states, employee taxes – must be roughly equal to the amount of benefits paid out to claimants. Every state has its own financing system designed to achieve that goal. Alaska and New Jersey are the two states that tax employees each year to help pay benefit costs.

The Alaska Legislature revised the unemployment tax structure in 1980 to create a highly reliable, self-adjusting financial system based primarily on UI benefit costs. The tax base assessment automatically adjusts to changes in statewide average earnings and the tax rate automatically adjusts to changes in benefit costs, payroll and the trust fund reserve ratio.

Benefit payment costs determine the revenue needs

The basic purpose of a financing system is to cover benefit costs. The benefit cost is expressed as the benefit cost ratio, called the BCR. It's the relationship of benefits paid compared to total statewide payroll. The benefit cost ratio is a measure of the potential funding needed to pay unemployment benefits, as well as a measure of the financial impact of unemployment benefits on a state's economy.

Alaska has a high benefit cost rate compared to other states. The benefit cost ratio for taxable employment was 1.7 percent in 2004 and it averaged 1.9 percent for the 10-year period from 1995 to 2004. (See Table 3.1.) In general, the average benefit cost rate in Alaska is higher than in other states due to Alaska's highly seasonal employment and because it has a larger portion of unemployed people who receive UI benefits than in other states.

Alaska's benefit cost rates in reimbursable employment are less than a third the rate in taxable employment. The benefit cost rate in reimbursable employment was 0.5 percent in 2004, just as it was in nine of the last 10 years. These low benefit cost rates are a result of generally stable and mostly non-seasonal employment patterns in the major reimbursable employers: state and local government.

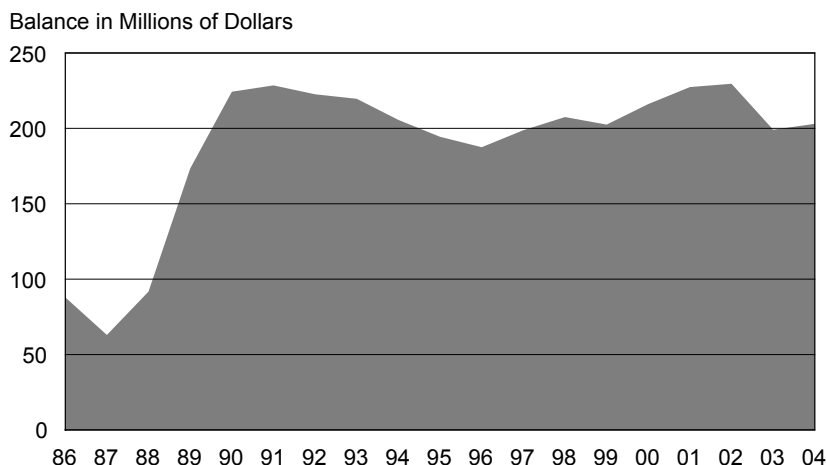
The UI trust fund is a special account for paying benefits and holding reserves

Every state has a UI trust fund to pay unemployment insurance benefits; administrative costs are paid for by a separate grant from the U.S. Department of Labor. Withdrawals are made as needed to make benefit payments, while taxes, reimbursements, interest and other revenues are deposited into the UI trust fund to finance benefit payments and stabilize reserves.

Maintaining the solvency of the trust fund is one of the most important jobs 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 – essentially bankrupt – the state may borrow from the federal government. Alaska was the first state to borrow money in the late 1950s, but it hasn't had to borrow since 1960. In comparison, dozens of other states have faced insolvency and have had to borrow money, particularly in the 1980s and 1990s; some states have solvency problems today.

The overall level of employment and amount of payroll in the statewide economy determines the potential amount of benefits needed. But the ability of the trust fund reserves to pay benefits during a recession can't be measured simply by the level of reserves. The better measure is the reserve rate, which is the ratio of reserves to total wages subject

Figure 3.1 UI Trust Fund End-of-Year Balance 1986-2004



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

to taxation. A trust fund reserve rate of roughly 3.2 percent is generally considered adequate in Alaska.

The ultimate test of Alaska's UI financing system was during the state's recession in 1986-87. The recession had a serious impact on the state's UI trust fund, but reserves were adequate to maintain solvency. The reserves were drawn down relatively far during the recession and then they were rebuilt in the years afterward. At the end of 2004, the reserve rate was 2.5 percent. (See Tables 3.3 and 3.10.) For 2005, tax rates reflected the need to move the reserve rate up to its target level of 3.2 percent.

State taxes are the UI trust fund's main income

Alaska's UI taxes from employers and employees are the principal sources of income for the UI trust fund. Tax contributions to the UI trust fund in 2004 were \$123.4 million – 71.4 percent of total revenues – and they were up 16 percent from 2003. (See Table 3.3.)

Until 2004, employers were experiencing a period of lower than average tax rates. The employer tax rate in 2003 was 1.85 percent of the taxable wage base – the lowest in more than 15 years. But it increased to 2.19 percent in 2004, marking a return to a level more common in the late 1990s. Employer tax rates rose in 2005 partly in response to a needed solvency adjustment. (See Table 3.4.)

Alaska's UI taxes are assessed on wages up to a 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 \$27,100 in 2004, and is \$27,900 for tax year 2005.

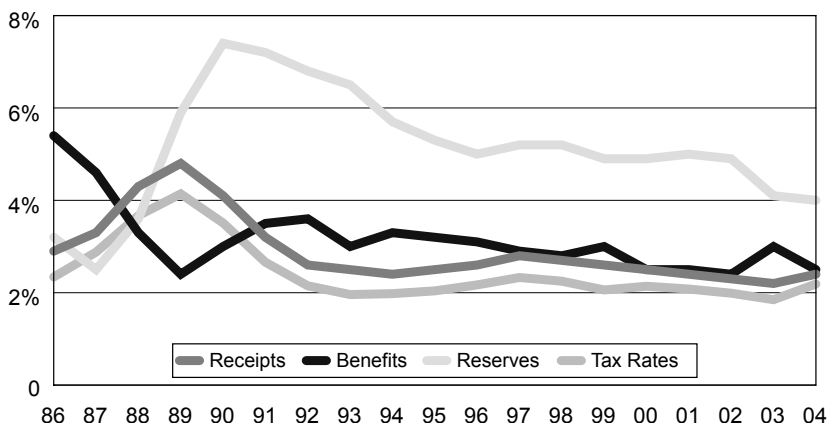
How tax rates are calculated

There are three components of employer and employee taxes in Alaska: (1) the average benefit cost rate or ABCR; (2) individual employer experience factors; and (3) the trust fund solvency adjustment or 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 = (0.8 times the average benefit cost rate times the experience factor) plus the trust fund solvency adjustment

