

Unemployment Insurance Actuarial Study and Financial Handbook – 2010



State of Alaska
Department of Labor
and Workforce Development
Published November 2011



ALASKA DEPARTMENT OF LABOR
& WORKFORCE DEVELOPMENT

Unemployment Insurance Actuarial Study and Financial Handbook 2010



***ALASKA DEPARTMENT OF LABOR
& WORKFORCE DEVELOPMENT***

Governor Sean Parnell
Commissioner Click Bishop

Dan Robinson, Chief
Research and Analysis

James Wilson, UI Actuary
Lennon Weller, Economist
Layout by Sam Dapcevich

Published in November 2011 at a cost of \$5.71 per copy

Visit the UI Actuarial Web site at:
labor.alaska.gov/research/uiprogram/uiiprogram.htm

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

Preface to the 2010 Edition

The Unemployment Insurance Actuarial Study and Financial Handbook 2010 presents detailed information about Alaska's unemployment Insurance (UI) system and its 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 **19th edition**, for even-numbered years. It also publishes an "updated tables" edition of 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. R&A answers data requests based on the actuarial study and its sources. 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 highlights from the report's three chapters:

Chapter 1: Employment and wages that are covered by Alaska's UI system. It discusses average monthly employment, total wages, and average earnings per worker. The data tables are largely organized to present information by major industry.

Chapter 2: UI benefit payments to unemployed workers. It explains key eligibility provisions of the system and describes the main programs. It also analyzes the payments by area and industry and the characteristics of the UI claimants, and discusses important issues surrounding the payment of UI benefits.

Chapter 3: Financing the UI system covers the UI trust fund and its administration. It also includes an explanation of the tax calculations for employers and employees.

Appendix A describes the data sources and some data limitations in the publication.

Appendix B summarizes the major changes in UI law since 1937.

Appendix C is a glossary.

A limited number of this 2010 edition is printed. The publication is available in electronic form (PDF) from the Research and Analysis Web site: <http://laborstats.alaska.gov>.

Contact Research and Analysis at (907) 465-4500 for copies of this or earlier editions. All editions of the handbook from 1978 are available as PDFs on request. For more information contact:

James Wilson, UI Actuary (907) 465-4520
Lennon Weller, Economist (907) 465-4507

James.Wilson@alaska.gov
Lennon.Weller@alaska.gov

Table of Contents

Preface to the 2010 Edition	ii
Executive Summary	v
Chapter 1 Unemployment Insurance Covered Employment and Wages	1
Figure 1.1 Employment by Type of UI Coverage, 1981–2010.....	1
Figure 1.2 Average Monthly Covered Employment, 1981–2010	1
Figure 1.3 Total Covered Wages, 1981–2010	2
Figure 1.4 Average Weekly Wages, 1981–2010	2
Table 1.1 Nonagricultural Wage and Salary Employment, Covered and Noncovered, 2001–2010.....	3
Table 1.2 Average Monthly Covered Employment by Industry, 2007–2010.....	4
Table 1.3 Total Covered Wages by Industry, 2007–2010	5
Table 1.4 Taxable Covered Wages by Industry, 2007–2010	6
Table 1.5 Average Annual Wages in Covered Employment by Industry, 2006–2010	7
Table 1.6 Average Weekly Wages in Covered Employment by Industry, 2006–2010.....	8
Table 1.7 Average Monthly Covered Employment by Ownership, 2001–2010	9
Table 1.8 Total Covered Wages by Ownership, 2001–2010	10
Table 1.9 Taxable Covered Wages by Ownership, 2001–2010.....	10
Table 1.10 Average Annual Wages in Covered Employment by Ownership, 2001–2010.....	11
Table 1.11 Average Weekly Wages in Covered Employment by Ownership, 2001–2010	11
Chapter 2 Unemployment Insurance Benefit Payments	12
Figure 2.1 Amount of UI Payments, Regular Benefits, 1981–2010	12
Figure 2.2 Alaska Insured Unemployment Rate, 1986 and 2010	13
Figure 2.3 UI Regular Benefit Payments by Industry for In-State and Out-of-State Claimants, 2010	14
Figure 2.4 Claimants by Processing Center, 2010	15
Figure 2.5 Percentage of Unemployed Receiving UI in Alaska, 1986–2010	15
Table 2.1 Unemployment, 2001–2010	16
Table 2.2 Unemployment Insurance Claimant Characteristics, 2010.....	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 for UI Regular Benefits, 2001–2010	19
Table 2.6 Average Weekly Benefits as a Percentage of Average Weekly Wages, 2010	20
Table 2.7 Payment Data for UI Extended Benefits, 2001–2010.....	21
Table 2.8 Payment Data for UI State Supplemental Benefits, 2001–2010.....	21
Table 2.9 UI Regular Benefit Payments by Industry: Intrastate, 2007–2010.....	22
Table 2.10 UI Regular Benefit Payments by Industry: Interstate, 2007–2010.....	24
Table 2.11 UI Regular Benefit Payments by Industry: Intrastate and Interstate Total, 2007–2010	26
Table 2.12 UI Regular Benefit Payments by Industry: Interstate as a Percentage of Total, 2007–2010.....	28
Table 2.13 Amount of UI Benefit Payments by Census Area, 2010	29
Table 2.14 UI Regular Benefit Payments to Interstate Claimants by State, 2009–2010	30
Table 2.15 Payment of Dependents’ Benefits, 2001–2010	31
Table 2.16 Average Weekly Percentage of Unemployed Receiving UI Benefits, 2010.....	32
Chapter 3 Unemployment Insurance Benefit Financing System	33
Figure 3.1 UI Trust Fund End-of-Year Balance, 1981–2010.....	33
Figure 3.2 Reserves, Receipts, Benefits and Tax Rates as a Percentage of Taxable Wages	34
Figure 3.3 Administrative Grants as a Percentage of FUTA Collections, 1981–2010	35

Table of Contents (continued)

Table 3.1	Benefit Cost Rate, 2001–2010	38
Table 3.2	Benefit Cost Rates by Industry, 2010	39
Table 3.3	Trust Fund Deposits and Disbursements, 2001–2010	40
Table 3.4	Tax Base, Average Employer and Employee Tax Rates and Ratio of Taxable to Total Wages, 2001–2010	41
Table 3.5	Employer Accounts by Rate Type and Average Tax Rates by Industry	42
Table 3.6	UI Tax Rate Calculations and Tax Rates by Rate Class, 2011	43
Table 3.7	Administrative Costs, 2001–2010.....	44
Table 3.8	Collections, UI Regular Benefits Paid – Reimbursable Employment, 2001–2010	44
Table 3.9	Benefits Paid, Taxes Assessed and Ratio of Benefits to Taxes for Taxable Employment, 2006–2010	45
Table 3.10	Collections, Benefits Paid, Trust Fund Reserves and Average Employer Tax Rate as Percentages of Wages, 2001–2010.....	46
Table 3.11	UI Benefits Paid, Taxes Assessed and Covered Wages by Industry, 2010	46
Table 3.12	UI Benefits Paid as a Percent of Taxes Assessed and Covered Wages by Industry, 2010.....	47
Appendix A	Data Sources and Limitations.....	48
Appendix B	Summary of Major Changes in the Employment Security Act.....	50
Appendix C	Glossary of terms	55

Executive Summary

An overview of some significant findings for 2010:

- Alaska's UI program, in 2010, covered more than 316,000 workers, 98 percent of wage and salary workers.
- Average monthly employment declined 0.4 percent during 2009 then rebounded, growing 0.8 percent during 2010. Wages continued to grow during both years.
- Covered wages in Alaska during 2010 were \$14.1 billion, of which \$10.9 billion was reported from employers that pay UI taxes.
- Average weekly earnings of workers in 2010 rose to \$904, approximately 2.1 percent more than in 2009 (\$885). Top earnings, as expected, were in the oil and gas industry (\$3,296) while one of the lowest was in the larger trade sector (\$609).
- Total wage growth from 2009 to 2010 was greatest in the mining industry (total 12.5 percent), and in health care and social assistance (also 12.5 percent).
- Total unemployment benefits paid more than doubled in 2009 (reaching \$247.6 million) and climbed again in 2010 to \$311 million. A record number of 72,922 workers received benefits during 2010.
- The 2010 average weekly benefit payment for regular benefits in Alaska was \$239, down \$1.75 from 2009. On average, people claiming regular benefits received 23 weeks of benefits, and 74 percent of them exhausted their regular benefits accounts.
- Extended benefits (EB) were available continuously from the fifth week of 2009, through all of 2010, and into 2011. This program provided \$31.6 million in benefits in 2009 and \$44.9 million in 2010. During this time it was 100 percent federally funded.
- The federal Emergency Unemployment Program (EUC-08) provided \$37 million in benefits in 2009 and \$74 million in 2010, roughly 20 percent of total benefits.
- Alaska ranked 46th in the nation during 2010 in benefit adequacy, which is the percentage of average weekly earnings replaced by unemployment benefits.
- Alaska was in first nationally for the percentage of unemployed workers who actually received benefits, up from eighth in 2008-2009.
- Alaska's UI trust fund had a reserve balance of \$244 million at the end of 2010.
- The average employer tax rate assigned in 2010 was 1.31 percent of taxable payroll. For 2011, the average employer tax rate is 1.87 percent.

Chapter 1

UI Covered Employment and Wages

Ninety-eight percent of Alaska's workers are covered by unemployment insurance

State and federal unemployment insurance programs covered 316,557 workers (annual average) in Alaska in 2010 — 98.0 percent of all nonagricultural wage and salary workers. (See Table 1.1 and Figure 1.1.) State programs covered 92.5 percent of Alaska's workers and federal programs covered 5.4 percent. The total percentage of UI coverage has been roughly, and consistently, 98 percent for many years.

The 2.0 percent of workers not covered by UI insurance include full-commission salespeople, elected and appointed officials, and unpaid family workers. Fishermen who work on a share basis are also excluded from coverage. Since 2006, estimated real estate employment is in the non-covered category.

Employers pay UI taxes and nonprofits reimburse the state

In Alaska, employers are assigned tax rates each calendar 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 was one-fifth of covered employment, or 21.9 percent in 2010. This share was less than in prior decades due to a maturing economy, and reimbursable employment is now a smaller part of the workforce. During 2010, average monthly employment was 299,017 total, including 65,488 in reimbursable employment. (See Table 1.2.)

The background story: Severe national recession Dec 2007 to Jun 2009 and its aftermath

In the fall of 2008, national economic data revealed a recession had begun in December 2007. In late 2008, trauma was unfolding in the financial sector and large institutions were failing. We now know the national recession officially ended in June 2009, but the impacts on employment (weak recovery) and unemployment (persistently high) are current topics in the latter half of 2011. Alaska's experience during this time, compared to some other states, was relatively mild thanks to our largely oil-based economy and enviable financial position.

Figure 1.1 Employment by Type of UI Coverage 1981–2010

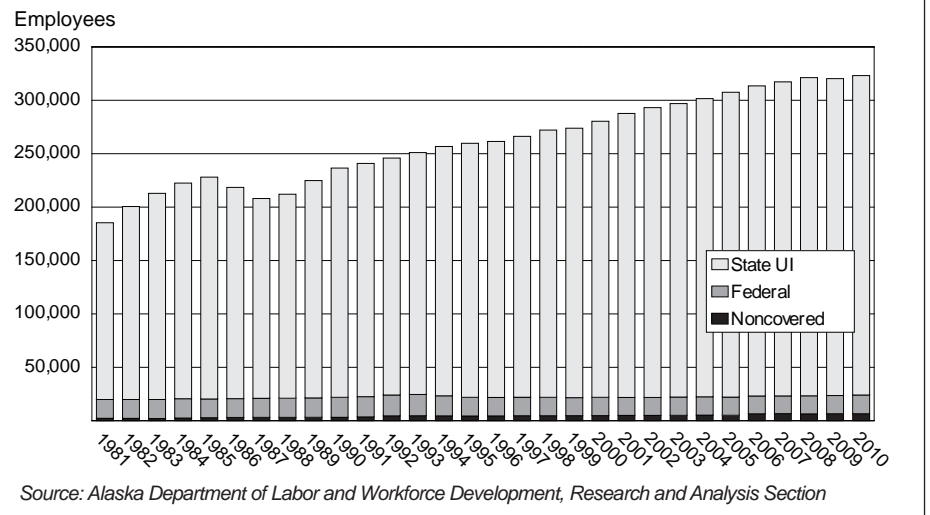
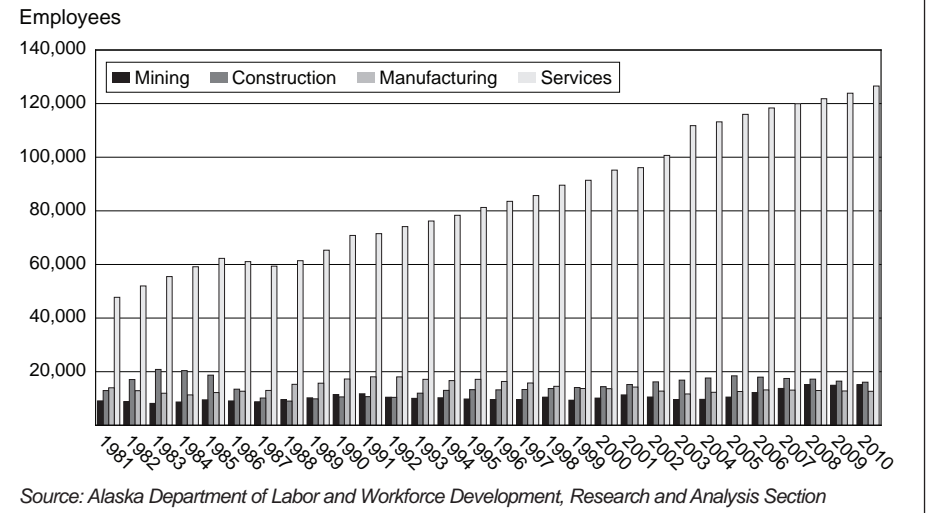


Figure 1.2 Average Monthly Covered Employment 1981–2010



Employment and wages slowed in 2009 and rebounded in 2010

During the past two years, Alaska had 0.4 percent average annual growth in covered employment and 5.5 percent growth in total wages. Average monthly employment fell 0.4 percent in 2009 and rebounded 0.8 percent in 2010. (See tables 1.2 and 1.7.) Total covered wages (wages covered by the UI system) grew in both years at 2.5 percent in 2009 and 2.9 percent in 2010. (See tables 1.3 and 1.8.)

Employment

Average monthly covered employment rose from 296,724 in 2009 to 299,017 in 2010. Many major industries shared in the growth from 2009 to 2010, such as mining (9.5 percent), health care and social assistance (4.8 percent), and accommodations and food services (1.4 percent). Transportation and warehousing declined in both 2009 and 2010

(-3.6 percent and -2.5 percent), as did construction (-5.9 percent and -0.9 percent), manufacturing (-1.4 percent and -0.9 percent), and trade (-1.9 percent and -0.5 percent). (See Table 1.2.)

Wages

Total covered wages grew 49.9 percent in the last 10 years and 5.5 percent from 2008 to 2010. Covered wages now stand at about \$14.1 billion, up from roughly \$9.4 billion in 2001. (See Table 1.8.)

During 2010, the growth in covered wages was 2.5 percent, while employment lost 0.4 percent. For 2010, wage growth was 2.9 percent during a period of persistent higher unemployment rates. The larger industry groups had positive growth in covered payroll last year, except for transportation and warehousing (-1.0 percent). Mining was up 3.4 percent, construction 0.08 percent, manufacturing 3.6 percent, and trade 0.6 percent. (See Table 1.3.)

(See Table 1.3.)

Service industries are a major part of Alaska's economy

Past issues of this publication detailed how Alaska's service industry grew steadily over time, created roughly half of new jobs, and accounted for about 40 percent of employment. Seeing the service industries in more detail came with the NAICS classification system, which defines many more service sector industries. We have a growing comparative series of data (since 2003) for the service industries that confirms the observations for the service sector, its continuing growth, and contribution to total jobs. (See figures 1.2 and 1.3.)

Average annual wages continue to increase

Average annual wages have grown steadily for the last nine years, even during the recent national recession. (See tables 1.5 and 1.10.) Overall, average annual wages rose 5.1 percent the last two years, from \$44,755 in 2008 to \$47,029 in 2010. (See Table 1.10) This earnings increase is slightly more than the 3.0 percent increase in the Anchorage Consumer Price Index (the CPI-U) from 2008 to

Figure 1.3 Total Covered Wages 1981–2010

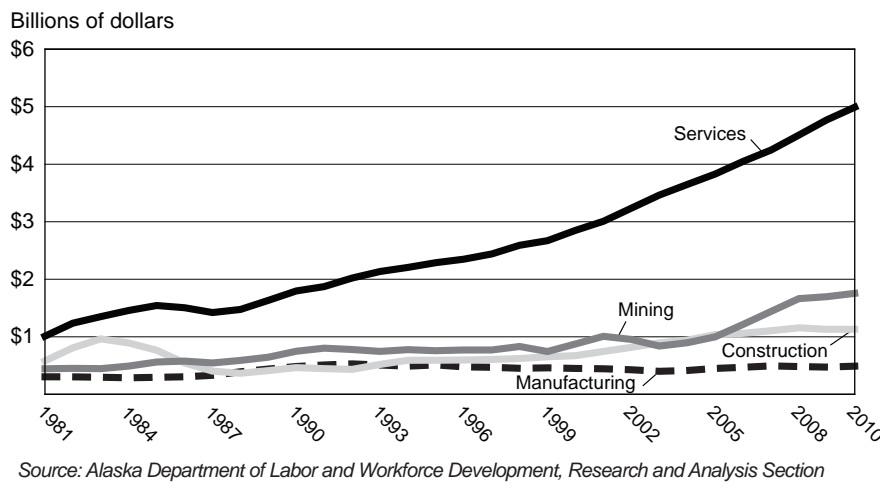
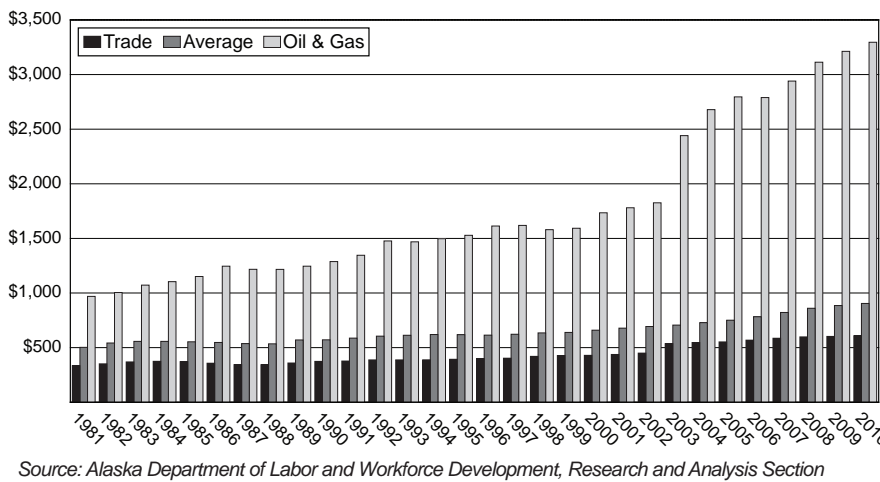


Figure 1.4 Average Weekly Wages 1981–2010



2010. In addition to generally keeping pace with the rise in the cost of living, Alaska's rank in earnings nationally improved somewhat since 2007, to 19th place. Alaska's weekly earnings put us in 14th place in 2009 and 15th in 2010. (See Table 2.6.)

Alaska's best paying industries continue to be oil and gas extraction, with \$171,396 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 2010 were Arts, Entertainment, and recreation — with \$18,093 in average annual earnings — and accommodations and food services, with \$20,080 in average annual earnings.

