

# Unemployment Insurance Actuarial Study and Financial Handbook 2006

State of Alaska  
Department of Labor  
and Workforce Development

Sarah Palin, Governor  
Click Bishop, Commissioner



**ALASKA DEPARTMENT OF LABOR  
& WORKFORCE DEVELOPMENT**



# ***Unemployment Insurance Actuarial Study and Financial Handbook 2006***



**ALASKA DEPARTMENT OF LABOR  
& WORKFORCE DEVELOPMENT**

Sarah Palin, Governor  
Click Bishop, Commissioner

Brynn Keith, Chief  
Research and Analysis Section

Prepared by  
James Wilson, UI Actuary  
Sara Verrelli, Economist

Layout by Sam Dapcevich

Published in November 2007 at a cost of \$7.60 per copy

This publication is also available on Research and Analysis' Web site  
at [almis.labor.state.ak.us](http://almis.labor.state.ak.us).

For more information, call James Wilson at (907) 465-4520  
or email him at [James.Wilson@alaska.gov](mailto:James.Wilson@alaska.gov).



# Introduction

The Unemployment Insurance Actuarial Study and Financial Handbook 2006 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 17th 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.

A limited number of this 2006 edition are printed; the publication is also available on Research and Analysis' Web site at [almis.labor.state.ak.us](http://almis.labor.state.ak.us). Contact Research and Analysis at (907) 465-4500 for copies of the 2006 edition or earlier editions.

# Table of Contents

**Introduction iii**

**Executive Summary vi**

<b>Chapter 1</b>	<b>Unemployment Insurance Covered Employment and Wages</b> .....	<b>1</b>
Figure 1.1	Employment by Type of UI Coverage, 1986-2006.....	1
Figure 1.2	Average Monthly Covered Employment, 1986-2006.....	1
Figure 1.3	Total Covered Payroll, 1986-2006.....	2
Figure 1.4	Average Weekly Earnings, 1986-2006.....	2
Table 1.1	Nonagricultural Wage and Salary Employment, Covered and Noncovered, 1997-2006.....	3
Table 1.2	Average Monthly Covered Employment by Industry, 2003-2006.....	4
Table 1.3	Total Covered Payroll by Industry, in Thousands, 2003-2006.....	5
Table 1.4	Taxable Covered Payroll by Industry, in Thousands, 2003-2006.....	6
Table 1.5	Average Annual Earnings in Covered Employment by Industry, 2003-2006.....	7
Table 1.6	Average Weekly Earnings in Covered Employment by Industry, 2003-2006.....	8
Table 1.7	Average Monthly Covered Employment by Ownership, 1997-2006.....	9
Table 1.8	Total Covered Payroll by Ownership, in Thousands, 1997-2006.....	10
Table 1.9	Taxable Covered Payroll by Ownership, in Thousands, 1997-2006.....	10
Table 1.10	Average Annual Earnings in Covered Employment by Ownership, 1997-2006.....	11
Table 1.11	Average Weekly Earnings in Covered Employment by Ownership, 1997-2006.....	11
<b>Chapter 2</b>	<b>Unemployment Insurance Benefit Payments</b> .....	<b>12</b>
Figure 2.1	Amount of UI Payments, Regular Benefits, 1986-2006.....	12
Figure 2.2	Alaska Insured Unemployment Rate, 1986-2006.....	13
Figure 2.3	UI Regular Benefit Payments by Industry for In-State and Out-of-State Claimants, 2006.....	14
Figure 2.4	Claimants by Processing Center in 2006.....	15
Figure 2.5	Percentage of Unemployed Receiving UI in Alaska, 1986-2006.....	15
Table 2.1	Unemployment, 1997-2006.....	16
Table 2.2	Unemployment Insurance Claimant Characteristics, 2006.....	17
Table 2.3	Schedule of UI Weekly Benefit Amounts.....	18
Table 2.4	Schedule of Weekly Benefits Duration.....	19
Table 2.5	Payment Data, UI Regular Benefits, 1997-2006.....	19
Table 2.6	Average Weekly Benefits as a Percentage of Average Weekly Earnings, 2006.....	20
Table 2.7	Payment Data, UI Extended Benefits, 1997-2006.....	21
Table 2.8	Payment Data, UI State Supplemental Benefits, 1997-2006.....	21
Table 2.9	UI Regular Benefit Payments by Industry - Intrastate, 2003-2006.....	22
Table 2.10	UI Regular Benefit Payments by Industry - Interstate, 2003-2006.....	24
Table 2.11	UI Regular Benefit Payments by Industry - Intrastate and Interstate Total, 2003-2006.....	26
Table 2.12	UI Regular Benefit Payments by Industry - Interstate as a Percentage of Total, 2003-2006.....	28
Table 2.13	Amount of UI Benefit Payments by Census Area, 2006.....	29
Table 2.14	UI Regular Benefit Payments to Interstate Claimants, by State, 2005-2006.....	30
Table 2.15	Payment of Dependents' Benefits, 1997-2006.....	31
Table 2.16	Average Weekly Percentage of Unemployed Receiving UI Benefits, 2006.....	32
<b>Chapter 3</b>	<b>Alaska's Unemployment Insurance Benefit Financing System</b> .....	<b>33</b>
Figure 3.1	UI Trust Fund End-of-Year Balance, 1986-2006.....	33
Figure 3.2	Receipts, Reserves, Benefits and Tax Rates as a Percentage of Taxable Payroll.....	34
Figure 3.3	Administrative Grants as a Percentage of FUTA Collections.....	35
Table 3.1	Benefit Cost Rate, 1997-2006.....	37

Table 3.2	Benefit Cost Rates by Industry, 2006 .....	38
Table 3.3	Trust Fund Deposits and Disbursements, 1997-2006 .....	39
Table 3.4	Tax Base, Average Employer and Employee Tax Rates and Ratio of Taxable to Total Wages, 1997-2006 .....	40
Table 3.5	Employer Accounts by Rate Type and Average Tax Rates by Industry .....	41
Table 3.6	UI Tax Rate Calculations and Tax Rates by Rate Class, 2007 .....	42
Table 3.7	Administrative Costs, 1997-2006.....	43
Table 3.8	Collections, UI Regular Benefits Paid - Reimbursable Employment, 1997-2006 .....	43
Table 3.9	Benefits Paid, Contributions Assessed and Ratio of Benefits to Contributions for Taxable Employment, in Thousands, 2002-2006 .....	44
Table 3.10	Collections, Benefits Paid, Trust Fund Reserves and Average Employer Tax Rate as Percentages of Payroll, 1997-2006 .....	45
Table 3.11	UI Benefits Paid, Taxes Assessed and Covered Payroll by Industry, 2006 .....	45
Table 3.12	UI Benefits Paid as a Percent of Taxes Assessed and Covered Payroll by Industry, 2006 .....	46
Appendix A	Data Sources and Limitations.....	47
Appendix B	Summary of Major Changes in the Employment Security Act.....	49
Appendix C	Glossary of Terms.....	54

# Executive Summary

*Here is an overview of some of the most significant findings for 2006:*

- Alaska's UI program, in 2006, covered over 307,000 workers, 97.9% of wage and salary workers.
- Average monthly employment, total payroll, taxable payroll, and average earnings, increased during 2006, exceeding all prior year levels.
- Covered payroll in Alaska during 2006 was \$11.8 billion, of which \$9.2 billion was reported from employers that pay UI taxes.
- Average weekly earnings of workers in 2006 rose to \$783, approximately 4.3% more than in 2005 (\$751). Top earnings, expectedly, were in the oil and gas industry (\$2,789), while one of the lowest was in the larger Trade sector (\$568).
- The fastest wage growth during 2005-2006 was in the oil and gas industry (10.0%).
- Roughly \$109 million in unemployment benefits was paid to 51,597 workers during 2006. Regular benefits accounted for the vast majority of this amount.
- The 2006 average weekly benefit payment, for regular benefits, in Alaska was \$198, up \$3.72 from 2005. On average, people claiming regular benefits received 14 weeks of benefits.
- Alaska ranked 50th in the nation, during 2006, 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 \$283 million at the end of 2006.
- The average employer tax rate assigned in 2006 was 2.43% of taxable payroll. For 2007, the average employer tax rate is 1.94%.



# Chapter 1

## UI Covered Employment and Wages

Many Chapter 1 tables have changed since the 2002 edition 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 four 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 307,024 workers in Alaska in 2006 – 97.9 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 5.3 percent.<sup>1</sup> In the past 10 years, the total percentage has remained stable at an average of 98.2 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 2.1 percent of workers who are typically not covered by UI insurance include full-commission salespeople, elected and appointed officials, and unpaid family workers. Beginning in 2006, estimated real estate employment is included in the non-covered category.

### 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 – 20.8 percent in 2006. This percentage has continued to fall slowly as the economy matures and reimbursable employment becomes a smaller part of the work force. During 2006, average monthly employment

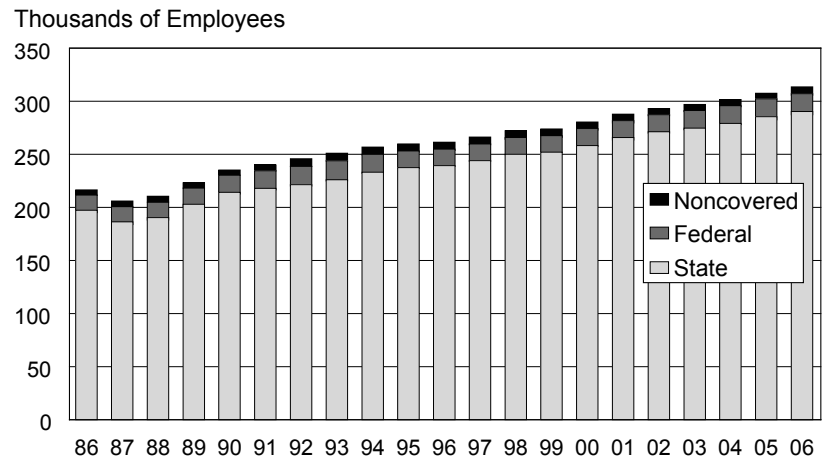
<sup>1</sup> The state programs include regular unemployment, extended benefits (EB), state supplemental benefits (SSB) and Temporary Emergency Unemployment Compensation (TEUC). The federal programs include Unemployment Compensation for Federal Employees (UCFE), which is designed to provide temporary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

was 290,313 total, including 60,488 in reimbursable employment. (See Table 1.2.)

### Employment and payroll are growing

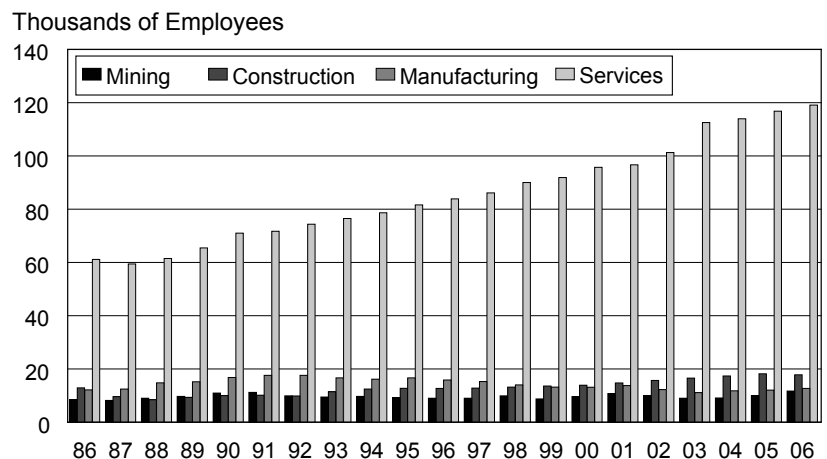
During the past two years, Alaska had 2.0 percent average annual growth in covered employment and 5.4 percent growth in total payroll. Average monthly employment grew 2.3 percent in 2005 and 1.7 percent in 2006. (See Tables 1.2 and 1.7.)

**Figure 1.1 Employment by Type of UI Coverage 1986-2006**



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

**Figure 1.2 Average Monthly Covered Employment 1986-2006**



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

Total covered payroll – wages covered by the UI system – grew 5.4 percent in 2005 and 6.0 percent in 2006. (See Tables 1.3 and 1.8.)

**Employment** - Average monthly covered employment rose from 285,455 in 2005 to 290,313 in 2006. Many major industries shared in the growth from 2005 to 2006, such as mining (16.5 percent), manufacturing (4.7 percent), health care and social assistance (4.1 percent), accommodation and food services (1.6 percent), and transportation and warehousing (2.2 percent). Trade was fairly flat in employment change (0.4 percent) during 2006. Construction fell 2.0 percent while public administration showed a 0.5 percent decline in 2006. (See Table 1.2.)

**Payroll** - Total covered payroll grew 49.5 percent in the last 10 years and 11.7 percent from 2004 to

2006. Total covered payroll now stands at about \$11.8 billion, up from roughly \$7.9 billion in 1997. (See Table 1.3.)

During 2006, the growth in total covered payroll measured 6.0 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 (21.5 percent), construction (2.3 percent), transportation and warehousing (3.9 percent), trade (3.3 percent), as well as health care and social assistance (7.1 percent). (See Table 1.3.)

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

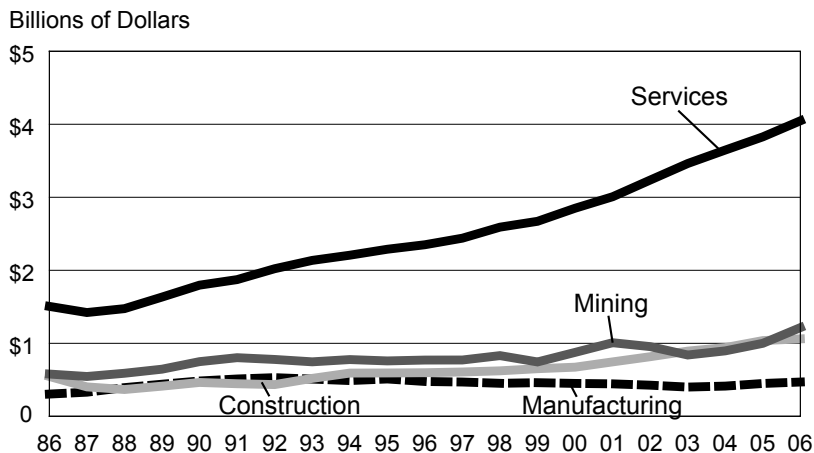
Past issues of this publication, prior to 2003, detailed how Alaska's service industry grew steadily over time, created roughly half of new jobs, and provided about 40 percent of employment. The ability to look at service industries in more detail comes with the NAICS classification system, which creates many more service sector industries. We now have the start of a new comparative series of data (2003-2006) for the service industries. The basic observations about the importance of the services sector, its continuing growth, and contribution of about 40 percent of jobs are the same. (See Figures 1.2 and 1.3.)

### 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, average annual earnings rose 7.4 percent the last two years, from \$37,907 in 2004 to \$40,700 in 2006. (See Table 1.10) This earnings increase is slightly more than the 6.4 percent increase in the Anchorage Consumer Price Index (the CPI-U) from 2004 to 2006. Although the growth in the overall average wage has generally 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 the last three years (2004-2006) (See Table 2.6).

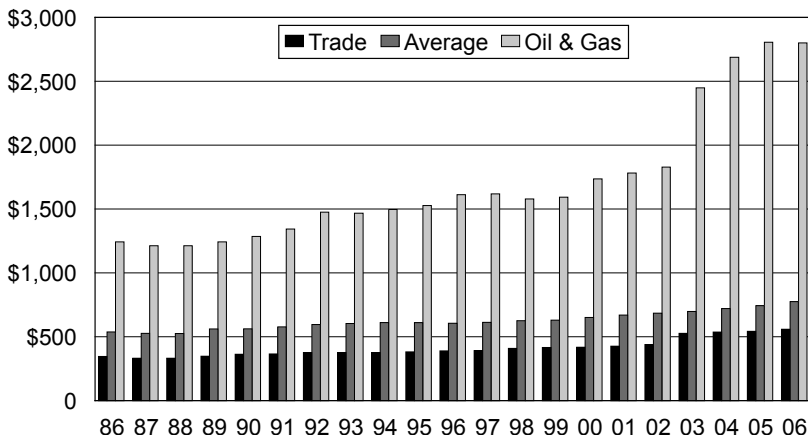
Alaska's best paying industries continue to be oil and gas extraction, with \$145,052 in annual average earnings, and other mining industries. (See Table 1.5). Alaska's lower wage rate industries are in the trade and service categories. The two lowest in 2006 were arts, entertainment and recreation, with \$16,728 in average annual earnings, and accommodation and food services, with \$18,325 in average annual earnings.