Employee tax rate = 0.2 times the average benefit cost rate

Figure 3.2 Reserves, Benefits and Tax Rates as a Percentage of Taxable Payroll



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

For tax rate calculation purposes, the average benefit cost rate 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 average benefit cost rate measures benefit payments that must be replaced by contributions (taxes). Basing tax rate calculations on three-year periods makes the system “counter-cyclical.” This makes tax rates rise slowly or even decrease during a recession as the trust fund is drawn down, then increase more rapidly during the economic recovery afterward so the trust fund is replenished. When the average benefit cost rate is low, or when trust fund reserves are high relative to payroll, tax rates decline, acting as a stimulus to the economy.

Employers pay 80 percent of the average benefit cost rate and employees pay the other 20 percent. Employee rates are the same for every employee. Employer rates vary according to the employer experience rating system and may include a surtax to guarantee the solvency of the trust fund or a credit if it's over-funded.

Experience rating assigns employers to 20 tax rate classes

An employer with a higher incidence of worker lay-offs than other employers will contribute more to unemployment and the payment of UI benefits. Experience rating systems have been established in each state recognizing that such employers should contribute more to the UI trust fund to cover the benefit costs of their former employees.

In Alaska, there are three classes of employers that pay taxes. Most fall into the experience-rating category, called the E-class. They have at least four quarters of wage history prior to June 30 of the year immediately preceding the tax year and qualify for experience rating. The industry-rating category, called the I-class, has employers with fewer than four quarters of wage history; they pay a standard industry tax rate. The penalty-rating category, called the P-class, has those employers that failed to report on a timely basis or are delinquent in their payments and are taxed at the maximum rate, which can be no less than 5.4 percent. In 2004, 86.9 percent of all contributing employers were experience-rated, 11.2 percent were industry-rated and 1.9 percent were penalty-rated. (See Table 3.5.)

Alaska uses the payroll decline method of experience rating, which is an indirect measure of experience with unemployment. The logic behind the payroll decline system is that employers with a high payroll decline are likely responsible for more compensable unemployment than are employers with a lower payroll decline. Therefore, it follows that employers with more variation in employment should contribute more to cover the higher benefit costs of their former employees. The advantages of the payroll decline method are that it's simple, it's less expensive to administer and it's fair to employers.

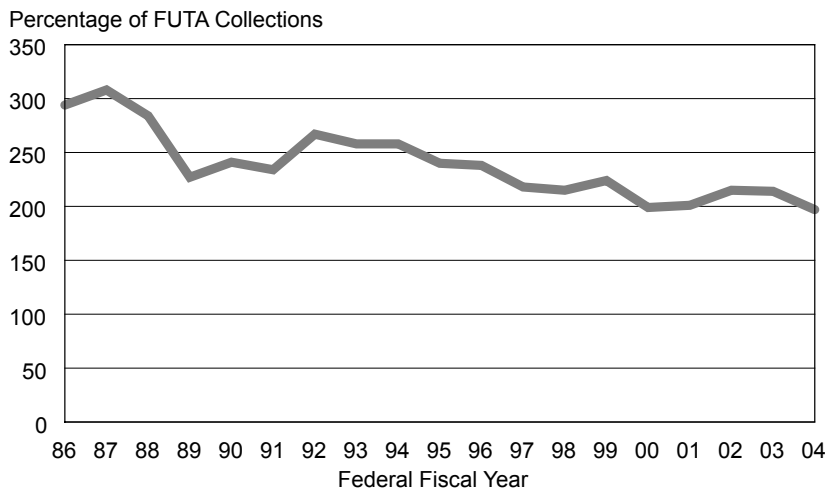
In the payroll decline system, each employer's percentage decline in payroll from one quarter to the next is averaged for the prior four to 12 quarters. The resulting decline quotients of all employers are then arrayed in ascending order and divided into 21 rate classes. Employers are assigned to the rate classes so that 5 percent of the total statewide payroll is accounted for in each class, with the exception of the 20th and 21st rate classes, which account for 4.99 percent and 0.01 percent, respectively. Class 21 is the penalty class. It was added in 1984 in response to federal legislation requiring a standard tax rate of 5.4 percent from which the state could reduce tax rates in accordance with experience. In practice, no employer gets into Class 21 by experience rating alone, but by direct assignment under administrative penalty.

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.)

There are several other methods of experience rating used in other states, the majority of which track benefit payments as a direct experience factor. Alaska examined each system in detail in 1980 and determined that the payroll decline method it used was best for Alaska. Subsequent events, including the recession in the mid- to late 1980s, have validated that choice.

In the end, the simple fact is that UI taxes cover the cost of benefit payments. This is true of any state's system. If benefit amounts are increased, then taxes will be higher to pay for it. If a state wants to reduce employer taxes, then total benefits paid out must be reduced.

Figure 3.3 Administrative Grants as a Percentage of FUTA Collections



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

The trust fund solvency adjustment is a tax surcharge or credit

In order 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 percent. A credit is provided to reduce employers' tax rates if the reserve rate equals or exceeds 3.3 percent. The trust fund solvency adjustment, or TFSA, is applied uniformly to all employers at a rate of -0.4 percent to 1.1 percent 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 percent, or less, from one year to the next. In most years the TFSA is 0.0 percent. But in 2004, the TFSA was 0.3 percent; in 2005 it was 0.5 percent.

The administration of the UI program is funded by federal taxes

In addition to state unemployment taxes, employers pay taxes to the federal government to cover administrative costs. The Federal Unemployment Tax Act tax, or FUTA tax, is 6.2 percent of payroll on a base of \$7,000. However, as long as state law conforms to federal law, employers receive a credit of 5.4 percent against their FUTA taxes, making the effective tax rate 0.8 percent. This results in a \$56 tax for each employee earning \$7,000 or more annually. The federal government estimates that in federal fiscal year 2004, employers in Alaska contributed \$14.8 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 and there are no recent changes in federal law that would require state conformity legislation.