**Table 1.1
Nonagricultural Wage and Salary Employment,
Covered and Noncovered, 2000–2010**

Year	Total Nonagricultural Wage and Salary Employment	State UI Taxable and Reimbursable Employment	Percent of Total	Alaska Federal Government Employment	Percent of Total	Non-Covered Employment	Percent of Total
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	313,485	290,310	92.6	16,714	5.3	6,461	2.1
2007	317,236	294,016	92.7	16,557	5.2	6,663	2.1
2008	321,232	297,925	92.7	16,889	5.3	6,418	2.0
2009	320,300	296,720	92.6	17,055	5.3	6,525	2.0
2010	323,120	299,017	92.5	17,540	5.4	6,563	2.0

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

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

Table 1.2
Average Monthly Covered Employment¹ by Industry
2007–2010

	Employment				Percent			
	2007	2008	2009	2010	2007	2008	2009	2010
Total Taxable and Reimbursable	294,016	297,925	296,724	299,017	100.0	100.0	100.0	100.0
Agriculture, Forestry, Fishing, ² and Hunting	825	765	793	936	0.3	0.3	0.3	0.3
Mining	13,756	15,148	14,935	15,167	4.7	5.1	5.0	5.1
Oil and Gas Extraction	3,244	3,521	3,606	3,551	1.1	1.2	1.2	1.2
Mining Support	8,559	9,515	9,317	9,356	2.9	3.2	3.1	3.1
Other Mining	1,953	2,112	2,013	2,260	0.7	0.7	0.7	0.8
Utilities	1,918	1,967	2,076	2,245	0.7	0.7	0.7	0.8
Construction	17,713	17,488	16,462	16,310	6.0	5.9	5.5	5.5
Manufacturing	13,136	12,981	12,803	12,679	4.5	4.4	4.3	4.2
Food	9,641	9,474	9,541	9,571	3.3	3.2	3.2	3.2
Wood Products	403	408	285	225	0.1	0.1	0.1	0.1
Other Manufacturing	3,092	3,100	2,978	2,883	1.1	1.0	1.0	1.0
Transportation and Warehousing	20,525	20,814	20,074	19,577	7.0	7.0	6.8	6.5
Trade	42,609	42,730	41,905	41,701	14.5	14.3	14.1	13.9
Information	6,944	7,013	6,626	6,450	2.4	2.4	2.2	2.2
Finance and Insurance	8,967	8,998	8,848	8,905	3.0	3.0	3.0	3.0
Real Estate, Rental, and Leasing	5,240	5,038	5,072	5,224	1.8	1.7	1.7	1.7
Professional and Technical Services	12,526	13,202	13,639	13,839	4.3	4.4	4.6	4.6
Management of Companies	1,185	1,202	1,243	1,160	0.4	0.4	0.4	0.4
Administrative and Waste Services	11,440	11,771	11,400	11,257	3.9	4.0	3.8	3.8
Educational Services	28,049	28,169	28,974	29,426	9.5	9.5	9.8	9.8
Health Care and Social Assistance	36,549	37,207	38,823	40,669	12.4	12.5	13.1	13.6
Arts, Entertainment, and Recreation	4,370	4,539	4,522	4,395	1.5	1.5	1.5	1.5
Accommodation and Food Services	27,613	27,614	26,604	26,985	9.4	9.3	9.0	9.0
Other Services, except Public Administration	9,661	9,895	10,073	10,087	3.3	3.3	3.4	3.4
Public Administration	30,332	30,746	31,473	31,562	10.3	10.3	10.6	10.6
Unclassified	661	640	379	443	0.2	0.2	0.1	0.1
Total Reimbursable Accounts	61,636	62,371	64,445	65,488				
Utilities	13	13	11	9				
Transportation and Warehousing	915	845	787	721				
Trade	10	0	9	0				
Information	26	25	60	56				
Professional and Technical Services	89	93	119	234				
Management of Companies	23	25	23	7				
Administrative and Waste Services	1	1	1	1				
Educational Services	26,171	26,228	27,080	27,468				
Health Care and Social Assistance	10,127	10,561	11,363	11,855				
Arts, Entertainment, and Recreation	66	60	58	114				
Other Services, except Public Administration	948	908	944	945				
Public Administration	23,247	23,613	23,990	24,075				
Unclassified	1	0	0	3				

¹ Covered employment and covered wages exclude federal government.

² Fishing excludes nearly all commercial fish harvesting employment.

Notes: Reimbursable account data are included in the upper portion of this table. Percentages may not add up to 100 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 Covered¹ Wages by Industry
In Thousands, 2007–2010

	Wages				Percent			
	2007	2008	2009	2010	2007	2008	2009	2010
Total Taxable and Reimbursable	\$12,568,882	\$13,333,856	\$13,661,537	\$14,062,347	100.0	100.0	100.0	100.0
Agriculture, Forestry, Fishing, ² and Hunting	32,383	31,484	31,476	39,186	0.3	0.2	0.2	0.3
Mining	1,440,028	1,663,048	1,697,764	1,755,760	11.5	12.5	12.4	12.5
Oil and Gas Extraction	496,030	570,056	602,428	608,627	3.9	4.3	4.4	4.3
Mining Support	782,392	903,568	913,314	928,069	6.2	6.8	6.7	6.6
Other Mining	161,606	189,423	182,022	219,424	1.3	1.4	1.3	1.6
Utilities	123,532	132,575	146,372	155,419	1.0	1.0	1.1	1.1
Construction	1,105,439	1,155,283	1,130,373	1,131,678	8.8	8.7	8.3	8.0
Manufacturing	494,342	483,016	473,242	490,307	3.9	3.6	3.5	3.5
Food	317,240	305,736	302,213	328,269	2.5	2.3	2.2	2.3
Wood Products	14,781	15,513	11,551	8,675	0.1	0.1	0.1	0.1
Other Manufacturing	162,321	161,767	159,477	153,363	1.3	1.2	1.2	1.1
Transportation and Warehousing	1,071,585	1,129,138	1,136,469	1,124,714	8.5	8.5	8.3	8.0
Trade	1,298,584	1,329,282	1,312,641	1,320,785	10.3	10.0	9.6	9.4
Information	358,682	380,778	368,320	354,949	2.9	2.9	2.7	2.5
Finance and Insurance	480,128	497,363	496,630	519,227	3.8	3.7	3.6	3.7
Real Estate, Rental, and Leasing	175,311	181,559	191,868	203,879	1.4	1.4	1.4	1.4
Professional and Technical Services	732,689	818,526	864,212	895,886	5.8	6.1	6.3	6.4
Management of Companies	88,097	90,133	94,372	91,623	0.7	0.7	0.7	0.7
Administrative and Waste Services	423,841	454,345	462,552	465,331	3.4	3.4	3.4	3.3
Educational Services	1,094,538	1,139,779	1,233,868	1,291,086	8.7	8.5	9.0	9.2
Health Care and Social Assistance	1,436,149	1,526,252	1,650,097	1,751,172	11.4	11.4	12.1	12.5
Arts, Entertainment, and Recreation	76,569	79,513	76,393	79,517	0.6	0.6	0.6	0.6
Accommodation and Food Services	525,457	543,554	523,360	541,852	4.2	4.1	3.8	3.9
Other Services, except PA	292,067	308,787	328,827	340,130	2.3	2.3	2.4	2.4
Public Administration	1,297,395	1,367,164	1,429,918	1,494,345	10.3	10.3	10.5	10.6
Unclassified	22,067	22,277	12,785	15,500	0.2	0.2	0.1	0.1
Total Reimbursable Accounts	\$2,691,732	\$2,826,216	\$3,024,074	\$3,163,922				
Transportation and Warehousing	52,673	51,150	49,715	44,207				
Educational Services	1,036,625	1,078,438	1,174,353	1,229,850				
Health Care and Social Assistance	461,444	493,567	544,962	578,525				
Other Services, except Public Administration	24,151	24,143	25,503	24,329				
Public Administration	1,109,270	1,170,341	1,217,757	1,267,961				
Unclassified	7,553	8,578	11,781	18,988				

¹ Covered employment and covered wages exclude federal government.

² Fishing excludes nearly all commercial fish harvesting employment.

Notes: Reimbursable account data are included in the upper portion of this table. Percentages may not add up to 100 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 Wages by Industry
In Thousands, 2007–2010

	Wages				Percent Distribution			
	2007	2008	2009	2010	2007	2008	2009	2010
Total	\$6,074,631	\$6,391,729	\$6,455,222	\$6,718,998	100.0	100.0	100.0	100.0
Agriculture, Forestry, Fishing, ¹ and Hunting	23,895	22,359	23,820	29,622	0.4	0.3	0.4	0.4
Mining	520,783	596,882	584,649	635,403	8.6	9.3	9.1	9.5
Oil and Gas Extraction	109,474	121,809	126,721	131,666	1.8	1.9	2.0	2.0
Mining Support	339,105	395,281	382,321	411,602	5.6	6.2	5.9	6.1
Other Mining	72,204	79,792	75,607	92,135	1.2	1.2	1.2	1.4
Utilities	57,745	62,945	66,962	74,796	1.0	1.0	1.0	1.1
Construction	690,748	706,408	699,548	709,282	11.4	11.1	10.8	10.6
Manufacturing	371,870	365,039	366,039	380,815	6.1	5.7	5.7	5.7
Food	270,137	259,276	264,274	281,634	4.4	4.1	4.1	4.2
Wood Products	11,788	12,075	9,387	6,912	0.2	0.2	0.1	0.1
Other Manufacturing	89,944	93,688	92,378	92,269	1.5	1.5	1.4	1.4
Transportation and Warehousing	554,810	584,872	580,458	587,010	9.1	9.2	9.0	8.7
Trade	957,571	984,329	985,187	1,002,998	15.8	15.4	15.3	14.9
Information	191,942	203,687	199,893	196,799	3.2	3.2	3.1	2.9
Finance and Insurance	258,707	269,603	274,910	286,159	4.3	4.2	4.3	4.3
Real Estate, Rental, and Leasing	124,470	126,520	135,194	144,891	2.0	2.0	2.1	2.2
Professional and Technical	383,087	425,844	445,160	468,801	6.3	6.7	6.9	7.0
Management of Companies	43,679	45,811	46,358	47,113	0.7	0.7	0.7	0.7
Administrative and Waste Services	301,945	317,106	323,475	326,642	5.0	5.0	5.0	4.9
Educational Services	41,287	44,548	43,085	45,504	0.7	0.7	0.7	0.7
Health Care and Social Assistance	661,428	701,829	747,218	801,529	10.9	11.0	11.6	11.9
Art, Entertainment and Recreation	64,831	68,934	66,759	68,138	1.1	1.1	1.0	1.0
Accommodation and Food Services	473,221	490,148	472,369	494,459	7.8	7.7	7.3	7.4
Other Service, except Public Administration	195,421	210,284	222,665	232,554	3.2	3.3	3.4	3.5
Public Administration	140,220	147,006	161,124	173,843	2.3	2.3	2.5	2.6
Unclassified	16,973	17,576	10,351	12,641	0.3	0.3	0.2	0.2

¹ Fishing excludes nearly all commercial fish harvesting employment.

Note: Percentages may not add up to 100 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 Wages in Covered Employment¹ by Industry
2006–2010

	2006	2007	2008	2009	2010
Total Taxable and Reimbursable	\$40,699	\$42,749	\$44,755	\$46,041	\$47,029
Agriculture, Forestry, Fishing, ² and Hunting	37,747	39,252	41,156	39,692	41,865
Mining	99,177	104,684	109,787	113,677	115,762
Oil and Gas Extraction	145,052	152,907	161,890	167,063	171,396
Mining Support	86,182	91,412	94,962	98,027	99,195
Other Mining	79,901	82,748	89,700	90,423	97,090
Utilities	61,415	64,407	67,417	70,507	69,229
Construction	57,986	62,408	66,062	68,666	69,386
Manufacturing	35,571	37,633	37,209	36,963	38,671
Food	30,780	32,905	32,272	31,675	34,298
Wood Products	33,353	36,677	38,069	40,530	38,556
Other Manufacturing	51,636	52,497	52,187	53,552	53,196
Transportation and Warehousing	48,743	52,209	54,249	56,614	57,451
Trade	29,556	30,477	31,109	31,324	31,673
Information	49,866	51,654	54,298	55,587	55,031
Finance and Insurance	51,270	53,544	55,275	56,129	58,307
Real Estate, Rental, and Leasing	32,367	33,456	36,040	37,829	39,027
Professional and Technical Services	54,238	58,493	62,001	63,363	64,736
Management of Companies	72,363	74,343	74,986	75,923	78,985
Administrative and Waste Services	35,034	37,049	38,599	40,575	41,337
Educational Services	39,036	39,022	40,463	42,585	43,876
Health Care and Social Assistance	37,733	39,294	41,020	42,503	43,059
Arts, Entertainment, and Recreation	16,728	17,522	17,518	16,894	18,093
Accommodation and Food Services	18,325	19,029	19,684	19,672	20,080
Other Services, except Public Administration	29,319	30,232	31,207	32,644	33,720
Public Administration	41,720	42,773	44,467	45,433	47,346
Unclassified	31,305	33,384	34,592	33,734	34,989
Total Reimbursable Accounts	\$42,990	\$43,671	\$45,313	\$46,925	\$48,313
Transportation and Warehousing	54,357	57,566	60,533	63,170	61,313
Educational Services	39,506	39,610	41,119	43,366	44,774
Health Care and Social Assistance	44,252	45,566	46,736	47,959	48,800
Other Services, except Public Administration	23,958	25,476	26,589	27,016	25,745
Public Administration	46,621	47,717	49,564	50,761	52,667

¹ Covered employment and covered wages exclude federal government.

² Fishing excludes nearly all commercial fish harvesting employment.

Note: Reimbursable account data are included in the upper portion of this table.

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 Wages in Covered Employment¹
by Industry, 2006–2010

	2006	2007	2008	2009	2010
Total Taxable and Reimbursable	\$782.68	\$822.10	\$860.68	\$885.41	\$904.40
Agriculture, Forestry, Fishing, ² and Hunting	725.91	754.85	791.45	763.31	805.10
Mining	1,907.24	2,013.15	2,111.28	2,186.09	2,226.19
Oil and Gas Extraction	2,789.46	2,940.52	3,113.27	3,212.74	3,296.08
Mining Support	1,657.35	1,757.92	1,826.20	1,885.13	1,907.60
Other Mining	1,536.56	1,591.30	1,724.99	1,738.91	1,867.12
Utilities	1,181.07	1,238.59	1,296.48	1,355.90	1,331.33
Construction	1,115.11	1,200.16	1,270.43	1,320.49	1,334.34
Manufacturing	684.06	723.70	715.57	710.83	743.67
Food	591.91	632.79	620.61	609.14	659.58
Wood Products	641.40	705.33	732.09	779.42	741.45
Other Manufacturing	993.00	1,009.56	1,003.60	1,029.84	1,022.99
Transportation and Warehousing	937.37	1,004.01	1,043.25	1,088.73	1,104.82
Trade	568.39	586.09	598.25	602.39	609.09
Information	958.97	993.34	1,044.19	1,068.98	1,058.29
Finance and Insurance	985.96	1,029.69	1,062.98	1,079.41	1,121.30
Real Estate, Rental, and Leasing	622.44	643.39	693.07	727.48	750.53
Professional and Technical Services	1,043.04	1,124.87	1,192.33	1,218.52	1,244.93
Management of Companies	1,391.59	1,429.68	1,442.04	1,460.05	1,518.95
Administrative and Waste Services	673.73	712.48	742.28	780.28	794.94
Educational Services	750.69	750.43	778.13	818.95	843.76
Health Care and Social Assistance	725.63	755.65	788.85	817.37	828.06
Arts, Entertainment, and Recreation	321.68	336.95	336.88	324.88	347.93
Accommodation and Food Services	352.39	365.95	378.54	378.31	386.15
Other Services, except Public Administration	563.84	581.38	600.14	627.78	648.45
Public Administration	802.31	822.56	855.13	873.71	910.51
Unclassified	602.02	642.01	665.22	648.72	672.86
Total Reimbursable Accounts	\$826.74	\$839.84	\$871.40	\$902.40	\$929.10
Transportation and Warehousing	1,045.33	1,107.04	1,164.09	1,214.81	1,179.10
Educational Services	759.73	761.72	790.74	833.96	861.04
Health Care and Social Assistance	851.01	876.26	898.77	922.30	938.46
Other Services, except Public Administration	460.74	489.92	511.33	519.54	495.10
Public Administration	896.56	917.63	953.16	976.17	1,012.83

¹ Covered employment and covered wages exclude federal government.

² Fishing excludes nearly all commercial fish harvesting employment.

Notes: Average Weekly Earnings = Average Annual Earnings (Table 1.5) divided by 52.
 Reimbursable account data are included in the upper portion of this table.

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

Table 1.7
Average Monthly Covered Employment¹ by Ownership
2001–2010

Covered Employment	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Total	265,945	271,350	274,755	279,161	285,455	290,310	294,016	297,925	296,720	299,018
State Government	20,988	21,830	22,022	21,831	22,077	22,433	22,648	22,929	23,354	23,726
Local Government	35,281	37,353	37,076	36,428	36,906	36,474	37,042	37,425	38,482	37,941
Private Industry	209,676	212,167	215,657	220,902	226,472	231,403	234,326	237,571	234,884	237,351
Taxable	200,825	203,010	205,949	211,161	216,533	221,507	224,318	227,325	223,824	225,019
Reimbursable	8,851	9,157	9,708	9,741	9,939	9,896	10,008	10,246	11,060	12,332
Percent Distribution										
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
State Government	7.9	8.0	8.0	7.8	7.7	7.7	7.7	7.7	7.9	7.9
Local Government	13.3	13.8	13.5	13.0	12.9	12.6	12.6	12.6	13.0	12.7
Private Industry	78.8	78.2	78.5	79.1	79.3	79.7	79.7	79.7	79.2	79.4
Taxable	75.5	74.8	75.0	75.6	75.9	76.3	76.3	76.3	75.4	75.3
Reimbursable	3.3	3.4	3.5	3.5	3.5	3.4	3.4	3.4	3.7	4.1

¹ Covered employment and covered wages exclude federal government.

Note: Percentages may not add up to 100 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 Wages¹ by Ownership
In Thousands, 2001–2010

Ownership	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Total	\$9,384,548	\$9,779,538	\$10,093,400	\$10,582,052	\$11,148,894	\$11,815,332	\$12,568,882	\$13,333,856	\$13,661,451	\$14,062,347
State Government	826,632	879,064	910,098	913,913	976,244	1,011,295	1,060,206	1,116,978	1,170,928	1,222,887
Local Government	1,218,672	1,280,960	1,312,305	1,339,864	1,373,025	1,415,132	1,437,176	1,505,388	1,615,411	1,653,100
Private Industry	7,339,244	7,619,514	7,870,997	8,328,275	8,799,625	9,388,905	10,071,500	10,711,490	10,875,112	11,186,360
Taxable	7,029,444	7,285,303	7,511,133	7,945,879	8,405,074	8,977,580	9,643,328	10,259,762	10,375,964	10,615,839
Reimbursable	309,800	334,211	359,864	382,396	394,551	411,325	428,172	451,728	499,148	570,521
Percent Distribution										
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
State Government	8.8	9.0	9.0	8.6	8.8	8.6	8.4	8.4	8.6	8.7
Local Government	13.0	13.1	13.0	12.7	12.3	12.0	11.4	11.3	11.8	11.8
Private Industry	78.2	77.9	78.0	78.7	78.9	79.5	80.1	80.3	79.6	79.5
Taxable	74.9	74.5	74.4	75.1	75.4	76.0	76.7	76.9	76.0	75.5
Reimbursable	3.3	3.4	3.6	3.6	3.5	3.5	3.4	3.4	3.7	4.1

¹ Covered employment and covered wages exclude federal government.

Note: Percentages may not add up to 100 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 Wages¹ by Ownership
In Thousands, 2001–2010

Taxable Wages	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Total	\$4,556,600	\$4,722,968	\$4,874,371	\$5,130,288	\$5,436,868	\$5,720,285	\$6,074,631	\$6,391,729	\$6,455,222	\$6,718,998
State Government	9,491	8,877	8,675	8,911	8,965	9,039	8,857	9,637	10,118	10,615
Local Government	133,487	147,575	149,563	154,032	154,521	151,072	161,763	170,253	182,255	198,269
Private Industry	4,413,622	4,566,516	4,716,133	4,967,345	5,273,382	5,560,174	5,904,011	6,211,839	6,262,849	6,510,114
Percent Distribution										
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
State Government	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.2	0.2	0.2
Local Government	2.9	3.1	3.1	3.0	2.8	2.6	2.7	2.7	2.8	3.0
Private Industry	96.9	96.7	96.8	96.8	97.0	97.2	97.2	97.2	97.0	96.9

¹ Covered employment and covered wages exclude federal government.

Note: Percentages may not add up to 100 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 Wages in Covered Employment¹
by Ownership, 2001–2010

Average Annual Wage	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Total	\$35,288	\$36,040	\$36,736	\$37,907	\$39,057	\$40,699	\$42,749	\$44,756	\$46,042	\$47,028
State Government	39,386	40,269	41,327	41,863	44,220	45,081	46,812	48,715	50,140	51,542
Local Government	34,542	34,293	35,395	36,781	37,203	38,798	38,799	40,224	41,979	43,570
Private Industry	35,003	35,913	36,498	37,701	38,855	40,574	42,981	45,088	46,300	47,130
Taxable	35,003	35,887	36,471	37,629	38,817	40,530	42,990	45,133	46,358	47,178
Reimbursable	35,002	36,498	37,069	39,256	39,697	41,565	42,783	44,080	45,131	46,263

¹ Covered employment and covered wages exclude federal government.

Note: Average Annual Earnings = Total Covered Wages (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 Wages in Covered Employment¹
by Ownership, 2001–2010

Ownership	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Total	\$678.62	\$693.08	\$706.46	\$728.98	\$751.09	\$782.69	\$822.11	\$860.69	\$885.42	\$904.39
State Government	757.42	774.40	794.75	805.06	850.38	866.94	900.24	936.83	964.23	991.19
Local Government	664.27	659.48	680.67	707.33	715.45	746.12	746.13	773.54	807.29	837.89
Private Industry	673.13	690.63	701.88	725.02	747.22	780.27	826.55	867.08	890.38	906.35
Taxable	673.13	690.13	701.36	723.63	746.47	779.41	826.72	867.94	891.50	907.26
Reimbursable	673.12	701.88	712.86	754.92	763.41	799.32	822.75	847.69	867.90	889.68

¹ Covered employment and covered wages exclude federal government.

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

Unemployment Insurance Benefit Payments

Benefit payments double in 2009 and climb to over \$300 million in 2010

Total benefit payments in 2008 was \$120 million (with the average for 2001 to 2008 under \$ 130 million). Total payments more than doubled in 2009 to \$247.6 million, and continued the climb to \$311 million in 2010. (See Table 2.13.)