**Figure 1.3 Total Covered Payroll 1986-2006**



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

**Figure 1.4 Average Weekly Earnings 1986-2006**



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

**Table 1.1**  
**Nonagricultural Wage and Salary Employment,**  
**Covered and Noncovered, 1997-2006**

<b>Year</b>	<b>Total Nonagricultural Wage and Salary Employment</b>	<b>State UI Taxable and Reimbursable Employment</b>	<b>Percent of Total</b>	<b>Alaska Federal Government Employment</b>	<b>Percent of Total</b>	<b>Non-Covered Employment</b>	<b>Percent of Total</b>
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
2005	307,537	285,455	92.8	16,974	5.5	5,108	1.7
2006	313,488	290,313	92.6	16,714	5.3	6,461	2.1

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 Employment<sup>1</sup> by Industry**  
**2003-2006**

	Employment				Percent			
	2003	2004	2005	2006	2003	2004	2005	2006
<b>Total Taxable and Reimbursable</b>	<b>274,755</b>	<b>279,161</b>	<b>285,455</b>	<b>290,313</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Agriculture, Forestry, Fishing <sup>2</sup> & Hunting	1,137	1,025	1,062	941	0.4	0.4	0.4	0.3
Mining	9,593	9,691	10,513	12,247	3.5	3.5	3.7	4.2
Oil & Gas Extraction	2,571	2,521	2,634	2,890	0.9	0.9	0.9	1.0
Mining Support	5,593	5,813	6,343	7,607	2.0	2.1	2.2	2.6
Other Mining	1,429	1,357	1,536	1,750	0.5	0.5	0.5	0.6
Utilities	1,997	1,883	1,924	1,923	0.7	0.7	0.7	0.7
Construction	17,078	17,848	18,663	18,296	6.2	6.4	6.5	6.3
Manufacturing	11,683	12,319	12,606	13,203	4.3	4.4	4.4	4.5
Food	8,540	9,073	9,234	9,869	3.1	3.3	3.2	3.4
Wood Products	290	380	361	343	0.1	0.1	0.1	0.1
Other Manufacturing	2,854	2,866	3,011	2,991	1.0	1.0	1.1	1.0
Transportation & Warehousing	19,604	19,686	19,975	20,422	7.1	7.1	7.0	7.0
Trade	40,201	41,204	42,169	42,322	14.6	14.8	14.8	14.6
Information	6,908	6,867	6,897	6,936	2.5	2.5	2.4	2.4
Finance & Insurance	8,464	8,569	8,636	8,792	3.1	3.1	3.0	3.0
Real Estate, Rental & Leasing	5,007	5,134	5,318	5,283	1.8	1.8	1.9	1.8
Professional & Technical Services	11,049	11,244	11,606	12,022	4.0	4.0	4.1	4.1
Management of Companies	1,094	1,164	1,204	1,218	0.4	0.4	0.4	0.4
Administrative & Waste Services	10,969	10,962	11,066	11,100	4.0	3.9	3.9	3.8
Educational Services	27,916	27,209	27,976	27,799	10.2	9.7	9.8	9.6
Health Care & Social Assistance	32,212	34,157	35,061	36,487	11.7	12.2	12.3	12.6
Arts, Entertainment & Recreation	3,952	3,900	4,214	4,280	1.4	1.4	1.5	1.5
Accommodation & Food Services	25,691	26,245	26,644	27,074	9.4	9.4	9.3	9.3
Other Services, except Public Administration	9,853	9,266	9,292	9,485	3.6	3.3	3.3	3.3
Public Administration	30,087	29,994	30,063	29,905	11.0	10.7	10.5	10.3
Unclassified	264	794	567	580	0.1	0.3	0.2	0.2
<b>Total Reimbursable Accounts</b>	<b>60,254</b>	<b>59,457</b>	<b>60,546</b>	<b>60,488</b>				
Transportation & Warehousing	847	867	895	924				
Educational Services	26,147	25,516	26,203	25,627				
Health Care & Social Assistance	9,208	9,697	9,794	9,936				
Other Services, except Public Administration	1,339	869	948	842				
Public Administration	22,437	22,240	22,535	22,981				
Unclassified	277	268	171	177				

<sup>1</sup> Excluding federal.

<sup>2</sup> Fishing excludes nearly all commercial fish harvesting employment

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 Payroll<sup>1</sup> by Industry**  
**In Thousands, 2003-2006**

	Wages				Percent			
	2003	2004	2005	2006	2003	2004	2005	2006
<b>Total Taxable and Reimbursable</b>	<b>\$10,093,400</b>	<b>\$10,582,052</b>	<b>\$11,148,894</b>	<b>\$11,815,332</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Agriculture, Forestry, Fishing <sup>2</sup> & Hunting	45,585	41,194	42,299	35,520	0.5	0.4	0.4	0.3
Mining	839,940	896,715	999,400	1,214,615	8.3	8.5	9.0	10.3
Oil & Gas Extraction	326,372	351,171	382,916	419,200	3.2	3.3	3.4	3.5
Mining Support	418,575	451,727	495,621	655,588	4.1	4.3	4.4	5.5
Other Mining	94,993	93,817	120,863	139,827	0.9	0.9	1.1	1.2
Utilities	114,871	112,887	118,026	118,102	1.1	1.1	1.1	1.0
Construction	893,230	941,676	1,037,408	1,060,905	8.8	8.9	9.3	9.0
Manufacturing	400,443	414,266	450,063	469,647	4.0	3.9	4.0	4.0
Food	257,603	265,409	287,385	303,763	2.6	2.5	2.6	2.6
Wood Products	8,953	11,615	11,944	11,440	0.1	0.1	0.1	0.1
Other Manufacturing	133,888	137,242	150,734	154,444	1.3	1.3	1.4	1.3
Transportation & Warehousing	886,564	940,857	958,428	995,435	8.8	8.9	8.6	8.4
Trade	1,122,220	1,171,711	1,210,417	1,250,882	11.1	11.1	10.9	10.6
Information	310,402	330,085	334,557	345,874	3.1	3.1	3.0	2.9
Finance & Insurance	383,850	394,539	413,013	450,765	3.8	3.7	3.7	3.8
Real Estate, Rental & Leasing	144,082	156,416	168,442	170,993	1.4	1.5	1.5	1.4
Professional & Technical Services	511,205	547,937	602,973	652,052	5.1	5.2	5.4	5.5
Management of Companies	65,822	72,061	74,184	88,138	0.7	0.7	0.7	0.7
Administrative & Waste Services	326,602	346,118	365,398	388,876	3.2	3.3	3.3	3.3
Educational Services	991,650	1,009,720	1,063,961	1,085,164	9.8	9.5	9.5	9.2
Health Care & Social Assistance	1,135,931	1,235,587	1,285,608	1,376,755	11.3	11.7	11.5	11.7
Arts, Entertainment & Recreation	59,621	61,337	66,500	71,594	0.6	0.6	0.6	0.6
Accommodation & Food Services	430,933	458,092	471,319	496,118	4.3	4.3	4.2	4.2
Other Services, except Public Administration	267,615	262,710	263,736	278,095	2.7	2.5	2.4	2.4
Public Administration	1,147,270	1,157,047	1,204,829	1,247,645	11.4	10.9	10.8	10.6
Unclassified	15,565	31,098	18,331	18,157	0.2	0.3	0.2	0.2
<b>Total Reimbursable Accounts</b>	<b>\$2,362,563</b>	<b>\$2,411,561</b>	<b>\$2,519,453</b>	<b>\$2,600,402</b>				
Transportation & Warehousing	41,286	44,162	48,642	50,226				
Educational Services	942,177	959,755	1,010,692	1,012,423				
Health Care & Social Assistance	374,606	406,308	415,962	439,691				
Other Services, except Public Administration	28,661	19,593	21,484	20,173				
Public Administration	959,376	965,320	1,016,466	1,071,401				
Unclassified	16,456	16,424	6,207	6,488				

<sup>1</sup> Excluding federal.

<sup>2</sup> Fishing excludes nearly all commercial fish harvesting employment

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 1.4**  
**Taxable Covered Payroll by Industry**  
**In Thousands, 2003-2006**

	Wages				Percent			
	2003	2004	2005	2006	2003	2004	2005	2006
<b>Total</b>	<b>\$4,874,370</b>	<b>\$5,130,288</b>	<b>\$5,436,868</b>	<b>\$5,720,285</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Agriculture, Forestry, Fishing <sup>1</sup> & Hunting	32,913	30,226	31,129	27,280	0.7	0.6	0.6	0.5
Mining	306,285	317,623	360,815	445,441	6.3	6.2	6.6	7.8
Oil & Gas Extraction	74,914	75,492	81,715	92,632	1.5	1.5	1.5	1.6
Mining Support	187,835	199,102	227,272	290,506	3.9	3.9	4.2	5.1
Other Mining	43,536	43,029	51,827	62,303	0.9	0.8	1.0	1.1
Utilities	53,414	50,572	54,142	55,282	1.1	1.0	1.0	1.0
Construction	571,202	606,097	666,348	672,887	11.7	11.8	12.3	11.8
Manufacturing	287,921	316,668	338,762	349,422	5.9	6.2	6.2	6.1
Food	204,767	228,433	246,838	256,330	4.2	4.5	4.5	4.5
Wood Products	7,165	9,125	9,074	9,238	0.1	0.2	0.2	0.2
Other Manufacturing	75,989	79,111	82,851	83,853	1.6	1.5	1.5	1.5
Transportation & Warehousing	457,595	475,093	501,254	525,304	9.4	9.3	9.2	9.2
Trade	816,553	851,522	884,561	917,587	16.8	16.6	16.3	16.0
Information	171,248	175,050	178,017	182,979	3.5	3.4	3.3	3.2
Finance & Insurance	212,295	220,642	231,445	244,054	4.4	4.3	4.3	4.3
Real Estate, Rental & Leasing	104,610	111,814	121,494	121,548	2.1	2.2	2.2	2.1
Professional & Technical	283,810	296,771	324,526	351,240	5.8	5.8	6.0	6.1
Management of Companies	34,742	37,788	40,452	42,601	0.7	0.7	0.7	0.7
Administrative & Waste Services	236,771	247,706	264,634	276,065	4.9	4.8	4.9	4.8
Educational Services	36,363	35,709	37,115	39,132	0.7	0.7	0.7	0.7
Health Care & Social Assistance	514,564	560,943	589,089	631,609	10.6	10.9	10.8	11.0
Art, Entertainment & Recreation	51,907	52,206	56,991	61,165	1.1	1.0	1.0	1.1
Accommodation & Food Services	386,329	410,174	425,338	446,184	7.9	8.0	7.8	7.8
Other Service, except Public Administration	175,008	176,769	176,728	185,963	3.6	3.4	3.3	3.3
Public Administration	136,800	140,767	139,463	130,742	2.8	2.7	2.6	2.3
Unclassified	4,040	16,150	14,567	13,801	0.1	0.3	0.3	0.2

<sup>1</sup> Fishing excludes nearly all commercial fish harvesting employment

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 Employment<sup>1</sup> by Industry**  
**2003-2006**

	2003	2004	2005	2006
<b>Total Taxable and Reimbursable</b>	<b>\$36,736</b>	<b>\$37,907</b>	<b>\$39,058</b>	<b>\$40,700</b>
Agriculture, Forestry, Fishing <sup>2</sup> & Hunting	40,092	40,189	39,830	37,747
Mining	87,558	92,531	95,063	99,177
Oil & Gas Extraction	126,944	139,298	145,374	145,052
Mining Support	74,839	77,710	78,137	86,182
Other Mining	66,475	69,136	78,687	79,901
Utilities	57,522	59,951	61,344	61,415
Construction	52,303	52,761	55,586	57,986
Manufacturing	34,276	33,628	35,702	35,571
Food	30,164	29,253	31,122	30,780
Wood Products	30,872	30,566	33,086	33,353
Other Manufacturing	46,912	47,886	50,061	51,636
Transportation & Warehousing	45,224	47,793	47,981	48,743
Trade	27,915	28,437	28,704	29,556
Information	44,934	48,068	48,508	49,866
Finance & Insurance	45,351	46,043	47,825	51,270
Real Estate, Rental & Leasing	28,776	30,467	31,674	32,367
Professional & Technical Services	46,267	48,732	51,954	54,238
Management of Companies	60,166	61,908	61,615	72,363
Administrative & Waste Services	29,775	31,574	33,020	35,034
Educational Services	35,523	37,110	38,031	39,036
Health Care & Social Assistance	35,264	36,174	36,668	37,733
Arts, Entertainment & Recreation	15,086	15,727	15,781	16,728
Accommodation & Food Services	16,774	17,454	17,689	18,325
Other Services, except Public Administration	27,161	28,352	28,383	29,319
Public Administration	38,132	38,576	40,077	41,720
Unclassified	59,412	38,873	32,330	31,305
<b>Total Reimbursable Accounts</b>	<b>\$39,210</b>	<b>\$40,560</b>	<b>\$41,612</b>	<b>\$42,990</b>
Transportation & Warehousing	48,758	50,937	54,349	54,357
Educational Services	36,034	37,614	38,572	39,506
Health Care & Social Assistance	40,685	41,900	42,471	44,252
Other Services, except Public Administration	21,405	22,547	22,662	23,958
Public Administration	42,758	43,405	45,106	46,621

<sup>1</sup> Excluding federal.

<sup>2</sup> Fishing excludes nearly all commercial fish harvesting employment

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 Employment<sup>1</sup> by Industry**  
**2003-2006**

	2003	2004	2005	2006
<b>Total Reimbursable and Non-Reimbursable</b>	<b>\$706.47</b>	<b>\$728.98</b>	<b>\$751.13</b>	<b>\$782.68</b>
Agriculture, Forestry, Fishing <sup>2</sup> & Hunting	771.01	772.87	765.95	725.91
Mining	1,683.80	1,779.44	1,828.14	1,907.24
Oil & Gas Extraction	2,441.22	2,678.81	2,795.66	2,789.46
Mining Support	1,439.21	1,494.42	1,502.63	1,657.35
Other Mining	1,278.37	1,329.53	1,513.21	1,536.56
Utilities	1,106.19	1,152.90	1,179.69	1,181.07
Construction	1,005.83	1,014.63	1,068.97	1,115.11
Manufacturing	659.15	646.70	686.58	684.06
Food	580.08	562.55	598.51	591.91
Wood Products	593.70	587.80	636.27	641.40
Other Manufacturing	902.16	920.89	962.71	993.00
Transportation & Warehousing	869.69	919.10	922.72	937.37
Trade	536.83	546.86	552.00	568.39
Information	864.11	924.39	932.84	958.97
Finance & Insurance	872.13	885.43	919.70	985.96
Real Estate, Rental & Leasing	553.39	585.90	609.11	622.44
Professional & Technical Services	889.75	937.14	999.11	1,043.04
Management of Companies	1,157.05	1,190.54	1,184.90	1,391.59
Administrative & Waste Services	572.60	607.20	635.00	673.73
Educational Services	683.13	713.65	731.37	750.69
Health Care & Social Assistance	678.16	695.65	705.15	725.63
Arts, Entertainment & Recreation	290.12	302.45	303.48	321.68
Accommodation & Food Services	322.57	335.66	340.18	352.39
Other Services, except Public Administration	522.32	545.23	545.83	563.84
Public Administration	733.30	741.85	770.71	802.31
Unclassified	1,142.54	747.55	621.73	602.02
<b>Total Reimbursable Accounts</b>	<b>\$754.04</b>	<b>\$780.00</b>	<b>\$800.23</b>	<b>\$826.74</b>
Transportation & Warehousing	937.66	979.55	1,045.17	1,045.33
Educational Services	692.97	723.34	741.76	759.73
Health Care & Social Assistance	782.40	805.78	816.75	851.01
Other Services, except Public Administration	411.63	433.59	435.82	460.74
Public Administration	822.27	834.71	867.43	896.56

<sup>1</sup> Excluding federal.