The federal government pays for the administration of each 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 2004, Alaska received \$29.1 million in administrative grants, which was \$21.3 million for unemployment insurance administrative costs and \$7.8 million for employment services. In federal fiscal year 2004, Alaska's total administrative grants amounted to 196.6 percent of state FUTA contributions. (See Figure 3.3 and 3.7.)

Trust Fund Revenue includes direct reimbursements

Chapter 2 described the programs through which unemployment benefits were disbursed in 2003 and 2004. Regular benefits, extended benefits and supplemental state benefits are disbursed through the state trust fund, but they differ in the way they are financed. As mentioned earlier, the major source of revenues deposited into the fund is employer taxes. However, 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 employees through its UCFE program and former military employees through its UCX program, as well as a portion (about 50 percent) of all non-federal extended benefit payments. The federal government also pays interest on the trust fund. In 2003 and 2004, it reimbursed more than \$22.7 million in interest. (See Table 3.3.)

Nonprofit organizations and state and local government agencies that opt to reimburse the trust fund directly instead of paying taxes reimburse 100 percent of the regular UI benefits and extended benefits paid to their former employees. Through 1988, nonprofit agencies reimbursed only half of the extended benefits. In 1989, however, the Alaska Legislature changed the law. (See Appendix B.) Reimbursable employers reimbursed \$12.7 million to the UI trust fund in 2004.

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 claimants in such cases 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.

A basic form of subsidy happens across years. One measure of the equity of a system is the ratio of benefits paid in one year to the taxes paid in the prior year. Table 3.9 has such a calculation for the major industry groupings. In the years surrounding the recession – 1985 to 1987 – 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 that time, the difference was being made up by trust fund reserves. Employers in prior years were subsidizing employers during the recession years. After that time, the ratio declined to less than 1.0 and, conversely, employers were subsidizing employers in future recessions. Over time the system seeks to stabilize itself. In 2004, the ratio of benefits to the prior year contributions was 1.0.

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

Industries that are historically the most subsidized in Alaska 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, 1995-2004

Year	Taxable Employment			Reimbursable Employment			Benefit Cost Rate (Percent)
	Benefits Paid (In Thousands)	Total Payroll (Lagged 1 Yr) (In Thousands)	Benefit Cost (Percent)	Benefits Paid (In Thousands)	Total Payroll (Lagged 1 Yr) (In Thousands)		
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	
2003	145,288	7,501,125	1.9	12,514	2,278,413	0.6	
2004	130,269	7,730,837	1.7	11,681	2,362,563	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; and Quarterly Census of Employment and Wages (QCEW) report to the U.S. Department of Labor

Table 3.2
Benefit Cost Rates by Industry, 2004

Industry	Benefits Paid 2004	Total Payroll 2003	Benefit Cost Rate (Percent) (Lagged 1 Yr)
Taxable Employers			
Total	\$108,999,110	\$7,730,838,136	1.4
Agriculture, Forestry, Fishing & Hunting	1,681,053	45,584,700	3.7
Mining	4,556,897	839,939,713	0.5
Utilities	698,604	114,113,747	0.6
Construction	22,457,434	893,230,032	2.5
Manufacturing	14,790,790	400,443,406	3.7
Wholesale Trade	1,767,136	254,387,681	0.7
Retail Trade	10,666,507	867,776,598	1.2
Transportation & Warehousing	7,776,021	845,278,111	0.9
Information	1,836,675	310,084,389	0.6
Finance & Insurance	2,831,937	383,849,852	0.7
Real Estate, Rental & Leasing	2,570,843	144,081,886	1.8
Professional & Technical Services	3,346,088	507,335,045	0.7
Management of Companies	155,264	65,061,846	0.2
Administrative & Waste Services	5,002,876	326,561,978	1.5
Educational Services ¹	(49,728)	49,472,855	-0.1
Health Care & Social Assistance	7,970,294	761,324,985	1.0
Arts, Entertainment & Recreation	1,122,385	59,192,248	1.9
Accommodation & Food Services	8,701,533	430,933,022	2.0
Other Services, except Public Administration	4,829,358	238,953,610	2.0
Public Administration	5,867,913	187,894,234	3.1
Unclassified	419,230	5,338,198	7.9
Reimbursable Employers			
Total	\$12,066,277	\$2,362,562,861	0.5
Transportation & Warehousing	310,427	41,286,184	0.8
Information	3,700	317,378	1.2
Educational Services	3,656,184	942,176,702	0.4
Professional & Technical Services	37,050	3,869,671	1.0
Health Care & Social Assistance	2,507,101	374,606,423	0.7
Arts, Entertainment & Recreation	4,020	428,275	0.9
Other Services, except Public Administration	239,295	28,660,940	0.8
Public Administration	5,308,500	959,375,962	0.6
Other	0	11,841,326	0.0

¹ A negative value is primarily the result of a timing difference in producing the benefits paid amount. It's derived from the multiple reports used to generate the benefit.

Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section: UC-217 report, Benefit Payments by Industry and Area; Quarterly Census of Employment and Wages (QCEW) report to the U.S. Department of Labor

Table 3.3
Trust Fund Deposits and Disbursements, 1995-2004

Deposits									
Year	U.I. Tax Contributions¹	Federal Share Extended Benefits	Amounts Rec'd From Reimb. Employers	Interstate Benefits Wage Combining	Federal Emerg. Comp²	Penalty & Interest³	Other⁴	Trust Fund Interest Earned	Total Revenue Deposited⁵
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
2003	105,714,018	8,612,100	11,915,678	1,901,601	26,363,100	10,103,941	5,359,601	12,550,021	182,520,060
2004	123,396,419	3,714,300	12,660,108	2,816,279	4,564,790	10,651,316	4,967,505	10,157,097	172,927,815

Disbursements									
Year	Regular Benefits + SSB	Extended Benefit Payments	Reimb. Benefit Payments	Interstate Benefits Wage Combining	Federal Emerg. Comp.²	Training And Building Fund	Other⁴	Total Benefits Disbursed⁵	Reserve Fund Balance⁶
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
2003	125,467,879	17,066,115	12,513,957	13,239,427	26,565,752	10,116,699	7,987,796	212,957,625	199,140,993
2004	116,679,323	6,779,339	11,681,249	13,024,068	3,608,517	10,618,202	6,656,210	169,046,908	203,021,900

¹ Excludes reimbursements.