During 2009 and 2010, extended benefits (EB) were available continuously from the fifth week of 2009. EB is normally funded by 50 percent federal dollars, but during 2009 and 2010 was 100 percent federally supported. In addition, the federal program EUC08 (Emergency Unemployment Compensation) continued during 2009 and 2010 and accounted for a large portion of benefit payments, which were paid with federal funds.

Alaska's UI system paid \$37.2 million in regular benefits (state-funded) to out-of-state claimants in 2010, which was 16.9 percent of all regular UI benefit payments. (See Table 2.14.) The portion of benefits paid to out-of state claimants has been consistent for many years. The total benefits paid for all programs to out-of-state claimants were \$66 million.

Six different UI programs distributed benefits in Alaska in 2010, including two standing federally funded programs: the Unemployment Compensation for Federal Employees (UCFE) program and the Unemployment Compensation for Ex-Servicemen (UCX) program. Of the money that the UI programs paid to claimants in 2010, 60 percent (normally over 85 percent) was through the regular UI program. The extended benefits program, active for nearly all of 2009 and all of 2010, distributed just under \$45 million in 2010. Its companion program, the supplemental state benefits program, is smaller in scale but paid out more than \$223,000. EUC08 paid \$73.7 million in 2010. (See Table 2.13.)

Regular benefits: The nation's fundamental (but state-administered) UI program

The regular benefits program is the largest part of each state's UI program. Cre-

ated by the Employment Security Act of 1937, the regular benefits program is loosely modeled after benefit programs in Europe.

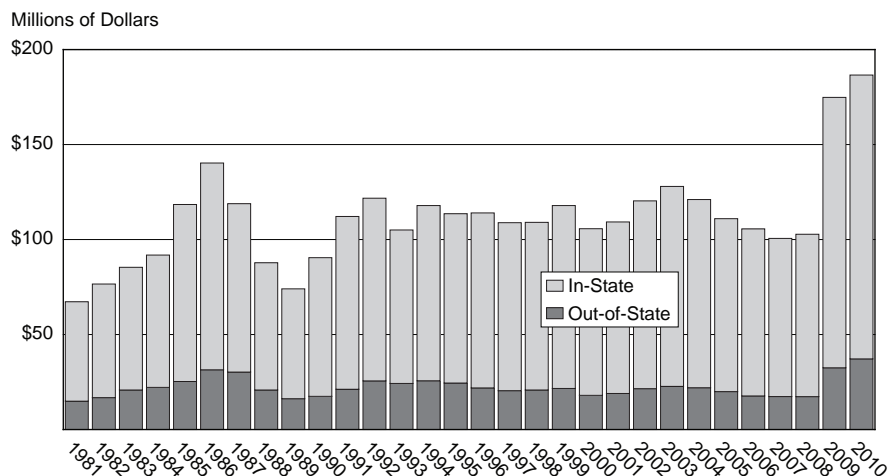
In Alaska, eligibility for regular benefits (revised 2009) requires individuals to earn at least \$2,500 in wages in their base period with at least \$250 earned outside the highest wage quarter of their base period.

The base period is the first four of the five most recently completed quarters. However, base period wages are not always a claimant's wages 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 wages are determined as follows:

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

The amount of benefits a claimant may receive weekly depends on the base period wages. The minimum weekly

Figure 2.1 Amount of UI Payments, Regular Benefits 1981–2010



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

benefit amount (revised 2009) is \$56 for \$2,500 in base period wages and increases in \$2 increments for each additional \$250 in wages. (See Table 2.3.) The maximum benefit amount (since 2009) is \$370 a week for base period wages of \$41,750 or more.

Alaska's \$239.37 in average weekly benefits in 2010 was low when compared to other states and the District of Columbia, ranking 44th. (See Table 2.6.) The national average benefit amount declined \$10.27 from 2009, since most states saw drops in this annual statistic.

During 2010, 63,453 unemployed people received \$192 million in regular UI benefits, including UCFE and UCX. All regular benefit clients were potentially eligible for an average of 20.5 weeks of benefits. The average actual duration was 23.1 weeks, a sign of unusually high demand. (See Tables 2.5 and 2.13.) There were 72,922 claimants in 2010 who received benefits from any program. (See Table 2.2.) This is a new Alaska record.

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 add the concept of need into a system that 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 for three children. To qualify for dependent benefits, the child must be younger than 18 and be an unmarried child or stepchild of the claimant who is lawfully in the claimant's physical custody at the time of the claim or depends 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 2010, the UI program paid \$14.1 million in dependent benefits to roughly 20,000 people receiving regular UI benefits. (See Table 2.15.) Dependent allowance recipients accounted for 31 percent of all claimants. (See Table 2.2.) Claimants who received the maximum three-child allowance represented 7.5 percent of all claimants. The total dependent allowances paid in 2010 amounted to 8 percent of the regular UI benefit dollars paid that year.

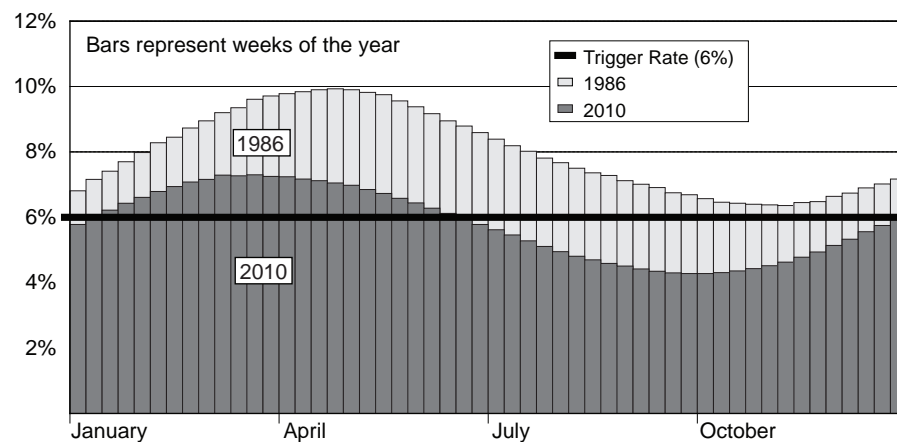
Duration of benefits depends on work stability

The length of time a person may claim benefits varies in each state and 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 and therefore the higher the potential duration of benefits.

The potential duration of benefits is defined by a schedule in AS 23.20.350(e), and ranges from 16 weeks with a ratio of less than 1.50 to 26 weeks with a ratio of 3.50 or more. (See Table 2.4.) Claimants with a ratio of less than 1.50 have earned more than two-thirds of their wages in one quarter.

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.

Figure 2.2 Alaska Insured Unemployment Rate 1986 and 2010



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

Benefit duration shorter for workers who quit 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 deny benefits to claimants who voluntarily quit or are fired. To requalify for benefits, claimants in those states must obtain another job, work for a specific period, and then become unemployed again for a nondisqualifying reason.

Alaska 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 benefits 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 a 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.

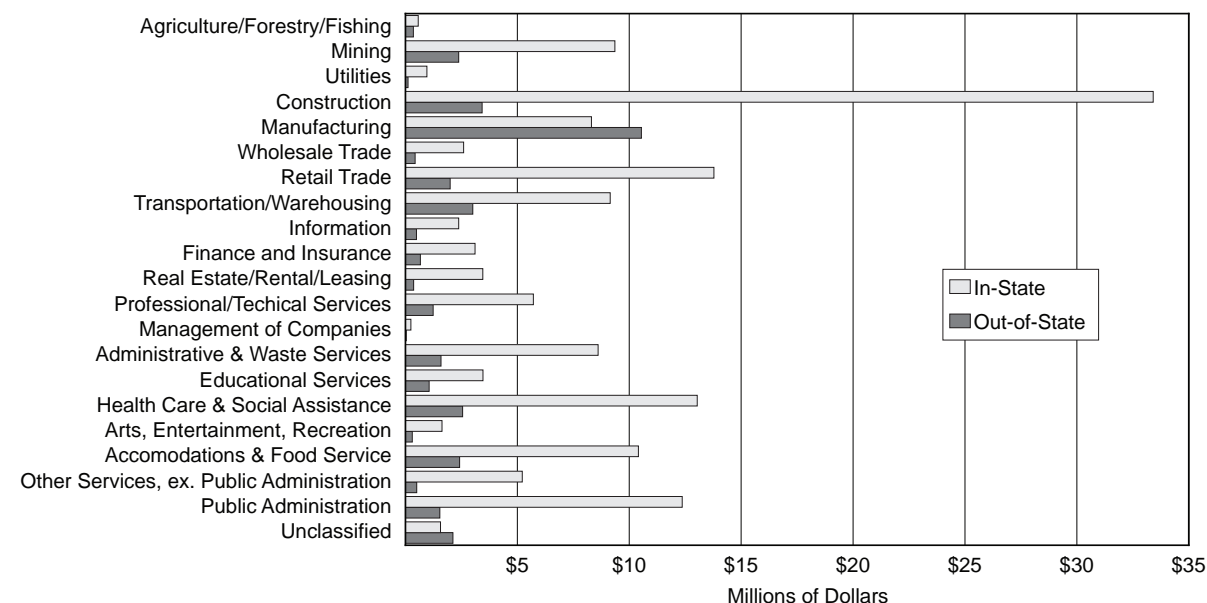
Extended benefits become a constant feature in 2009 and 2010

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

For extended benefits to be payable, unemployment must be high enough to meet a set federal standard. Usually, an extended benefits period exists whenever 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 but available from January to April.

The IUR is calculated by dividing the average number of weeks of UI claimed for the previous 13 weeks by the aver-

Figure 2.3 UI Regular Benefit Payments by Industry for In-State and Out-of-State Claimants, 2010



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

age covered employment for the previous four quarters.

A second or alternate measure can also trigger or end extended benefits. This measure, the Total Unemployment Rate (TUR), was adopted in 1993 and compares the current three-month average statewide unemployment rate to the same three-month period for the prior two years. An EB payment period is authorized if the three-month average is at least 6.5 percent, and 10 percent higher than the same period in either of the prior two years. The TUR criteria have only been a determining EB trigger a couple of times in recent years: in 2002–2004 and 2008–2011.

In Alaska, EB made a comeback during 2008 and was available for 19 weeks, from June to October. It returned for a lengthy period the fifth week of 2009 and was available for 124 weeks, until week 24 of 2011. The EB program provided \$31.6 million in benefits during 2009 and \$44.9 million in 2010, for a two-year total of \$76.5 million.

High unemployment period boosts maximum EB weeks payable from 13 to 20

During 2009 to 2010, the unemployment rates were high enough to authorize a “high unemployment period” (HUP), which makes additional weeks of extended benefits available. When HUP is in effect, the maximum number of EB weeks payable to an individual is augmented to 20 weeks from the normal 13. The 20-week provision was in effect from week 19 of 2009 through week 41 of 2010 (a consecutive 76 weeks). There was also a 13-week period of HUP during 2011, just prior to the end of any extended benefits weeks payable.

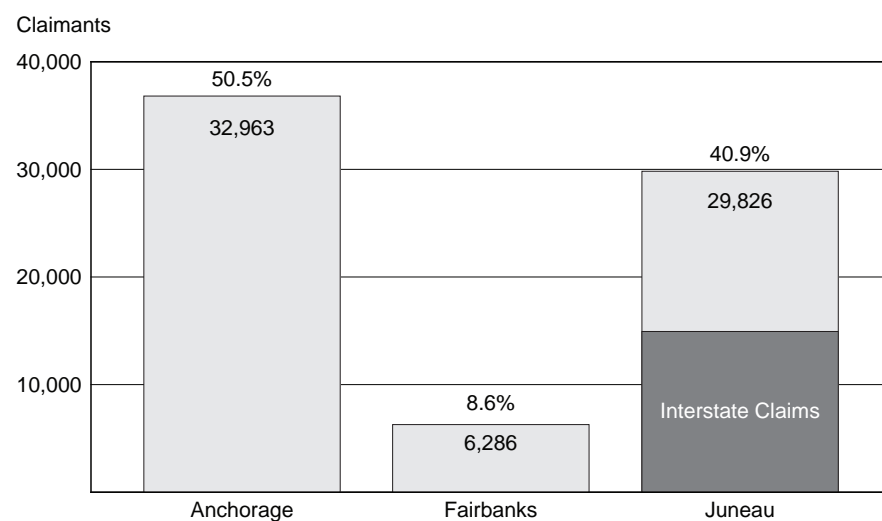
Supplemental state benefits assist some claimants with low earnings

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. Claimants who are ineligible for extended benefits solely because of the “40 times rule” are eligible for SSB whenever extended benefits are triggered.

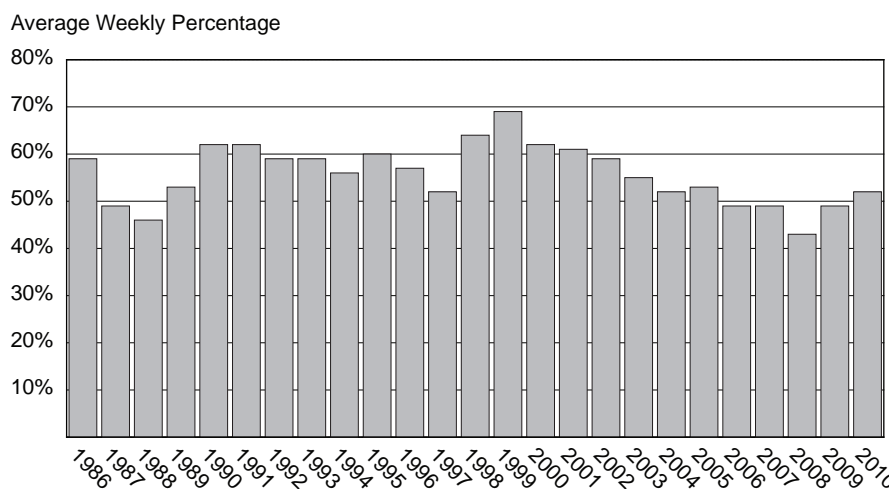
SSB, the companion piece to EB, was payable for 48 weeks in 2009 and for all 52 weeks of 2010.

Figure 2.4 Claimants by Processing Center in 2010



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

Figure 2.5 Percentage of Unemployed Receiving UI in Alaska, 1986–2010



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

Federal Emergency Unemployment Compensation pays \$110 million in two years

As part of its response to the latest recession (12/07 to 6/09), the federal government created a special, or emergency, unemployment program, as it does periodically. The federal program EUC08 began paying benefits for week 28 of 2008. Since then, the U.S. created several tiers (2, 3, and 4) and extensions for the entire program. EUC08 will phase out in 2012. If we add the maximum weeks for the various UI programs (regular UI, EB-HUP, and EUC Tiers 1, 2, 3, and 4) we get (26 + 20 + 20 + 14 + 13 + 6) the 99 weeks figure that received great attention in the press. The EUC program provided \$37 million for benefit payments in 2009, and \$74 million in 2010. This amounted to roughly 20 percent of benefits paid the last two years.

Federal additional compensation raises benefit amounts in 2009 and 2010 by \$25

FAC was created as part of the 2009 federal economic stimulus programs. It provided an additional \$25 to the weekly benefit amount of all recipients. Because it was fed-

erally funded, like EUC-08, there was no effect on Alaska's financing system. FAC was first paid for the week ending Feb. 28, 2009, and ended Dec. 11, 2010.

Alaska sent roughly 20 percent of its regular UI payments outside Alaska in 2010

Alaska sent 19.9 percent, or \$37.2 million, of its regular benefit payments to claimants living outside the state in 2010 and 18.6 percent of its payments out of state in 2009. (See tables 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.)

The portion of benefits going out of Alaska was slightly higher the past two years in the aftermath of the national recession. Nearly half (46 percent) of the benefits sent out of state in 2010 went to the West Coast: California (18.5 percent), Washington (19.5 percent), and Oregon (7.9 percent). (See Table 2.14.) Workers in the manufacturing industry received 28.4 percent of the out-of-state payments in 2010. (See Table 2.10.)

**Table 2.1
Unemployment, 1991–2010**

Year	Total Labor Force ¹	Total Unemployment ¹	Total Unemployment Rate (TUR) Percent ¹	Covered Employment	Insured Unemployment	Insured Unemployment Rate (IUR) Percent	Percent Ratio IUR to TUR
1991	278,799	23,000	8.2	218,367	13,237	6.1	73.5
1992	288,777	25,797	8.9	221,795	13,880	6.3	70.1
1993	293,758	22,500	7.7	226,475	12,213	5.4	70.4
1994	300,742	22,544	7.5	223,455	13,554	6.1	80.9
1995	303,666	21,568	7.1	237,816	12,885	5.4	76.3
1996	308,573	23,021	7.5	239,746	13,120	5.5	73.4
1997	311,961	21,998	7.1	244,255	12,095	5.0	70.2
1998	313,079	19,140	6.1	250,251	12,140	4.9	80.3
1999	316,507	19,488	6.2	252,228	12,866	5.1	82.3
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	336,549	25,787	7.7	274,755	14,259	5.2	67.5
2004	339,859	25,106	7.4	279,161	13,471	4.8	64.9
2005	344,305	23,715	6.9	285,455	12,443	4.4	63.8
2006	349,919	22,810	6.5	290,310	11,649	4.0	61.5
2007	352,291	21,416	6.1	294,016	10,503	3.6	59.0
2008	357,458	23,059	6.5	297,925	10,995	3.7	56.9
2009	358,529	27,932	7.8	296,720	14,277	4.8	61.5
2010	361,331	28,928	8.0	299,017	13,896	4.6	57.5

¹ Labor Force Data are current as of March 2011. Figures from 2006 to present are recent revisions in the data series.

Note: The total unemployment rate (TUR) and the insured unemployment rate (IUR) are presented for comparison. The TUR is the "official" unemployment rate most often cited in the media. It is the percentage derived from 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
2010

Characteristics	Number	Percent of Total	Characteristics	Number	Percent of Total
Total	72,922	100.0	Occupation:		
Gender:			Agriculture, Forestry and Fishing, ¹	1,208	1.7
Male	45,555	62.5	Benchwork	318	0.4
Female	27,367	37.5	Clerical and Sales	11,341	15.6
Age:			Machine Trades	1,822	2.5
Less than 21	1,630	2.2	Processing	5,667	7.8
21-24	7,137	9.8	Professional, Technical, Managerial Service	9,083	12.5
25-34	20,143	27.6	Structural Work	11,075	15.2
35-44	15,058	20.6	Miscellaneous and Unknown	14,993	20.6
45-54	16,953	23.2		17,415	23.9
55-64	9,889	13.6	Average Annual Earnings:		
65+	2,112	2.9	\$1,000- \$9,999	16,022	22.0
Number of Dependents:			\$10,000-\$19,999	18,101	24.8
0	50,287	69.0	\$20,000-\$29,999	13,365	18.3
1	9,987	13.7	\$30,000-\$39,999	8,631	11.8
2	7,149	9.8	\$40,000-\$49,999	5,707	7.8
3+	5,499	7.5	\$50,000-\$59,999	3,620	5.0
Ethnic Background:			\$60,000-\$69,999	2,422	3.3
Alaska Native/American Indian	16,444	22.6	\$70,000-\$79,999	1,692	2.3
Asian and Pacific Islander	6,259	8.6	\$80,000-\$89,999	1,081	1.5
Black	3,433	4.7	\$90,000+	2,281	3.1
Hispanic	4,418	6.1	Geographic Location:		
White	41,688	57.2	Aleutians East Borough	241	0.3
Other	680	0.9	Aleutians West Census Area	560	0.8
No Information	0	0.0	Anchorage, Municipality of	19,880	27.3
Industry:			Bethel Census Area	2,185	3.0
Agriculture, Forestry, Fishing, ¹ and Hunting	430	0.6	Bristol Bay Borough	81	0.1
Mining	3,710	5.1	Denali Borough	262	0.4
Oil and Gas	3,017	4.1	Dillingham Census Area	439	0.6
Other Mining	693	1.0	Fairbanks North Star Borough	6,194	8.5
Utilities	302	0.4	Haines Borough	259	0.4
Construction	11,331	15.5	Juneau, City and Borough of	2,108	2.9
Manufacturing	8,557	11.7	Kenai Peninsula Borough	5,424	7.4
Food Products	7,580	10.4	Ketchikan Gateway Borough	1,331	1.8
Wood Products	155	0.2	Kodiak Island Borough	1,498	2.1
Other Manufacturing	822	1.1	Lake and Peninsula Borough	224	0.3
Trade	8,370	11.5	Matanuska-Susitna Borough	8,252	11.3
Transportation and Warehousing	4,481	6.1	Nome Census Area	1,030	1.4
Information	895	1.2	North Slope Borough	520	0.7
Finance and Insurance	1,210	1.7	Northwest Arctic Borough	774	1.1
Real Estate and Rental and Leasing	1,391	1.9	Prince of Wales-Outer Ketchikan Census Area	142	0.2
Professional and Technical Service	2,194	3.0	Sitka, City and Borough of	598	0.8
Management of Companies	85	0.1	Skagway-Hoonah-Angoon Census Area	101	0.1
Administrative and Waste Services	3,877	5.3	Southeast Fairbanks Census Area	749	1.0
Educational Services	1,713	2.3	Valdez-Cordova Census Area	932	1.3
Health Care and Social Assistance	5,816	8.0	Wade Hampton Census Area	1,254	1.7
Arts, Entertainment, and Recreation	954	1.3	Wrangell-Petersburg Census Area	246	0.3
Accommodation and Food Services	6,780	9.3	Yakutat, City and Borough of	69	0.1
Other Services, except PA	2,270	3.1	Yukon-Koyukuk Census Area	929	1.3
Public Administration	6,278	8.6	Alaska Area Unknown	1,468	2.0
Unclassified/Unknown	2,278	3.1	Total In-State	57,750	79.2
			Out-of-State	15,172	20.8
			Local Office:		
			Anchorage	36,810	50.5
			Central – Interstate Claims	14,889	20.4
			Fairbanks	6,286	8.6
			Juneau (includes Rural Mail Claims)	14,937	20.5

¹ Fishing excludes nearly all commercial fish harvesting employment.