<sup>2</sup> Fishing excludes nearly all commercial fish harvesting employment

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 Employment<sup>1</sup> by Ownership**  
**1997-2006**

<b>Ownership</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Total	244,255	250,251	252,228	258,428	265,945	271,350	274,755	279,161	285,455	290,313
State Government	19,441	19,831	19,950	20,198	20,988	21,830	22,022	21,831	22,077	22,433
Local Government	30,997	31,276	31,305	31,468	35,281	37,353	37,076	36,428	36,906	36,474
Private Industry	193,817	199,144	200,973	206,762	209,676	212,167	215,657	220,902	226,472	231,406
Taxable	186,146	191,254	193,007	198,361	200,825	203,010	205,949	211,161	216,533	221,510
Reimbursable	7,671	7,890	7,966	8,401	8,851	9,157	9,708	9,741	9,939	9,896
<b>Percent Distribution</b>										
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
State Government	8.0	7.9	7.9	7.8	7.9	8.0	8.0	7.8	7.7	7.7
Local Government	12.7	12.5	12.4	12.2	13.3	13.8	13.5	13.0	12.9	12.6
Private Industry	79.4	79.6	79.7	80.0	78.8	78.2	78.5	79.1	79.3	79.7
Taxable	76.2	76.4	76.5	76.8	75.5	74.8	75.0	75.6	75.9	76.3
Reimbursable	3.1	3.2	3.2	3.3	3.3	3.4	3.5	3.5	3.5	3.4

<sup>1</sup> Excluding 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 Payroll<sup>1</sup> by Ownership**  
**In Thousands, 1997-2006**

<b>Ownership</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Total	\$7,904,441	\$8,261,192	\$8,389,193	\$8,862,098	\$9,384,548	\$9,779,538	\$10,093,400	\$10,582,052	\$11,148,894	\$11,815,332
State Government	751,853	761,013	766,996	800,004	826,632	879,064	910,098	913,913	976,244	1,011,295
Local Government	1,134,393	1,120,982	1,125,164	1,127,624	1,218,672	1,280,960	1,312,305	1,339,864	1,373,025	1,415,132
Private Industry	6,018,195	6,379,197	6,497,033	6,934,470	7,339,244	7,619,514	7,870,997	8,328,275	8,799,625	9,388,905
Taxable	5,790,375	6,136,602	6,248,464	6,652,396	7,029,444	7,285,303	7,511,133	7,945,879	8,405,074	8,977,580
Reimbursable	227,820	242,595	248,569	282,074	309,800	334,211	359,864	382,396	394,551	411,325
<b>Percent Distribution</b>										
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
State Government	9.5	9.2	9.1	9.0	8.8	9.0	9.0	8.6	8.8	8.6
Local Government	14.4	13.6	13.4	12.7	13.0	13.1	13.0	12.7	12.3	12.0
Private Industry	76.1	77.2	77.4	78.2	78.2	77.9	78.0	78.7	78.9	79.5
Taxable	73.3	74.3	74.5	75.1	74.9	74.5	74.4	75.1	75.4	76.0
Reimbursable	2.9	2.9	3.0	3.2	3.3	3.4	3.6	3.6	3.5	3.5

<sup>1</sup> Excluding 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, 1997-2006**

<b>Ownership</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Total	\$3,853,741	\$3,995,639	\$4,124,730	\$4,396,916	\$4,556,600	\$4,722,968	\$4,874,371	\$5,130,288	\$5,436,868	\$5,720,285
State Government	8,823	8,841	8,933	9,125	9,491	8,877	8,675	8,911	8,965	9,039
Local Government	91,641	86,997	83,215	84,403	133,487	147,575	149,563	154,032	154,521	151,072
Private Industry	3,753,277	3,899,801	4,032,582	4,303,388	4,413,622	4,566,516	4,716,133	4,967,345	5,273,382	5,560,174
<b>Percent Distribution</b>										
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	2.2	2.0	1.9	2.9	3.1	3.1	3.0	2.8	2.6
Private Industry	97.4	97.6	97.8	97.9	96.9	96.7	96.8	96.8	97.0	97.2

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 Employment<sup>1</sup> by Ownership**  
**1997-2006**

<b>Ownership</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Total	\$32,361	\$33,012	\$33,260	\$34,292	\$35,288	\$36,040	\$36,736	\$37,907	\$39,058	\$40,700
State Government	38,674	38,375	38,446	39,608	39,386	40,269	41,327	41,863	44,220	45,081
Local Government	36,597	35,842	35,942	35,834	34,542	34,293	35,395	36,781	37,203	38,798
Private Industry	31,051	32,033	32,328	33,538	35,003	35,913	36,498	37,701	38,855	40,574
Taxable	31,107	32,086	32,374	33,537	35,003	35,887	36,471	37,629	38,817	40,530
Reimbursable	29,699	30,747	31,204	33,576	35,002	36,498	37,069	39,256	39,697	41,565

<sup>1</sup> Excluding federal.

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

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 Employment<sup>1</sup>**  
**By Ownership, 1997-2006**

<b>Ownership</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Total	\$622.34	\$634.84	\$639.62	\$659.47	\$678.62	\$693.08	\$706.46	\$728.98	\$751.13	\$782.68
State Government	743.72	737.98	739.34	761.69	757.42	774.40	794.75	805.06	850.38	866.94
Local Government	703.79	689.26	691.19	689.12	664.27	659.48	680.67	707.33	715.45	746.12
Private Industry	597.13	616.02	621.69	644.97	673.13	690.63	701.88	725.02	747.22	780.27
Taxable	598.20	617.04	622.58	644.94	673.13	690.13	701.36	723.63	746.47	779.41
Reimbursable	571.13	591.29	600.07	645.70	673.12	701.88	712.86	754.92	763.41	799.32

<sup>1</sup> 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 2006 were \$108.5 million

Total benefit payments in 2006 were \$108.5 million – the lowest in 10 years – while the benefit payments in 2005 were \$119.8 million. (See Table 2.13.)

Alaska’s UI system paid \$17.7 million in benefits to out-of-state claimants in 2006, which was 16.8 percent of all regular UI benefit payments. (See Table 2.14.)

Four different UI programs distributed benefits in Alaska in 2006, 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 2006, virtually all was through the regular UI program. The extended benefits program, a common occurrence in Alaska’s unemployment scene since the 1970’s, has not triggered on since June 2005. Its companion program, the supplemental state benefits program, has also been defunct since that time. (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.

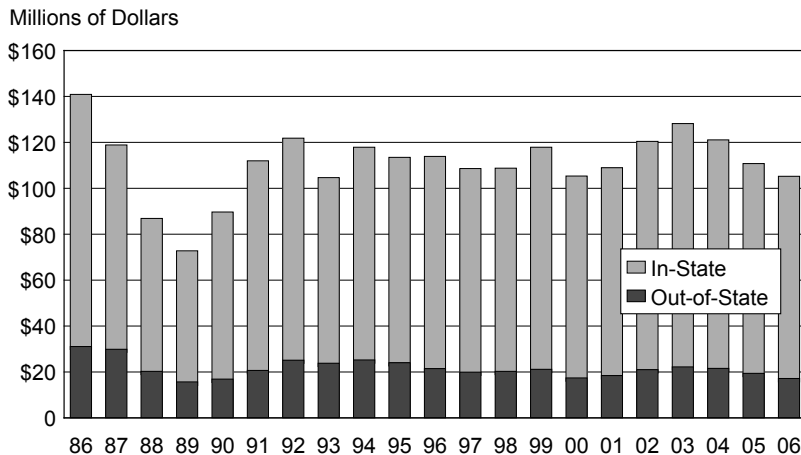
In Alaska, eligibility for regular benefits requires individuals to earn at least \$1,000 in their “base period,” with at least \$100 earned outside the highest earnings quarter in their base period. (See the Glossary, Appendix C.)

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:

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

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.

**Figure 2.1 Amount of UI Payments, Regular Benefits 1986-2006**



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

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.

Alaska’s \$197.63 in average weekly benefits in 2006 was low when compared to other states and the District of Columbia. Alaska ranked 48th. (See Table 2.6.)

During 2006, 40,859 unemployed people received \$108.5 million in regular UI benefits, including UCFE and UCX. The 40,859 were potentially

eligible to receive an average of 20.8 weeks in benefits, but only claimed an average 14.4 weeks. (See Tables 2.5 and 2.13.)

### Claimants with children receive an additional allowance

Alaska is one of 13 states that provide 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.

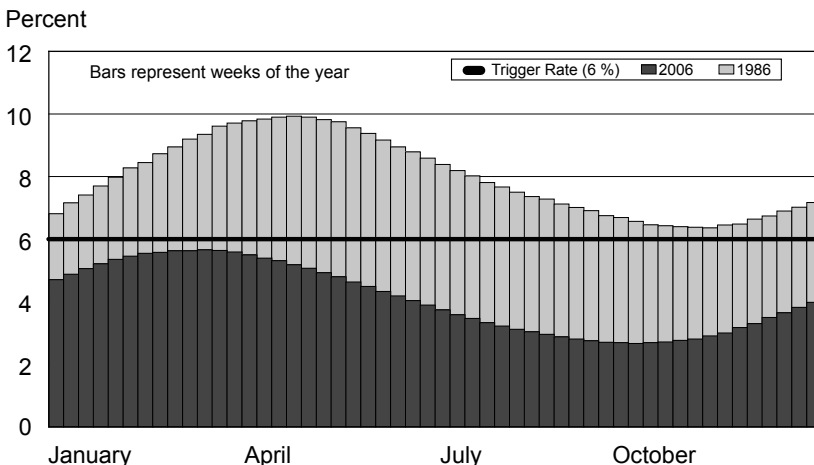
Claimants are eligible to receive \$24 per dependent up to a maximum of \$72 per week. To qualify for dependent benefits, the child must be younger than 18 years old and be an unmarried child or stepchild of the claimant who is lawfully in the claimant's physical custody at the time the claimant claims 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 2006, the UI program paid \$10.8 million in dependent benefits to 16,264 people receiving regular UI benefits. (See Table 2.15.) Dependent allowance recipients accounted for 39.6 percent of all claimants. (See Table 2.2.) Claimants who received the maximum three-child allowance represented 10.5 percent of all claimants. The total dependent allowances paid in 2006 amounted to 10 percent of the regular UI benefit dollars paid that year.

### Duration of benefits depends on 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 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.

**Figure 2.2 Alaska Insured Unemployment Rate 1986 and 2006**



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

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.

In Alaska's highly seasonal economy, the amount paid to claimants in the late winter months is frequently double the amount disbursed in the late summer. The state's duration schedule contributes to this high winter claims load by providing a minimum of 16 weeks of benefits to claimants without a disqualification. These long duration periods take many claimants into December.

### 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. Most states have decided to disqualify such claimants.

Forty-six 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 non-disqualifying reason.

Alaska and two other states either postpone or reduce benefits, or do both rather than disqualify. 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 ben-

efits are also reduced equal to three times their weekly benefit amount.

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 – the end of an era

Normally, UI claimants throughout the U.S. receive no further benefits once they exhaust their maxi-

mum entitlement amount. When certain economic conditions exist in a state to activate the extended benefits program, 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 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.

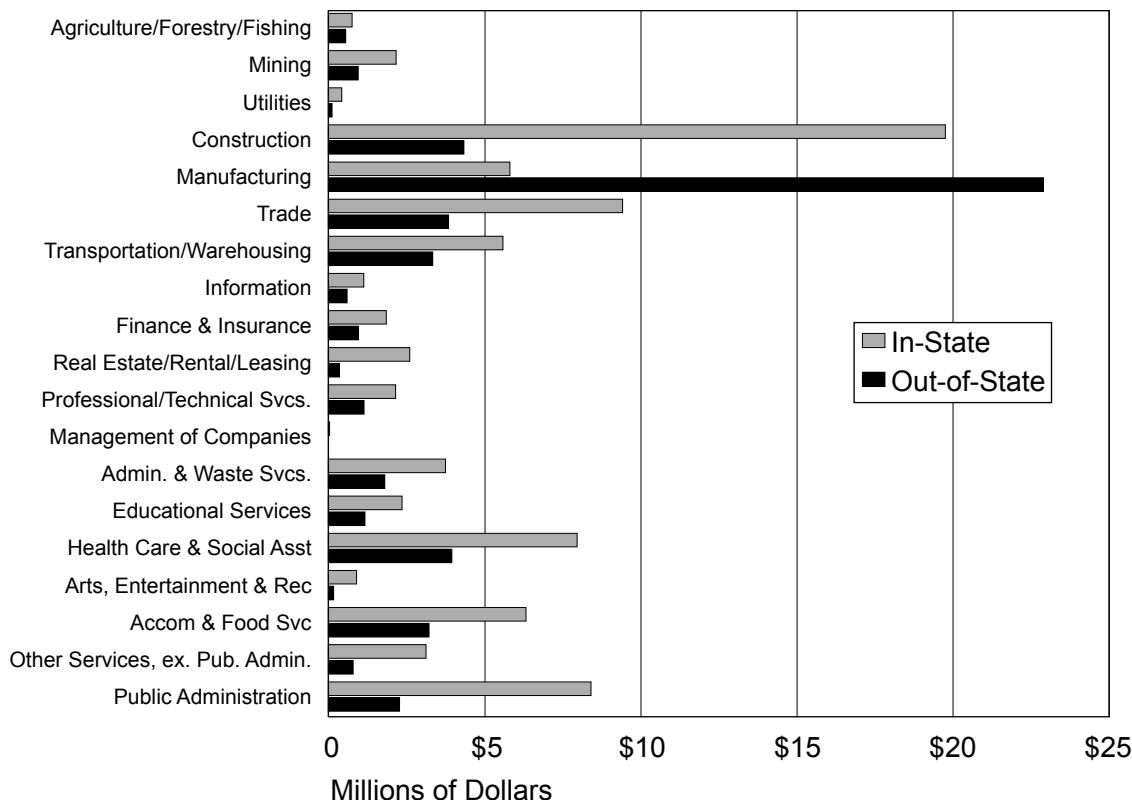
The insured unemployment rate (IUR) is calculated by dividing the average number of weeks of UI claimed for the previous 13 weeks by the average covered employment for the previous four quarters.

Alaska has been (until now) the only state that predictably 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. The seasonal economy and high reciprocity rate – the percentage of the unemployed people each week who received UI benefits – are still significant, but the IUR has not triggered the payment of extended benefits since mid-2005.

Alaska had the third-highest reciprocity rate in the U.S. in 2006. In Alaska, 48.5 percent of the unemployed received benefits; nationally 30.1 percent received benefits. (See Table 2.16.)

A number of factors contribute to Alaska's high reciprocity rate.

**Figure 2.3 UI Regular Benefit Payments by Industry for In-State and Out-of-State Claimants, 2006**



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

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.

Despite Alaska's economic seasonality and the high reciprocity rate, the Extended Benefits program did not trigger on during 2006 or 2007. Furthermore, the Extended Benefits program is not expected to be activated in Alaska in the foreseeable future.

### 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.

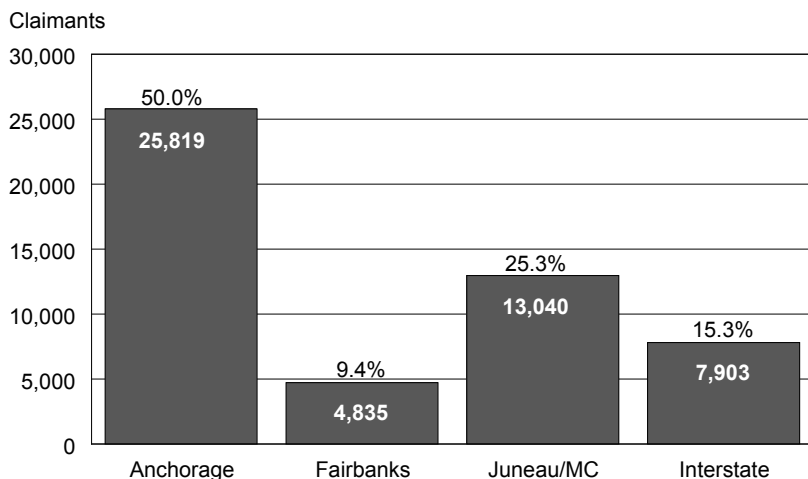
SSB, the companion piece to EB, has not been paid during the last two years (2006-2007) and likely won't be paid in the near future.

### Alaska sends roughly 17 percent of its regular UI payments outside Alaska

Alaska sent 16.8 percent, or \$17.7 million, of its regular benefit payments to claimants living outside the state in 2006; it sent 18.0 percent of its payments out of state in 2005. (See Table 2.10 and 2.12.) Interstate claimants are people who earned wages in Alaska during their base period but lived out of state when UI benefits were paid. (See Figure 2.1.) More than half of the benefits sent out of state in 2006 went to the West Coast: California (25.9 percent), Washington (22.0 percent) and Oregon (7.4 percent). (See Table 2.14.) Workers in the manufacturing industry received 41.7 percent of the out-of-state payments in 2006. (See Table 2.10.)

