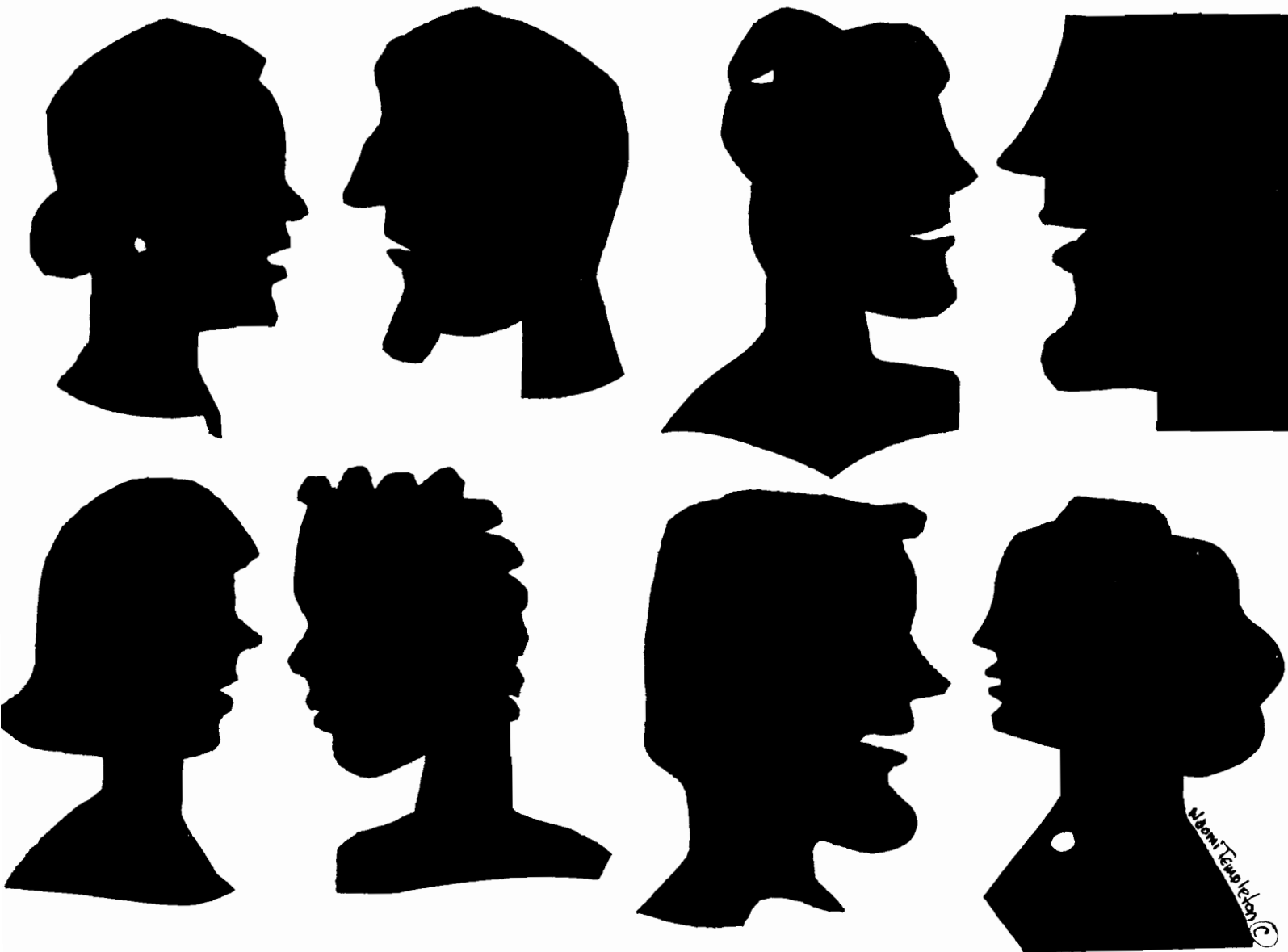


# UNEMPLOYMENT INSURANCE ACTUARIAL STUDY • 1978



ALASKA DEPARTMENT of LABOR

• JAY S. HAMMOND, GOVERNOR •



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## INTRODUCTION

This report is the second actuarial study of Alaska's unemployment insurance (UI) tax and benefit structures in accordance with Chapter 43 SLA 1973. It contains an overview of the unemployment insurance program and information and statistics relating to the program. The statistics presented within refer to the unemployment insurance program; covered employment counts only workers who are insured under the UI law and the unemployment rate and average wages presented also include only UI insured workers. Other publications of the Department of Labor are dedicated to total employment and unemployment. Those figures are not reflected in this study because individuals who are not covered by unemployment insurance have no effect on either the benefit or tax structures of the program.