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

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

Table 2.3
Schedule of UI Weekly Benefit Amounts
Effective January 1, 2009

Base Period Wages		Weekly Benefit Amount	Base Period Wages		Weekly Benefit Amount	Base Period Wages		Weekly Benefit Amount
At Least	Less Than		At Least	Less Than		At Least	Less Than	
\$0	\$2,500	\$0	\$15,250	\$15,500	\$158	\$28,250	\$28,500	\$262
2,500	2,750	56	15,500	15,750	160	28,500	28,750	264
2,750	3,000	58	15,750	16,000	162	28,750	29,000	266
3,000	3,250	60	16,000	16,250	164	29,000	29,250	268
3,250	3,500	62	16,250	16,500	166	29,250	29,500	270
3,500	3,750	64	16,500	16,750	168	29,500	29,750	272
3,750	4,000	66	16,750	17,000	170	29,750	30,000	274
4,000	4,250	68	17,000	17,250	172	30,000	30,250	276
4,250	4,500	70	17,250	17,500	174	30,250	30,500	278
4,500	4,750	72	17,500	17,750	176	30,500	30,750	280
4,750	5,000	74	17,750	18,000	178	30,750	31,000	282
5,000	5,250	76	18,000	18,250	180	31,000	31,250	284
5,250	5,500	78	18,250	18,500	182	31,250	31,500	286
5,500	5,750	80	18,500	18,750	184	31,500	31,750	288
5,750	6,000	82	18,750	19,000	186	31,750	32,000	290
6,000	6,250	84	19,000	19,250	188	32,000	32,250	292
6,250	6,500	86	19,250	19,500	190	32,250	32,500	294
6,500	6,750	88	19,500	19,750	192	32,500	32,750	296
6,750	7,000	90	19,750	20,000	194	32,750	33,000	298
7,000	7,250	92	20,000	20,250	196	33,000	33,250	300
7,250	7,500	94	20,250	20,500	198	33,250	33,500	302
7,500	7,750	96	20,500	20,750	200	33,500	33,750	304
7,750	8,000	98	20,750	21,000	202	33,750	34,000	306
8,000	8,250	100	21,000	21,250	204	34,000	34,250	308
8,250	8,500	102	21,250	21,500	206	34,250	34,500	310
8,500	8,750	104	21,500	21,750	208	34,500	34,750	312
8,750	9,000	106	21,750	22,000	210	34,750	35,000	314
9,000	9,250	108	22,000	22,250	212	35,000	35,250	316
9,250	9,500	110	22,250	22,500	214	35,250	35,500	318
9,500	9,750	112	22,500	22,750	216	35,500	35,750	320
9,750	10,000	114	22,750	23,000	218	35,750	36,000	322
10,000	10,250	116	23,000	23,250	220	36,000	36,250	324
10,250	10,500	118	23,250	23,500	222	36,250	36,500	326
10,500	10,750	120	23,500	23,750	224	36,500	36,750	328
10,750	11,000	122	23,750	24,000	226	36,750	37,000	330
11,000	11,250	124	24,000	24,250	228	37,000	37,250	332
11,250	11,500	126	24,250	24,500	230	37,250	37,500	334
11,500	11,750	128	24,500	24,750	232	37,500	37,750	336
11,750	12,000	130	24,750	25,000	234	37,750	38,000	338
12,000	12,250	132	25,000	25,250	236	38,000	38,250	340
12,250	12,500	134	25,250	25,500	238	38,250	38,500	342
12,500	12,750	136	25,500	25,750	240	38,500	38,750	344
12,750	13,000	138	25,750	26,000	242	38,750	39,000	346
13,000	13,250	140	26,000	26,250	244	39,000	39,250	348
13,250	13,500	142	26,250	26,500	246	39,250	39,500	350
13,500	13,750	144	26,500	26,750	248	39,500	39,750	352
13,750	14,000	146	26,750	27,000	250	39,750	40,000	354
14,000	14,250	148	27,000	27,250	252	40,000	40,250	356
14,250	14,500	150	27,250	27,500	254	40,250	40,500	358
14,500	14,750	152	27,500	27,750	256	40,500	40,750	360
14,750	15,000	154	27,750	28,000	258	40,750	41,000	362
15,000	15,250	156	28,000	28,250	260	41,000	41,250	364
						41,250	41,500	366
						41,500	41,750	368
						41,750	42,000	370
						42,000		370

Source: Alaska Statute 23.20.350(d).
The benefit schedule was amended effective Jan 1, 2009.
Benefits for wages at least \$1,000 but under \$2,500 were deleted.
Benefits for wages at least \$26,750 but under \$42,000 were added.

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)
This schedule has been in effect since Oct 1, 1980.

Table 2.5
Payment Data for UI Regular Benefits
2001–2010

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	Percent of First Payments	Potential	Actual	Actual for Exhausts ²	Amount	Ratio of WBA to Average Weekly Earnings	Benefits Without Dependents	Benefits With Dependents
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
2007	38,422	551,470	15,015	39.1	20.9	14.4	20.7	200.09	0.24	248.00	320.00
2008	37,656	548,161	15,736	41.8	20.8	14.6	20.7	202.16	0.23	248.00	320.00
2009	34,199	753,141	20,809	60.8	20.9	22.0	19.8	241.12	0.27	370.00	442.00
2010	34,516	797,554	25,653	74.3	20.5	23.1	19.8	239.37	0.26	370.00	442.00

Payment data are for taxable and reimbursable benefits. Some Data Revisions for 2008 and 2009.

Exhaustion: persons receiving payments for the maximum number of weeks available to them in a particular program.

Dependents benefit is \$24 per dependent, to a maximum of three (total maximum \$72).

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

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

BEP 3565 P Quarterly Management Reports;

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

Table 2.6
Average Weekly Benefits as a Percentage of
Average Weekly Wages, 2010

State	Benefit		Weekly		Average Weekly	
	Amount	Rank	Wages	Rank	Benefit Amount as Percentage of Wages	Rank
Alabama	\$205.80	50	\$752.08	32	27.4	45
Alaska	239.37	44	904.39	14	26.5	46
Arizona	214.03	48	814.32	20	26.3	48
Arkansas	278.10	31	680.97	46	40.8	11
California	301.45	21	1,004.74	6	30.0	40
Colorado	346.53	7	916.63	11	37.8	23
Connecticut	327.37	10	1,179.09	3	27.8	44
Delaware	247.37	42	941.18	10	26.3	49
Dist. of Columbia	298.92	22	1,437.86	1	20.8	51
Florida	230.89	46	776.32	30	29.7	41
Georgia	273.22	35	848.21	18	32.2	36
Hawaii	416.32	1	739.60	35	56.3	1
Idaho	255.47	38	656.60	48	38.9	19
Illinois	316.69	14	955.36	7	33.1	35
Indiana	295.00	27	754.75	31	39.1	18
Iowa	321.39	12	719.99	40	44.6	3
Kansas	326.27	11	739.10	36	44.1	4
Kentucky	288.80	29	731.92	39	39.5	17
Louisiana	208.90	49	791.55	24	26.4	47
Maine	274.00	34	679.92	47	40.3	14
Maryland	315.80	16	950.05	8	33.2	34
Massachusetts	391.80	3	1,119.31	4	35.0	31
Michigan	296.62	25	843.51	19	35.2	30
Minnesota	355.96	6	900.27	15	39.5	16
Mississippi	189.99	51	639.02	49	29.7	42
Missouri	244.16	43	776.59	29	31.4	37
Montana	271.83	37	636.71	50	42.7	6
Nebraska	251.86	40	695.78	45	36.2	29
Nevada	317.88	13	783.09	26	40.6	12
New Hampshire	272.42	36	881.78	16	30.9	38
New Jersey	397.41	2	1,078.11	5	36.9	27
New Mexico	315.76	17	717.59	42	44.0	5
New York	306.61	20	1,230.28	2	24.9	50
North Carolina	298.46	23	780.00	28	38.3	22
North Dakota	310.43	19	732.89	37	42.4	9
Ohio	296.59	26	789.36	25	37.6	24
Oklahoma	276.19	32	719.95	41	38.4	21
Oregon	289.70	28	780.83	27	37.1	25
Pennsylvania	337.91	8	868.92	17	38.9	20
Rhode Island	380.40	5	809.71	21	47.0	2
South Carolina	236.41	45	703.46	43	33.6	33
South Dakota	251.12	41	625.69	51	40.1	15
Tennessee	223.44	47	794.18	23	28.1	43
Texas	316.07	15	912.55	13	34.6	32
Utah	315.61	18	742.32	34	42.5	7
Vermont	296.67	24	732.22	38	40.5	13
Virginia	288.48	30	942.39	9	30.6	39
Washington	383.95	4	915.76	12	41.9	10
West Virginia	255.12	39	700.15	44	36.4	28
Wisconsin	274.94	33	745.11	33	36.9	26
Wyoming	337.05	9	795.63	22	42.4	8
United States	309.60		887.11		34.9	

Benefit amount is regular benefits only. Weekly earnings is for total covered employment.

U.S. data include Puerto Rico and the Virgin Islands.

Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section
Data for all states provided by U.S. Department of Labor, Employment and Training Administration from ETA 5159
reports (for Average Benefit Amounts), and QCEW Reports (for Average Weekly Wages)

Table 2.7
Payment Data for UI Extended Benefits, 2001–2010

Year	Number of First Payments	Number of Weeks Paid	Number of Claimants Exhausting Benefits	Average Duration in Weeks	Average Weekly Benefit Amount
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
2007	0	0	0	0.0	0.00
2008	3,840	22,683	1,172	5.9	192.59
2009	not available	110,690	6,877	not available	218.21
2010	13,419	186,917	8,237	13.9	230.76

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 for UI State Supplemental Benefits, 2001–2010

Year	Number of First Payments	Number of Weeks Paid	Number of Claimants Exhausting Benefits	Average Duration in Weeks	Average Weekly Benefit Amount¹
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
2007	0	0	0	0.0	0.00
2008	104	602	52	5.8	98.97
2009	117	1,651	201	14.1	105.93
2010	170	2,061	93	12.1	120.53

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

Table 2.9
UI Regular Benefit Payments¹ by Industry
Intrastate, 2007–2010

Industry	Number of Weeks Paid				Number of First Payments			
	2007	2008	2009	2010	2007	2008	2009	2010
Totals (including unclassified)	470,669	476,741	697,295	644,865	32,791	32,853	45,617	41,227
Agriculture, Forestry, Fishing, ² and Hunting	4,187	3,529	3,973	2,687	281	214	235	203
Mining	13,037	15,074	39,405	28,547	1,018	1,110	2,724	1,867
Utilities	2,955	2,806	3,507	3,606	207	170	211	239
Construction	92,647	90,357	131,539	113,672	6,608	6,342	8,852	7,624
Manufacturing	34,539	38,525	53,115	45,205	2,437	2,698	3,426	2,959
Wholesale Trade	6,422	6,686	11,133	10,275	452	461	726	598
Retail Trade	47,994	47,164	75,002	70,327	3,179	3,261	4,644	4,327
Transportation and Warehousing	30,428	31,126	44,590	39,574	2,189	2,309	3,093	2,593
Information	5,081	5,611	9,094	8,519	371	356	556	504
Finance and Insurance	9,270	9,165	12,377	12,246	615	589	778	732
Real Estate, Rental, and Leasing	12,540	11,478	14,398	15,591	832	714	937	952
Professional and Technical Services	10,781	13,336	20,786	21,275	843	929	1,429	1,287
Management of Companies	1,164	1,013	427	793	82	55	33	47
Administrative and Waste Services	23,397	27,309	40,962	38,459	1,731	1,866	2,636	2,420
Educational Services	14,075	12,243	16,129	16,876	954	824	1,124	1,126
Health Care and Social Assistance	42,007	39,692	54,041	56,086	2,678	2,555	3,283	3,393
Arts, Entertainment, and Recreation	6,270	6,366	10,108	9,500	426	450	659	610
Accommodation and Food Services	43,082	45,081	63,551	60,500	3,066	3,142	4,163	3,892
Other Services, except Public Administration	15,982	15,688	23,344	23,821	1,115	1,106	1,528	1,522
Public Administration	49,228	48,943	61,774	59,279	3,271	3,250	3,966	3,725
Unclassified	5,583	5,549	8,040	8,027	436	452	578	607

Industry	Amount of Payments				Payment Percent Distribution			
	2007	2008	2009	2010	2007	2008	2009	2010
Totals (including unclassified)	\$83,227,038	\$85,457,441	\$142,325,976	\$149,387,502	100.0	100.0	100.0	100.0
Agriculture, Forestry, Fishing, ² and Hunting	788,946	645,608	751,491	572,895	1.0	0.8	0.5	0.4
Mining	2,853,692	3,338,695	11,456,464	9,357,353	3.4	3.9	8.0	6.3
Utilities	551,792	524,516	713,418	961,277	0.7	0.6	0.5	0.6
Construction	19,589,048	19,324,506	31,990,348	33,412,344	23.5	22.6	22.5	22.4
Manufacturing	5,192,300	5,937,559	8,906,240	8,313,130	6.2	7.0	6.3	5.6
Wholesale Trade	1,220,032	1,300,919	2,507,873	2,602,078	1.5	1.5	1.8	1.7
Retail Trade	7,722,039	7,705,681	13,423,835	13,782,893	9.3	9.0	9.4	9.2
Transportation and Warehousing	5,380,511	5,554,152	8,988,956	9,149,397	6.5	6.5	6.3	6.1
Information	1,039,369	1,154,943	2,197,429	2,378,781	1.3	1.4	1.5	1.6
Finance and Insurance	1,763,855	1,782,968	2,733,511	3,110,757	2.1	2.1	1.9	2.1
Real Estate, Rental, and Leasing	2,096,196	2,042,681	2,856,089	3,459,838	2.5	2.4	2.0	2.3
Professional and Technical Services	2,172,134	2,698,828	5,083,427	5,719,132	2.6	3.2	3.6	3.8
Management of Companies	165,563	140,234	123,932	246,081	0.2	0.2	0.1	0.2
Administrative and Waste Services	3,965,193	4,725,665	8,049,976	8,609,316	4.8	5.5	5.7	5.8
Educational Services	2,321,605	1,984,237	2,931,315	3,465,448	2.8	2.3	2.1	2.3
Health Care and Social Assistance	7,895,993	7,531,095	11,081,453	13,036,867	9.5	8.8	7.8	8.7
Arts, Entertainment, and Recreation	898,026	917,640	1,465,276	1,637,113	1.1	1.1	1.0	1.1
Accommodation and Food Services	6,026,108	6,492,048	9,847,203	10,412,242	7.2	7.6	6.9	7.0
Other Services, except Public Administration	2,812,899	2,773,661	4,735,757	5,223,469	3.4	3.3	3.3	3.5
Public Administration	7,829,330	7,973,024	11,070,482	12,367,332	9.4	9.3	7.8	8.3
Unclassified	942,407	908,781	1,411,501	1,569,759	1.1	1.1	1.0	1.1

¹ Payment data include taxable and reimbursable.

² Fishing excludes nearly all commercial fish harvesting employment.

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

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

Table 2.9 (continued)
UI Regular Benefit Payments¹ by Industry
Intrastate, 2007–2010

Industry	Average Weekly Payments				Average Duration in Weeks			
	2007	2008	2009	2010	2007	2008	2009	2010
Totals (including unclassified)	\$176.83	\$179.25	\$204.11	\$231.66	14.4	14.5	15.3	15.6
Agriculture, Forestry, Fishing, ² and Hunting	188.43	182.94	189.15	213.21	14.9	16.5	16.9	13.2
Mining	218.89	221.49	290.74	327.79	12.8	13.6	14.5	15.3
Utilities	186.73	186.93	203.43	266.58	14.3	16.5	16.6	15.1
Construction	211.44	213.87	243.20	293.94	14.0	14.2	14.9	14.9
Manufacturing	150.33	154.12	167.68	183.90	14.2	14.3	15.5	15.3
Wholesale Trade	189.98	194.57	225.26	253.24	14.2	14.5	15.3	17.2
Retail Trade	160.90	163.38	178.98	195.98	15.1	14.5	16.2	16.3
Transportation and Warehousing	176.83	178.44	201.59	231.20	13.9	13.5	14.4	15.3
Information	204.56	205.84	241.64	279.23	13.7	15.8	16.4	16.9
Finance and Insurance	190.28	194.54	220.85	254.02	15.1	15.6	15.9	16.7
Real Estate, Rental, and Leasing	167.16	177.96	198.37	221.91	15.1	16.1	15.4	16.4
Professional and Technical Services	201.48	202.37	244.56	268.82	12.8	14.4	14.5	16.5
Management of Companies	142.24	138.43	290.24	310.32	14.2	18.4	12.9	16.9
Administrative and Waste Services	169.47	173.04	196.52	223.86	13.5	14.6	15.5	15.9
Educational Services	164.95	162.07	181.74	205.35	14.8	14.9	14.3	15.0
Health Care and Social Assistance	187.97	189.74	205.06	232.44	15.7	15.5	16.5	16.5
Arts, Entertainment, and Recreation	143.23	144.15	144.96	172.33	14.7	14.1	15.3	15.6
Accommodation and Food Services	139.88	144.01	154.95	172.10	14.1	14.3	15.3	15.5
Other Services, except Public Administration	176.00	176.80	202.87	219.28	14.3	14.2	15.3	15.7
Public Administration	159.04	162.90	179.21	208.63	15.0	15.1	15.6	15.9
Unclassified	168.80	163.77	175.56	195.56	12.8	12.3	13.9	13.2

¹ Payment data include taxable and reimbursable.

² Fishing excludes nearly all commercial fish harvesting employment.

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

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

Table 2.10
UI Regular Benefit Payments¹ by Industry
Interstate, 2007–2010

Industry	Number of Weeks Paid				Number of First Payments			
	2007	2008	2009	2010	2007	2008	2009	2010
Totals (including unclassified)	88,791	88,346	148,364	160,142	5,618	5,568	9,282	10,016
Agriculture, Forestry, Fishing, ² and Hunting	936	947	1,603	1,437	65	63	97	109
Mining	2,365	2,434	9,841	6,985	174	165	618	437
Utilities	228	200	284	376	13	10	11	23
Construction	6,535	6,251	12,338	11,024	396	394	718	694
Manufacturing	37,874	36,870	47,590	55,308	2,548	2,380	3,138	3,665
Wholesale Trade	1,149	746	1,726	1,601	56	57	90	86
Retail Trade	5,895	5,365	9,764	9,294	340	341	543	532
Transportation and Warehousing	5,377	5,642	9,641	11,494	327	355	619	693
Information	914	1,081	1,732	1,632	42	57	95	93
Finance and Insurance	1,551	1,385	2,259	2,413	78	85	118	121
Real Estate, Rental, and Leasing	865	1,025	1,455	1,484	54	57	75	81
Professional and Technical Services	1,422	2,481	4,296	4,186	109	163	253	232
Management of Companies	11	54	83	119	1	4	6	5
Administrative and Waste Services	2,394	2,959	5,915	5,984	162	148	360	328
Educational Services	1,660	1,529	3,001	3,844	85	102	189	208
Health Care and Social Assistance	6,335	5,447	8,120	9,441	347	315	463	511
Arts, Entertainment, and Recreation	701	734	1,817	1,704	46	51	119	117
Accommodation and Food Services	6,499	7,116	12,122	13,506	402	448	738	883
Other Services, except Public Administration	1,495	1,210	2,303	2,061	88	67	133	112
Public Administration	3,422	3,682	5,358	5,649	198	226	300	339
Unclassified	1,163	1,188	7,116	10,600	53	87	80	747

Industry	Amount of Payments				Payment Percent Distribution			
	2007	2008	2009	2010	2007	2008	2009	2010
Totals (including unclassified)	\$17,359,546	\$17,335,644	\$32,520,735	\$37,189,556	100.0	100.0	100.0	100.0
Agriculture, Forestry, Fishing, ² and Hunting	189,954	192,059	339,189	355,573	1.1	1.1	1.0	1.0
Mining	560,353	587,166	3,163,821	2,379,462	3.2	3.4	9.7	6.4
Utilities	50,353	43,580	67,989	117,023	0.3	0.3	0.2	0.3
Construction	1,473,778	1,441,281	3,209,445	3,428,376	8.5	8.3	9.9	9.2
Manufacturing	7,141,617	6,875,352	9,239,231	10,543,430	41.1	39.7	28.4	28.4
Wholesale Trade	236,365	152,911	422,196	435,166	1.4	0.9	1.3	1.2
Retail Trade	1,084,831	967,455	1,890,185	2,001,066	6.3	5.6	5.8	5.4
Transportation and Warehousing	1,068,955	1,114,043	2,118,536	3,010,637	6.2	6.4	6.5	8.1
Information	201,460	237,138	462,711	495,122	1.2	1.4	1.4	1.3
Finance and Insurance	347,166	325,718	571,076	668,714	2.0	1.9	1.8	1.8
Real Estate, Rental, and Leasing	177,689	223,241	305,823	368,881	1.0	1.3	0.9	1.0
Professional and Technical Services	308,077	561,681	1,152,721	1,241,546	1.8	3.2	3.5	3.3
Management of Companies	1,655	12,378	26,219	41,294	0.0	0.1	0.1	0.1
Administrative and Waste Services	462,993	594,323	1,433,739	1,589,888	2.7	3.4	4.4	4.3
Educational Services	320,073	301,013	743,527	1,060,613	1.8	1.7	2.3	2.9
Health Care and Social Assistance	1,372,649	1,169,402	1,874,436	2,557,313	7.9	6.8	5.8	6.9
Arts, Entertainment, and Recreation	115,927	127,195	321,565	308,782	0.7	0.7	1.0	0.8
Accommodation and Food Services	1,060,588	1,178,786	2,041,775	2,421,216	6.1	6.8	6.3	6.5
Other Services, except Public Administration	300,900	249,665	517,643	503,292	1.7	1.4	1.6	1.4
Public Administration	711,902	778,095	1,246,654	1,539,288	4.1	4.5	3.8	4.1
Unclassified	172,261	203,162	1,372,254	2,122,874	1.0	1.2	4.2	5.7

¹ Payment data include taxable and reimbursable.