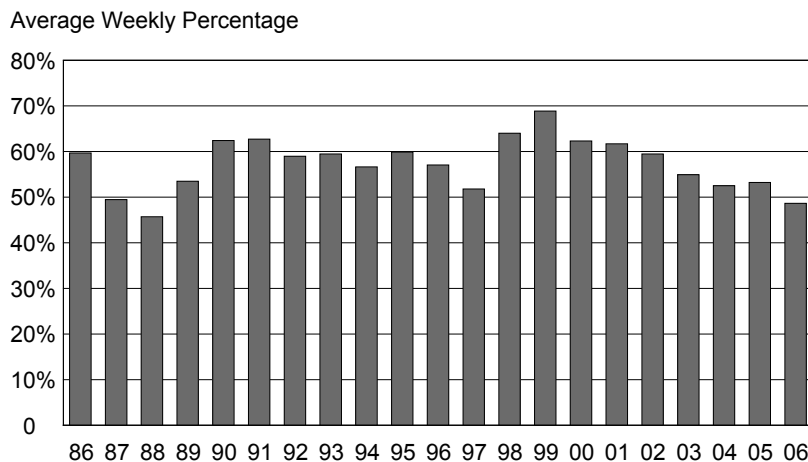
Since 1987, the average weekly benefit amount has been higher for those filing from outside Alas-

**Figure 2.4 Claimants by Processing Center in 2006**



<sup>1</sup> Percentage of total claimants that each processing center served.  
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

**Figure 2.5 Percentage of Unemployed Receiving UI in Alaska 1986-2006**



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

ka than for those filing in-state. (See Tables 2.9 and 2.10.) The average weekly benefit payment for claimants outside Alaska was \$192.12 in 2006; their claims lasted an average 16.2 weeks. In-state claimants, on the other hand, averaged \$173.73 in weekly payments and their claims lasted an average 14.4 weeks.

Out-of-state claimants with the highest average weekly benefit amounts were from the "mining" industry (\$237.26) and finance and insurance (\$227.99). The lowest average benefit amount, \$144.35, was paid to workers from the arts, entertainment and recreation industry.

**Table 2.1**  
**Unemployment, 1997-2006**

<b>Year</b>	<b>Total Labor Force<sup>1</sup></b>	<b>Total Unemployment<sup>1</sup></b>	<b>Total Unemployment Rate (TUR) Percent<sup>1</sup></b>	<b>Covered Employment</b>	<b>Insured Unemployment</b>	<b>Insured Unemployment Rate (IUR) Percent</b>	<b>Percent Ratio IUR to TUR</b>
1997	314,285	24,804	7.9	244,255	12,095	5.0	63.3
1998	316,673	18,339	5.8	250,251	12,140	4.9	84.5
1999	317,921	20,235	6.4	252,228	12,866	5.1	79.7
2000	319,002	19,678	6.2	258,428	12,290	4.8	77.4
2001	321,484	19,790	6.2	265,945	12,224	4.6	74.2
2002	328,385	23,273	7.1	271,349	13,980	5.2	73.2
2003	334,144	25,621	7.7	274,755	14,259	5.2	67.5
2004	337,911	24,989	7.4	279,161	13,471	4.8	64.9
2005	342,032	23,609	6.9	285,455	12,443	4.4	63.8
2006	346,769	23,238	6.7	290,310	11,649	4.0	59.7

<sup>1</sup> These data were current as of January 2007. Figures from 2000 to present have been updated to reflect a revision in the series.

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**  
**2006**

Characteristics	Number	Percent of Total	Characteristics	Number	Percent of Total
Total	51,597	100.0	Occupation:		
Gender:			Agriculture, Forestry & Fishing	932	1.8
Male	31,475	61.0	Benchwork	184	0.4
Female	20,122	39.0	Clerical & Sales	8,471	16.4
Age:			Machine Trades	1,204	2.3
Less than 21	1,342	2.6	Processing	4,984	9.7
21-24	5,194	10.1	Professional, Technical, Managerial	6,782	13.1
25-34	12,988	25.2	Service	8,168	15.8
35-44	12,435	24.1	Structural Work	12,284	23.8
45-54	12,594	24.4	Miscellaneous & Unknown	8,588	16.6
55-64	5,845	11.3	Average Annual Earnings:		
65+	1,199	2.3	\$1,000-\$9,999	11,399	22.1
Number of Dependents:			\$10,000-\$19,999	14,261	27.6
0	31,160	60.4	\$20,000-\$29,999	10,576	20.5
1	8,484	16.4	\$30,000-\$39,999	6,194	12.0
2	6,524	12.6	\$40,000-\$49,999	3,576	6.9
3+	5,429	10.5	\$50,000-\$59,999	2,151	4.2
Ethnic Background:			\$60,000-\$69,999	1,433	2.8
Alaska Native/American Indian	12,734	24.7	\$70,000-\$79,999	850	1.6
Asian and Pacific Islander	4,350	8.4	\$80,000-\$89,999	487	0.9
Black	1,984	3.8	\$90,000+	670	1.3
Hispanic	2,055	4.0	Geographic Location:		
White	29,857	57.9	Aleutians East Borough	143	0.3
Other	617	1.2	Aleutians West Census Area	395	0.8
No Information	0	0.0	Anchorage Borough	13,268	25.7
Industry:			Bethel Census Area	1,770	3.4
Agriculture, Forestry, Fishing <sup>1</sup> & Hunting	552	1.1	Bristol Bay Borough	130	0.3
Mining	1,249	2.4	Denali Borough	228	0.4
Oil and Gas	27	0.1	Dillingham Census Area	389	0.8
Other Mining	1,222	2.4	Fairbanks North Star Borough	4,704	9.1
Utilities	244	0.5	Haines Borough	263	0.5
Construction	9,347	18.1	Juneau Borough	1,600	3.1
Manufacturing	6,583	12.8	Kenai Peninsula Borough	4,051	7.9
Food Products	5,915	11.5	Ketchikan Gateway Borough	1,054	2.0
Wood Products	117	0.2	Kodiak Island Borough	1,385	2.7
Other Manufacturing	551	1.1	Lake & Peninsula Borough	139	0.3
Trade	5,341	10.4	Matanuska-Susitna Borough	5,606	10.9
Transportation & Warehousing	3,213	6.2	Nome Census Area	831	1.6
Information	577	1.1	North Slope Borough	456	0.9
Finance and Insurance	926	1.8	Northwest Arctic Borough	579	1.1
Real Estate and Rental & Leasing	1,214	2.4	Prince of Wales-Outer Ketchikan Census Area	696	1.3
Professional & Technical Service	1,263	2.4	Sitka Borough	481	0.9
Management of Companies	93	0.2	Skagway-Hoonah-Angoon Census Area	504	1.0
Administrative & Waste Services	2,207	4.3	Southeast Fairbanks Census Area	699	1.4
Educational Services	1,342	2.6	Valdez-Cordova Census Area	836	1.6
Health Care & Social Assistance	3,992	7.7	Wade Hampton Census Area	1,058	2.1
Arts, Entertainment & Recreation	608	1.2	Wrangell-Petersburg Census Area	585	1.1
Accommodation & Food Services	4,658	9.0	Yakutat Borough	90	0.2
Other Services, except PA	1,488	2.9	Yukon-Koyukuk Census Area	697	1.4
Public Administration	5,004	9.7	Alaska Area Unknown	1,057	2.0
Unclassified/Unknown	1,696	3.3	Total In-State	43,694	84.7
			Out-of-State	7,903	15.3
			Local Office:		
			Anchorage	25,819	50.0
			Central - Interstate Claims	7,903	15.3
			Fairbanks	4,835	9.4
			Juneau (includes Rural Mail Claims)	13,040	25.3

<sup>1</sup> Fishing excludes nearly all commercial fish harvesting employment

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 2.4**  
**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 Benefits<sup>1</sup>**  
**1997-2006**

Year	All Claimants		Claimants Exhausting Benefits		Average Duration (in Weeks)			Average Weekly Benefit Amount (AWBA)		Maximum Weekly Benefit Amount (\$)	
	Number of First Payments	Number of Weeks Paid	Number <sup>3</sup>	Percent of First Payments	Potential	Actual	Actual for Exhausts <sup>2</sup>	Amount <sup>2</sup>	Ratio of WBA to Average Weekly Earnings	Benefits Without Dependents	Benefits With Dependents
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
2005	43,944	630,355	17,847	40.6	20.7	14.3	20.6	193.91	0.26	248.00	320.00
2006	40,859	588,450	16,069	39.3	20.8	14.4	20.6	197.63	0.25	248.00	320.00

<sup>1</sup> Taxable and reimbursable.

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

<sup>3</sup> 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 Earnings, 2006**

State	Benefit Amount	Rank	Weekly Earnings	Rank	Average Weekly Benefit Amount as Percentage of Earnings	Rank
Alabama	\$183.76	51	\$681.85	34	27.0	47
<b>Alaska</b>	<b>197.63</b>	<b>48</b>	<b>781.93</b>	<b>18</b>	<b>25.3</b>	<b>50</b>
Arizona	197.64	47	762.20	22	25.9	49
Arkansas	243.98	35	614.25	46	39.7	11
California	289.07	12	925.55	6	31.2	40
Colorado	312.33	7	827.84	10	37.7	18
Connecticut	304.37	8	1,054.00	3	28.9	44
Delaware	251.08	33	888.58	7	28.3	45
Dist. of Columbia	282.70	16	1,248.73	1	22.6	51
Florida	231.38	39	733.41	24	31.5	38
Georgia	255.59	29	766.67	20	33.3	35
Hawaii	365.09	2	705.96	29	51.7	1
Idaho	241.02	36	617.58	45	39.0	14
Illinois	291.67	11	873.24	8	33.4	34
Indiana	286.32	15	697.93	31	41.0	8
Iowa	281.97	17	655.64	39	43.0	3
Kansas	286.83	14	679.54	35	42.2	5
Kentucky	270.56	24	669.86	37	40.4	10
Louisiana	191.12	49	696.07	32	27.5	46
Maine	245.65	34	637.86	44	38.5	15
Maryland	273.68	22	856.37	9	32.0	36
Massachusetts	366.33	1	1,004.08	4	36.5	24
Michigan	293.66	10	806.99	16	36.4	27
Minnesota	333.47	5	807.36	15	41.3	6
Mississippi	185.84	50	588.47	49	31.6	37
Missouri	212.28	45	707.34	28	30.0	43
Montana	203.74	46	573.32	50	35.5	30
Nebraska	230.86	40	643.13	42	35.9	28
Nevada	274.02	21	765.44	21	35.8	29
New Hampshire	255.58	30	811.42	13	31.5	39
New Jersey	344.09	3	988.98	5	34.8	31
New Mexico	237.70	37	646.21	41	36.8	22
New York	277.41	18	1,064.99	2	26.0	48
North Carolina	265.08	26	714.75	26	37.1	21
North Dakota	254.84	31	593.03	48	43.0	4
Ohio	287.03	13	735.22	23	39.0	13
Oklahoma	233.23	38	640.35	43	36.4	25
Oregon	269.63	25	725.01	25	37.2	20
Pennsylvania	301.27	9	788.36	17	38.2	17
Rhode Island	341.76	4	766.96	19	44.6	2
South Carolina	222.80	42	652.80	40	34.1	32
South Dakota	218.51	43	570.97	51	38.3	16
Tennessee	215.70	44	712.33	27	30.3	42
Texas	271.04	23	810.00	14	33.5	33
Utah	274.22	20	663.94	38	41.3	7
Vermont	275.27	19	675.29	36	40.8	9
Virginia	255.67	28	823.92	11	31.0	41
Washington	322.13	6	817.15	12	39.4	12
West Virginia	230.52	41	612.82	47	37.6	19
Wisconsin	258.79	27	704.83	30	36.7	23
Wyoming	253.42	32	695.97	33	36.4	26
<b>United States<sup>1</sup></b>	<b>277.20</b>		<b>807.08</b>		<b>34.3</b>	

<sup>1</sup> 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, 1997-2006**

<b>Year</b>	<b>Number of First Payments</b>	<b>Number of Weeks Paid</b>	<b>Number of Claimants Exhausting Benefits</b>	<b>Average Duration in Weeks</b>	<b>Average Weekly Benefit Amount<sup>1</sup></b>
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	6.7	187.26
2005	5,829	30,449	1,199	5.2	181.06
2006	1	4	0	4.0	254.00

<sup>1</sup> 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, 1997-2006**

<b>Year</b>	<b>Number of First Payments</b>	<b>Number of Weeks Paid</b>	<b>Number of Claimants Exhausting Benefits</b>	<b>Average Duration in Weeks</b>	<b>Average Weekly Benefit Amount<sup>1</sup></b>
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
2005	193	1,062	73	5.5	101.79
2006	0	0	0	0.0	0.00

<sup>1</sup> Excludes certain part-time workers.

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

**Table 2.9**  
**UI Regular Benefit Payments<sup>1</sup> by Industry**  
**Intrastate, 2003-2006**

Industry	Number of Weeks Paid				Number of First Payments			
	2003	2004	2005	2006	2003	2004	2005	2006
Totals (including unclassified)	620,015	582,618	537,906	506,046	42,137	39,300	37,741	35,149
Agriculture, Forestry, Fishing <sup>2</sup> & Hunting	6,719	6,642	4,600	4,880	519	465	368	364
Mining	27,610	17,617	13,035	10,778	1,645	1,175	979	887
Utilities	3,180	3,189	2,913	2,905	219	207	199	179
Construction	101,045	101,056	95,095	95,483	7,222	7,132	7,030	6,963
Manufacturing	46,319	46,599	41,401	39,255	3,033	3,068	2,918	2,723
Wholesale Trade	9,986	8,202	6,912	7,259	658	565	468	510
Retail Trade	68,858	60,209	56,069	52,099	4,600	4,099	3,854	3,499
Transportation & Warehousing	44,360	39,646	36,484	32,926	2,981	2,793	2,637	2,386
Information	7,940	7,477	6,466	6,243	509	477	455	422
Finance & Insurance	13,486	13,059	11,095	10,433	882	799	751	678
Real Estate, Rental & Leasing	15,124	14,470	15,148	15,939	955	935	1,045	1,009
Professional & Technical Services	15,662	14,593	11,784	11,794	1,158	885	857	826
Management of Companies	302	749	897	1,017	17	55	55	68
Administrative & Waste Services	28,723	26,601	23,077	23,425	1,916	1,749	1,691	1,662
Educational Services	20,026	19,008	15,521	15,706	1,371	1,268	1,033	1,125
Health Care & Social Assistance	44,555	49,367	49,234	43,792	2,974	3,176	3,243	2,786
Arts, Entertainment & Recreation	7,376	7,037	7,067	7,086	517	488	486	469
Accommodation & Food Services	59,957	54,729	52,104	47,096	4,304	3,805	3,768	3,336
Other Services, except Public Administration	24,977	26,947	24,094	18,788	1,751	1,831	1,703	1,271
Public Administration	66,828	63,342	62,649	54,142	4,400	4,128	4,013	3,511
Unclassified	6,982	2,079	2,261	5,000	506	200	188	475

Industry	Amount of Payments				Percent Distribution Amount of Payments			
	2003	2004	2005	2006	2003	2004	2005	2006
Totals	\$105,256,026	\$99,056,646	\$91,035,367	\$87,916,562	100.0	100.0	100.0	100.0
Agriculture, Forestry, Fishing <sup>2</sup> & Hunting	1,229,805	1,214,825	824,071	882,817	1.2	1.2	0.9	1.0
Mining	6,108,356	3,802,977	2,802,069	2,296,933	5.8	3.8	3.1	2.6
Utilities	607,177	630,233	517,428	550,791	0.6	0.6	0.6	0.6
Construction	20,487,938	20,696,071	19,494,222	19,931,365	19.5	20.9	21.4	22.7
Manufacturing	6,785,785	6,810,922	5,959,677	5,949,165	6.4	6.9	6.5	6.8
Wholesale Trade	1,846,340	1,495,196	1,236,632	1,337,053	1.8	1.5	1.4	1.5
Retail Trade	10,604,198	9,273,160	8,628,490	8,230,738	10.1	9.4	9.5	9.4
Transportation & Warehousing	7,498,962	6,703,267	6,336,147	5,725,196	7.1	6.8	7.0	6.5
Information	1,552,782	1,487,163	1,238,415	1,259,968	1.5	1.5	1.4	1.4
Finance & Insurance	2,346,059	2,334,253	1,989,070	1,979,007	2.2	2.4	2.2	2.3
Real Estate, Rental & Leasing	2,501,196	2,381,189	2,468,307	2,732,328	2.4	2.4	2.7	3.1
Professional & Technical Services	2,983,027	2,782,352	2,202,895	2,279,027	2.8	2.8	2.4	2.6
Management of Companies	66,475	139,090	153,163	161,144	0.1	0.1	0.2	0.2
Administrative & Waste Services	4,665,167	4,344,559	3,761,694	3,888,897	4.4	4.4	4.1	4.4
Educational Services	3,109,603	2,980,239	2,353,363	2,488,230	3.0	3.0	2.6	2.8
Health Care & Social Assistance	7,999,665	8,839,670	8,880,715	8,109,385	7.6	8.9	9.8	9.2
Arts, Entertainment & Recreation	1,030,621	990,092	971,994	1,030,674	1.0	1.0	1.1	1.2
Accommodation & Food Services	8,050,716	7,349,217	7,001,727	6,464,627	7.6	7.4	7.7	7.4
Other Services, except Public Administration	4,055,954	4,443,542	3,957,628	3,258,502	3.9	4.5	4.3	3.7
Public Administration	10,664,347	10,038,300	9,896,360	8,558,505	10.1	10.1	10.9	9.7
Unclassified	1,061,853	320,329	361,300	802,210	1.0	0.3	0.4	0.9