² Temporary Emergency Unemployment Compensation (TEUC). The program began March 2002 and ended April 2004.

³ Net collections of penalties, interest and fines.

⁴ PSE, DUA, TRA, transfer to Training and Building fund, prior year refunds, child support withholding transfers, federal UCFE and UCX benefits and receipts, as well as federal share of regular benefits.

⁵ Deposits from all sources including federal and all disbursements made to claimants.

⁶ Amount available for benefits in trust fund on Dec. 31 of each year.

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, 1995-2004

Year	Payroll in Taxable Employment (In Thousands)		Ratio of Taxable to Total Payroll (Percent)	Tax Base (In dollars)	Average Employer Tax Rate		Average Employee Tax Rate	
	Total Payroll	Taxable Payroll			Percent of Taxable Payroll	Percent of Total Payroll	Percent of Taxable Payroll	Percent of Total Payroll
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	0.4
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
2003	7,730,838	4,874,370	63.1	26,700	1.85	1.17	0.50	0.3
2004	8,170,491	5,130,288	62.8	27,100	2.19	1.38	0.50	0.3

Sources: Alaska Statute 23.20.175; Alaska Statute 23.20.290; 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 3.5
Employer Accounts by Rate Type and
Average Tax Rates by Industry**

2004 Employers by Rate Type

Industry	Experience Rated		Industry Rated		Penalty Rated		Total Percent of	
	No.	Percent of E-Rated	No.	Percent of I-Rated	No.	Percent of P-Rated	No.	Grand Total
Agriculture, Forestry, Fishing & Hunting	104	0.7	14	0.7	7	2.2	125	0.7
Mining	134	0.9	19	1.0	4	1.3	157	0.9
Utilities	73	0.5	2	0.1	1	0.3	76	0.5
Construction	2,205	15.1	362	19.3	45	14.2	2,612	15.5
Manufacturing	453	3.1	34	1.8	15	4.7	502	3.0
Wholesale Trade	657	4.5	42	2.2	4	1.3	703	4.2
Retail Trade	1,841	12.6	143	7.6	34	10.8	2,018	12.0
Transportation & Warehousing	743	5.1	79	4.2	22	7.0	844	5.0
Information	218	1.5	19	1.0	4	1.3	241	1.4
Finance & Insurance	478	3.3	36	1.9	4	1.3	518	3.1
Real Estate & Rental & Leasing	547	3.7	57	3.0	8	2.5	612	3.6
Professional & Technical Services	1,443	9.9	175	9.3	15	4.7	1,633	9.7
Management of Companies	18	0.1	2	0.1	0	0.0	20	0.1
Administrative & Waste Services	810	5.5	139	7.4	34	10.8	983	5.8
Educational Services	148	1.0	25	1.3	4	1.3	177	1.1
Health Care & Social Assistance	1,321	9.0	129	6.9	20	6.3	1,470	8.7
Arts, Entertainment & Recreation	396	2.7	36	1.9	7	2.2	439	2.6
Accommodations & Food Services	1,453	9.9	176	9.4	40	12.7	1,669	9.9
Other Services, except Public Administration	1,214	8.3	174	9.3	24	7.6	1,412	8.4
Public Administration	329	2.3	6	0.3	17	5.4	352	2.1
Unclassified	32	0.2	210	11.2	7	2.2	249	1.5
Total	14,617	100.0	1,879	100.0	316	100.0	16,812	100.0
Percent of Grand Total		86.9		11.2		1.9		100.0

Average Employer Tax Rates

	2004	
Total	1.75	Experienced-rated firms are those that 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 rateable employers. Employers with low quarterly payroll declines receive more favorable rates than employers with higher quarterly payroll declines.
Agriculture, Forestry, Fishing & Hunting	3.43	
Mining	3.17	
Utilities	2.42	
Construction	3.37	
Manufacturing	3.04	
Wholesale Trade	2.83	Industry-rated firms are those that have been subject to the Employment Security Act for fewer than four quarters immediately preceding the computation date. They must pay the standard industry tax rate.
Retail Trade	2.76	
Transportation & Warehousing	3.04	
Information	2.48	
Finance & Insurance	2.48	Penalty-rated firms are those that fail to pay contributions or file reports on a timely basis. They must pay contributions at the highest rate.
Real Estate & Rental & Leasing	2.65	
Professional & Technical Services	2.77	
Management of Companies	2.28	
Administrative & Waste Services	2.95	
Educational Services	2.76	
Health Care & Social Assistance	2.36	Percentages may not add up to 100 percent due to rounding.
Arts, Entertainment & Recreation	3.12	
Accommodations & Food Services	2.94	
Other Services, except Public Administration	2.59	
Public Administration	2.83	
Unclassified	3.08	

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
2005

Tax Rate Calculations

	SFY 2001	SFY 2002	SFY 2003	SFY 2004
(1) Benefit Cost (Ben-Reimb-Int)		92,691,519	123,916,647	129,672,183
(2) Total Payroll (taxable employers)	6,998,331,083	7,357,892,192	7,579,697,940	7,901,597,474
(3) Taxable Payroll				5,001,359,912
(4) Benefit Cost for 3 Prev SFY				\$346,280,349
(5) Total Payroll, First 3 of Last 4 SFY				\$21,935,921,215
(6) 3-Yr Benefit Cost/Total Payroll (4)/(5)				0.015786
(7) Taxable/Total Payroll, Last SFY				0.632956
(8) Average Benefit Cost Rate (6)/(7)				0.024940
(9) UI Trust Fund Balance, Sep 30				\$198,265,085
(10) Total Payroll, Last SFY				\$7,901,597,474
(11) UI Trust Fund Reserve Rate (9)/(10)				0.025092
(12) Solvency Adjustment				0.005
(13) Average Employer Tax Rate as a Percent of Taxable Payroll (0.80 x ABCR) + TFSA = (0.80 x #8) + #12				2.50%
(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 Percent	Employer Tax Rate Percent	Total Tax Rate Percent
1	0.40	0.50	1.30	1.80
2	0.45	0.50	1.40	1.90
3	0.50	0.50	1.50	2.00
4	0.55	0.50	1.60	2.10
5	0.60	0.50	1.70	2.20
6	0.65	0.50	1.80	2.30
7	0.70	0.50	1.90	2.40
8	0.80	0.50	2.10	2.60
9	0.90	0.50	2.30	2.80
10	1.00	0.50	2.50	3.00
11	1.00	0.50	2.50	3.00
12	1.10	0.50	2.69	3.19
13	1.20	0.50	2.89	3.39
14	1.30	0.50	3.09	3.59
15	1.35	0.50	3.19	3.69
16	1.40	0.50	3.29	3.79
17	1.45	0.50	3.39	3.89
18	1.50	0.50	3.49	3.99
19	1.55	0.50	3.59	4.09
20	1.60	0.50	3.69	4.19
21	1.65	0.50	5.40	5.90