² Fishing excludes nearly all commercial fish harvesting employment.

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

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

Table 2.10 (continued)
UI Regular Benefit Payments¹ by Industry
Interstate, 2007–2010

Industry	Average Weekly Payments				Average Duration in Weeks			
	2007	2008	2009	2010	2007	2008	2009	2010
Totals (including unclassified)	\$195.51	\$196.22	\$219.20	\$232.23	15.8	15.9	16.0	16.0
Agriculture, Forestry, Fishing, ² and Hunting	202.94	202.81	211.60	247.44	14.4	15.0	16.5	13.2
Mining	236.94	241.24	321.49	340.65	13.6	14.8	15.9	16.0
Utilities	220.85	217.90	239.40	311.23	17.5	20.0	25.8	16.3
Construction	225.52	230.57	260.13	310.99	16.5	15.9	17.2	15.9
Manufacturing	188.56	186.48	194.14	190.63	14.9	15.5	15.2	15.1
Wholesale Trade	205.71	204.97	244.61	271.81	20.5	13.1	19.2	18.6
Retail Trade	184.03	180.33	193.59	215.31	17.3	15.7	18.0	17.5
Transportation and Warehousing	198.80	197.46	219.74	261.93	16.4	15.9	15.6	16.6
Information	220.42	219.37	267.15	303.38	21.8	19.0	18.2	17.5
Finance and Insurance	223.83	235.18	252.80	277.13	19.9	16.3	19.1	19.9
Real Estate, Rental, and Leasing	205.42	217.80	210.19	248.57	16.0	18.0	19.4	18.3
Professional and Technical Services	216.65	226.39	268.32	296.59	13.0	15.2	17.0	18.0
Management of Companies	150.45	229.22	315.89	347.01	11.0	13.5	13.8	23.8
Administrative and Waste Services	193.40	200.85	242.39	265.69	14.8	20.0	16.4	18.2
Educational Services	192.82	196.87	247.76	275.91	19.5	15.0	15.9	18.5
Health Care and Social Assistance	216.68	214.69	230.84	270.87	18.3	17.3	17.5	18.5
Arts, Entertainment, and Recreation	165.37	173.29	176.98	181.21	15.2	14.4	15.3	14.6
Accommodation and Food Services	163.19	165.65	168.44	179.27	16.2	15.9	16.4	15.3
Other Services, except Public Administration	201.27	206.33	224.77	244.20	17.0	18.1	17.3	18.4
Public Administration	208.04	211.32	232.67	272.49	17.3	16.3	17.9	16.7
Unclassified	148.12	171.01	192.84	200.27	13.4	14.9	11.9	14.2

¹ Payment data include taxable and reimbursable.

² Fishing excludes nearly all commercial fish harvesting employment.

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

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

Table 2.11
UI Regular Benefit Payments¹ by Industry
Intrastate and Interstate Total, 2007–2010

Industry	Number of Weeks Paid				Number of First Payments			
	2007	2008	2009	2010	2007	2008	2009	2010
Totals (including unclassified)	559,460	565,087	845,659	805,007	38,409	38,421	54,899	51,243
Agriculture, Forestry, Fishing, ² and Hunting	5,123	4,476	5,576	4,124	346	277	332	312
Mining	15,402	17,508	49,246	35,532	1,192	1,275	3,342	2,304
Utilities	3,183	3,006	3,791	3,982	220	180	222	262
Construction	99,182	96,608	143,877	124,696	7,004	6,736	9,570	8,318
Manufacturing	72,413	75,395	100,705	100,513	4,985	5,078	6,564	6,624
Wholesale Trade	7,571	7,432	12,859	11,876	508	518	816	684
Retail Trade	53,889	52,529	84,766	79,621	3,519	3,602	5,187	4,859
Transportation and Warehousing	35,805	36,768	54,231	51,068	2,516	2,664	3,712	3,286
Information	5,995	6,692	10,826	10,151	413	413	651	597
Finance and Insurance	10,821	10,550	14,636	14,659	693	674	896	853
Real Estate, Rental, and Leasing	13,405	12,503	15,853	17,075	886	771	1,012	1,033
Professional and Technical Services	12,203	15,817	25,082	25,461	952	1,092	1,682	1,519
Management of Companies	1,175	1,067	510	912	83	59	39	52
Administrative and Waste Services	25,791	30,268	46,877	44,443	1,893	2,014	2,996	2,748
Educational Services	15,735	13,772	19,130	20,720	1,039	926	1,313	1,334
Health Care and Social Assistance	48,342	45,139	62,161	65,527	3,025	2,870	3,746	3,904
Arts, Entertainment, and Recreation	6,971	7,100	11,925	11,204	472	501	778	727
Accommodation and Food Services	49,581	52,197	75,673	74,006	3,468	3,590	4,901	4,775
Other Services, except Public Administration	17,477	16,898	25,647	25,882	1,203	1,173	1,661	1,634
Public Administration	52,650	52,625	67,132	64,928	3,469	3,476	4,266	4,064
Unclassified	6,746	6,737	15,156	18,627	523	532	1,177	1,354

Industry	Amount of Payments				Payment Percent Distribution			
	2007	2008	2009	2010	2007	2008	2009	2010
Totals (including unclassified)	\$100,586,584	\$102,793,085	\$174,846,711	\$186,577,058	100.0	100.0	100.0	100.0
Agriculture, Forestry, Fishing, ² and Hunting	978,900	837,667	1,090,680	928,468	1.0	0.8	0.6	0.5
Mining	3,414,045	3,925,861	14,620,285	11,736,815	0.3	3.8	8.4	6.3
Utilities	602,145	568,096	781,407	1,078,300	0.6	0.6	0.4	0.6
Construction	21,062,826	20,765,787	35,199,793	36,840,720	20.9	20.2	20.1	19.7
Manufacturing	12,333,917	12,812,911	18,145,471	18,856,560	12.3	12.5	10.4	10.1
Wholesale Trade	1,456,397	1,453,830	2,930,069	3,037,244	1.4	1.4	1.7	1.6
Retail Trade	8,806,870	8,673,136	15,314,020	15,783,959	8.8	8.4	8.8	8.5
Transportation and Warehousing	6,449,466	6,668,195	11,107,492	12,160,034	6.4	6.5	6.4	6.5
Information	1,240,829	1,392,081	2,660,140	2,873,903	1.2	1.4	1.5	1.5
Finance and Insurance	2,111,021	2,108,686	3,304,587	3,779,471	2.1	2.1	1.9	2.0
Real Estate, Rental, and Leasing	2,273,885	2,265,922	3,161,912	3,828,719	2.3	2.2	1.8	2.1
Professional and Technical Services	2,480,211	3,260,509	6,236,148	6,960,678	2.5	3.2	3.6	3.7
Management of Companies	167,218	152,612	150,151	287,375	0.2	0.1	0.1	0.2
Administrative and Waste Services	4,428,186	5,319,988	9,483,715	10,199,204	4.4	5.2	5.4	5.5
Educational Services	2,641,678	2,285,250	3,674,842	4,526,061	2.6	2.2	2.1	2.4
Health Care and Social Assistance	9,268,642	8,700,497	12,955,889	15,594,180	9.2	8.5	7.4	8.4
Arts, Entertainment, and Recreation	1,013,953	1,044,835	1,786,841	1,945,895	1.0	1.0	1.0	1.0
Accommodation and Food Services	7,086,696	7,670,834	11,888,978	12,833,458	7.0	7.5	6.8	6.9
Other Services, except Public Administration	3,113,799	3,023,326	5,253,400	5,726,761	3.1	2.9	3.0	3.1
Public Administration	8,541,232	8,751,119	12,317,136	13,906,620	8.5	8.5	7.0	7.5
Unclassified	1,114,668	1,111,943	2,783,755	3,692,633	1.1	1.1	1.6	2.0

¹ Payment data include taxable and reimbursable.

² Fishing excludes nearly all commercial fish harvesting employment.

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

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

Table 2.11 (continued)
UI Regular Benefit Payments¹ by Industry
Intrastate and Interstate Total, 2007–2010

Industry	Average Weekly Payments				Average Duration in Weeks			
	2007	2008	2009	2010	2007	2008	2009	2010
Totals (including unclassified)	\$179.79	\$181.91	\$206.76	\$231.77	14.6	14.7	15.4	15.7
Agriculture, Forestry, Fishing, ² and Hunting	191.08	187.15	195.60	225.14	14.8	16.2	16.8	13.2
Mining	221.66	224.23	296.88	330.32	12.9	13.7	14.7	15.4
Utilities	189.18	188.99	206.12	270.79	14.5	16.7	17.1	15.2
Construction	212.37	214.95	244.65	295.44	14.2	14.3	15.0	15.0
Manufacturing	170.33	169.94	180.18	187.60	14.5	14.8	15.3	15.2
Wholesale Trade	192.37	195.62	227.86	255.75	14.9	14.3	15.8	17.4
Retail Trade	163.43	165.11	180.66	198.24	15.3	14.6	16.3	16.4
Transportation and Warehousing	180.13	181.36	204.82	238.11	14.2	13.8	14.6	15.5
Information	206.98	208.02	245.72	283.12	14.5	16.2	16.6	17.0
Finance and Insurance	195.09	199.88	225.78	257.83	15.6	15.7	16.3	17.2
Real Estate, Rental, and Leasing	169.63	181.23	199.45	224.23	15.1	16.2	15.7	16.5
Professional and Technical Services	203.25	206.14	248.63	273.39	12.8	14.5	14.9	16.8
Management of Companies	142.31	143.03	294.41	315.10	14.2	18.1	13.1	17.5
Administrative and Waste Services	171.70	175.76	202.31	229.49	13.6	15.0	15.6	16.2
Educational Services	167.89	165.93	192.10	218.44	15.1	14.9	14.6	15.5
Health Care and Social Assistance	191.73	192.75	208.42	237.98	16.0	15.7	16.6	16.8
Arts, Entertainment, and Recreation	145.45	147.16	149.84	173.68	14.8	14.2	15.3	15.4
Accommodation and Food Services	142.93	146.96	157.11	173.41	14.3	14.5	15.4	15.5
Other Services, except Public Administration	178.17	178.92	204.83	221.26	14.5	14.4	15.4	15.8
Public Administration	162.23	166.29	183.48	214.19	15.2	15.1	15.7	16.0
Unclassified	165.23	165.05	183.67	198.24	12.9	12.7	12.9	13.8

¹ Payment data include taxable and reimbursable.

² Fishing excludes nearly all commercial fish harvesting employment.

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

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

Table 2.12
UI Regular Benefits Payments¹ by Industry
Interstate as a Percentage of Total, 2007–2010

Industry	Percentage of Weeks Paid to Interstate				Percentage of First Payments to Interstate				Percentage of Payments to Interstate			
	2007	2008	2009	2010	2007	2008	2009	2010	2007	2008	2009	2010
Totals (including unclassified)	15.9	15.6	17.5	19.9	14.6	14.5	16.9	19.5	17.3	16.9	18.6	19.9
Agriculture, Forestry, Fishing, ² and Hunting	18.3	21.2	28.7	34.8	18.8	22.7	29.2	34.9	19.4	22.9	31.1	38.3
Mining	15.4	13.9	20.0	19.7	14.6	12.9	18.5	19.0	16.4	15.0	21.6	20.3
Utilities	7.2	6.7	7.5	9.4	5.9	5.6	5.0	8.8	8.4	7.7	8.7	10.9
Construction	6.6	6.5	8.6	8.8	5.7	5.8	7.5	8.3	7.0	6.9	9.1	9.3
Manufacturing	52.3	48.9	47.3	55.0	51.1	46.9	47.8	55.3	57.9	53.7	50.9	55.9
Wholesale Trade	15.2	10.0	13.4	13.5	11.0	11.0	11.0	12.6	16.2	10.5	14.4	14.3
Retail Trade	10.9	10.2	11.5	11.7	9.7	9.5	10.5	10.9	12.3	11.2	12.3	12.7
Transportation and Warehousing	15.0	15.3	17.8	22.5	13.0	13.3	16.7	21.1	16.6	16.7	19.1	24.8
Information	15.2	16.2	16.0	16.1	10.2	13.8	14.6	15.6	16.2	17.0	17.4	17.2
Finance and Insurance	14.3	13.1	15.4	16.5	11.3	12.6	13.2	14.2	16.4	15.4	17.3	17.7
Real Estate, Rental, and Leasing	6.5	8.2	9.2	8.7	6.1	7.4	7.4	7.8	7.8	9.9	9.7	9.6
Professional and Technical Services	11.7	15.7	17.1	16.4	11.4	14.9	15.0	15.3	12.4	17.2	18.5	17.8
Management of Companies	0.9	5.1	16.3	13.0	1.2	6.8	15.4	9.6	1.0	8.1	17.5	14.4
Administrative and Waste Services	9.3	9.8	12.6	13.5	8.6	7.3	12.0	11.9	10.5	11.2	15.1	15.6
Educational Services	10.5	11.1	15.7	18.6	8.2	11.0	14.4	15.6	12.1	13.2	20.2	23.4
Health Care and Social Assistance	13.1	12.1	13.1	14.4	11.5	11.0	12.4	13.1	14.8	13.4	14.5	16.4
Arts, Entertainment, and Recreation	10.1	10.3	15.2	15.2	9.7	10.2	15.3	16.1	11.4	12.2	18.0	15.9
Accommodation and Food Services	13.1	13.6	16.0	18.2	11.6	12.5	15.1	18.5	15.0	15.4	17.2	18.9
Other Services, except Public Administration	8.6	7.2	9.0	8.0	7.3	5.7	8.0	6.9	9.7	8.3	9.9	8.8
Public Administration	6.5	7.0	8.0	8.7	5.7	6.5	7.0	8.3	8.3	8.9	10.1	11.1
Unclassified	17.2	17.6	47.0	56.9	16.6	15.0	50.9	55.2	15.5	18.3	49.3	57.5

¹ Data includes both taxable and reimbursable.

² 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, 2010**

Census Areas	State UI Regular	State UI EB	UCFE Regular	UCFE EB	UCX Regular	UCX EB	EUC 08	SSB	All Programs Total
Aleutians East Borough	\$479,818	\$70,379	\$1,964	\$0	\$0	\$0	\$57,783	\$414	\$610,358
Aleutians West CA	1,160,642	129,694	5,460	2,730	0	0	168,532	0	1,467,058
Anchorage, Municipality of	53,904,758	13,068,169	772,505	122,879	898,853	157,508	23,066,658	48,213	92,039,543
Bethel CA	4,571,594	1,110,124	35,139	5,008	2,482	6,257	1,917,885	30,163	7,678,652
Bristol Bay Borough	228,064	34,068	0	0	0	0	28,933	0	291,065
Denali Borough	555,364	157,531	90,956	15,980	0	0	73,001	0	892,832
Dillingham CA	868,246	200,629	1,161	0	0	0	455,650	1,645	1,527,331
Fairbanks North Star Borough	17,280,425	3,159,486	483,763	54,318	466,210	70,832	4,542,947	11,723	26,069,704
Haines Borough	588,822	148,157	9,525	2,470	0	5,339	191,732	3,131	949,176
Hoonah-Angoon CA	231,160	46,065	10,706	2,624	0	0	81,179	0	371,734
Juneau, City and Borough of	4,984,309	1,101,151	41,847	1,983	44,806	1,074	1,980,089	0	8,155,259
Kenai Peninsula Borough	14,184,770	3,502,238	195,949	15,641	67,471	25,634	5,142,334	15,780	23,149,817
Ketchikan Gateway Borough	3,222,746	682,883	11,363	3,580	2,440	0	1,069,331	3,786	4,996,129
Kodiak Island Borough	3,459,523	373,124	17,338	151	27,686	9,305	399,882	2,445	4,289,454
Lake and Peninsula Borough	490,741	86,582	22,174	4,877	0	0	174,325	0	778,699
Matanuska-Susitna Borough	22,914,320	5,943,957	269,713	33,395	284,461	58,271	8,890,782	20,004	38,414,903
Nome CA	2,263,322	749,835	5,640	2,391	0	0	1,234,159	10,168	4,265,515
North Slope Borough	1,379,391	305,761	8,266	1,814	0	0	485,786	3,088	2,184,106
Northwest Arctic Borough	1,895,878	423,747	6,170	0	0	0	858,621	8,708	3,193,124
Petersburg CA	182,198	35,412	9,452	0	0	0	34,366	550	261,978
Prince of Wales-Hyder	747,436	190,323	9,617	368	0	0	329,501	2,152	1,279,397
Prince of Wales-OK (old)	964,386	230,188	13,197	556	0	0	290,790	2,494	1,501,611
Sitka, City and Borough of	1,382,330	240,911	30,003	5,049	14,366	3,584	456,081	0	2,132,324
Skagway Municipality	192,743	28,022	4,396	0	0	0	15,490	0	240,651
Skag.-Hoonah-Ang. (old)	624,630	147,981	41,415	8,246	0	0	96,067	0	918,339
Southeast Fairbanks CA	2,091,817	591,569	51,281	14,822	10,692	0	711,936	0	3,472,117
Valdez-Cordova CA	2,266,378	514,283	86,712	18,020	9,308	0	593,821	2,084	3,490,606
Wade Hampton CA	2,321,574	562,195	16,962	2,788	17,419	3,222	1,116,539	29,024	4,069,723
Wrangell Borough	77,777	19,457	3,596	650	0	0	21,691	0	123,171
Wrang.-Peters. CA (old)	1,143,400	251,032	34,800	0	8,240	0	360,950	1,960	1,800,382
Yakutat Borough	140,763	16,573	1,115	0	0	0	52,408	0	210,859
Yukon-Koyukuk CA	2,003,645	503,420	36,679	3,921	0	293	790,332	5,725	3,344,015
Area Unknown	584,532	144,334	11,406	2,877	10,038	2,584	147,476	0	903,247
In-State Totals	149,387,502	34,769,280	2,340,270	327,138	1,864,472	343,903	55,837,057	203,257	245,072,879
Interstate Totals	37,189,556	9,211,023	1,265,310	212,142	145,607	82,017	17,890,803	20,048	66,016,506
Totals All Areas	186,577,058	43,980,303	3,605,580	539,280	2,010,079	425,920	73,727,860	223,305	311,089,385

10-Year Historical Data Series for Census Area Totals

Year	State UI Regular	State UI EB	UCFE Regular	UCFE EB	UCX Regular	UCX EB	TEUC / EUC 08	SSB	All Programs Total
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
2007	100,586,636	0	2,097,000	0	734,331	0	0	0	103,417,967
2008	102,793,085	4,024,859	1,908,013	31,279	1,070,395	102,886	10,184,608	56,561	120,171,686
2009	174,846,711	31,027,821	2,616,805	332,055	1,279,404	272,922	36,975,383	201,245	247,552,346
2010	186,577,058	43,980,303	3,605,580	539,280	2,010,079	425,920	73,727,860	223,305	311,089,385

Notes:
 UI and UI-combined (includes federal portion of UI-Combined).
 The TEUC program was effective March 2002 through April 2004.
 The EUC-08 program began in July 2008 and was effective through 2010.
 CA = Census Area

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, 2009 and 2010

State	2009		2010	
	Regular Benefits Paid	Percent Distribution	Regular Benefits Paid	Percent Distribution
Alabama	\$296,811	0.9	\$356,567	1.0
Arizona	1,567,935	4.8	1,759,491	4.7
Arkansas	317,088	1.0	251,293	0.7
California	6,225,786	19.1	6,872,239	18.5
Colorado	757,770	2.3	888,836	2.4
Connecticut	54,756	0.2	61,304	0.2
Delaware	28,952	0.1	18,177	0.0
Dist. of Columbia	624	0.0	2,013	0.0
Florida	1,187,264	3.7	1,401,544	3.8
Georgia	361,260	1.1	549,711	1.5
Guam	0	0.0	0	0.0
Hawaii	612,190	1.9	751,664	2.0
Idaho	1,227,502	3.8	1,226,712	3.3
Illinois	299,044	0.9	408,624	1.1
Indiana	187,763	0.6	220,031	0.6
Iowa	116,252	0.4	125,417	0.3
Kansas	170,115	0.5	188,332	0.5
Kentucky	179,723	0.6	205,567	0.6
Louisiana	326,748	1.0	403,177	1.1
Maine	138,460	0.4	120,480	0.3
Maryland	62,686	0.2	174,668	0.5
Massachusetts	99,871	0.3	92,814	0.2
Michigan	507,688	1.6	613,125	1.6
Minnesota	516,709	1.6	651,432	1.8
Mississippi	212,457	0.7	214,104	0.6
Missouri	398,104	1.2	405,599	1.1
Montana	848,389	2.6	959,741	2.6
Nebraska	164,819	0.5	172,558	0.5
Nevada	910,396	2.8	971,721	2.6
New Hampshire	68,998	0.2	86,655	0.2
New Jersey	128,957	0.4	166,994	0.4
New Mexico	312,603	1.0	337,438	0.9
New York	284,016	0.9	307,011	0.8
North Carolina	339,285	1.0	476,444	1.3
North Dakota	86,976	0.3	126,987	0.3
Ohio	276,954	0.9	346,235	0.9
Oklahoma	396,482	1.2	298,326	0.8
Oregon	2,746,511	8.4	2,927,581	7.9
Pennsylvania	201,084	0.6	257,814	0.7
Puerto Rico	76,976	0.2	97,376	0.3
Rhode Island	12,255	0.0	19,917	0.1
South Carolina	175,527	0.5	259,468	0.7
South Dakota	126,697	0.4	152,896	0.4
Tennessee	337,786	1.0	336,140	0.9
Texas	1,647,613	5.1	2,058,433	5.5
Utah	289,330	0.9	424,788	1.1
Vermont	26,951	0.1	37,916	0.1
Virginia	275,549	0.8	344,249	0.9
Virgin Islands	4,721	0.0	17,149	0.0
Washington	6,213,814	19.1	7,263,759	19.5
West Virginia	85,268	0.3	81,360	0.2
Wisconsin	359,540	1.1	431,469	1.2
Wyoming	196,729	0.6	205,315	0.6
Canada	68,267	0.2	60,895	0.2
US Other	4,684	0.0	0	0.0
Total	\$32,520,735	100.0	\$37,189,556	100.0

Note: Data in this table are payments from Alaska to recipients in other states.
Percentages may not add up to 100 due to rounding.