<sup>1</sup> Taxable and reimbursable

<sup>2</sup> Fishing excludes nearly all commercial fish harvesting employment

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 2.9 (continued)**  
**UI Regular Benefit Payments<sup>1</sup> by Industry**  
**Intrastate, 2003-2006**

Industry	Average Weekly Payments				Average Duration in Weeks			
	2003	2004	2005	2006	2003	2004	2005	2006
Totals	\$169.76	\$170.02	\$169.24	\$173.73	14.7	14.8	14.3	14.4
Agriculture, Forestry, Fishing <sup>2</sup> & Hunting	183.03	182.90	179.15	180.91	12.9	14.3	12.5	13.4
Mining	221.24	215.87	214.97	213.11	16.8	15.0	13.3	12.2
Utilities	190.94	197.63	177.63	189.60	14.5	15.4	14.6	16.2
Construction	202.76	204.80	205.00	208.74	14.0	14.2	13.5	13.7
Manufacturing	146.50	146.16	143.95	151.55	15.3	15.2	14.2	14.4
Wholesale Trade	184.89	182.30	178.91	184.19	15.2	14.5	14.8	14.2
Retail Trade	154.00	154.02	153.89	157.98	15.0	14.7	14.5	14.9
Transportation & Warehousing	169.05	169.08	173.67	173.88	14.9	14.2	13.8	13.8
Information	195.56	198.90	191.53	201.82	15.6	15.7	14.2	14.8
Finance & Insurance	173.96	178.75	179.28	189.69	15.3	16.3	14.8	15.4
Real Estate, Rental & Leasing	165.38	164.56	162.95	171.42	15.8	15.5	14.5	15.8
Professional & Technical Services	190.46	190.66	186.94	193.24	13.5	16.5	13.8	14.3
Management of Companies	220.12	185.70	170.75	158.45	17.8	13.6	16.3	15.0
Administrative & Waste Services	162.42	163.32	163.01	166.01	15.0	15.2	13.6	14.1
Educational Services	155.28	156.79	151.62	158.43	14.6	15.0	15.0	14.0
Health Care & Social Assistance	179.55	179.06	180.38	185.18	15.0	15.5	15.2	15.7
Arts, Entertainment & Recreation	139.73	140.70	137.54	145.45	14.3	14.4	14.5	15.1
Accommodation & Food Services	134.27	134.28	134.38	137.26	13.9	14.4	13.8	14.1
Other Services, except Public Administration	162.39	164.90	164.26	173.44	14.3	14.7	14.1	14.8
Public Administration	159.58	158.48	157.97	158.08	15.2	15.3	15.6	15.4
Unclassified	152.08	154.08	159.80	160.44	13.8	10.4	12.0	10.5

<sup>1</sup> Taxable and reimbursable

<sup>2</sup> Fishing excludes nearly all commercial fish harvesting employment

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 Payments<sup>1</sup> by Industry**  
**Interstate, 2003-2006**

Industry	Number of Weeks Paid				Number of First Payments			
	2003	2004	2005	2006	2003	2004	2005	2006
Totals (including unclassified)	123,898	117,002	105,712	92,126	7,361	6,904	6,219	5,700
Agriculture, Forestry, Fishing <sup>2</sup> & Hunting	2,360	2,255	1,492	1,058	145	139	90	73
Mining	5,559	3,166	2,160	1,461	298	189	117	94
Utilities	459	304	374	355	23	20	20	18
Construction	8,574	7,917	7,134	6,381	518	483	450	390
Manufacturing	43,258	44,856	42,789	40,000	2,852	2,822	2,789	2,664
Wholesale Trade	2,070	1,420	1,344	1,208	110	87	68	74
Retail Trade	9,429	8,085	7,012	5,600	496	474	385	296
Transportation & Warehousing	7,086	7,173	6,227	5,624	423	419	340	361
Information	1,413	1,649	1,087	1,049	82	88	53	50
Finance & Insurance	2,960	2,385	2,097	1,532	160	122	111	89
Real Estate, Rental & Leasing	964	1,001	956	843	56	47	58	41
Professional & Technical Services	2,773	2,772	2,111	1,959	154	150	123	111
Management of Companies	49	64	95	34	3	3	6	1
Administrative & Waste Services	3,784	3,518	3,737	3,112	196	193	207	178
Educational Services	3,376	3,194	2,275	2,071	188	161	115	114
Health Care & Social Assistance	7,458	7,823	7,461	6,162	391	411	360	332
Arts, Entertainment & Recreation	1,060	828	731	646	56	60	42	48
Accommodation & Food Services	9,682	8,833	7,871	6,851	561	496	455	409
Other Services, except Public Administration	3,313	3,665	3,083	1,660	175	199	164	94
Public Administration	5,809	5,518	5,281	3,719	324	307	242	210
Unclassified	2,462	576	395	801	150	34	24	53

Industry	Amount of Payments				Percent Distribution Amount of Payments			
	2003	2004	2005	2006	2003	2004	2005	2006
Totals	\$22,704,677	\$22,008,741	\$19,955,610	\$17,699,605	100.0	100.0	100.0	100.0
Agriculture, Forestry, Fishing <sup>2</sup> & Hunting	494,330	466,228	307,931	217,912	2.2	2.1	1.5	1.2
Mining	1,332,622	753,920	507,456	346,640	5.9	3.4	2.5	2.0
Utilities	107,440	68,371	82,506	78,615	0.5	0.3	0.4	0.4
Construction	1,863,549	1,761,363	1,578,005	1,432,660	8.2	8.0	7.9	8.1
Manufacturing	7,213,871	7,979,868	7,735,359	7,388,206	31.8	36.3	38.8	41.7
Wholesale Trade	400,254	271,940	275,991	253,351	1.8	1.2	1.4	1.4
Retail Trade	1,614,841	1,393,347	1,252,286	1,021,301	7.1	6.3	6.3	5.8
Transportation & Warehousing	1,340,084	1,383,181	1,189,930	1,111,470	5.9	6.3	6.0	6.3
Information	289,424	353,212	235,469	232,444	1.3	1.6	1.2	1.3
Finance & Insurance	622,668	497,684	435,707	349,275	2.7	2.3	2.2	2.0
Real Estate, Rental & Leasing	188,206	189,654	168,195	155,567	0.8	0.9	0.8	0.9
Professional & Technical Services	594,976	600,786	437,097	404,436	2.6	2.7	2.2	2.3
Management of Companies	10,927	16,174	19,419	6,907	0.0	0.1	0.1	0.0
Administrative & Waste Services	704,808	658,317	719,381	619,836	3.1	3.0	3.6	3.5
Educational Services	625,446	626,217	435,595	414,140	2.8	2.8	2.2	2.3
Health Care & Social Assistance	1,532,844	1,637,725	1,557,341	1,306,811	6.8	7.4	7.8	7.4
Arts, Entertainment & Recreation	159,533	136,313	112,160	93,253	0.7	0.6	0.6	0.5
Accommodation & Food Services	1,465,064	1,352,316	1,195,486	1,074,466	6.5	6.1	6.0	6.1
Other Services, except Public Administration	566,961	625,111	533,369	292,205	2.5	2.8	2.7	1.7
Public Administration	1,186,756	1,138,113	1,107,423	769,699	5.2	5.2	5.5	4.3
Unclassified	390,073	98,901	69,504	130,411	1.7	0.4	0.3	0.7

<sup>1</sup> Taxable and reimbursable

<sup>2</sup> Fishing excludes nearly all commercial fish harvesting employment

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 (continued)**  
**UI Regular Benefit Payments<sup>1</sup> by Industry**  
**Interstate, 2003-2006**

Industry	Average Weekly Payments				Average Duration in Weeks			
	2003	2004	2005	2006	2003	2004	2005	2006
Totals	\$183.25	\$188.11	\$188.77	\$192.12	16.8	16.9	17.0	16.2
Agriculture, Forestry, Fishing <sup>2</sup> & Hunting	209.46	206.75	206.39	205.97	16.3	16.2	16.6	14.5
Mining	239.72	238.13	234.93	237.26	18.7	16.8	18.5	15.5
Utilities	234.07	224.90	220.60	221.45	20.0	15.2	18.7	19.7
Construction	217.35	222.48	221.19	224.52	16.6	16.4	15.9	16.4
Manufacturing	166.76	177.90	180.78	184.71	15.2	15.9	15.3	15.0
Wholesale Trade	193.36	191.51	205.35	209.73	18.8	16.3	19.8	16.3
Retail Trade	171.26	172.34	178.59	182.38	19.0	17.1	18.2	18.9
Transportation & Warehousing	189.12	192.83	191.09	197.63	16.8	17.1	18.3	15.6
Information	204.83	214.20	216.62	221.59	17.2	18.7	20.5	21.0
Finance & Insurance	210.36	208.67	207.78	227.99	18.5	19.5	18.9	17.2
Real Estate, Rental & Leasing	195.23	189.46	175.94	184.54	17.2	21.3	16.5	20.6
Professional & Technical Services	214.56	216.73	207.06	206.45	18.0	18.5	17.2	17.6
Management of Companies	223.00	252.72	204.41	203.15	16.3	21.3	15.8	34.0
Administrative & Waste Services	186.26	187.13	192.50	199.18	19.3	18.2	18.1	17.5
Educational Services	185.26	196.06	191.47	199.97	18.0	19.8	19.8	18.2
Health Care & Social Assistance	205.53	209.35	208.73	212.08	19.1	19.0	20.7	18.6
Arts, Entertainment & Recreation	150.50	164.63	153.43	144.35	18.9	13.8	17.4	13.5
Accommodation & Food Services	151.32	153.10	151.88	156.83	17.3	17.8	17.3	16.8
Other Services, except Public Administration	171.13	170.56	173.00	176.03	18.9	18.4	18.8	17.7
Public Administration	204.30	206.25	209.70	206.96	17.9	18.0	21.8	17.7
Unclassified	158.44	171.70	175.96	162.81	16.4	16.9	16.5	15.1

<sup>1</sup> Taxable and reimbursable

<sup>2</sup> Fishing excludes nearly all commercial fish harvesting employment

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 Payments<sup>1</sup> by Industry**  
**Intrastate and Interstate Total, 2003-2006**

Industry	Number of Weeks Paid				Number of First Payments			
	2003	2004	2005	2006	2003	2004	2005	2006
Totals (including unclassified)	743,913	699,620	643,618	598,172	49,498	46,204	43,960	40,849
Agriculture, Forestry, Fishing <sup>2</sup> & Hunting	9,079	8,897	6,092	5,938	664	604	458	437
Mining	33,169	20,783	15,195	12,239	1,943	1,364	1,096	981
Utilities	3,639	3,493	3,287	3,260	242	227	219	197
Construction	109,619	108,973	102,229	101,864	7,740	7,615	7,480	7,353
Manufacturing	89,577	91,455	84,190	79,255	5,885	5,890	5,707	5,387
Wholesale Trade	12,056	9,622	8,256	8,467	768	652	536	584
Retail Trade	78,287	68,294	63,081	57,699	5,096	4,573	4,239	3,795
Transportation & Warehousing	51,446	46,819	42,711	38,550	3,404	3,212	2,977	2,747
Information	9,353	9,126	7,553	7,292	591	565	508	472
Finance & Insurance	16,446	15,444	13,192	11,965	1,042	921	862	767
Real Estate, Rental & Leasing	16,088	15,471	16,104	16,782	1,011	982	1,103	1,050
Professional & Technical Services	18,435	17,365	13,895	13,753	1,312	1,035	980	937
Management of Companies	351	813	992	1,051	20	58	61	69
Administrative & Waste Services	32,507	30,119	26,814	26,537	2,112	1,942	1,898	1,840
Educational Services	23,402	22,202	17,796	17,777	1,559	1,429	1,148	1,239
Health Care & Social Assistance	52,013	57,190	56,695	49,954	3,365	3,587	3,603	3,118
Arts, Entertainment & Recreation	8,436	7,865	7,798	7,732	573	548	528	517
Accommodation & Food Services	69,639	63,562	59,975	53,947	4,865	4,301	4,223	3,745
Other Services, except Public Administration	28,290	30,612	27,177	20,448	1,926	2,030	1,867	1,365
Public Administration	72,637	68,860	67,930	57,861	4,724	4,435	4,255	3,721
Unclassified	9,444	2,655	2,656	5,801	656	234	212	528

Industry	Amount of Payments				Percent Distribution Amount of Payments			
	2003	2004	2005	2006	2003	2004	2005	2006
Totals	\$127,960,703	\$121,065,387	\$110,990,977	\$105,616,167	100.0	100.0	100.0	100.0
Agriculture, Forestry, Fishing <sup>2</sup> & Hunting	1,724,135	1,681,053	1,132,002	1,100,729	1.3	1.3	1.0	1.1
Mining	7,440,978	4,556,897	3,309,525	2,643,573	5.8	5.8	3.0	2.4
Utilities	714,617	698,604	599,934	629,406	0.6	0.6	0.5	0.5
Construction	22,351,487	22,457,434	21,072,227	21,364,025	17.5	17.5	19.0	18.0
Manufacturing	13,999,656	14,790,790	13,695,036	13,337,371	10.9	10.9	12.3	13.2
Wholesale Trade	2,246,594	1,767,136	1,512,623	1,590,404	1.8	1.8	1.4	1.4
Retail Trade	12,219,039	10,666,507	9,880,776	9,252,039	9.5	9.5	8.9	9.3
Transportation & Warehousing	8,839,046	8,086,448	7,526,077	6,836,666	6.9	6.9	6.8	6.7
Information	1,842,206	1,840,375	1,473,884	1,492,412	1.4	1.4	1.3	1.2
Finance & Insurance	2,968,727	2,831,937	2,424,777	2,328,282	2.3	2.3	2.2	1.9
Real Estate, Rental & Leasing	2,689,402	2,570,843	2,636,502	2,887,895	2.1	2.1	2.4	2.6
Professional & Technical Services	3,578,003	3,383,138	2,639,992	2,683,463	2.8	2.8	2.4	2.3
Management of Companies	77,402	155,264	172,582	168,051	0.1	0.1	0.2	0.2
Administrative & Waste Services	5,369,975	5,002,876	4,481,075	4,508,733	4.2	4.2	4.0	4.5
Educational Services	3,735,049	3,606,456	2,788,958	2,902,370	2.9	2.9	2.5	3.0
Health Care & Social Assistance	9,532,509	10,477,395	10,438,056	9,416,196	7.4	7.4	9.4	7.6
Arts, Entertainment & Recreation	1,190,154	1,126,405	1,084,154	1,123,927	0.9	0.9	1.0	1.3
Accommodation & Food Services	9,515,780	8,701,533	8,197,213	7,539,093	7.4	7.4	7.4	9.2
Other Services, except Public Administration	4,622,915	5,068,653	4,490,997	3,550,707	3.6	3.6	4.0	3.3
Public Administration	11,851,103	11,176,413	11,003,783	9,328,204	9.3	9.3	9.9	9.1
Unclassified	1,451,926	419,230	430,804	932,621	1.1	1.1	0.4	1.3

<sup>1</sup> Taxable and reimbursable

<sup>2</sup> Fishing excludes nearly all commercial fish harvesting employment

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 (continued)**  
**UI Regular Benefit Payments<sup>1</sup> by Industry**  
**Intrastate and Interstate Total, 2003-2006**