Note: 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 Statute 23.20.290; Alaska Department of Labor and Workforce Development, Research and Analysis Section: Quarterly Census Employment and Wages (QCEW) report to the U.S. Department of Labor; Unemployment Insurance Financial Transaction Summary, ETA 2-112 report

**Table 3.7
Administrative Costs
1995-2004**

Federal Fiscal Year ¹	FUTA Collections (In Millions)	UI Admin. Grants (In Millions)	Employment Services Admin. Grants (In Millions)	Total Admin. Grants	
				(In Millions)	Percent of FUTA
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
2003	14.4	22.7	8.1	30.8	213.9
2004	14.8	21.3	7.8	29.1	196.6

¹ Federal fiscal years are from Oct. 1 of the prior year through Sept. 30 of the current year. For example, federal fiscal year 2006 is from Oct. 1, 2005 to Sept. 30, 2006.

Note: 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
1995-2004**

Year	Collections			Benefits Paid			Total Collections less Benefits Paid
	Total	Private Nonprofit	Government (State & Local)	Total	Private Nonprofit	Government (State & Local)	
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
2003	11,915,678	1,270,237	10,645,441	12,513,957	1,113,841	11,400,116	-598,279
2004	12,660,108	1,563,866	11,096,242	11,681,249	1,351,755	10,329,495	978,859
10-Year Total							3,035,629

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 for
Taxable Employment, in Thousands, 2003-2004

Industry	Benefits Paid (Regular + 1/2 EB) from the UC-217 Report			Total Employer and Employee Contributions Assessed from the QCEW Report		
	2002	2003	2004	2002	2003	2004
Totals (including unclassified)	\$115,313	\$127,407	\$113,127	\$118,269	\$115,458	\$137,258
Agriculture, Forestry, Fishing & Hunting		1,849	1,723		1,032	1,059
Mining		8,187	4,760		6,858	8,877
Utilities		758	715		1,112	1,127
Construction		24,216	23,285		17,502	20,378
Manufacturing		14,754	15,119		8,600	10,830
Wholesale Trade		2,429	1,820		3,484	4,160
Retail Trade		13,020	11,020		13,524	15,563
Transportation & Warehousing		9,184	8,018		10,592	12,899
Information		1,969	1,897		3,193	3,627
Finance & Insurance		3,197	2,929		4,651	5,483
Real Estate, Rental & Leasing		2,962	2,685		2,489	2,960
Professional & Technical Services		3,826	3,472		6,885	8,017
Management of Companies		81	161		771	871
Administrative & Waste Services		5,820	5,187		5,655	6,658
Educational Services		1,126	103		699	780
Health Care & Social Assistance		8,186	8,294		10,091	12,276
Arts, Entertainment & Recreation		1,266	1,171		1,303	1,519
Accommodation & Food Services		10,141	8,988		9,909	11,680
Other Services, except Public Administration		4,739	5,010		3,868	4,420
Public Administration		8,152	6,333		3,102	3,504
Unclassified		1,545	437		139	569

Ratio Of Benefits To Prior Year Contribution

	2002	2003	2004
Totals (including unclassified)	1.0	1.1	1.0
Agriculture, Forestry, Fishing & Hunting			1.7
Mining			0.7
Utilities			0.6
Construction			1.3
Manufacturing			1.8
Wholesale Trade			0.5
Retail Trade			0.8
Transportation & Warehousing			0.8
Information			0.6
Finance & Insurance			0.6
Real Estate, Rental & Leasing			1.1
Professional & Technical Services			0.5
Management of Companies			0.2
Administrative & Waste Services			0.9
Educational Services			0.1
Health Care & Social Assistance			0.8
Arts, Entertainment & Recreation			0.9
Accommodation & Food Services			0.9
Other Services, except Public Administration			1.3
Public Administration			2.0
Unclassified			3.1

Note: Due to the transition from Standard Industrial Classification (SIC) system to the North American Industry Classification System (NAICS), comparable ratio of benefits for 2002 and 2003 are unavailable.

Percentages may not add up to 100 percent due to rounding. The data for 2002 and 2003 are not used in calculating the ratio of benefits to contributions.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section: Quarterly Census of Employment and Wages (QCEW) report to the U.S. Department of Labor

**Table 3.10
Collections, Benefits Paid, Trust Fund Reserves and
Average Employer Tax Rate as Percentages of Payroll
1995-2004**

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
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
2003	1.4	1.9	2.6	1.17	2.2	3.0	4.1	1.85
2004	1.5	1.6	2.5	1.38	2.4	2.5	4.0	2.19

Note: Net benefits paid by taxable employers includes: regular unemployment benefits, all State Supplemental Benefits payments, Alaska's share of extended benefit payments for taxable employers and the net of benefits paid. Then receipts for interstate wage combining are subtracted from that amount.