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

Table 2.15
Payment of Dependents' Benefits, 2001–2010

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
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
2007	15,155	38,422	39.4	220,117	551,470	39.9	9,738,240	44.24	17.66
2008	14,706	37,656	39.1	217,924	548,161	39.8	9,583,200	43.97	17.48
2009	NA	34,199	NA	NA	753,141	NA	12,102,168	NA	16.07
2010	NA	34,516	NA	NA	797,554	NA	14,144,904	NA	17.74

Notes: NA means reliable data not available for 2009 and 2010. Some data revised for 2008 and 2009.
Dependent's allowance is \$24.00 per dependent (maximum \$72.00). 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, 2010

State	Average Weekly Unemployed	Average Weeks Compensated	Compensated as Percent of Unemployed	Rank
Alabama	207,800	44,763	21.5	43
Alaska	29,350	15,338	52.3	1
Arizona	304,875	66,994	22.0	42
Arkansas	104,750	33,319	31.8	21
California	2,273,150	585,991	25.8	31
Colorado	219,450	51,791	23.6	36
Connecticut	171,425	68,046	39.7	6
Delaware	36,725	12,091	32.9	18
Dist. of Columbia	34,250	11,626	33.9	12
Florida	1,097,525	188,257	17.2	52
Georgia	479,975	84,751	17.7	51
Hawaii	41,450	15,619	37.7	7
Idaho	69,750	22,717	32.6	19
Illinois	688,650	195,323	28.4	25
Indiana	309,925	68,820	22.2	41
Iowa	110,675	36,929	33.4	14
Kansas	100,125	31,449	31.4	22
Kentucky	214,975	47,777	22.2	40
Louisiana	153,650	43,134	28.1	26
Maine	55,250	15,246	27.6	27
Maryland	220,125	56,147	25.5	32
Massachusetts	307,400	102,395	33.3	15
Michigan	625,250	140,876	22.5	39
Minnesota	209,800	71,596	34.1	11
Mississippi	139,050	27,420	19.7	46
Missouri	281,050	67,855	24.1	33
Montana	36,075	14,341	39.8	5
Nebraska	46,200	15,457	33.5	13
Nevada	191,750	49,750	25.9	30
New Hampshire	45,475	13,149	28.9	23
New Jersey	431,200	153,897	35.7	9
New Mexico	81,200	21,864	26.9	28
New York	808,375	259,151	32.1	20
North Carolina	461,300	132,537	28.7	24
North Dakota	14,050	4,643	33.0	16
Ohio	610,375	118,204	19.4	47
Oklahoma	120,300	28,010	23.3	38
Oregon	208,950	71,381	34.2	10
Pennsylvania	568,600	229,411	40.3	4
Puerto Rico	208,700	49,419	23.7	35
Rhode Island	68,500	16,107	23.5	37
South Carolina	243,450	48,801	20.0	45
South Dakota	20,450	3,614	17.7	50
Tennessee	301,350	61,722	20.5	44
Texas	1,001,250	189,137	18.9	48
Utah	99,300	23,626	23.8	34
Vermont	21,975	10,101	46.0	2
Virginia	290,550	52,327	18.0	49
Washington	300,525	99,095	33.0	17
West Virginia	72,000	19,351	26.9	29
Wisconsin	245,725	110,966	45.2	3
Wyoming	20,050	7,452	37.2	8
United States	14,825,000	3,910,641	26.4	

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section: UI Data Summary, Quarters 1-4, 2010, produced by the U.S. Department of Labor

Chapter 3

Unemployment Insurance Benefit 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, and is 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 BCR compared to other states. However, Alaska's BCR declined to a low point (1.2 percent) in 2007–2008. The benefit cost ratio for taxable employment was 1.7 percent in 2009 and 2010, reminiscent of the 2003–2004 era. (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 currently less than one-third the rate in taxable employment, and the BCR in reimbursable employment was 0.5 percent in 2010. These lower

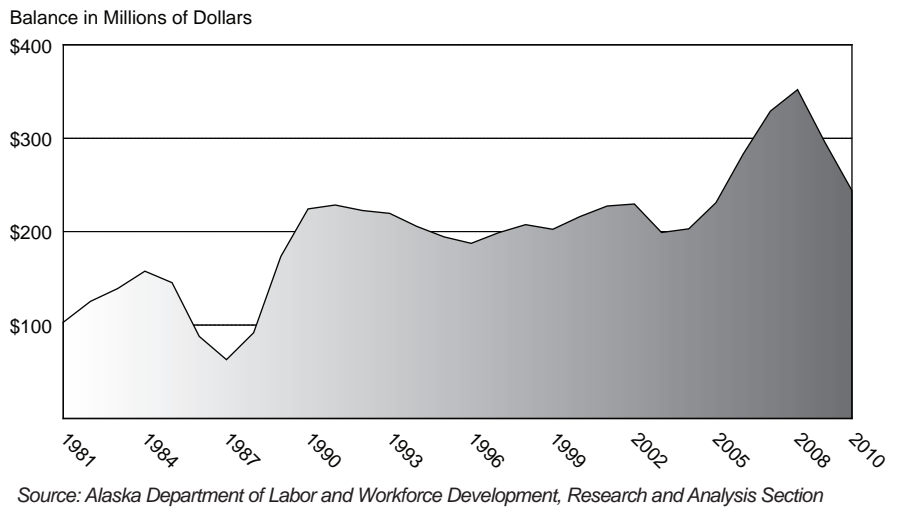
rates result from generally stable and mainly nonseasonal employment in the major reimbursable employers: state and local government.

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 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 contrast, dozens of other states have faced insolvency and have had to borrow money, particularly in the 1980s and 1990s. More dramatically, 22 states and one territory became insolvent in the recent recession and were paying benefits with borrowed funds in 2010.

Figure 3.1 UI Trust Fund End-of-Year Balance 1986–2010



The overall level of employment, and amount of payroll in the statewide economy, determines the potential amount of benefits that may be 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 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 rebuilt in the years that followed. At the end of 2010, the reserve rate was unusually low at 2.2 percent. (See tables 3.3 and 3.10.) Even so, Alaska's fund is still solvent and healthy in 2011.

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 2010 were \$111.7 million — 35.6 percent of total revenues — and they were up 8.5 percent from 2009. (See Table 3.3.) During 2010, there was no solvency tax or credit in effect, because the trust fund was within its target range. During 2011, a solvency tax has been in effect (0.3 percent) because the trust fund was significantly underfunded on the determinant date of Sep. 30, 2010. In fact, the reserve ratio at that time called

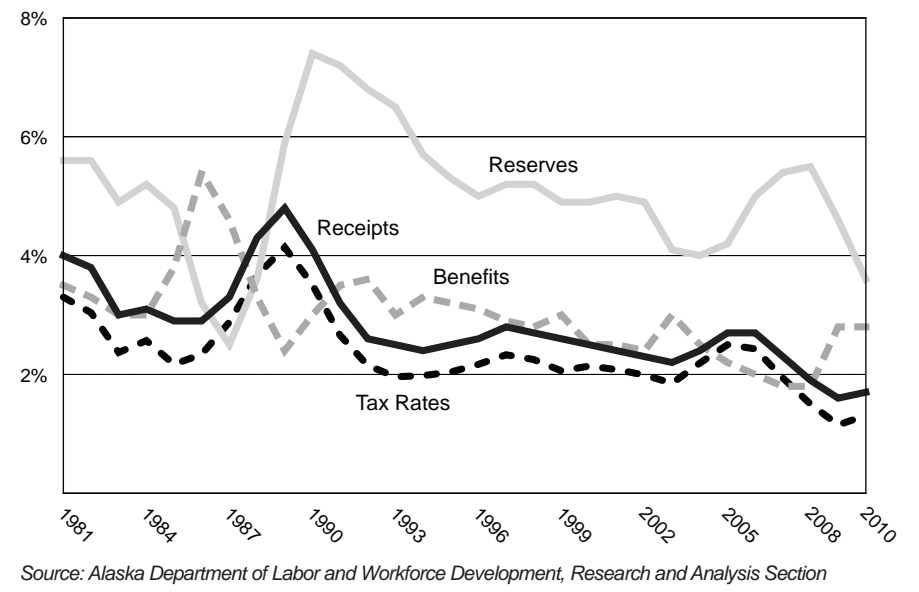
for an applied solvency tax of 0.5 percent. Legally, it can only change by 0.3% in any year. For 2012, we expect a solvency tax of 0.6 percent in addition to the fundamental cost-based tax rate.

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 was in effect for 2007.

The fund recovered following four years of fund shortages, and in 2008 it was slightly overfunded. A minimum solvency tax credit (0.1 percent) was in effect in 2008, and it was increased to 0.2 percent (to further lower tax revenue) for 2009, just as costs from the recession were building. The 2009 employer tax rates (an average of 1.15 percent) were the lowest on record. Tax rates for the next few years will be higher, as the trust fund is replenished following the higher cost outlays in 2009–2011.

Alaska's UI taxes are assessed on wages up to a taxable wage base, 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 \$34,100 in 2010, and is \$34,600 for tax year 2011.

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



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 for 2010 and after are:

- Employer tax rate = (0.73 times the average benefit cost rate, times the experience factor) plus the trust fund solvency adjustment.

- Employee tax rate = 0.27 times the average benefit cost rate.

The tax rate calculation formulas above have been changed several times since the current financing system began in 1981. The employer/employee allocation figures (essentially the share of total tax burden) defined in statute are:

Employer tax share	Employee tax share	
0.82	0.18	for 1981 and after (1981–1996)
0.80	0.20	for 1997 and after (1997–2008)
0.76	0.24	for 2009
0.73	0.27	for 2010 and after

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, and 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 and stimulate the economy.

Employers pay 73 percent (revised 2010) of the average benefit cost rate, and employees pay the other 27 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 overfunded.

Experience rating assigns employers to 20 tax rate classes

An employer with a higher incidence of worker layoffs than other employers will

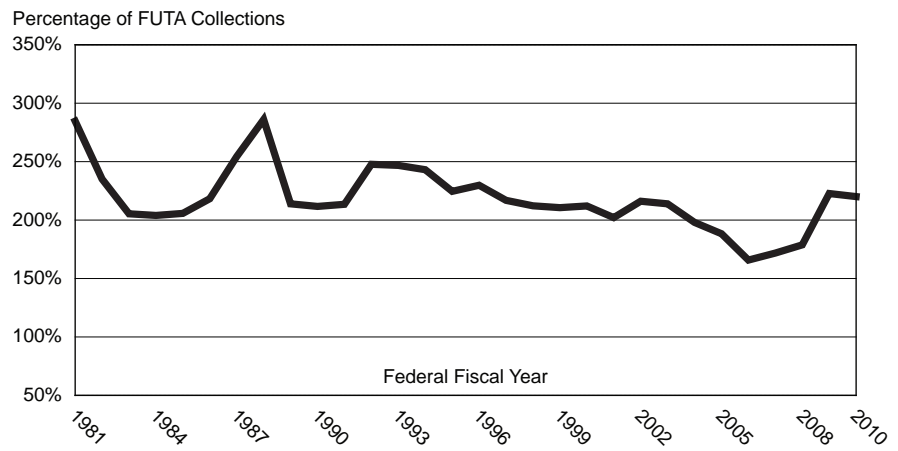
contribute more to unemployment and the payment of UI benefits. Experience rating systems have been established in each state recognizing that such employers should contribute more to the UI trust fund to cover the benefit costs of their former employees.

In Alaska, there are three classes of employers that pay taxes. Most are in the experience rated group, 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-rated group, the “I class,” has employers with fewer than four quarters of wage history; they pay a standard industry tax rate. The penalty-rated group, the “P class,” includes employers that either 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 2010, 89.3 percent of all contributing employers were experience-rated, 9.6 percent were industry-rated, and 1.0 percent was 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 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

Figure 3.3 Administrative Grants as a Percentage of FUTA Collections



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

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

Experience factors are assigned to each rate class — the higher the rate class, the greater the experience factor. Experience factors range from 0.4 to 1.65, according to a schedule in AS 23.20.290(c). (See Table 3.6.)

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

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

The trust fund solvency adjustment is a tax surcharge or credit

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, and a credit reduces 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 -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 change by no more than 0.3 percent from one year to the next. In 2010, the TFSA was 0.0 percent, and in 2011 it was 0.3 percent. We expect the trust fund solvency factor will rise to 0.6 percent in 2012.

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 (through June 2011), 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. The net result has reliably been \$56 tax for each employee earning \$7,000 or more annually. The federal government estimates that in federal fiscal year 2009, employers in Alaska contributed \$16.3 million in FUTA tax revenues. (See Table 3.7.)

The FUTA tax rate decreased in July 2011 to 6.0 percent. The offset credit of 5.4 remains the same. Therefore, the new effective federal tax rate is 0.6 percent. The maximum tax per employee is \$42 (a decrease of \$14, or 25 percent tax cut).

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 2009, Alaska received \$36.3 million in administrative grants, including \$27.8 million for unemployment insurance administrative costs and \$8.5 million for employment services. In federal fiscal year 2009, Alaska's total administrative grants amounted to 222.7 percent of state FUTA contributions. (See figures 3.3 and 3.7.)

Trust fund revenue includes direct reimbursements

Chapter 2 described the programs that disbursed unemployment benefits in 2009 and 2010. 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, employer taxes are the major source of revenues deposited into the fund. 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 nonfederal extended benefit payments. The federal government also pays interest on the trust fund. In 2009 and 2010, it paid us more than \$25.8 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 \$15.3 million to the UI trust fund in 2010. (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, and other employers subsidize the benefits paid to these claimants. 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 groups. In the years surrounding the recession from 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, trust fund reserves made up the difference. Employers in prior years subsidized employers during the recession years. After that time, the ratio declined to less than 1.0 and, conversely, employers subsidized employers in future recessions. Over time the system seeks to stabilize itself. In 2010, the ratio of benefits to the prior year contributions was 1.6. Again, we are seeing the results of an economic downturn: the 2007–2009 national recession’s impact on Alaska.

One vital subsidy is cross-industry. Although cross-industry subsidies occur under all economic conditions, the expression of the subsidies is better seen during the years Alaska is economically stable. 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 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), created in 1989, was reauthorized six times and made permanent in 2009. The Training and Vocational Education Program (TVEP) was enacted in 2000. Both programs began with identical funding definitions (AS 23.15.630 and AS 23.15.835, respectively) providing an amount equal 0.10 percent of taxable wages collected in taxes from employees. The funding formula for TVEP was increased by 50 percent in July 2008, to 0.15 percent of taxable wages.

In general, until 2010, employees paid the minimum UI tax rate: one-half of one percent (0.50 percent). At this rate, the share of employee taxes allocated for STEP is 20 percent, and for TVEP is 25 percent. In total, 50 percent of collected employee tax funds are dedicated to the training programs and not deposited into the UI trust fund. However, as the employee tax increases due to legislative changes and cost increases from the recession, the percent of tax paid allocated to training programs will be smaller.

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 2010, STEP and TVEP received \$15.9 million, and in SFY 2011 they received \$17.0 million. During the last five years, the department has provided more than \$72 million in support for the training programs from the UI financing system.

Table 3.1
Benefit Cost Rate, 2001-2010

Year	Taxable Employment			Reimbursable Employment		
	Benefits Paid (In Thousands)	Total Wages (Lagged 1 Yr) (In Thousands)	Benefit Cost Rate (Percent)	Benefits Paid (In Thousands)	Total Wages (Lagged 1 Yr) (In Thousands)	Benefit Cost Rate (Percent)
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
2007	107,410	9,214,930	1.2	7,897	2,600,402	0.3
2008	114,155	9,877,150	1.2	7,826	2,691,732	0.3
2009	179,562	10,507,640	1.7	12,108	2,826,216	0.4
2010	185,124	10,835,321	1.7	15,169	2,826,216	0.5

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

Table 3.2
Benefit Cost Rates by Industry, 2010

Taxable Employers	Benefits Paid 2010	Total Wages 2009	Benefit Cost Rate (Percent) (Lagged 1 Yr)
Industry Total	\$170,978,335	\$10,637,462,783	1.6%
Agriculture, Forestry, Fishing, ¹ and Hunting	928,468	31,476,099	2.9%
Mining	11,736,815	1,697,764,347	0.7%
Utilities	1,078,300	145,412,731	0.7%
Construction	36,840,720	1,130,372,540	3.3%
Manufacturing	18,856,560	473,241,792	4.0%
Wholesale Trade	3,037,244	322,967,135	0.9%
Retail Trade	15,783,959	989,639,367	1.6%
Transportation and Warehousing	11,540,791	1,086,753,265	1.1%
Information	2,862,453	366,463,643	0.8%
Finance and Insurance	3,779,471	496,630,406	0.8%
Real Estate, Rental, and Leasing	3,828,719	191,867,866	2.0%
Professional and Technical Services	6,899,165	857,718,610	0.8%
Management of Companies	287,375	93,022,296	0.3%
Administrative and Waste Services	10,199,204	462,371,187	2.2%
Educational Services	252,203	59,514,536	0.4%
Health Care and Social Assistance	12,571,804	1,105,134,451	1.1%
Arts, Entertainment, and Recreation	1,915,603	75,483,185	2.5%
Accommodation and Food Services	12,833,458	523,360,381	2.5%
Other Services, except Public Administration	5,510,846	303,323,265	1.8%
Public Administration	6,542,544	212,161,131	3.1%
Unclassified	3,692,633	12,784,550	28.9%
Reimbursable Employers			
Industry Total	\$15,609,017	\$3,024,074,098	0.5%
Transportation and Warehousing	619,243	49,715,251	1.2%
Information	11,450	1,856,133	0.6%
Educational Services	4,273,858	1,174,353,352	0.4%
Professional and Technical Services	61,513	6,493,404	0.9%
Health Care and Social Assistance	3,022,376	544,962,488	0.6%
Arts, Entertainment, and Recreation	30,292	910,226	3.3%
Other Services, except Public Administration	215,915	25,503,326	0.8%
Public Administration	7,364,076	1,217,756,810	0.6%
Other	10,294	2,523,108	0.4%

¹ 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, 2001–2010

Deposits									
Year	U.I. Tax Contributions ¹	Federal Share Extended Benefits	Amounts Rec'd From Reimb. Employers	Interstate Benefits Wage Combining	Federal Emerg. Comp. ²	Penalty & Interest ³	Other ⁴	Trust Fund Interest Earned	Total Revenue Deposited ⁵
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
2007	141,857,022	0	7,769,782	1,381,191	16,900	12,728,892	3,534,700	14,555,870	181,844,357
2008	123,294,511	1,760,900	8,498,168	1,139,703	9,857,900	14,773,157	4,160,400	16,226,742	179,711,481
2009	102,925,167	24,725,886	10,912,421	2,628,686	57,078,819	16,649,388	11,794,907	14,800,781	241,516,056
2010	111,699,985	37,397,073	15,332,275	4,046,388	98,633,056	16,923,833	18,325,023	11,037,930	313,395,563

Disbursements									
Year	Regular Benefits + SSB	Extended Benefit Payments	Reimb. Benefit Payments	Interstate Benefits Wage Combining	Federal Emerg. Comp. ²	Training And Building Fund	Other ⁴	Total Benefits Disbursed ⁵	Reserve Fund Balance ⁶
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
2007	95,880,401	(4,260)	7,897,265	12,912,576	31,663	12,628,147	6,678,243	136,024,035	329,028,495
2008	100,630,213	3,464,794	7,825,589	12,949,475	10,835,942	14,756,828	9,626,379	160,089,219	351,909,621
2009	160,374,040	26,367,374	12,107,607	17,957,371	58,175,601	16,606,203	5,899,685	297,487,880	295,937,797
2010	171,463,019	37,684,897	15,829,424	17,011,630	97,845,340	16,994,436	7,902,303	364,731,049	244,602,311

¹ Excludes reimbursements

² TEUC: Temporary Emergency Unemployment Compensation, March 2002 to April 2004.
EUC-08: Emergency Unemployment Compensation 2008, July 2008 to April 2011.