Industry	Average Weekly Payments				Average Duration in Weeks			
	2003	2004	2005	2006	2003	2004	2005	2006
Totals	\$172.01	\$182.90	\$172.45	\$176.56	15.0	15.1	14.6	14.6
Agriculture, Forestry, Fishing <sup>2</sup> & Hunting	189.90	193.79	185.82	185.37	13.7	14.7	13.3	13.6
Mining	224.34	358.03	217.80	216.00	17.1	15.2	13.9	12.5
Utilities	196.38	204.59	182.52	193.07	15.0	15.4	15.0	16.5
Construction	203.90	205.11	206.13	209.73	14.2	14.3	13.7	13.9
Manufacturing	156.29	153.08	162.67	168.28	15.2	15.5	14.8	14.7
Wholesale Trade	186.35	233.49	183.21	187.84	15.7	14.8	15.4	14.5
Retail Trade	156.08	178.92	156.64	160.35	15.4	14.9	14.9	15.2
Transportation & Warehousing	171.81	188.79	176.21	177.35	15.1	14.6	14.3	14.0
Information	196.96	201.86	195.14	204.66	15.8	16.2	14.9	15.4
Finance & Insurance	180.51	192.23	183.81	194.59	15.8	16.8	15.3	15.6
Real Estate, Rental & Leasing	167.17	173.84	163.72	172.08	15.9	15.8	14.6	16.0
Professional & Technical Services	194.09	206.05	190.00	195.12	14.1	16.8	14.2	14.7
Management of Companies	220.52	95.21	173.97	159.90	17.6	14.0	16.3	15.2
Administrative & Waste Services	165.19	178.29	167.12	169.90	15.4	15.5	14.1	14.4
Educational Services	159.60	168.23	156.72	163.27	15.0	15.5	15.5	14.3
Health Care & Social Assistance	183.27	166.68	184.11	188.50	15.5	15.9	15.7	16.0
Arts, Entertainment & Recreation	141.08	151.32	139.03	145.36	14.7	14.4	14.8	15.0
Accommodation & Food Services	136.64	149.71	136.68	139.75	14.3	14.8	14.2	14.4
Other Services, except Public Administration	163.41	151.02	165.25	173.65	15.5	15.1	14.6	15.0
Public Administration	163.16	172.10	161.99	161.22	15.4	15.5	16.0	15.5
Unclassified	153.74	546.86	162.20	160.77	14.4	11.3	12.5	11.0

<sup>1</sup> Taxable and reimbursable

<sup>2</sup> Fishing excludes nearly all commercial fish harvesting employment

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 Payments<sup>1</sup> by Industry**  
**Interstate as a Percentage of Total, 2003-2006**

INDUSTRY	Percentage of Weeks Paid to Interstate				Percentage of First Payments to Interstate				Percentage of Payments to Interstate			
	2003	2004	2005	2006	2003	2004	2005	2006	2003	2004	2005	2006
Totals	16.7	16.7	16.4	15.4	15.0	14.9	14.1	14.0	17.7	18.2	18.0	16.8
Agriculture, Forestry, Fishing <sup>2</sup> & Hunting	26.0	25.3	24.5	17.8	21.8	23.0	19.7	16.7	28.7	27.7	27.2	19.8
Mining	16.8	15.2	14.2	11.9	15.3	13.9	10.7	9.6	17.9	16.5	15.3	13.1
Utilities	12.6	8.7	11.4	10.9	9.5	8.8	9.1	9.1	15.0	9.8	13.8	12.5
Construction	7.8	7.3	7.0	6.3	6.7	6.3	6.0	5.3	8.3	7.8	7.5	6.7
Manufacturing	48.3	49.0	50.8	50.5	48.5	47.9	48.9	49.5	51.5	54.0	56.5	55.4
Wholesale Trade	17.2	14.8	16.3	14.3	14.3	13.3	12.7	12.7	17.8	15.4	18.2	15.9
Retail Trade	12.0	11.8	11.1	9.7	9.7	10.4	9.1	7.8	13.2	13.1	12.7	11.0
Transportation & Warehousing	13.8	15.3	14.6	14.6	12.4	13.0	11.4	13.1	15.2	17.1	15.8	16.3
Information	15.1	18.1	14.4	14.4	13.9	15.6	10.4	10.6	15.7	19.2	16.0	15.6
Finance & Insurance	18.0	15.4	15.9	12.8	15.4	13.2	12.9	11.6	21.0	17.6	18.0	15.0
Real Estate, Rental & Leasing	6.0	6.5	5.9	5.0	5.5	4.8	5.3	3.9	7.0	7.4	6.4	5.4
Professional & Technical Services	15.0	16.0	15.2	14.2	11.7	14.5	12.6	11.8	16.6	17.8	16.6	15.1
Management of Companies	14.0	7.9	9.6	3.2	15.0	5.2	9.8	1.4	14.1	10.4	11.3	4.1
Administrative & Waste Services	11.6	11.7	13.9	11.7	9.3	9.9	10.9	9.7	13.1	13.2	16.1	13.7
Educational Services	14.4	14.4	12.8	11.6	12.1	11.3	10.0	9.2	16.7	17.4	15.6	14.3
Health Care & Social Assistance	14.3	13.7	13.2	12.3	11.6	11.5	10.0	10.6	16.1	15.6	14.9	13.9
Arts, Entertainment & Recreation	12.6	10.5	9.4	8.4	9.8	10.9	8.0	9.3	13.4	12.1	10.3	8.3
Accommodation & Food Services	13.9	13.9	13.1	12.7	11.5	11.5	10.8	10.9	15.4	15.5	14.6	14.3
Other Services, except Public Administration	11.7	12.0	11.3	8.1	9.6	9.8	8.8	6.9	12.3	12.3	11.9	8.2
Public Administration	8.0	8.0	7.8	6.4	6.9	6.9	5.7	5.6	10.0	10.2	10.1	8.3
Unclassified	26.1	21.7	14.9	13.8	22.9	14.5	11.3	10.0	26.9	23.6	16.1	14.0

<sup>1</sup> Taxable and reimbursable

<sup>2</sup> Fishing excludes nearly all commercial fish harvesting employment

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, 2006**

Census Areas	State UI <sup>1</sup> Regular	State UI <sup>1</sup> EB	UCFE Regular	UCFE EB	UCX Regular	UCX EB	TEUC	SSB	All Programs Total
Aleutians East Borough	\$251,240	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$251,240
Aleutians West CA	692,106	474	1,561	0	0	0	0	0	694,141
Anchorage, Municipality of	26,880,448	112	389,446	0	376,660	0	306	0	27,646,972
Bethel CA	3,407,930	334	9,088	0	10,114	0	0	0	3,427,466
Bristol Bay Borough	207,726	0	9,712	0	0	0	0	0	217,438
Denali Borough	386,140	0	84,384	0	3,379	0	0	0	473,903
Dillingham CA	649,385	0	2,344	0	0	0	0	0	651,729
Fairbanks North Star Borough	9,672,354	0	252,432	0	96,431	0	0	0	10,021,217
Haines Borough	482,128	0	5,474	0	0	0	0	0	487,602
Juneau Borough	2,893,107	0	33,436	0	10,537	0	0	0	2,937,080
Kenai Peninsula Borough	8,107,014	0	97,664	0	30,646	0	0	0	8,235,324
Ketchikan Gateway Borough	1,868,330	0	10,894	0	2,582	0	0	0	1,881,806
Kodiak Island Borough	2,634,051	0	8,125	0	7,254	0	0	0	2,649,430
Lake & Peninsula Borough	267,655	0	6,558	0	669	0	0	0	274,882
Matanuska-Susitna Borough	12,139,837	0	141,916	0	83,053	0	278	0	12,365,084
Nome CA	1,854,869	0	12,751	0	0	0	0	0	1,867,620
North Slope Borough	946,402	0	0	0	0	0	0	0	946,402
Northwest Arctic Borough	1,237,459	0	7,863	0	0	0	71	0	1,245,393
Prince of Wales-Outer Ketchikan	1,590,944	0	15,587	0	10,429	0	51	0	1,617,011
Sitka Borough	820,209	199	29,898	0	0	0	0	0	850,306
Skagway-Hoonah-Angoon CA	939,675	0	37,262	0	0	0	0	0	976,937
Southeast Fairbanks CA	1,665,027	0	26,066	0	3,528	0	0	0	1,694,621
Valdez - Cordova CA	1,690,590	0	86,835	0	17,838	0	0	0	1,795,263
Wade Hampton CA	1,988,215	0	5,789	0	5,240	0	256	0	1,999,500
Wrangell - Petersburg CA	1,165,572	0	23,701	0	8,559	0	0	0	1,197,832
Yakutat Borough	176,709	0	0	0	0	0	0	0	176,709
Yukon - Koyukuk CA	1,421,901	235	31,521	0	0	0	0	0	1,453,657
Area Unknown	1,879,539	0	59,383	0	6,056	0	0	0	1,944,978
In-State Totals	87,916,562	1,354	1,389,690	0	672,975	0	962	0	89,981,543
Interstate Totals	17,699,605	0	719,961	0	98,764	0	702	0	18,519,032
Totals All Areas	105,616,167	1,354	2,109,651	0	771,739	0	1,664	0	108,500,575

**10-Year Historical Data Series for Census Area Totals**

Year	State UI <sup>1</sup> Regular	State UI <sup>1</sup> EB	UCFE Regular	UCFE EB	UCX Regular	UCX EB	TEUC	SSB	All Programs Total
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
2005	110,990,977	5,107,574	2,538,842	78,666	972,607	31,614	11,462	100,054	119,831,796
2006	105,616,167	1,354	2,109,651	0	771,739	0	1,664	0	108,500,575

<sup>1</sup> 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, 2005-2006**

State	2005		2006	
	Regular Benefits Paid	Percent Distribution	Regular Benefits Paid	Percent Distribution
Alabama	\$181,544	0.9	\$134,545	0.8
Arizona	793,228	4.0	663,034	3.7
Arkansas	143,807	0.7	141,520	0.8
California	4,965,043	24.9	4,578,366	25.9
Colorado	230,741	1.2	238,855	1.3
Connecticut	23,566	0.1	29,493	0.2
Delaware	669	0.0	0	0.0
Dist. of Columbia	14,665	0.1	21,411	0.1
Florida	543,932	2.7	447,036	2.5
Georgia	189,223	0.9	173,783	1.0
Guam	0	0.0	0	0.0
Hawaii	576,367	2.9	426,717	2.4
Idaho	609,293	3.1	522,478	3.0
Illinois	156,167	0.8	177,163	1.0
Indiana	91,322	0.5	63,887	0.4
Iowa	67,335	0.3	60,188	0.3
Kansas	54,572	0.3	49,138	0.3
Kentucky	82,151	0.4	37,823	0.2
Louisiana	147,412	0.7	95,327	0.5
Maine	66,973	0.3	52,602	0.3
Maryland	56,465	0.3	35,671	0.2
Massachusetts	48,285	0.2	44,855	0.3
Michigan	206,581	1.0	183,194	1.0
Minnesota	231,741	1.2	204,092	1.2
Mississippi	110,272	0.6	82,495	0.5
Missouri	147,392	0.7	154,367	0.9
Montana	414,878	2.1	362,149	2.0
Nebraska	55,817	0.3	68,021	0.4
Nevada	545,206	2.7	451,572	2.6
New Hampshire	54,616	0.3	35,373	0.2
New Jersey	50,440	0.3	20,197	0.1
New Mexico	213,247	1.1	195,446	1.1
New York	218,903	1.1	204,152	1.2
North Carolina	267,138	1.3	228,923	1.3
North Dakota	53,907	0.3	33,512	0.2
Ohio	151,506	0.8	163,667	0.9
Oklahoma	185,543	0.9	139,934	0.8
Oregon	1,519,582	7.6	1,301,130	7.4
Pennsylvania	149,249	0.7	95,316	0.5
Puerto Rico	30,294	0.2	23,998	0.1
Rhode Island	17,743	0.1	10,051	0.1
South Carolina	85,994	0.4	113,473	0.6
South Dakota	63,500	0.3	67,256	0.4
Tennessee	127,450	0.6	133,481	0.8
Texas	1,104,999	5.5	997,218	5.6
Utah	180,518	0.9	165,762	0.9
Vermont	38,188	0.2	29,405	0.2
Virginia	135,413	0.7	96,714	0.5
Virgin Islands	7,492	0.0	4,233	0.0
Washington	4,252,767	21.3	3,902,598	22.0
West Virginia	27,988	0.1	32,844	0.2
Wisconsin	140,614	0.7	108,568	0.6
Wyoming	79,109	0.4	46,177	0.3
Canada	44,763	0.2	50,395	0.3
US Other	0	0.0	0	0.0
<b>Total</b>	<b>19,955,610</b>	<b>100.0</b>	<b>17,699,605</b>	<b>100.0</b>

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, 1997-2006**

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
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
2005	17,760	43,944	40.4	261,804	630,355	41.5	11,714,472	44.75	18.58
2006	16,264	40,859	39.8	242,072	588,450	41.1	10,803,264	44.63	18.36

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, 2006**

State	Average Weekly Unemployed	Average Weeks Compensated	Compensated as Percent of Unemployed	Rank
Alabama	77,200	22,634	29.3	26
<b>Alaska</b>	<b>23,350</b>	<b>11,316</b>	<b>48.5</b>	<b>3</b>
Arizona	123,950	19,172	15.5	50
Arkansas	70,275	21,142	30.1	25
California	857,425	302,716	35.3	17
Colorado	116,025	17,988	15.5	49
Connecticut	79,925	37,918	47.4	5
Delaware	16,525	7,478	45.3	6
Dist. of Columbia	16,875	6,006	35.6	16
Florida	284,100	66,546	23.4	39
Georgia	220,975	41,932	19.0	45
Hawaii	16,725	5,389	32.2	22
Idaho	25,450	8,837	34.7	18
Illinois	304,025	111,686	36.7	11
Indiana	164,400	46,003	28.0	27
Iowa	61,950	22,337	36.1	14
Kansas	67,075	15,085	22.5	40
Kentucky	117,200	28,180	24.0	35
Louisiana	80,650	31,036	38.5	9
Maine	32,825	8,405	25.6	31
Maryland	115,125	27,308	23.7	37
Massachusetts	165,725	71,475	43.1	8
Michigan	346,200	132,289	38.2	10
Minnesota	116,750	41,614	35.6	15
Mississippi	100,475	17,254	17.2	47
Missouri	147,450	36,740	24.9	33
Montana	17,550	5,792	33.0	21
Nebraska	31,625	8,290	26.2	30
Nevada	52,375	16,323	31.2	23
New Hampshire	25,100	5,625	22.4	41
New Jersey	214,150	104,482	48.8	1
New Mexico	40,800	8,270	20.3	44
New York	431,625	156,107	36.2	13
North Carolina	206,900	62,824	30.4	24
North Dakota	12,025	2,888	24.0	36
Ohio	318,975	79,616	25.0	32
Oklahoma	69,050	11,965	17.3	46
Oregon	102,350	34,470	33.7	19
Pennsylvania	291,150	141,270	48.5	2
Puerto Rico	107,850	35,640	33.0	20
Rhode Island	30,250	11,019	36.4	12
South Carolina	137,675	28,832	20.9	42
South Dakota	13,850	1,722	12.4	52
Tennessee	154,650	37,422	24.2	34
Texas	566,350	81,155	14.3	51
Utah	41,675	6,520	15.6	48
Vermont	12,725	6,117	48.1	4
Virginia	123,150	25,670	20.8	43
Washington	165,150	45,455	27.5	29
West Virginia	39,250	10,973	28.0	28
Wisconsin	145,525	65,800	45.2	7
Wyoming	9,425	2,229	23.7	38
United States	7,149,500	2,155,355	30.1	

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, a self-supporting insurance program. 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 1.3 percent in 2006 and it averaged 1.7 percent for the 10-year period from 1997 to 2006. (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 a larger portion of the unemployed receive UI benefits than in other states.

Alaska's benefit cost rate in reimbursable employment is now about one-fourth the rate in taxable employment. The benefit cost rate in reimbursable employment was 0.3 percent in 2006. 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.

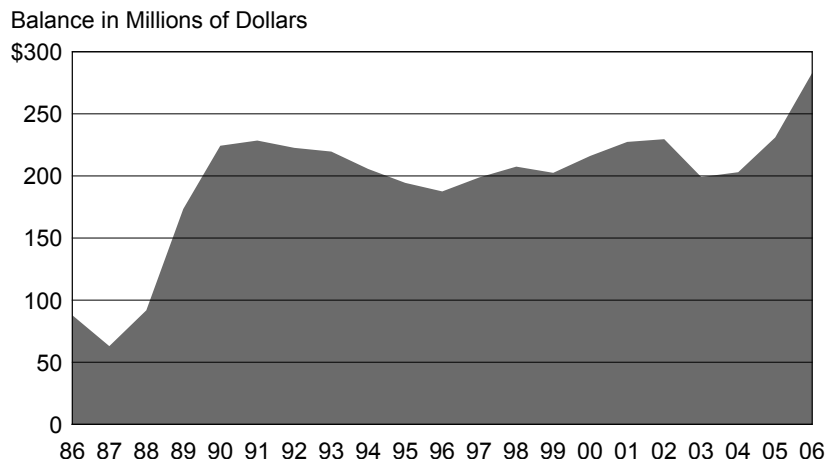
### The UI trust fund is a special account for paying benefits and holding reserves

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.