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; Quarterly Census of Employment and Wages (QCEW) report to the U.S. Department of Labor

Table 3.11
UI Benefits Paid, Taxes Assessed and Covered Payroll
by Industry, 2004

Industry	Amount of Benefits Paid		Employer and Employee Contributions Assessed	Total Payroll	Taxable Payroll	Percent of Total Payroll Taxable
	Regular	Regular Plus 1/2 Extended Benefits				
Total	\$108,999,110	\$113,126,800	\$137,258,453	\$8,170,490,702	\$5,130,288,175	62.8
Agriculture, Forestry, Fishing & Hunting	1,681,053	1,722,564	1,058,798	41,194,026	30,225,946	73.4
Mining	4,556,897	4,760,028	8,876,930	896,714,753	317,622,875	35.4
Utilities	698,604	714,702	1,127,243	112,085,841	50,571,832	45.1
Construction	22,457,434	23,284,784	20,378,339	941,675,679	606,096,656	64.4
Manufacturing	14,790,790	15,119,096	10,829,987	414,265,893	316,668,256	76.4
Wholesale Trade	1,767,136	1,820,146	4,160,499	273,157,139	162,293,849	59.4
Retail Trade	10,666,507	11,020,289	15,562,977	898,504,845	689,227,955	76.7
Transportation & Warehousing	7,776,021	8,017,547	12,899,383	896,694,590	475,092,693	53.0
Information	1,836,675	1,897,172	3,626,838	329,753,062	175,049,733	53.1
Finance & Insurance	2,831,937	2,928,704	5,482,865	394,539,021	220,641,530	55.9
Real Estate, Rental & Leasing	2,570,843	2,685,011	2,959,555	156,415,710	111,814,259	71.5
Professional & Technical Services	3,346,088	3,471,935	8,016,513	544,268,424	296,770,540	54.5
Management of Companies	155,264	161,160	871,440	71,017,524	37,788,136	53.2
Administrative & Waste Services	5,002,876	5,186,944	6,658,307	346,077,169	247,705,652	71.6
Educational Services ¹	(49,728)	103,197	780,230	49,964,226	35,709,272	71.5
Health Care & Social Assistance	7,970,294	8,293,875	12,275,539	829,279,371	560,942,782	67.6
Arts, Entertainment & Recreation	1,122,385	1,170,634	1,519,324	60,800,854	52,206,186	85.9
Accommodation & Food Services	8,701,533	8,988,443	11,680,175	458,092,198	410,173,791	89.5
Other Services, except Public Administration	4,829,358	5,009,812	4,420,476	243,116,702	176,769,037	72.7
Public Administration	5,867,913	6,333,484	3,503,536	191,727,093	140,766,749	73.4
Unclassified	419,230	437,273	569,499	21,146,582	16,150,446	76.4

¹ A negative value is primarily the result of a timing difference in producing the benefits paid amount. It's derived from the multiple reports used to generate the benefit.

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: Quarterly Census of Employment and Wages (QCEW) report to the U.S. Department of Labor; UC-217 report, Benefit Payments by Industry and Area

Table 3.12
UI Benefits Paid as a Percent of Taxes Assessed
and Covered Payroll by Industry, 2004

Industry	Regular Benefits as a Percentage of:			Regular Benefits plus 1/2 Extended Benefits as a Percentage of:		
	Collections	Total Payroll	Taxable Payroll	Collections	Total Payroll	Taxable Payroll
Total	79.4	1.3	2.1	82.4	1.4	2.2
Agriculture, Forestry, Fishing & Hunting	158.8	4.1	5.6	162.7	4.2	5.7
Mining	51.3	0.5	1.4	53.6	0.5	1.5
Utilities	62.0	0.6	1.4	63.4	0.6	1.4
Construction	110.2	2.4	3.7	114.3	2.5	3.8
Manufacturing	136.6	3.6	4.7	139.6	3.7	4.8
Wholesale Trade	42.5	0.6	1.1	43.7	0.7	1.1
Retail Trade	68.5	1.2	1.5	70.8	1.2	1.6
Transportation & Warehousing	60.3	0.9	1.6	62.2	0.9	1.7
Information	50.6	0.6	1.1	52.3	0.6	1.1
Finance & Insurance	51.7	0.7	1.3	53.4	0.7	1.3
Real Estate, Rental & Leasing	86.9	1.6	2.3	90.7	1.7	2.4
Professional & Technical Services	41.7	0.6	1.1	43.3	0.6	1.2
Management of Companies	17.8	0.2	0.4	18.5	0.2	0.4
Administrative & Waste Services	75.1	1.4	2.0	77.9	1.5	2.1
Educational Services ¹	-6.4	-0.1	-0.1	13.2	0.2	0.3
Health Care & Social Assistance	64.9	1.0	1.4	67.6	1.0	1.5
Arts, Entertainment & Recreation	73.9	1.8	2.2	77.1	1.9	2.2
Accommodation & Food Services	74.5	1.9	2.1	77.0	2.0	2.2
Other Services, except Public Administration	109.3	2.0	2.7	113.3	2.1	2.8
Public Administration	167.5	3.1	4.2	180.8	3.3	4.5
Unclassified	73.6	2.0	2.6	76.8	2.1	2.7

¹ A negative value is primarily the result of a timing difference in producing the benefits paid amount. It's derived from the multiple reports used to generate the benefit.

Notes: Reimbursable account data are excluded, along with federally funded programs and federal employment.

Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section: Quarterly Census of Employment and Wages (QCEW) report to the U.S. Department of Labor; UC-217 report, Benefit Payments by Industry and Area

Appendix A

Data Sources and Limitations

Limitations of Data

The data in this publication are from several sources, each with its limitations. Much of the data come from printed reports produced from files in the state's mainframe computer. While reports can 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 using different selection criteria.

Differences also occur when 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 may not add to 100 due to rounding when using only one or two digits. Monetary 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 adding the columns.

This year, as well as when it was first noted in the Updated Tables 2003 edition, a major transition affects tables in all three chapters. The North American Industry Classification System (NAICS) has replaced the Standard Industrial Classification (SIC) system. The new NAICS interrupts time series data. Two categories, construction and mining, remain relatively unchanged in the transition from SIC to NAICS. The majority, however, are either new or include a different mix of industries. Users of the Actuarial Study will notice the change in tables that previously presented 10 years of data.

CHAPTER 1: UI Covered Employment and Wages

Chapter 1 provides information on employment, payroll and earnings. The major source of data is the Quarterly Census of Employment and Wages report (QCEW), formerly known as the ES-202 report, a report submitted to the U.S. Department of Labor's Bureau of Labor Statistics.

The information used in QCEW 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 QCEW includes all employers covered by Alaska's unemployment insurance system. It also includes Alaska employers' average monthly employment, total payroll and

taxable payroll. Additionally, the QCEW includes taxable employers' contributions assessed by the state and paid into the UI Trust Fund.