## UNEMPLOYMENT INSURANCE

The Alaska Employment Security Act is the law governing Alaska's participation in the federal-state unemployment insurance system. The unemployment insurance system was initiated by the Social Security Act of 1935 and is considered by many to be the first line of defense against unemployment. Its purposes are two-fold: 1) to provide cash payments to offset the costs of necessities while an individual is unemployed and 2) to aid in locating new work.

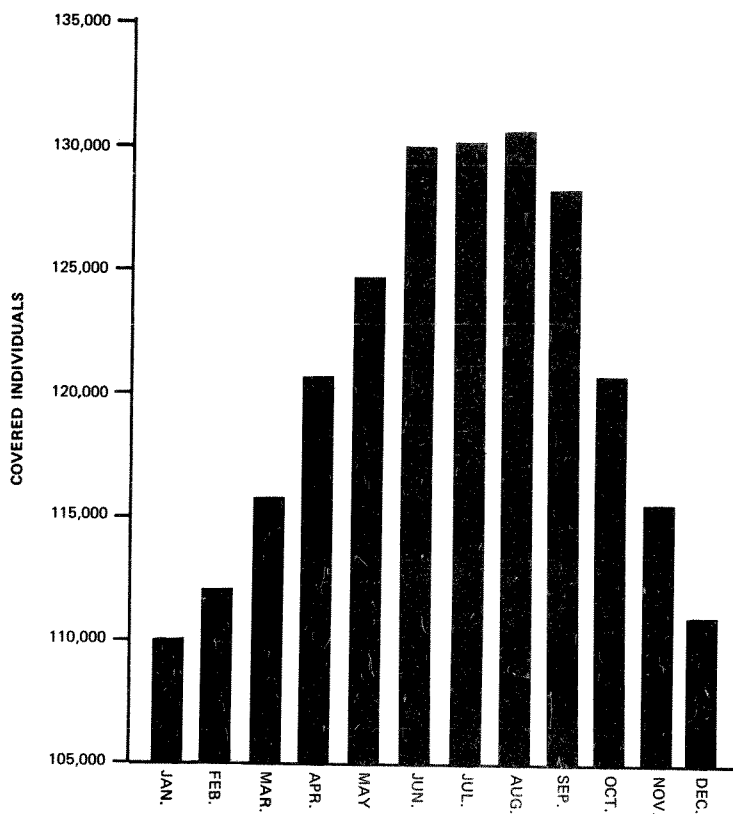
The unemployment insurance system is a unique federal-state mechanism. Although it is based on federal law, the program is administered through state law. Federal law sets guidelines but allows each state to design a program suitable to its own economy. Not only are the individual states allowed to determine the extent of insurance coverage, they also

determine how the program should be funded and how benefits should be disbursed. Coverage, funding, and benefits are the major topics of this report.