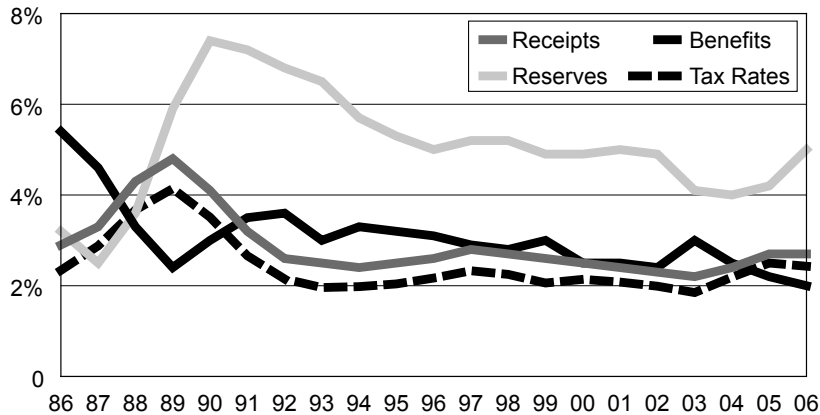
The overall level of employment and amount of payroll in the statewide economy determines the potential amount of benefits needed. But the ability of the trust fund reserves to pay benefits during a recession can't be measured simply by the level of reserves. The better measure is the reserve rate, which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

**Figure 3.1 UI Trust Fund End-of-Year Balance 1986-2006**



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

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



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 2006, the reserve rate was 3.1 percent. (See Tables 3.3 and 3.10.)

**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 2006 were \$155.6 million – 80.4 percent of total revenues – and they were up 6.6 percent from 2005. (See Table 3.3.)

During the early years of this decade, employers experienced 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. During 2003, there was a bump in benefit payments and the year-end balance of the trust fund fell \$30 million from the prior year. Employer tax rates were also up in 2005 and 2006 in response to a continued needed solvency adjustment. (See Table 3.4.) A minimum solvency tax is in effect for 2007.

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 \$28,700 in 2006, and is \$30,100 for tax year 2007.

**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

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 (the portion that is taxable) 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 2006, 87.5 percent of all contributing employers were experience-rated, 10.9 percent were industry-rated and 1.6 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 experi-

ence factor. Experience factors range from 0.4 to 1.65, according to a schedule in AS 23.20.290(c). (See Table 3.6.)

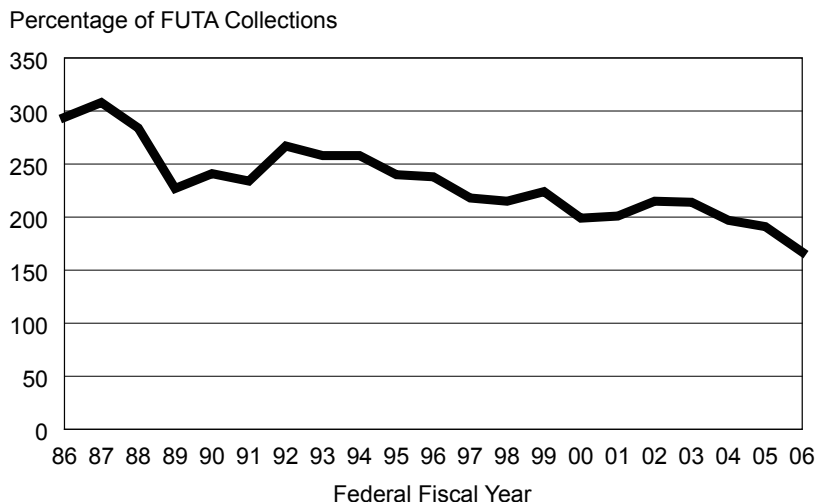
There are several other methods of experience rating used in other states, the majority of which track benefit payments as a direct experience factor. Alaska examined each system in detail in 1980 and determined that the payroll decline method it used was best for Alaska. Subsequent events, including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

### 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

**Figure 3.3 Administrative Grants as a Percentage of FUTA Collections**



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

increased or decreased by 0.3 percent, or less, from one year to the next. In 2006, the TFSA was 0.4 percent; in 2007 it was 0.1 percent. There is hope for the trust fund solvency tax to return to zero in 2008.

### **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 2006, employers in Alaska contributed \$16.0 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 2006, Alaska received \$26.7 million in administrative grants, which was \$19.1 million for unemployment insurance administrative costs and \$7.6 million for employment services. In federal fiscal year 2006, Alaska's total administrative grants amounted to 166.9 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 2005 and 2006. 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 2005 and 2006, it reimbursed more than \$22.0 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. Reimbursable employers paid \$9.1 million to the UI trust fund in 2006. (See Table 3.3.)

### **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 2006, the ratio of benefits to the prior year contributions was 0.6.

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.

### Training Programs receive a share of UI Tax revenue

The Alaska Department of Labor and Workforce Development administers two employment training programs that are supported by a share of the Unemployment Insurance Taxes paid by employees. The State Training and Employment Program (STEP) was created in 1989. The Training and Vocational Education Program (TVEP) was enacted in 2000. Both programs have identical funding

definitions (AS 23.15.630 and AS 23.15.835, respectively) providing an amount equal to one-tenth of a percent (0.10%) of taxable wages collected in taxes from employees.

In all but one (2006) of the last seven years, employees have paid the minimum UI tax rate, one-half of one percent (0.50%), and it is expected they should remain at the minimum tax rate for at least a couple of more years. At this rate, the share of employee taxes allocated for STEP is 20%, and for TVEP is 20%. In total, forty percent of collected employee tax funds is dedicated to the training programs, and is not deposited into the UI trust fund.

The funds for STEP and TVEP are normally tracked on a state fiscal year basis, so these numbers are not strictly comparable to the calendar year data in all other parts of this report. In state fiscal year 2006, STEP and TVEP received \$11.0 million, and in SFY 2007 they received \$11.6 million in funding. During the last five years, the department has provided over \$51.7 million in support for the training programs from the UI financing system.

**Table 3.1  
Benefit Cost Rate, 1997-2006**

Year	Taxable Employment			Reimbursable Employment		
	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)	Benefit Cost Rate (Percent)
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	0.5
2004	130,269	7,730,837	1.7	11,681	2,362,563	0.5
2005	121,260	8,170,491	1.5	9,890	2,411,561	0.4
2006	113,787	8,629,441	1.3	8,284	2,519,453	0.3

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, 2006**

<b>Industry</b>	<b>Benefits Paid 2006</b>	<b>Total Payroll 2005</b>	<b>Benefit Cost Rate (Percent) (Lagged 1 Yr)</b>
<b>Taxable Employers</b>			
Total	\$97,129,276	\$8,629,440,933	1.1
Agriculture, Forestry, Fishing <sup>1</sup> & Hunting	1,100,729	42,298,791	2.6
Mining	2,643,573	999,400,126	0.3
Utilities	629,406	117,173,666	0.5
Construction	21,364,025	1,037,407,554	2.1
Manufacturing	13,337,371	450,063,288	3.0
Wholesale Trade	1,590,404	287,703,641	0.6
Retail Trade	9,252,039	922,664,428	1.0
Transportation & Warehousing	6,555,686	909,786,837	0.7
Information	1,492,412	334,231,026	0.4
Finance & Insurance	2,328,282	413,013,225	0.6
Real Estate, Rental & Leasing	2,887,895	168,441,825	1.7
Professional & Technical Services	2,669,065	599,470,222	0.4
Management of Companies	168,051	73,211,451	0.2
Administrative & Waste Services	4,508,733	365,392,725	1.2
Educational Services	397,451	53,268,721	0.7
Health Care & Social Assistance	7,732,702	869,646,386	0.9
Arts, Entertainment & Recreation	1,118,231	66,002,292	1.7
Accommodation & Food Services	7,539,093	471,319,110	1.6
Other Services, except Public Administration	3,449,983	242,251,512	1.4
Public Administration	5,431,524	188,362,987	2.9
Unclassified	932,621	18,331,120	5.1
<b>Reimbursable Employers</b>			
Total	\$8,486,891	\$2,519,453,054	0.3
Transportation & Warehousing	280,980	48,641,537	0.6
Information	0	326,404	0.0
Educational Services	2,504,919	1,010,692,019	0.2
Professional & Technical Services	14,398	3,502,519	0.4
Health Care & Social Assistance	1,683,494	415,962,103	0.4
Arts, Entertainment & Recreation	5,696	497,887	1.1
Other Services, except Public Administration	100,724	21,484,170	0.5
Public Administration	3,896,680	1,016,466,448	0.4
Other	0	1,879,967	0.0

<sup>1</sup> Fishing excludes nearly all commercial fish harvesting employment

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, 1997-2006**

<b>Deposits</b>									
<b>Year</b>	<b>U.I. Tax Contributions<sup>1</sup></b>	<b>Federal Share Extended Benefits</b>	<b>Amounts Rec'd From Reimb. Employers</b>	<b>Interstate Benefits Wage Combining</b>	<b>Federal Emerg. Comp.<sup>2</sup></b>	<b>Penalty &amp; Interest<sup>3</sup></b>	<b>Other<sup>4</sup></b>	<b>Trust Fund Interest Earned</b>	<b>Total Revenue Deposited<sup>5</sup></b>
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
2005	145,990,785	1,978,258	10,692,011	1,435,969	235,400	11,120,449	4,703,701	10,050,126	186,206,698
2006	155,630,450	0	9,101,144	1,143,862	0	12,130,828	3,719,601	11,922,978	193,648,864

<b>Disbursements</b>									
<b>Year</b>	<b>Regular Benefits + SSB</b>	<b>Extended Benefit Payments</b>	<b>Reimb. Benefit Payments</b>	<b>Interstate Benefits Wage Combining</b>	<b>Federal Emerg. Comp.<sup>2</sup></b>	<b>Training And Building Fund</b>	<b>Other<sup>4</sup></b>	<b>Total Benefits Disbursed<sup>5</sup></b>	<b>Reserve Fund Balance<sup>6</sup></b>
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
2005	108,545,340	4,079,233	9,890,482	12,114,777	(270,168)	11,295,341	12,536,018	158,191,022	230,973,776
2006	102,806,753	(305,756)	8,284,330	12,277,205	(448,030)	12,041,918	6,758,048	141,414,467	283,208,172

<sup>1</sup> Excludes reimbursements.

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

<sup>3</sup> Net collections of penalties, interest and fines.

<sup>4</sup> 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.

<sup>5</sup> Deposits from all sources including federal and all disbursements made to claimants.

<sup>6</sup> 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, 1997-2006**

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
1997	\$5,943,917	\$3,853,741	64.8	\$24,200	2.33	1.51	0.50	0.3
1998	6,279,782	3,995,639	63.6	24,100	2.25	1.43	0.58	0.4
1999	6,389,605	4,124,730	64.6	24,500	2.06	1.33	0.56	0.4
2000	6,793,721	4,396,916	64.7	24,800	2.14	1.39	0.54	0.3
2001	7,230,311	4,556,600	63.0	25,500	2.08	1.31	0.54	0.3
2002	7,501,125	4,722,968	63.0	26,000	1.99	1.25	0.52	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
2005	8,629,441	5,436,868	63.0	27,900	2.50	1.58	0.50	0.3
2006	9,214,930	5,720,285	62.1	28,700	2.43	1.51	0.51	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**

**2006 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 <sup>1</sup> & Hunting	113	0.7	19	1.0	3	1.1	135	0.8
Mining	137	0.9	16	0.8	0	0.0	153	0.9
Utilities	76	0.5	5	0.3	1	0.4	82	0.5
Construction	2,295	15.0	359	18.8	45	16.2	2,699	15.5
Manufacturing	477	3.1	41	2.1	7	2.5	525	3.0
Wholesale Trade	655	4.3	37	1.9	9	3.2	701	4.0
Retail Trade	1,853	12.1	142	7.4	21	7.6	2,016	11.5
Transportation & Warehousing	775	5.1	77	4.0	15	5.4	867	5.0
Information	222	1.5	28	1.5	2	0.7	252	1.4
Finance & Insurance	501	3.3	52	2.7	4	1.4	557	3.2
Real Estate & Rental & Leasing	563	3.7	55	2.9	5	1.8	623	3.6
Professional & Technical Services	1,546	10.1	209	10.9	16	5.8	1,771	10.1
Management of Companies	21	0.1	3	0.2	0	0.0	24	0.1
Administrative & Waste Services	878	5.8	135	7.1	23	8.3	1,036	5.9
Educational Services	183	1.2	22	1.2	2	0.7	207	1.2
Health Care & Social Assistance	1,404	9.2	122	6.4	14	5.0	1,540	8.8
Arts, Entertainment & Recreation	419	2.7	43	2.3	9	3.2	471	2.7
Accommodations & Food Services	1,502	9.8	164	8.6	44	15.8	1,710	9.8
Other Services, except Public Administration	1,251	8.2	236	12.4	32	11.5	1,519	8.7
Public Administration	322	2.1	6	0.3	24	8.6	352	2.0
Unclassified	76	0.5	139	7.3	2	0.7	217	1.2
<b>Total</b>	<b>15,269</b>	<b>100.0</b>	<b>1,910</b>	<b>100.0</b>	<b>278</b>	<b>100.0</b>	<b>17,457</b>	<b>100.0</b>
Percent of Grand Total		87.5		10.9		1.6		100.0

**Average Employer Tax Rates**

	2004	2005	2006	
Total	2.86	2.84	2.36	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.
Agriculture, Forestry, Fishing <sup>1</sup> & Hunting	3.43	3.40	2.86	
Mining	3.17	3.03	2.46	
Utilities	2.42	2.47	1.96	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.
Construction	3.37	3.32	2.76	
Manufacturing	3.04	2.96	2.44	
Wholesale Trade	2.83	2.80	2.30	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	2.74	2.30	
Transportation & Warehousing	3.04	2.83	2.33	
Information	2.48	2.52	2.10	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.
Finance & Insurance	2.48	2.48	2.04	
Real Estate & Rental & Leasing	2.65	2.65	2.22	
Professional & Technical Services	2.77	2.74	2.26	Percentages may not add up to 100 percent due to rounding.
Management of Companies	2.28	2.50	2.08	
Administrative & Waste Services	2.95	2.93	2.43	
Educational Services	2.76	2.80	2.38	
Health Care & Social Assistance	2.36	2.33	1.93	
Arts, Entertainment & Recreation	3.12	3.11	2.61	
Accommodations & Food Services	2.94	2.93	2.46	
Other Services, except Public Administration	2.59	2.57	2.13	
Public Administration	2.83	2.80	2.32	
Unclassified	3.08	3.11	2.46	

<sup>1</sup> Fishing excludes nearly all commercial fish harvesting employment

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**  
**2007**

**Tax Rate Calculations**

	SFY 2003	SFY 2004	SFY 2005	SFY 2006
(1) Benefit Cost (Ben-Reimb-Int)		\$129,672,183	\$112,743,354	\$104,176,588
(2) Total Payroll (taxable employers)	\$7,579,697,940	7,901,597,474	8,370,948,699	8,898,141,045
(3) Taxable Payroll				5,683,664,626
(4) Benefit Cost for 3 Prev SFY				\$346,592,125
(5) Total Payroll, First 3 of Last 4 SFY				\$23,852,244,113
(6) 3-Yr Benefit Cost/Total Payroll (4)/(5)				0.015
(7) Taxable/Total Payroll, Last SFY				0.632
(8) Average Benefit Cost Rate (6)/(7)				0.023
(9) UI Trust Fund Balance, Sep 30				\$266,458,087
(10) Total Payroll, Last SFY				\$8,989,141,045
(11) UI Trust Fund Reserve Rate (9)/(10)				0.030
(12) Solvency Adjustment				0.001
(13) Average Employer Tax Rate as a Percent of Taxable Payroll (0.80 x ABCR) + TFSA = (0.80 x #8) + #12				1.94%
(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	1.00	1.50
2	0.45	0.50	1.00	1.50
3	0.50	0.50	1.02	1.52
4	0.55	0.50	1.11	1.61
5	0.60	0.50	1.20	1.70
6	0.65	0.50	1.30	1.80
7	0.70	0.50	1.39	1.89
8	0.80	0.50	1.57	2.07
9	0.90	0.50	1.75	2.25
10	1.00	0.50	1.94	2.44
11	1.00	0.50	1.94	2.44
12	1.10	0.50	2.12	2.62
13	1.20	0.50	2.31	2.81
14	1.30	0.50	2.49	2.99
15	1.35	0.50	2.58	3.08
16	1.40	0.50	2.67	3.17
17	1.45	0.50	2.77	3.27
18	1.50	0.50	2.86	3.36
19	1.55	0.50	2.95	3.45
20	1.60	0.50	3.04	3.54
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  
1997-2006**