³ Net collections of penalties, interest, and fines.

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

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

⁶ Amount available for benefits in trust fund on December 31.

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

Table 3.4
Tax Base, Average Employer and Employee Tax Rates
and Ratio of Taxable to Total Wages, 2001–2010

Year	Wages in Taxable Employment (In Thousands)		Ratio of Taxable to Total Wages (Percent)	Tax Base (In dollars)	Average Employer Tax Rate		Average Employee Tax Rate	
	Total Wages	Taxable Wages			Percent of Taxable Wages	Percent of Total Wages	Percent of Taxable Wages	Percent of Total Wages
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
2007	9,877,150	6,074,631	61.5	30,100	1.94	1.19	0.50	0.3
2008	10,507,640	6,391,729	60.8	31,300	1.50	0.91	0.50	0.3
2009	10,637,463	6,455,222	60.7	32,700	1.15	0.69	0.50	0.3
2010	10,898,425	6,718,998	61.7	34,100	1.31	0.81	0.50	0.3

Sources: Alaska Statutes 23.20.175 and 23.20.290. 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; 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**

2010 Employers by Rate Type

Industry	Experience Rated		Industry Rated		Penalty Rated		Total Rated Employers	
	No.	Percent of E-Rated	No.	Percent of I-Rated	No.	Percent of P-Rated	No.	Grand Total
Agriculture, Forestry, Fishing, ¹ and Hunting	136	0.9	26	1.5	1	0.7	163	0.9
Mining	153	1.0	25	1.5	1	0.0	179	1.0
Utilities	81	0.5	0	0.0	1	0.7	82	0.5
Construction	2,222	14.2	329	19.4	19	10.3	2,570	14.6
Manufacturing	481	3.1	34	2.0	5	2.9	520	3.0
Wholesale Trade	603	3.8	30	1.8	3	0.7	636	3.6
Retail Trade	1,761	11.2	118	7.0	23	11.0	1,902	10.8
Transportation and Warehousing	764	4.9	72	4.3	9	7.4	845	4.8
Information	230	1.5	25	1.5	2	2.2	257	1.5
Finance and Insurance	485	3.1	37	2.2	5	2.2	527	3.0
Real Estate and Rental and Leasing	562	3.6	50	3.0	4	0.7	616	3.5
Professional and Technical Services	1,690	10.8	210	12.4	15	5.1	1,915	10.9
Management of Companies	27	0.2	7	0.4	0	0.0	34	0.2
Administrative and Waste Services	952	6.1	124	7.3	10	6.6	1,086	6.2
Educational Services	202	1.3	39	2.3	2	1.5	243	1.4
Health Care and Social Assistance	1,510	9.6	118	7.0	12	6.6	1,640	9.3
Arts, Entertainment, and Recreation	467	3.0	42	2.5	11	1.5	520	3.0
Accommodations and Food Services	1,537	9.8	122	7.2	28	18.4	1,687	9.6
Other Services, except Public Administration	1,331	8.5	158	9.3	11	16.2	1,500	8.5
Public Administration	342	2.2	1	0.1	9	2.2	352	2.0
Unclassified	162	1.0	126	7.4	12	2.9	300	1.7
Total	15,698	100.0	1,693	100.0	183	100.0	17,574	100.0
Percent of Grand Total		89.3		9.6		1.0		100.0

Employer Average Tax Rates (Experience Rated firms)

	2006	2007	2008	2009	2010	2011	
Total	2.84	2.36	1.91	1.54	1.67	2.24	Experience-rated firms have at least four quarters of reported wages to qualify for experience rating. Experienced employers are assigned to one of 20 rate classes based on their average payroll decline experience (regardless of their industry). Industry-rated firms are newer employers with fewer than four quarters of reportable wages. They are assigned to the the tax class that is closest to their industry average. Penalty-rated firms are those who have failed to submit quarterly reports or pay taxes on schedule.
Agriculture, Forestry, Fishing, ¹ and Hunting	3.40	2.86	2.26	1.81	1.99	2.65	
Mining	3.03	2.46	1.98	1.62	1.75	2.37	
Utilities	2.47	1.96	1.65	1.34	1.44	1.88	
Construction	3.32	2.76	2.25	1.80	1.95	2.63	
Manufacturing	2.96	2.44	1.97	1.60	1.77	2.41	
Wholesale Trade	2.80	2.30	1.87	1.49	1.61	2.20	
Retail Trade	2.74	2.30	1.84	1.46	1.60	2.17	
Transportation and Warehousing	2.83	2.33	1.88	1.52	1.67	2.25	
Information	2.52	2.10	1.73	1.37	1.51	2.02	
Finance and Insurance	2.48	2.04	1.67	1.39	1.51	2.01	
Real Estate and Rental and Leasing	2.65	2.22	1.78	1.47	1.60	2.14	
Professional and Technical Services	2.74	2.26	1.85	1.50	1.63	2.19	
Management of Companies	2.50	2.08	1.86	1.54	1.71	2.22	
Administrative and Waste Services	2.93	2.43	2.00	1.60	1.75	2.34	
Educational Services	2.80	2.38	1.93	1.55	1.70	2.29	
Health Care and Social Assistance	2.33	1.93	1.55	1.28	1.38	1.83	
Arts, Entertainment, and Recreation	3.11	2.61	2.12	1.70	1.81	2.46	
Accommodations and Food Services	2.93	2.46	1.99	1.58	1.70	2.27	
Other Services, except Public Administration	2.57	2.13	1.71	1.39	1.51	2.04	
Public Administration	2.80	2.32	1.84	1.44	1.58	2.16	
Unclassified	3.11	2.46	2.08	1.71	1.80	2.40	

¹ Fishing excludes nearly all commercial fish harvesting employment. Percentages may not add up to 100 due to rounding.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section, Taxable Wages within Sise of Payroll Code, Report BTAX 4310 P

Table 3.6
UI Tax Rate Calculations and Tax Rates by Rate Class
2011

Tax Rate Calculations

	SFY 2007	SFY 2008	SFY 2009	SFY 2010
(1) Benefit Cost (Ben-Reimb-Int)		92,677,254	125,260,341	182,296,709
(2) Total Payroll (taxable employers)	9,540,702,187	10,163,092,935	10,609,183,230	10,625,425,285
(3) Taxable Payroll				6,503,802,088
(4) Benefit Cost for 3 Prev SFY				\$400,234,304
(5) Total Payroll, First 3 of Last 4 SFY				\$30,312,978,352
(6) 3-Yr Benefit Cost/Total Payroll (4)/(5)				0.013203
(7) Taxable/Total Payroll, Last SFY				0.612098
(8) Average Benefit Cost Rate (6)/(7)				0.021571
(9) UI Trust Fund Balance, Sep 30				\$256,985,522
(10) Total Payroll, Last SFY				\$10,625,425,285
(11) UI Trust Fund Reserve Rate (9)/(10)				0.024186
(12) Solvency Adjustment				0.003
Tax Rates (the Percent of Taxable Wages)				
(13) Average Employer Tax Rate as a Percent of Taxable Payroll (0.73 x ABCR) + TFSA = (0.73 x #8) + #12				1.87%
(14) Average Employee Tax Rate: (0.27 x ABCR) = (0.27 x #8)				0.58%

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	0.58	1.00	1.58
2	0.45	0.58	1.01	1.59
3	0.50	0.58	1.09	1.67
4	0.55	0.58	1.17	1.75
5	0.60	0.58	1.24	1.82
6	0.65	0.58	1.32	1.90
7	0.70	0.58	1.40	1.98
8	0.80	0.58	1.56	2.14
9	0.90	0.58	1.72	2.30
10	1.00	0.58	1.87	2.45
11	1.00	0.58	1.87	2.45
12	1.10	0.58	2.03	2.61
13	1.20	0.58	2.19	2.77
14	1.30	0.58	2.35	2.93
15	1.35	0.58	2.43	3.01
16	1.40	0.58	2.50	3.08
17	1.45	0.58	2.58	3.16
18	1.50	0.58	2.66	3.24
19	1.55	0.58	2.74	3.32
20	1.60	0.58	2.82	3.40
21	1.65	0.58	5.40	5.98

Notes:

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

Employee Tax Rate: Statutory minimum tax rate for employee is 0.50%. Line (14)

Employer Tax Rate: Statutory minimum tax rate for employer is 1.00%.

Sources: Alaska Statutes 23.20.290

Alaska Department of Labor & 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
2001–2010**

Federal Fiscal Year ¹	FUTA Collections (in millions)	UI Admin. Grants (in millions)	Employment Security	Other Grants (In millions)	Total Administrative Grants	
			Admin. Grants (In millions)		(In millions)	As a Percentage of FUTA
2001	14.2	20.8	7.9	1.9	28.7	202.1
2002	14.3	22.7	8.2	2.2	30.9	216.1
2003	14.4	22.7	8.1	2.3	30.8	213.9
2004	14.7	21.3	7.8	1.9	29.1	198.0
2005	15.4	21.3	7.7	2.0	29.0	188.3
2006	16.1	19.1	7.6	1.9	26.7	165.8
2007	16.3	20.6	7.4	1.4	28.0	171.8
2008	16.5	22.1	7.4	1.2	29.5	178.8
2009	16.3	27.8	8.5	1.2	36.3	222.7
2010	16.4	25.5	10.6	1.3	36.1	220.1

¹ The federal fiscal year is a 12-month period beginning Oct. 1 of the prior year, ending Sept. 30 of the following year. For example, FFY 2009 would include activity between Oct. 1, 2008 and Sept. 30, 2009. ES = employment security. The data table presented here uses a revised data series for 1981 to 2007, issued by USDOL in January 2009.

Source: U.S. Department of Labor, Employment and Training Administration, Office of Workforce Security.
Website: www.ows.doleta.gov/unemploy/budget.asp Select the link: "Estimated FUTA Receipts vs. Amounts Returned."

**Table 3.8
Collections, UI Regular Benefits Paid
Reimbursable Employment
2001–2010**

Year	Collections			Benefits Paid			Total Collections Less Benefits Paid
	Total	Private Nonprofit	Government (State & Local)	Total	Private Nonprofit	Government (State & Local)	
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
2007	7,769,782	990,146	6,779,635	7,897,265	917,077	6,980,188	-127,484
2008	8,498,168	1,220,277	7,277,891	7,825,589	889,612	6,935,977	672,579
2009	10,912,421	1,272,116	9,640,305	12,107,607	1,147,965	10,959,642	-1,195,186
2010	15,332,275	1,735,071	13,597,204	15,168,986	1,481,034	13,687,952	163,290
10-Year Total							1,449,654

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, Taxes Assessed, and Ratio of Benefits to Taxes
for Taxable Employment, 2006–2010

Industry	Benefits Paid (Regular + 1/2 EB) from the UC-217 Report (in thousands)					Total Employer and Employee Contributions Assessed from the QCEW Report (in thousands)				
	2006	2007	2008	2009 Revised	2010	2006	2007	2008	2009	2010
Totals (including unclassified)	\$97,130	\$92,489	\$96,668	\$177,817	\$192,969	\$168,776	\$151,154	\$135,352	\$119,130	\$130,735
Agriculture, Forestry, Fishing, ¹ & Hunting	1,101	979	865	1,180	1,011	1,055	786	612	532	726
Mining	2,644	3,414	4,010	15,850	13,466	12,359	11,371	11,018	9,780	10,961
Utilities	629	602	581	845	1,156	1,351	1,121	1,188	1,155	1,255
Construction	21,364	21,063	21,149	38,445	41,162	24,722	21,192	18,686	15,435	16,364
Manufacturing	13,338	12,334	12,941	19,561	20,883	13,137	11,921	9,776	8,123	9,030
Wholesale Trade	1,590	1,456	1,481	3,167	3,422	5,200	7,934	3,936	3,409	3,674
Retail Trade	9,252	8,807	8,815	16,654	17,650	19,004	13,256	14,733	13,469	14,519
Transportation and Warehousing	6,556	6,259	6,514	11,563	12,858	15,312	13,477	11,965	10,366	10,918
Information	1,492	1,240	1,413	2,871	3,208	4,099	4,089	3,838	3,429	3,508
Finance and Insurance	2,328	2,111	2,157	3,583	4,159	6,382	5,666	5,299	4,940	5,147
Real Estate, Rental, and Leasing	2,888	2,274	2,322	3,498	4,361	3,530	2,863	2,631	2,497	2,580
Professional and Technical Services	2,669	2,461	3,326	6,801	7,917	10,538	9,594	9,168	8,123	9,318
Management of Companies	168	167	156	153	316	1,109	1,006	923	859	936
Administrative and Waste Services	4,509	4,428	5,460	10,502	11,541	8,551	7,848	6,744	6,082	6,482
Educational Services	397	425	291	695	789	1,001	893	816	727	834
Health Care and Social Assistance	7,733	7,444	7,190	11,730	14,337	15,434	13,790	13,133	12,600	14,252
Arts, Entertainment, and Recreation	1,118	1,005	1,054	1,943	2,136	2,002	1,793	1,683	1,397	1,517
Accommodation and Food Services	7,539	7,087	7,816	12,989	14,323	14,430	13,010	11,267	9,135	10,135
Other Services, except Public Administration	3,450	2,949	2,955	5,528	6,205	5,334	4,679	4,279	3,957	4,331
Public Administration	5,432	4,869	5,046	7,266	8,008	3,678	4,303	3,166	2,868	3,935
Unclassified	933	1,115	1,126	2,993	4,061	549	563	492	247	312

Industry	Ratio Of Benefits To Prior Year Contribution				
	2006	2007	2008	2009 Revised	2010
Totals (including unclassified)	0.6	0.5	0.6	1.3	1.6
Agriculture, Forestry, Fishing, ¹ and Hunting	0.9	0.9	1.1	1.9	1.9
Mining	0.3	0.3	0.4	1.4	1.4
Utilities	0.5	0.4	0.5	0.7	1.0
Construction	0.9	0.9	1.0	2.1	2.7
Manufacturing	1.0	0.9	1.1	2.0	2.6
Wholesale Trade	0.3	0.3	0.2	0.8	1.0
Retail Trade	0.5	0.5	0.7	1.1	1.3
Transportation and Warehousing	0.4	0.4	0.5	1.0	1.2
Information	0.4	0.3	0.3	0.7	0.9
Finance and Insurance	0.4	0.3	0.4	0.7	0.8
Real Estate, Rental, and Leasing	0.8	0.6	0.8	1.3	1.7
Professional and Technical Services	0.3	0.2	0.3	0.7	1.0
Management of Companies	0.2	0.2	0.2	0.2	0.4
Administrative and Waste Services	0.5	0.5	0.7	1.6	1.9
Educational Services	0.4	0.4	0.3	0.9	1.1
Health Care and Social Assistance	0.5	0.5	0.5	0.9	1.1
Arts, Entertainment, and Recreation	0.6	0.5	0.6	1.2	1.5
Accommodation and Food Services	0.5	0.5	0.6	1.2	1.6
Other Services, except Public Administration	0.7	0.6	0.6	1.3	1.6
Public Administration	1.4	1.3	1.2	2.3	2.8
Unclassified	1.6	2.0	2.0	6.1	16.4

¹ Fishing excludes nearly all commercial fish harvesting employment.

Percentages may not add up to 100 due to rounding. The 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 Wages 2001–2010

Year	Percent of Total Wages				Percent of Taxable Wages			
	Collections	Benefits Paid	Year-End Reserve	Average Employer Tax Rate	Collections	Benefits Paid	Year-End Reserve	Average Employer Tax Rate
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
2007	1.4	1.1	3.3	1.19	2.3	1.8	5.4	1.94
2008	1.2	1.1	3.3	0.91	1.9	1.8	5.5	1.50
2009	1.0	1.7	2.8	0.70	1.6	2.8	4.6	1.15
2010	1.0	1.7	2.2	0.81	1.7	2.8	3.6	1.31

Note: Net benefits paid by taxable employers include regular unemployment benefits plus all state supplemental benefit payments plus Alaska's share of extended benefit payments for taxable employers plus the net of benefits paid minus receipts for interstate wage combining.
Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section: Unemployment Insurance Financial Transaction Summary, ETA 2-112 report to the U.S. Department of Labor; 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 Wages
by Industry, 2010

Industry	Amount of Benefits Paid		Employer and Employee Contributions Assessed	Total Wages	Taxable Wages	Percent of Total Wages Taxable
	Regular	Regular Plus 1/2 Extended Benefits				
Total	\$170,978,335	\$192,968,493	\$130,734,841	\$10,898,425,355	\$6,718,998,080	61.7
Agriculture, Forestry, Fishing, ¹ and Hunting	928,468	1,010,656	725,944	39,186,206	29,622,379	75.6
Mining	11,736,815	13,465,902	10,960,568	1,755,759,943	635,403,171	36.2
Utilities	1,078,300	1,155,540	1,313,847	154,624,523	74,796,227	48.4
Construction	36,840,720	41,162,428	16,624,041	1,131,677,580	709,282,035	62.7
Manufacturing	18,856,560	20,882,737	9,029,641	490,307,081	380,815,371	77.7
Wholesale Trade	3,037,244	3,422,271	3,673,890	320,410,307	806,693,653	251.8
Retail Trade	15,783,959	17,650,376	14,527,823	1,000,374,997	196,304,505	19.6
Transportation and Warehousing	11,540,791	12,857,892	10,930,762	1,080,507,662	587,009,880	54.3
Information	2,862,453	3,207,622	3,515,215	352,863,933	196,798,993	55.8
Finance and Insurance	3,779,471	4,159,295	5,198,327	519,227,286	286,158,668	55.1
Real Estate, Rental, and Leasing	3,828,719	4,360,503	2,789,548	203,879,275	144,891,192	71.1
Professional and Technical Services	6,899,165	7,917,031	9,322,365	883,979,614	468,800,919	53.0
Management of Companies	287,375	316,068	936,493	91,154,587	47,112,742	51.7
Administrative and Waste Services	10,199,204	11,541,311	6,482,648	465,269,849	326,641,635	70.2
Educational Services	252,203	788,606	834,834	61,236,200	45,503,796	74.3
Health Care and Social Assistance	12,571,804	14,336,761	14,320,403	1,172,647,051	801,528,570	68.4
Arts, Entertainment, and Recreation	1,915,603	2,135,818	1,533,085	75,844,586	68,137,598	89.8
Accommodation and Food Services	12,833,458	14,323,365	10,134,829	541,851,711	494,458,974	91.3
Other Services, except Public Administration	5,510,846	6,205,430	4,338,892	315,801,104	232,554,173	73.6
Public Administration	6,542,544	8,008,356	3,225,329	226,384,795	173,842,569	76.8
Unclassified	3,692,633	4,060,525	316,357	15,437,065	12,641,030	81.9

¹ Fishing excludes nearly all commercial fish harvesting employment.

Notes: Reimbursable account data are excluded from this table. 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 Wages by Industry, 2010

Industry	Regular Benefits as a Percentage of:			Regular Benefits Plus 1/2 Extended Benefits as a Percentage of:		
	Collections	Total Wages	Taxable Wages	Collections	Total Wages	Taxable Wages
Total	130.8	1.6	2.5	147.6	1.8	2.9
Agriculture, Forestry, Fishing, ¹ and Hunting	127.9	2.4	3.1	139.2	2.6	3.4
Mining	107.1	0.7	1.8	122.9	0.8	2.1
Utilities	82.1	0.7	1.4	88.0	0.7	1.5
Construction	221.6	3.3	5.2	247.6	3.6	5.8
Manufacturing	208.8	3.8	5.0	231.3	4.3	5.5
Wholesale Trade	82.7	0.9	0.4	93.2	1.1	0.4
Retail Trade	108.6	1.6	8.0	121.5	1.8	9.0
Transportation and Warehousing	105.6	1.1	2.0	117.6	1.2	2.2
Information	81.4	0.8	1.5	91.2	0.9	1.6
Finance and Insurance	72.7	0.7	1.3	80.0	0.8	1.5
Real Estate, Rental, and Leasing	137.3	1.9	2.6	156.3	2.1	3.0
Professional and Technical Services	74.0	0.8	1.5	84.9	0.9	1.7
Management of Companies	30.7	0.3	0.6	33.8	0.3	0.7
Administrative and Waste Services	157.3	2.2	3.1	178.0	2.5	3.5
Educational Services	30.2	0.4	0.6	94.5	1.3	1.7
Health Care and Social Assistance	87.8	1.1	1.6	100.1	1.2	1.8
Arts, Entertainment, and Recreation	125.0	2.5	2.8	139.3	2.8	3.1
Accommodation and Food Services	126.6	2.4	2.6	141.3	2.6	2.9
Other Services, except Public Administration	127.0	1.7	2.4	143.0	2.0	2.7
Public Administration	202.8	2.9	3.8	248.3	3.5	4.6
Unclassified	1167.2	23.9	29.2	1283.5	26.3	32.1

¹ Fishing excludes nearly all commercial fish harvesting employment.