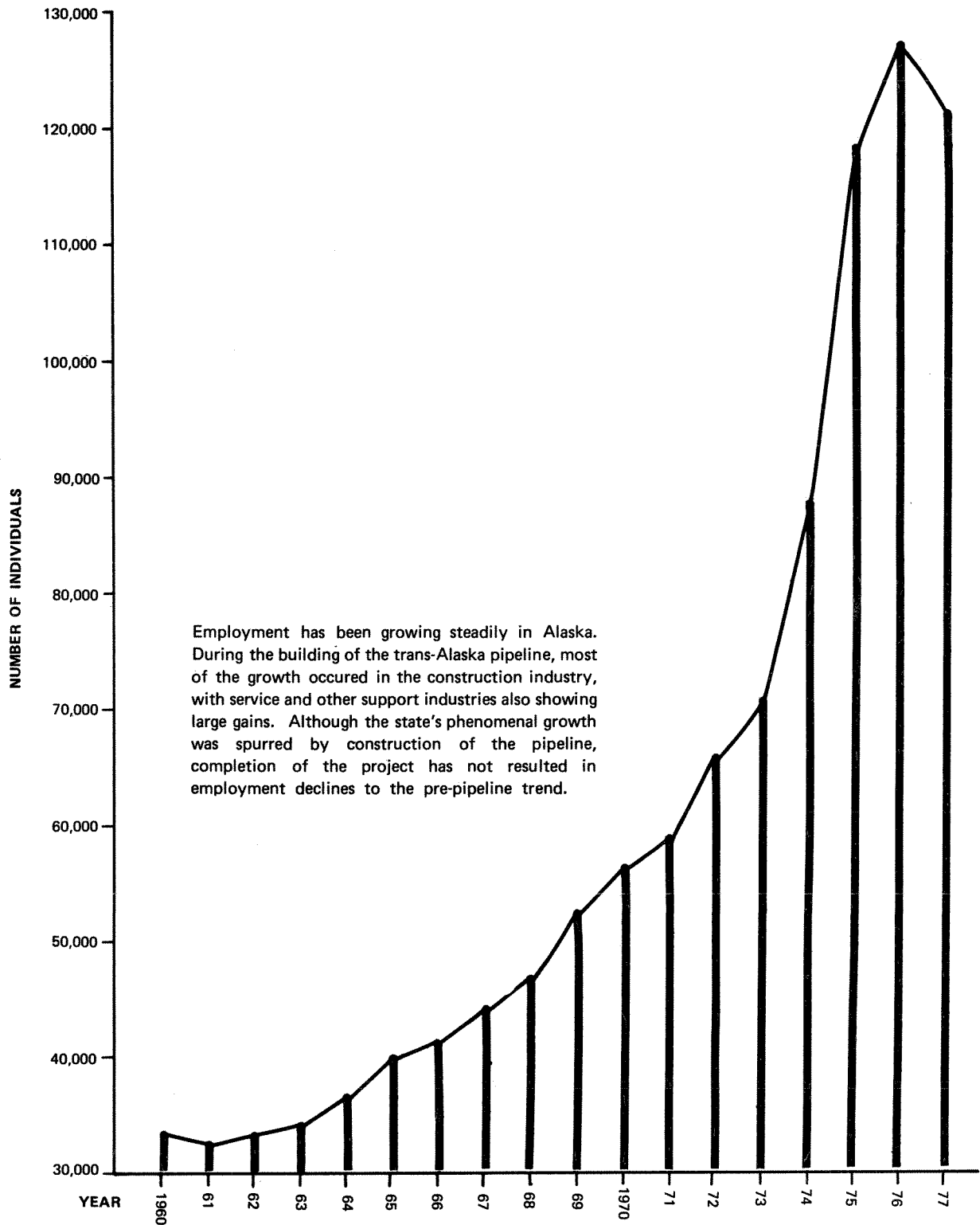
### COVERAGE

Alaska state law now provides unemployment insurance coverage to approximately 90 percent of all workers in Alaska. Prior to 1978, about 75 percent of all workers were covered. Effective January 1, 1978, coverage was extended to most state and local government workers and also to certain domestic and agricultural workers. Self-employed individuals and unpaid family workers now comprise the bulk of workers who are not covered by unemployment insurance.