Federal Fiscal Year <sup>1</sup>	FUTA Collections (in millions)	UI Admin. Grants (in millions)	Employment Services Admin. Grants (In millions)	Total Admin. Grants	
				(In millions)	Percent of FUTA
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
2005	15.2	21.3	7.7	29.0	190.8
2006	16.0	19.1	7.6	26.7	166.9

<sup>1</sup> 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  
1997-2006**

Year	Collections			Benefits Paid			Total Collections less Benefits Paid
	Total	Private Nonprofit	Government (State & Local)	Total	Private Nonprofit	Government (State & Local)	
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
2005	10,692,011	1,385,980	9,306,031	9,890,482	1,118,780	8,771,702	801,529
2006	9,101,144	1,199,128	7,902,016	8,284,330	850,751	7,433,579	816,814
<b>10-Year Total</b>							<b>4,755,180</b>

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, 2002-2006**

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	2005	2006	2002	2003	2004	2005	2006
Totals (including unclassified)	\$115,313	\$127,407	\$113,127	\$103,386	\$97,130	\$118,269	\$115,458	\$137,258	\$162,961	\$168,776
Agriculture, Forestry, Fishing <sup>1</sup> & Hunting		1,849	1,723	1,148	1,101		1,032	1,059	1,222	1,055
Mining		8,187	4,760	3,383	2,644		6,858	8,877	10,544	12,359
Utilities		758	715	612	629		1,112	1,127	1,333	1,351
Construction		24,216	23,285	21,580	21,364		17,502	20,378	24,883	24,722
Manufacturing		14,754	15,119	13,893	13,338		8,600	10,830	13,043	13,137
Wholesale Trade		2,429	1,820	1,546	1,590		3,484	4,160	4,795	5,200
Retail Trade		13,020	11,020	10,077	9,252		13,524	15,563	18,482	19,004
Transportation & Warehousing		9,184	8,018	7,443	6,556		10,592	12,899	14,703	15,312
Information		1,969	1,897	1,499	1,492		3,193	3,627	4,196	4,099
Finance & Insurance		3,197	2,929	2,488	2,328		4,651	5,483	6,329	6,382
Real Estate, Rental & Leasing		2,962	2,685	2,710	2,888		2,489	2,960	3,681	3,530
Professional & Technical Services		3,826	3,472	2,679	2,669		6,885	8,017	9,898	10,538
Management of Companies		81	161	179	168		771	871	1,047	1,109
Administrative & Waste Services		5,820	5,187	4,578	4,509		5,655	6,658	8,279	8,551
Educational Services		1,126	103	143	397		699	780	936	1,001
Health Care & Social Assistance		8,186	8,294	8,466	7,733		10,091	12,276	14,486	15,434
Arts, Entertainment & Recreation		1,266	1,171	1,104	1,118		1,303	1,519	1,850	2,002
Accommodation & Food Services		10,141	8,988	8,388	7,539		9,909	11,680	13,764	14,430
Other Services, except Public Administration		4,739	5,010	4,454	3,450		3,868	4,420	4,964	5,334
Public Administration		8,152	6,333	6,571	5,432		3,102	3,504	3,934	3,678
Unclassified		1,545	437	448	933		139	569	584	549

Industry	Ratio Of Benefits To Prior Year Contribution				
	2002	2003	2004	2005	2006
Totals (including unclassified)	1.0	1.1	1.0	0.8	0.6
Agriculture, Forestry, Fishing <sup>1</sup> & Hunting			1.7	1.1	0.9
Mining			0.7	0.4	0.3
Utilities			0.6	0.5	0.5
Construction			1.3	1.1	0.9
Manufacturing			1.8	1.3	1.0
Wholesale Trade			0.5	0.4	0.3
Retail Trade			0.8	0.6	0.5
Transportation & Warehousing			0.8	0.6	0.4
Information			0.6	0.4	0.4
Finance & Insurance			0.6	0.5	0.4
Real Estate, Rental & Leasing			1.1	0.9	0.8
Professional & Technical Services			0.5	0.3	0.3
Management of Companies			0.2	0.2	0.2
Administrative & Waste Services			0.9	0.7	0.5
Educational Services			0.1	0.2	0.4
Health Care & Social Assistance			0.8	0.7	0.5
Arts, Entertainment & Recreation			0.9	0.7	0.6
Accommodation & Food Services			0.9	0.7	0.5
Other Services, except Public Administration			1.3	1.0	0.7
Public Administration			2.0	1.9	1.4
Unclassified			3.1	0.8	1.6

<sup>1</sup> Fishing excludes nearly all commercial fish harvesting employment

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

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section: 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 1997-2006**

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
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
2005	1.7	1.4	2.7	1.58	2.7	2.2	4.2	2.50
2006	1.7	1.2	3.1	1.51	2.7	2.0	5.0	2.43

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, 2006**

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	\$97,129,276	\$ 97,129,954	\$168,776,483	\$9,214,930,494	\$5,720,285,341	62.1
Agriculture, Forestry, Fishing <sup>1</sup> & Hunting	1,100,729	1,100,729	1,055,250	35,519,989	27,280,054	76.8
Mining	2,643,573	2,643,573	12,359,100	1,214,615,165	445,441,033	36.7
Utilities	629,406	629,406	1,351,346	117,112,638	55,281,780	47.2
Construction	21,364,025	21,364,025	24,722,232	1,060,905,046	672,887,033	63.4
Manufacturing	13,337,371	13,337,664	13,137,426	469,646,755	349,421,945	74.4
Wholesale Trade	1,590,404	1,590,404	5,199,838	302,207,210	179,819,810	59.5
Retail Trade	9,252,039	9,252,039	19,004,360	948,625,385	737,767,074	77.8
Transportation & Warehousing	6,555,686	6,555,686	15,311,974	945,208,153	525,303,854	55.6
Information	1,492,412	1,492,412	4,098,972	345,498,094	182,979,251	53.0
Finance & Insurance	2,328,282	2,328,282	6,381,910	450,764,916	244,053,928	54.1
Real Estate, Rental & Leasing	2,887,895	2,888,013	3,530,025	170,993,480	121,548,151	71.1
Professional & Technical Services	2,669,065	2,669,065	10,537,601	648,356,137	351,240,319	54.2
Management of Companies	168,051	168,051	1,109,397	87,235,462	42,600,859	48.8
Administrative & Waste Services	4,508,733	4,508,733	8,550,737	388,875,588	276,065,429	71.0
Educational Services <sup>1</sup>	397,451	397,451	1,000,913	72,740,228	39,131,507	53.8
Health Care & Social Assistance	7,732,702	7,732,702	15,433,605	937,064,455	631,609,311	67.4
Arts, Entertainment & Recreation	1,118,231	1,118,231	2,001,830	71,121,981	61,165,432	86.0
Accommodation & Food Services	7,539,093	7,539,093	14,429,505	496,118,391	446,183,577	89.9
Other Services, except Public Administration	3,449,983	3,449,983	5,333,986	257,921,916	185,962,728	72.1
Public Administration	5,431,524	5,431,791	3,677,511	176,243,595	130,741,755	74.2
Unclassified	932,621	932,621	548,965	18,155,910	13,800,511	76.0

<sup>1</sup> Fishing excludes nearly all commercial fish harvesting employment

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, 2006**

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	57.5	1.1	1.7	57.5	1.1	1.7
Agriculture, Forestry, Fishing <sup>1</sup> & Hunting	104.3	3.1	4.0	104.3	3.1	4.0
Mining	21.4	0.2	0.6	21.4	0.2	0.6
Utilities	46.6	0.5	1.1	46.6	0.5	1.1
Construction	86.4	2.0	3.2	86.4	2.0	3.2
Manufacturing	101.5	2.8	3.8	101.5	2.8	3.8
Wholesale Trade	30.6	0.5	0.9	30.6	0.5	0.9
Retail Trade	48.7	1.0	1.3	48.7	1.0	1.3
Transportation & Warehousing	42.8	0.7	1.2	42.8	0.7	1.2
Information	36.4	0.4	0.8	36.4	0.4	0.8
Finance & Insurance	36.5	0.5	1.0	36.5	0.5	1.0
Real Estate, Rental & Leasing	81.8	1.7	2.4	81.8	1.7	2.4
Professional & Technical Services	25.3	0.4	0.8	25.3	0.4	0.8
Management of Companies	15.1	0.2	0.4	15.1	0.2	0.4
Administrative & Waste Services	52.7	1.2	1.6	52.7	1.2	1.6
Educational Services <sup>1</sup>	39.7	0.5	1.0	39.7	0.5	1.0
Health Care & Social Assistance	50.1	0.8	1.2	50.1	0.8	1.2
Arts, Entertainment & Recreation	55.9	1.6	1.8	55.9	1.6	1.8
Accommodation & Food Services	52.2	1.5	1.7	52.2	1.5	1.7
Other Services, except Public Administration	64.7	1.3	1.9	64.7	1.3	1.9
Public Administration	147.7	3.1	4.2	147.7	3.1	4.2
Unclassified	169.9	5.1	6.8	169.9	5.1	6.8

<sup>1</sup> Fishing excludes nearly all commercial fish harvesting employment

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 sum 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 summing the columns.

The North American Industry Classification System (NAICS) has replaced the Standard Industrial Classification System (SIC). The new NAICS classification system 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, 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, 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 codes 921 928) 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 Data Base 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 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 (or 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, 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, 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. There-

fore, it draws heavily from the Alaska Department of Labor and Workforce Development’s Benefit Payments by Industry and Area (UC 217) report and the QCEW quarterly reports (the USDOL’s Quarterly Census of Employment and Wages report). In fact, several of the tables directly reproduce data reported in chapters one and two.

The other major data source for chapter 3 is the Financial Transactions Summary (ETA 2112). This is a monthly accounting report produced by DOLWD. It is the most accurate source of information on financial transactions and cash flow. Its major limitation is that it does not break out data by industry or area. It is used to compute UI tax rates (see tables 3.4 and 3.6), benefit costs, and benefit cost rates (Tables 3.1, 3.2 and 3.6). It is also the source for UI Trust Fund balances (Tables 3.3, 3.6 and 3.10), deposits and disbursements for all programs (Table 3.3), as well as interstate wage combining, reimbursable employers (Table 3.8), and collections, benefits and trust fund balance as a percentage of wages. (See table 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. This information is also produced by DOLWD.



## **Appendix B**

# **Summary of Major Changes in the Employment Security Act**

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

- April 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
- July 1, 1945** Coverage extended to employers of one or more persons at any time. Ch.7, SLA 1945
- March 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
- March 17, 1959** Employees in finance, insurance and real estate paid on a commission basis are excluded from coverage. Ch. 46, SLA 1959
- April 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
- April 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
- July 1, 1984** Executive officers of nongovernmental corporations are excluded. Ch. 106, SLA 1984
- Sept. 27, 1995** Certain direct sellers of consumer products are excluded. Ch. 97, SLA 1995

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

- April. 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
- March 26, 1941** Taxable wages limited to first \$3,000 of wages paid to an employee. Ch. 40, SLA 1941
- June 30, 1947** Credits against the tax are available to qualified employers if a fund surplus exists. The credit is based on the individual employer's annual payroll decline. Ch. 74, SLA 1947
- Jan. 1, 1955** Tax base increased to first \$3,600 of wages. An employee tax of 0.5 percent is also assessed. Employer tax credit is eliminated. Ch. 5, ESLA 1955
- April 4, 1957** Tax base increased to first \$4,200 of wages. Ch. 169, SLA 1957

- March 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
- Sept. 13, 1987** Interest on funds borrowed from the federal government to cover shortfalls in the trust fund may be paid out of employee contributions. Ch. 82, SLA 1987
- July 1, 1989** Training programs pilot project to be funded by transfer of 0.1 percent of taxable wages from amount contributed by employees. Ch. 95, SLA 1989
- June 30, 1993** Extension of training programs pilot project until 1996. Ch.17, SLA 1993
- July 1, 1996** 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
- July 1, 2000** Technical and Vocational Education Program (TVEP) created. Ch. 132, SLA 2000
- July 1, 2002** Extension of training programs (STEP) until June 30, 2003. Ch.86, SLA 2002
- July 1, 2003** Extension of training programs (STEP) until June 30, 2004. Ch.49, SLA 2003
- July 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**

- April 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

<b>Oct. 1, 1946</b>	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
<b>July 1, 1949</b>	WBA is increased by 20 percent for each dependent of the claimant up to three. Ch. 25, SLA 1949
<b>July 1, 1951</b>	Minimum payment is \$8; maximum is \$30. Ch. 11, SLA 1951
<b>July 1, 1953</b>	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
<b>July 3, 1955</b>	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
<b>March 30, 1960</b>	Maximum WBA for interstate claimants reduced to \$20. Ch. 60, SLA 1960
<b>July 1, 1966</b>	Minimum payment is \$10; maximum is \$55. Total benefit payments limited to 28 times the WBA for most claimants. Ch. 112, SLA 1966
<b>July 1, 1969</b>	Minimum payment is \$18; maximum is \$60. Ch. 106, SLA 1969
<b>Jan. 29, 1971</b>	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
<b>Jan. 1, 1972</b>	Discrimination against nonresident claimants is ended. Ch. 106, SLA 1971
<b>July 1, 1973</b>	Minimum payment is \$18; maximum is \$90. Dependent allowance set at \$10 per dependent, up to three. Ch. 43, SLA 1973
<b>Oct. 1, 1980</b>	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
<b>Oct. 31, 1981</b>	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
<b>Sept. 26, 1982</b>	Child support obligations may be deducted from weekly benefit checks. Ch. 115, SLA 1982
<b>Jan. 1, 1983</b>	Minimum payment is \$34; maximum payment is \$156 for basic WBA. Ch. 115, SLA 1982
<b>Oct. 1, 1984</b>	Minimum payment is \$38; maximum payment is \$188 for basic WBA. Ch. 106, SLA 1984
<b>Oct. 1, 1990</b>	Minimum payment is \$44; maximum payment is \$212 for basic WBA. Ch. 167, SLA 1990
<b>Jan. 1, 1997</b>	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**

<b>April 2, 1937</b>	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
<b>Jan. 17, 1939</b>	Total wages in base year must equal or exceed 25 times the WBA. Ch. 1, SLA 1939

<b>March 26, 1941</b>	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
<b>July 1, 1945</b>	Women are disqualified during the last two months of pregnancy and the month following pregnancy. Ch. 50, SLA 1945
<b>Oct. 1, 1946</b>	Minimum required wages in base year set at \$150. Ch. 32, SLA 1946
<b>June 30, 1947</b>	Waiting period reduced to one week. Ch. 74, SLA 1947
<b>July 1, 1953</b>	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
<b>July 3, 1955</b>	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
<b>April 4, 1957</b>	Minimum wage requirement set at \$500 or 1.25 times high quarter wages. Ch. 169, SLA 1957
<b>April 7, 1962</b>	Claimants are not disqualified while attending a training course to improve their skills. Ch. 63, SLA 1962
<b>July 1, 1969</b>	Minimum wage requirement set at \$750, \$100 of which must have been earned outside the quarter with the highest wages. Ch. 106, SLA 1969
<b>Jan. 1, 1972</b>	Women no longer disqualified during pregnancy. Ch. 106, SLA 1971
<b>Oct. 1, 1980</b>	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
<b>Oct. 31, 1981</b>	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
<b>June 26, 1982</b>	The national "on" and "off" trigger indicators for extended benefits are repealed in conformity with federal law. Ch. 115, SLA 1982
<b>Sept. 26, 1982</b>	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
<b>June 16, 1984</b>	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
<b>July 2, 1989</b>	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
<b>Nov. 15, 1991</b>	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.

**July 1, 1993**

The implementation of the Emergency Unemployment Compensation (EUC) program, 26 U.S.C. 3304. Eligibility for supplemental state benefits (SSB) remains in effect during a period in which extended benefits (EB) are triggered "off," but during which EUC benefits are payable. The eligibility for extended benefits 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.