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 NAICS categories. Specific industries, based on three digit NAICS 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 sector, 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 notable that public administration (NAICS code 92) 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 other industries 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 Database 2 System (DB2) and is recorded in the state's mainframe 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 and 2.15, are derived from the UC-217 report. The UC-217 report is a monthly compilation of data by three digit NAICS codes and three digit geographic area codes.

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 5159), which is taken from the weekly and monthly management reports.

Table 2.1 uses data from the Local Area Unemployment Statistics (LAUS), a 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.

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," and are often referred to as the DOT codes. Ethnic information is based on information voluntarily submitted at the time of initial filing.

Table 2.6 uses payment data from the yearly ETA 5159 report on all states compiled by the U.S. Department of Labor's Division of Actuarial Services.

Table 2.16 is derived from the "UI Data Summary," a quarterly publication of key UI information published by the U.S. Department of Labor's 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 cost. Therefore, it draws heavily from the DOLWD's Benefit Payments by Industry and Area (UC 217) report and the QCEW quarterly reports (the U.S. Department of Labor's Quarterly Census of Employment and Wages report). In fact, several of the tables directly reproduce data reported in Chapters 1 and 2.

The other major data source for Chapter 3 is the Financial Transactions Summary (ETA 2112), a monthly accounting report that DOLWD produces. 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 (see Tables 3.1, 3.2 and 3.6). It is also the source for UI trust fund balances (see Tables 3.3, 3.6 and 3.10), deposits and disbursements for all programs (see Table 3.3), as well as interstate wage combining, reimbursable employers (see 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 3.5 lists experience ratings by industry that 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. DOLWD also produces this information.

Appendix B

Summary of Major Changes in the Employment Security Act

Coverage Provisions of the Alaska Employment Security Act, 1937 - 2004

- Apr. 2, 1937** Alaska Employment Security Law enacted. Employers liable for taxes are those with eight or more employees in 20 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
- Jul. 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 Federal Unemployment Tax Act (FUTA) will be automatically covered under the state U.I. 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 20 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 share basis excluded from coverage. Ch. 122, SLA 1977
- Jan. 1, 1978** Coverage made mandatory for most employees of state and local governments. Coverage also extended to certain domestic and agricultural workers. Ch. 122, SLA 1977
- Jul. 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 1995

Financing Provisions of the Alaska Employment Security Act, 1937 - 2004

- Apr. 2, 1937** All wages paid to employees covered under the law are assessed a uniform tax of 1.8 percent. Ch. 4, ESLA 1937
- Jan. 1, 1938** Uniform tax increased to 2.7 percent 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
- Jun. 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 percent is also assessed. Employer tax credit is eliminated. Ch. 5, ESLA 1955
- Apr. 4, 1957** Tax base increased to first \$4,200 of wages. Ch. 169, SLA 1957

- Mar. 30, 1960** Uniform employer tax increased to 2.9 percent. Uniform employee tax increased to 0.6 percent. 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 percent to 4.0 percent with an average tax rate of 2.9 percent. Employee tax rates range from 0.3 percent to 0.9 percent averaging 0.65 percent. Ch. 60, SLA 1960
- Jan. 1, 1974** Employee tax made uniform and employer tax left variable. The tax base is \$10,000. There are 10 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 percent of the average annual wage for calendar years 1981 and 1982 and will be 75 percent of the average annual wage for future years. Ten alternative tax rate schedules are replaced with 20 “experience factors.” An employer’s yearly rate calculation will be 82 percent 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 percent. Employee tax will be a uniform 18 percent 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 the calculation of average benefit cost rate. Ch. 106, SLA 1984
- Jan. 1, 1985** A new rate class, Class 21, is established and assigned an experience rating of 1.65 and a minimum employer tax rate of 5.4 percent. Solvency adjustments changed to provide a surcharge if the trust fund reserve rate falls below 3.0 percent and a credit if the reserve rate equals or exceeds 3.3 percent. 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
- Jul. 1, 1989** Training programs pilot project to be funded by transfer of 0.1 percent of taxable wages from amount contributed by employees. Ch. 95, SLA 1989
- Jun. 30, 1993** Extension of training programs pilot project until 1996. Ch.17, SLA 1993
- Jul. 1, 1996** Extension of training programs (STEP) until June 30, 2002. Ch.116, SLA 1996
- Jan. 1, 1997** Employer’s yearly rate calculation will be 80 percent of the benefit cost rate times the experience factor. (No change in the solvency tax provision). Employee tax will be a uniform 20 percent of the benefit cost rate. Ch.116, SLA 1996
- Jul. 1, 2000** Technical and Vocational Education Program (TVEP) created. Ch. 132, SLA 2000
- Jul. 1, 2002** Extension of training programs (STEP) until June 30, 2003. Ch.86, SLA 2002
- Jul. 1, 2003** Extension of training programs (STEP) until June 30, 2004. Ch.49, SLA 2003
- Jul. 1, 2004** Extension of training programs (STEP) until June 30, 2008. Ch.89, SLA 2004

Benefit Provisions of the Alaska Employment Security Act, 1937 - 2004

- Apr. 2, 1937** Benefits first made payable Jan. 1, 1939. Minimum payment is \$5; maximum is \$15. Weekly Benefit Amount (WBA) set at 50 percent of full-time weekly wage. Total benefit payments not to exceed 16 times the WBA. Ch. 4, ELSA 1937
- Jan. 17, 1939** Minimum payment is \$5; maximum is \$16. WBA set at one-twentieth of high quarter wages. Total benefit payments not to exceed either 16 times the WBA or a third of base year earnings. Ch. 1, SLA 1939