### MONTHLY COVERED EMPLOYMENT 1977



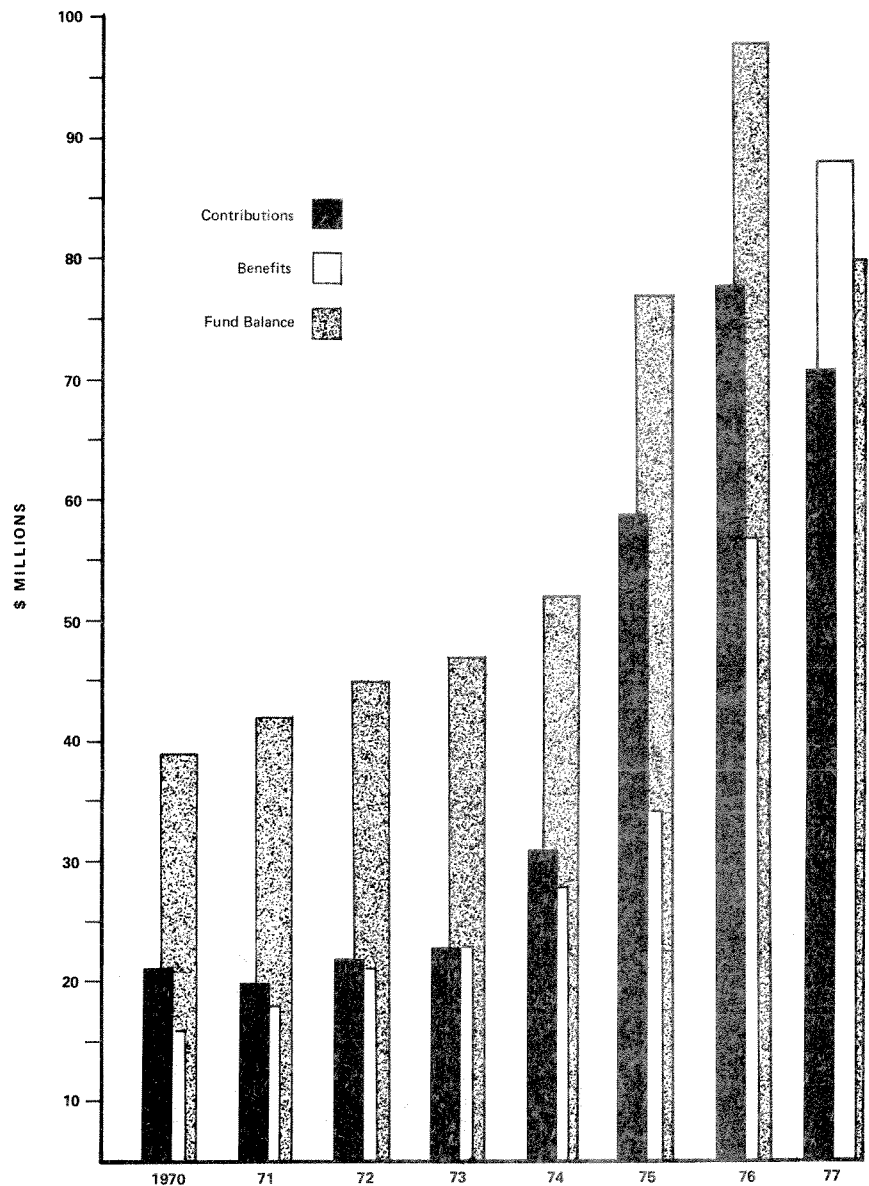
## AVERAGE MONTHLY COVERED EMPLOYMENT



## FUNDING

There are two methods of financing unemployment insurance benefits: paying tax contributions; and reimbursing the Trust Fund for benefits paid to former employees. Before further detail on these methods can be fully understood, it is important to understand the concept of the Trust Fund. The fund is the link between contributions and compensation - both taxes and reimbursement payments go into the fund and all benefits are paid from the fund.