Notes: Reimbursable account data are excluded from this table. 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

Appendix A

Data Sources and Limitations

2010 Edition

Limitations of data

The data in this report are from several sources, each with its limitations. Much of the data come from established printed reports produced from 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 use different selection criteria.

Differences also occur when tables are derived from different sources. Each table has the data source stated underneath. The reader should also be cautious of other limitations. Percentages may not add up to 100 percent due to rounding at one or two digits. Monetary data are reported to the full dollar amount whenever possible in the publication. The dollar amounts in some tables are rounded to the nearest \$1,000 because of space limitations. Finally, industry groupings may include subcategories in manufacturing and mining, which must be subtracted when adding the columns.

The North American Industry Classification System (NAICS) replaced the Standard Industrial Classification (SIC) system in 2003, which interrupted the time series data. Two categories, construction and mining, are relatively unchanged by the transition. The majority, however, are either new or include a different mix of industries. Essentially, this was the beginning of a new time series of industry data.

Chapter 1: UI Covered Employment and Wages

Chapter 1 provides information on employment and wages mainly using the Quarterly Census of Employment and Wages report (QCEW), which is submitted to the U.S. Department of Labor's Bureau of Labor Statistics for inclusion in the national data.

The information used in QCEW is derived from quarterly wage and employment data submitted to the Alaska Department of Labor and Workforce Development (DOLWD) by employers in Alaska. The Department of Labor derives some QCEW information from estimates for delinquent employers.

The QCEW data represent all employers covered by Alaska's unemployment insurance system. It consists of Alaska employers' reported average monthly employment, total wages, and taxable wages. Employers' tax assessments, to be paid into the UI Trust Fund, are also included.

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

Average monthly employment is an estimate, based on reported employment data for the pay period that includes the 12th day of the month. It is an estimate of the **number of active jobs** each month. Readers should be cautious when deriving annual wages from these figures, as they represent average annual wages **per job**, not per worker. Wages, in contrast, are the sum total of wages paid during each quarter.

Chapter 1 presents industries according to NAICS sectors. Specific industries, based on three digit NAICS codes, are included because of their relevance to the Alaska economy. The same sectors are used for benefit payments in chapters 2 and 3. Employment, wages, and average wages (annual, monthly) information is also broken out by ownership: private, state government, and local government. Federal employment is excluded in all industry and ownership displays, because federal employees and members of the military are not covered by the state unemployment insurance program.

Please note that public administration (NAICS codes 921-928) is not directly comparable with state and local government ownership. While all public administration employment is included in either state or local government, the opposite is not true; some of the operations included under state or local government ownership are listed under industries other than public administration, particularly construction, transportation, and services.

Chapter 2: UI Benefit Payments

Chapter 2 focuses on benefit payment data. Unemployment claims are processed through the state's mainframe computer. Three of the basic reports from this system 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, which is a monthly compilation of data by two-digit NAICS code and a three-digit FIPS or geographic area code.

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 department's Quarterly Management Report, which

compiles the department's active claimant file weekly. Some of the data are also derived from the U.S. Department of Labor's Claims Activity Report (ETA 5159), now a direct product of the mainframe system.

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 file. This file results from 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," (often referred to as the DOT codes). Ethnic information is voluntarily submitted at the time of initial filing.

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

Table 2.16 is derived from the "UI Data Summary," a quarterly publication of key UI information published by the U.S. Department of Labor's Division of Actuarial Services.

Chapter 3: Alaska's UI Benefit Financing System

Chapter 3 discusses financial transactions, Alaska's UI Trust Fund, and Alaska's benefit financing structure. One of the major subjects of the chapter is benefit cost. Therefore, it draws heavily from the DOLWD's Benefit Payments by Industry and Area (UC 217) report and the QCEW quarterly reports (the U.S. Department of Labor's Quarterly Census of Employment and Wages report). In fact, several of the tables directly reproduce data reported in chapters 1 and 2.

The other major data source for Chapter 3 is the Financial Transactions Summary (ETA 2112). This is a monthly accounting report produced by the DOLWD, and it is the most accurate source of information on financial transactions and cash flow. Its purpose is to track overall fund activity, and it cannot 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.

Summary of Major Changes in the Employment Security Act

Part 1: Coverage Provisions of the Alaska Employment Security Act, 1937–2010

- April 2, 1937** Alaska Employment Security Law enacted. Employers with eight or more employees in 20 weeks of the year are liable for taxes. The following types of employment are excluded from coverage: agriculture; domestic service; officers and crews on vessels; service performed by a parent, spouse, or child under 21; government; nonprofit organizations; and those covered under a federal unemployment program. Employers not subject to the law may elect coverage with permission of the commission. Ch. 4, ESLA 1937
- July 1, 1945** Coverage extended to employers of one or more persons at any time. Ch.7, SLA 1945
- Mar. 20, 1947** List of excluded services extended. Additional exclusions include newsboys and students. Any employment liable for a tax under the Federal Unemployment Tax Act (FUTA) will be automatically covered under the state U.I. law. Ch. 48, SLA 1947
- Mar. 17, 1959** Employees in finance, insurance, and real estate paid on a commission basis are excluded from coverage. Ch. 46, SLA 1959
- 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
- May 28, 2009** Reimbursable financing available to federally recognized tribes. Ch. 27, SLA 2009

Part 2: Financing Provisions of the Alaska Employment Security Act, 1937–2010

- 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
- Mar. 26, 1941** Taxable wages limited to first \$3,000 of wages paid to an employee. Ch. 40, SLA 1941
- June 30, 1947** Credits against the tax are available to qualified employers if there is a fund surplus. 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
Mar. 30, 1960	Uniform employer tax increased to 2.9 percent. Uniform employee tax increased to 0.6 percent. Tax base increased to \$7,200. Ch. 60, SLA 1960
Oct. 1, 1960	Individual employer and employee tax rates made variable depending on quarterly payroll declines of employer. Employer tax rates range from 1.5 percent to 4.0 percent with an average tax rate of 2.9 percent. Employee tax rates range from 0.3 percent to 0.9 percent averaging 0.65 percent. Ch. 60, SLA 1960
Jan. 1, 1974	Employee tax made uniform and employer tax left variable. The tax base is \$10,000. There are 10 alternative tax rate schedules with the appropriate schedule determined by the “reserve multiple,” which measures the ability of the fund to meet potential benefit payments. Ch. 43, SLA 1973
Jan. 1, 1981	Tax base will be 60 percent of the average annual wage for calendar years 1981 and 1982 and will be 75 percent of the average annual wage for future years. Ten alternative tax rate schedules are replaced with 20 “experience factors.” An employer’s yearly rate calculation will be 82 percent of the benefit cost rate times the experience factor. A solvency tax will be added across the board if the “reserve ratio” of the fund is under 3.2 percent. Employee tax will be a uniform 18 percent of the benefit cost rate. Ch. 9, SLA 1980
Oct. 1, 1984	The amount of interest earned on the trust fund balance will be deducted from the amount of benefits in the calculation of average benefit cost rate. Ch. 106, SLA 1984
Jan. 1, 1985	A new rate class, Class 21, is established and assigned an experience rating of 1.65 and a minimum employer tax rate of 5.4 percent. Solvency adjustments changed to provide a surcharge if the trust fund reserve rate falls below 3.0 percent and a credit if the reserve rate equals or exceeds 3.3 percent. Ch. 106, SLA 1984
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	Training programs pilot project extended until 1996. Ch.17, SLA 1993
July 1, 1996	Training programs (STEP) extended 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. Program to be funded by transfer of 0.1 percent of taxable wages from amount contributed by employees. Ch. 132, SLA 2000
July 1, 2002	Training programs (STEP) extended until June 30, 2003. Ch.86, SLA 2002
July 1, 2003	Training programs (STEP) extended until June 30, 2004. Ch.49, SLA 2003
July 1, 2004	Training programs (STEP) extended until June 30, 2008. Ch.89, SLA 2004
July 1, 2008	Training programs (STEP) extended until June 30, 2010. Ch.46, SLA 2008
July 1, 2008	Technical and Vocational Education Program (TVEP) expanded. Program to be funded by transfer of 0.15 percent (from 0.10) of taxable wages from amount contributed by employees. Ch. 47, SLA 2008

Jan. 1, 2009 For 2009, the employer’s yearly rate calculation will be 76 percent of the benefit cost rate times the experience factor (no change in the solvency tax provision). The 2009 employee tax will be a uniform 24 percent of the benefit cost rate. For 2010 and future years, the employer’s yearly rate calculation will be 73 percent of the benefit cost rate times the experience factor, and the employee tax will be a uniform 27 percent of the benefit cost rate. Ch.45, SLA 2008

June 24, 2009 Training programs (STEP) made permanent. Ch 36, SLA 2009

Part 3: Benefit Provisions of the Alaska Employment Security Act, 1937–2010

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

Jan. 1, 1983	Minimum payment is \$34; maximum payment is \$156 for basic WBA. Ch. 115, SLA 1982
Oct. 1, 1984	Minimum payment is \$38; maximum payment is \$188 for basic WBA. Ch. 106, SLA 1984
Oct. 1, 1990	Minimum payment is \$44; maximum payment is \$212 for basic WBA. Ch. 167, SLA 1990
Jan. 1, 1997	Minimum payment is \$44; maximum payment is \$248 for basic WBA. Ch. 116, SLA 1996
Jan. 1, 2009	Minimum payment is \$56; maximum payment is \$370 for basic WBA. Ch. 45, SLA 2008

Part 4: Qualifying Provisions of the Alaska Employment Security Act, 1937–2010

April 2, 1937	To qualify for benefits, a claimant must have: 1) been unemployed in two of the last 13 weeks preceding claim; 2) have wages in the first three of the last four calendar quarters totaling more than 16 times the WBA; and 3) be ready and able to work. The claimant is disqualified for five additional weeks upon quitting the last employment without good cause. Ch. 4, ESLA 1937
Jan. 17, 1939	Total wages in base year must equal or exceed 25 times the WBA. Ch. 1, SLA 1939
Mar. 26, 1941	Claimant must have been unemployed for two weeks in the benefit year including the week in which the claim was filed. Ch. 40, SLA 1941
July 1, 1945	Women are disqualified during the last two months of pregnancy and the month following pregnancy. Ch. 50, SLA 1945
Oct. 1, 1946	Minimum required wages in base year set at \$150. Ch. 32, SLA 1946
June 30, 1947	Waiting period reduced to one week. Ch. 74, SLA 1947
July 1, 1953	Minimum wage requirement set at \$300. Seasonal workers are disqualified for benefits for unemployment not occurring during their regular working season. Ch. 99, SLA 1953
July 3, 1955	Minimum wage requirement set at \$450 or 1.25 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
April 4, 1957	Minimum wage requirement set at \$500 or 1.25 times high quarter wages. Ch. 169, SLA 1957
April 7, 1962	Claimants are not disqualified while attending a training course to improve their skills. Ch. 63, SLA 1962
July 1, 1969	Minimum wage requirement set at \$750, \$100 of which must have been earned outside the quarter with the highest wages. Ch. 106, SLA 1969
Jan. 1, 1972	Women no longer disqualified during pregnancy. Ch. 106, SLA 1971
Oct. 1, 1980	Minimum wage requirement set at \$1,000 with at least 10 percent earned outside the quarter of highest wages. If a claimant earns more than 90 percent of the base period wages in one quarter, base period wages used for determining benefits will be reduced to 10 times the wages paid in the base period outside the high quarter. The six-week disqualification for voluntary quit and misconduct includes a reduction of potential benefits by three times the basic WBA. The six-week disqualification is lifted if the claimant returns to work and earns eight times the WBA. Ch. 9, SLA 1980
Oct. 31, 1981	A waiting week must be served for each new benefit year. Extended benefit claimants must actively seek work and may not refuse an offer of “suitable” work. Claimants filing for extended benefits from a state not triggered onto extended benefits are eligible for no more than two weeks of benefits. Ch. 114, SLA 1981

- June 26, 1982** The national “on” and “off” trigger indicators for extended benefits are repealed in conformity with federal law. Ch. 115, SLA 1982
- Sept. 26, 1982** In conformity with federal law, the state “on” indicator for extended benefits is increased to 6 percent insured unemployment rate. In conformity with federal law, a claimant is not eligible for extended benefits unless total base period wages equal or exceed 40 times the weekly benefit entitlement including dependent benefits. Supplemental state benefits are provided for claimants otherwise eligible for extended benefits except for the new 40 times the WBA requirement. All other conditions of extended benefits apply to supplemental state benefits. Ch. 115, SLA 182
- June 16, 1984** State interim benefits provided for noncertified teachers of indigenous languages and school employees in other than an instructional, research or principal capacity. Ch. 106, SLA 1984
- July 2, 1989** An insured worker is ineligible for benefits for one year if discharged for commission of a felony or theft in connection with work. Ch. 100, SLA 1989
- Nov. 15, 1991** An agreement with the U.S. 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
- Jan. 1, 2009** Minimum wage requirement set (from \$1,000) to \$2,500, with at least 10% (\$250) in a second quarter. Ch. 45, SLA 2008.
- Jan. 1, 2010** Alternative Base Period (last four completed quarters) created for those who fail to qualify for a benefit with the standard base period. Ch. 27 SLA 2009

Appendix C

Glossary of Terms

2010 Edition

Alaska geography (area definitions): Geographic entities within Alaska. (1) Largest areas are the boroughs (legal boundaries) and census areas (statistical boundaries, equivalent to boroughs). (2) Cities are defined by their legal descriptions. (3) Census-designated places (CDPs) are unincorporated established communities.

alternate base period: The last four completed calendar quarters immediately preceding the first day of an individual's benefit year. The alternate base period is a secondary examination for qualifying wages (a safety net), and is used only when an individual fails to qualify for a benefit with the traditional base period. Alaska adopted the alternate base period to begin in 2010. (See 'base period.')

average annual wages: Total wages 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): A UI program statistical measure: the total benefits paid for full-time unemployment, divided by the number of weeks compensated.

average weekly wages: Average annual wages 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. (See 'alternate base period.')

base period wages: (1) If workers were paid 90 percent or more of their wages in a single quarter of the base period, the BPW are the wages in the other three quarters times 10. (2) If the workers were not paid 90 percent or more of their wages in a single quarter of the base period, the BPW are the wages during the base period.

benefit: Monetary amount payable (weekly) to an individual under AS.23.20.

benefit cost rate: A cost of benefits measure (percent) calculated as the ratio of regular benefits paid in the current year, divided by total wages in the previous year.

benefit year: A one-year period beginning with the Sunday of the week 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 determining the share of liability in each state.

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 that included 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.

decline quotient: An estimate of an employer's experience with unemployment, determined by dividing the decline in payroll within two consecutive quarters by the payroll of the earlier quarter. 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 (or dependents' allowance [DA]): Benefits in addition to the weekly benefit amount 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 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 wages replaced by the UI weekly benefit amount. In general, the U.S. unemployment insurance system seeks a goal of 50 percent.

Emergency Unemployment Compensation (1991) (EUC): A federally funded program similar to extended benefits, paying additional weeks of benefits, beginning November 17, 1991, and ending April 30, 1994. Alaska elected to pay EUC benefits in lieu of EB during that time.

Emergency Unemployment Compensation 2008 (EUC08): A federally funded program similar to the 1990s EUC program. Benefits were first payable for the week ending July 12, 2008, and the last week payable (first extended to April 30, 2011) was re-extended to June 9, 2012. The four tiers of the program provided up to 20, 14, 13, and 6 weeks of benefits, for a total of up to 53 maximum available weeks. Tiers three and four were available for Alaska based on the state's total unemployment rate figures (three-month average TUR \geq 6.0 for tier three, and \geq 8.5 for tier four). Tier four payments ended July 3, 2010, and were again paid in 2011 from Jan. 16 to June 11. One-hundred percent federal funding for EB was also provided most of this period (through 2011 to phase out in 2012).

Employment and Training Administration (ETA): A division of the U.S. Department of Labor.

exhausts: A person was paid all the weeks available for a specific UI benefit program.

experience rating: A method of measuring an employer's experience with unemployment. Alaska's employers (those eligible for experience rating) are ranked by their average quarterly decline quotient and are assigned to one of 20 tax rate classes, each with an experience factor between 0.40 and 1.60. A special penalty class 21 (with a factor of 1.65) was created in 1985 for firms who are delinquent in filing quarterly reports or making tax payments. New employers are assigned tax rates based on an industry average rate.

extended benefits (EB): Additional benefits available after regular state UI benefits have been exhausted, but only when an extended benefits period is in effect. EB was enacted by Congress in 1970.

extended benefits period: A period during which extended benefit payments are authorized, usually defined as a period of 13 weeks or more as determined by unemployment rate data. Section 23.20.408 of the Alaska Employment Security Act defines the conditions required for an extended benefits period.

Federal Additional Compensation (FAC): Part of the 2009 federal economic stimulus programs. FAC provided an additional \$25 to the weekly benefit amount of all recipients. The first Alaska FAC payable was the week ending Feb. 28, 2009. The last Alaska week payable (originally July 3, 2010) was Dec. 11, 2010.

federal fiscal year: Oct. 1 of the prior calendar year through Sept. 30 of the current calendar year. For example: federal fiscal year 2010 is from Oct. 1, 2009, to Sept. 30, 2010.

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.')

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

Federal Unemployment Tax Act (FUTA): U.S. employers pay a national FUTA tax, and receive credit (reduction of FUTA tax owed) for UI taxes paid to approved state UI programs.

high quarter: The quarter of the base period with the greatest reported wages.

high unemployment period (HUP): A definition in the trigger for extended benefits that increases the maximum number of EB weeks payable from 13 to 20. The HUP is in effect if the three-month average total unemployment rate (TUR) is 8.0 percent or greater. HUP was in effect from 2009 week 19 thru 2010 week 42, and again in 2011 for weeks 8 through 20.

industry: The classification of an employer establishment by primary economic activity, according to a government coding system (NAICS). (See 'North American Industry Classification System.')

insured unemployment: The number of people filing continued claims for full regular benefits or 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. It is computed as the average insured unemployment for a 13-week period, divided by average covered employment lagged six months. The IUR is computed weekly.

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.

Local Area Unemployment Statistics (LAUS): A federal-state cooperative statistical program that provides labor force and unemployment rate data for areas within the state.

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. Most claims are now filed through the Internet or by phone.

mail claims: Claims that were filed by mail to the mail claims center by people residing more than 55 miles from the nearest local office. Claims from rural areas are now handled through the call center system.

North American Industry Classification System (NAICS): A national standardized system to classify employers into industries. The first year of NAICS-based data in Alaska was 2003.

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 (private industry or federal, state, or local government) rather than by type of economic activity.

regular benefits (or state UI program): The main benefits program in the UI system, financed by a state- administered tax system.

reimbursable: A contribution system where certain employers 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. Eligible employers include state and local governments, schools, nonprofits, tribal corporations, and hospitals (nonprofit, tribal, or government).

solvency adjustment: A *surcharge* added to employer taxes when the trust fund balance falls below 3.0 percent of the total payroll, or a *credit* lowering taxes when the balance rises above 3.3 percent.

Standard Industrial Classification System (SIC): A national standardized system to classify employers into industries, in effect through 2002. It was succeeded by NAICS.

state fiscal year: July 1 of the prior calendar year through June 30 of the current calendar year. For example, state fiscal year 2010 is from July 1, 2009, to June 30, 2010.

State Interim Benefits (SIB): A special Alaska program (started in 1984) which, for a few years, paid benefits to certain noninstructional educational employees between sessions.

State Supplemental Benefits (SSB): A special Alaska program (created in 1982) that 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 wages subject to state unemployment insurance taxes. It is calculated (for each tax year) as 75 percent of the average annual wage (using last state fiscal year data).

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 wages: The portion of total wages (payroll) of employers within the experience rating system that is subject to state unemployment tax provisions. Since 1983, the taxable wage base is defined as 75 percent of the average annual wage (using last state fiscal year data).

Temporary Emergency Unemployment Compensation (TEUC): A federal program enacted by Congress following the attacks of 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. The TUR is the "official" quoted rate of unemployment, issued monthly.

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

trade readjustment allowance (TRA): An allowance authorized under the federal Trade Act of 1974 for providing benefits and training to workers whose employment opportunities have been impacted by adjustments to federal regulations on international trade.

Training and Building Fund: An account separate from the UI trust fund that receives interest and penalties paid by taxed employers. It is used to support training and to provide office space.

trust fund: A state fund (at the U.S. Treasury) to receive and disburse unemployment insurance funds.

trust fund reserve: As an accounting definition, it is the sum of amounts 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. The reserve of the trust fund, programmatically, is the amount beyond current inflows and outflows, designed to maintain fund solvency in recession when tax revenues lag far behind benefit payments.

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

Unemployment Compensation for Ex-Servicemen (UCX): A federally funded insurance program, similar to UCFE, 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) that process UI claims. In-person claims filing was phased out in 1996 and 1997. In-state claims are filed through the Internet, an automated telephone system (VICTOR), and by mail.

waiting week: The first week of claimed unemployment, for which there is no disqualification. No payment is made for the waiting week, but is made for subsequent qualifying weeks. States that have no waiting week provision will not receive the federal share for the first week of any claimant's extended benefits payment.

weekly benefit amount (WBA): The benefit paid (actual) or entitled to (potential) per week.

week claimed: A claim for a waiting week credit, or benefit, for a week of unemployment.

weeks paid: The number of weeks claimed that received a benefit payment.