- Oct. 1, 1946** Minimum payment is \$8; maximum is \$25. Maximum reduced to \$20 if the fund balance is less than \$2 million on Jan. 1. Total benefit payments not to exceed either 25 times the WBA or a third of base year earnings. Ch. 32, ESLA 1946
- Jul. 1, 1949** WBA is increased by 20 percent for each dependent of the claimant up to three. Ch. 25, SLA 1949
- Jul. 1, 1951** Minimum payment is \$8; maximum is \$30. Ch. 11, SLA 1951
- Jul. 1, 1953** Minimum payment is \$8; maximum is \$35. WBA now based on total wages in base year. Total benefit payments limited to 26 times the WBA for most claimants. Ch. 99, SLA 1953
- Jul. 3, 1955** Minimum payment is \$10; maximum is \$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
- Jul. 1, 1966** Minimum payment is \$10; maximum is \$55. Total benefit payments limited to 28 times the WBA for most claimants. Ch. 112, SLA 1966
- Jul. 1, 1969** Minimum payment is \$18; maximum is \$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
- Jul. 1, 1973** Minimum payment is \$18; maximum is \$90. Dependent allowance set at \$10 per dependent, up to three. Ch. 43, SLA 1973
- Oct. 1, 1980** Minimum payment is \$34; maximum payment is \$150 for 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 is \$34; maximum payment is \$156 for basic WBA. Ch. 115, SLA 1982
- Oct. 1, 1984** Minimum payment is \$38; maximum payment is \$188 for basic WBA. Ch. 106, SLA 1984
- Oct. 1, 1990** Minimum payment is \$44; maximum payment is \$212 for basic WBA. Ch. 167, SLA 1990
- Jan. 1, 1997** Minimum payment is \$44; maximum payment is \$248 for basic WBA. Ch. 116, SLA 1996

Qualifying Provisions of the Alaska Employment Security Act, 1937 - 2004

- Apr. 2, 1937** To qualify for benefits, a claimant must have: 1) been unemployed in two of the last 13 weeks preceding claim; 2) have wages in the first three of the last four calendar quarters totaling more than 16 times the 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
- Jul. 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
- Jun. 30, 1947** Waiting period reduced to one week. Ch. 74, SLA 1947
- Jul. 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
- Jul. 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 1.25 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
- Jul. 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 10 percent earned outside the quarter of highest wages. If a claimant earns more than 90 percent of the base period wages in one quarter, base period wages used for determining benefits will be reduced to 10 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 onto extended benefits are eligible for no more than two weeks of benefits. Ch. 114, SLA 1981
- Jun. 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 6-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 40 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 the WBA requirement. All other conditions of extended benefits apply to supplemental state benefits. Ch. 115, SLA 182
- Jun. 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
- Jul. 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. Department of Labor allows the temporary payment of benefits under the Emergency Unemployment Act of 1991 (PL 102-162) in place of extended benefits.

Jul. 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 set 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) 46 times the WBA minus total regular benefits paid.

In addition to the existing extended benefits triggers, extended benefits are “on” if the state three-month total unemployment rate (TUR) is 6.5 percent, and is 110 percent of the same three-month period in either of the prior two years. Extended benefits are “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 full time 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 percent or more of his or her earnings in any single quarter of the base period, the BPW is defined as earnings in the other three quarters times 10; (b) If the worker was not paid 90 percent or more of his or her earnings in a single quarter of the base period, the 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 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 a 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 people employed during the pay period which includes the 12th of each month, by place of work. Workers who are not covered include agricultural workers, self employed workers, some employed students, most fishermen, full commissioned sales workers, 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 online 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. An employer's annual quotient is the average of all declines for the last 12 quarters, with a minimum of four quarters wage records required for the calculation.

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

Disaster Unemployment Assistance (DUA) A federal program funded by the Federal Emergency Management Agency in which UI benefits are authorized by the president of the United States for individuals unemployed as a result of a major disaster.

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 People 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. Employers are ranked by their average quarterly decline quotient and are assigned to one of 21 rate classes, each with a factor between .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 extended benefit payments are allowed, which is usually defined as a period of 13 weeks or more when the state's insured unemployment rate is 6 percent 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 Oct. 1 of the prior year through Sept. 30 of the current year. For example, federal fiscal year 2006 is from Oct. 1, 2005 to Sept. 30, 2006.

Federal Supplemental Benefits (FSB) A federally funded program similar to the Federal Supplemental Compensation (FSC) that was in effect between 1975 and 1978.

Federal Supplemental Compensation (FSC) A federally funded program in effect from October 1982 to April 1985 that 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 entry.)

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 the SIC and NAICS entries.)

Insured Unemployment The number of people filing continued claims for full regular benefits, partial regular benefits or who are in a waiting week status during a given week.

Insured Unemployment Rate (IUR) Ratio of insured unemployed – expressed as a percentage of average covered employment – computed as average insured unemployment over a 13 week period, divided by average covered employment lagged six months.

Interstate Claims, Payments Claims made by, or payments made to, people 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, people 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 unit. Beginning in late 1996, the local offices were reorganized into three UI Call Centers for UI claims purposes.

Mail Claims Claims filed by mail to the mail claims center by people 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.

Nonagricultural Wage and Salary Employment Employment that does not include self employed workers, unpaid family workers, domestics, most fishermen and 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 and nonprofit corporations) can elect to reimburse the state UI 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 percent of the total payroll or subtracted whenever the balance rises above 3.3 percent.

State Fiscal Year July 1 of the prior year through June 30 of the current year. For example, state fiscal year 2006 is from July 1, 2005 to June 30, 2006.

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. It is calculated as 75 percent of average annual earnings.

Tax Rate Class Alaska's experience rated employers are assigned to one of 20 tax rate classes, or to a 21st penalty class. New employers are assigned to the rate class closest to the mathematical average tax rate of experience-rated employers in the same industry. Classes 10 and 11 contain the average tax rate for the tax year. There is one tax rate for all employees.

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 attacks on Sept. 11, 2001. Benefits were first payable the week ending March 16, 2002. The last week for new claims was the week ending Dec. 27, 2003. The last week the program paid claims for was the week ending April 3, 2004.

Total Labor Force All people age 16 and older residing in a specific geographical area who are either employed, unemployed and seeking employment, or involved in a labor dispute.

Total Unemployment All people age 16 and older who did not work during the survey week, but were available and seeking work, or were waiting to report for work within 30 days.

Total Unemployment Rate (TUR) An expression of the number of unemployed people as a percent of the total civilian labor force. It is defined as the total unemployment divided by the total labor force.

Total Payroll The total of all wages and salaries (taxable and reimbursable) paid by covered employers. It 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, as well as 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 (or Call Center) Offices in Anchorage, Fairbanks and Juneau (including mail claims and interstate claims centers) which process UI claims. In-person claims filing was phased out in 1996 and 1997. All in-state claims filing is now done by mail.

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.