### UNEMPLOYMENT INSURANCE TRUST FUND





## The Trust Fund

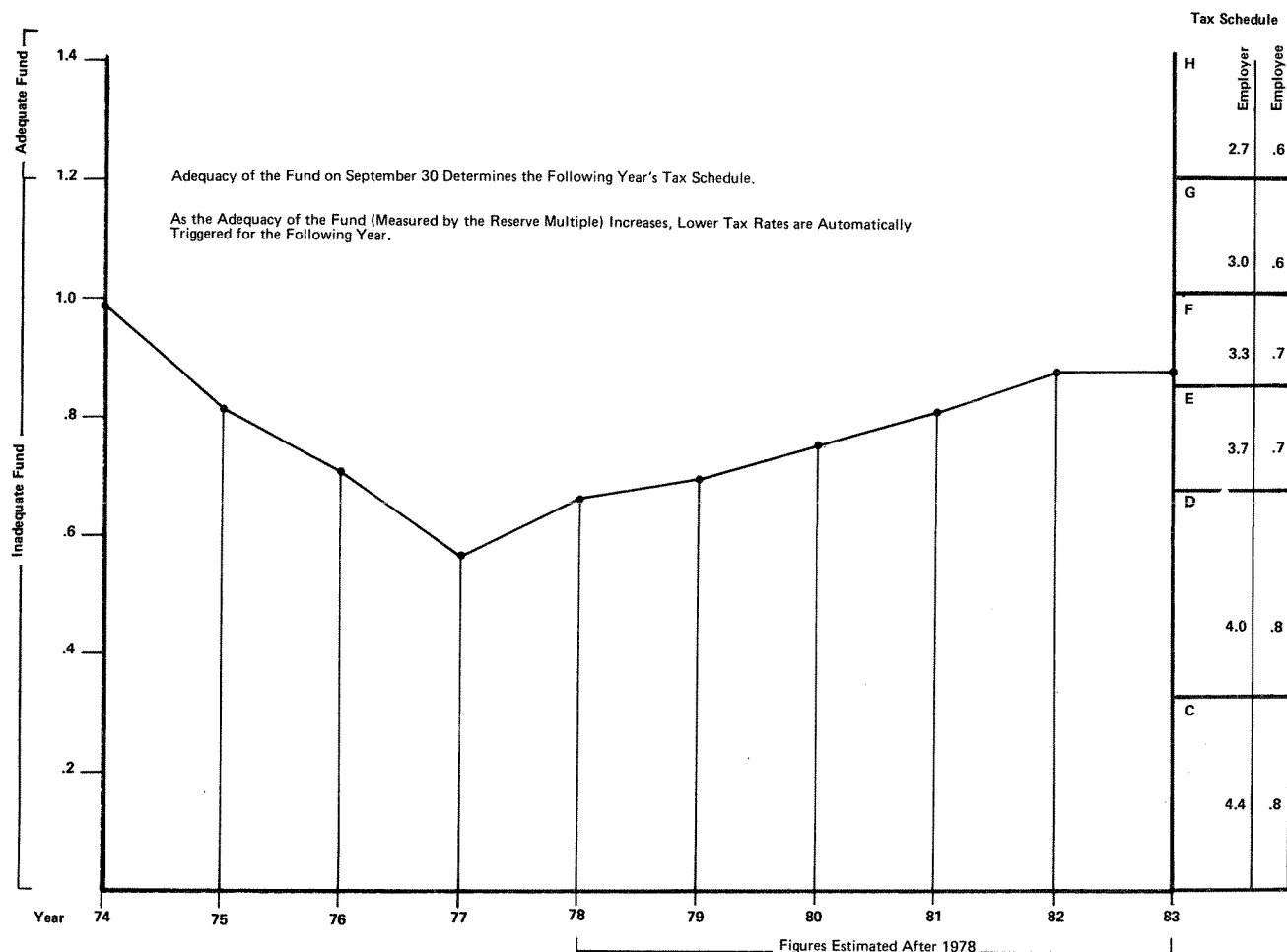
The basic philosophy behind the Trust Fund is to gather excess contributions when unemployment is low so that when unemployment is high and large amounts of benefit dollars are being disbursed, it is not necessary to overtax employers who may already be having financial trouble. This buffer action is crucial to the long range viability of the program. Generally, the inflow of contributions is sufficient to cover the cost of benefits in any one year so that the need for a buffer arises only when there is a heavy outflow of benefits.

The ability to maintain benefits during periods of high unemployment is measured by the reserve multiple. The reserve multiple estimates how many

years of severe recession benefits could be paid without using incoming contributions. The general rule of thumb is to have one and one-half times the present day dollar equivalent of benefit costs during a state's worst recent recession. The reason for the multiple is that use of Trust Fund dollars to supplement current tax contributions will delay the necessity of higher contributions until the economy begins to recover.

The current multiple tax schedule has been operating since 1974, fluctuating in response to the strength of the fund. As the reserve multiple changes, various tax rates are automatically enacted in response to Trust Fund requirements.

## RESERVE MULTIPLE



## Tax Contributions

All private employers pay both federal and state taxes. The federal unemployment tax is currently 3.4 percent on all earnings up to \$6,000 (a maximum tax of \$204/employee/year). The state unemployment tax is levied on both the employer and employee and is paid on the first \$10,000. The federal unemployment tax is used to fund the administration of the UI program, while the state tax, both from the employer and employee, is used exclusively for the payment of UI benefits.

The employer receives a tax credit on the federal UI tax if he pays UI taxes to the state. The tax credit is 90 percent of the original federal tax rate of 3.0 percent, leaving employers liable for federal tax of \$42 for each employee earning \$6000 or more per year.

$$\begin{array}{rcl} \text{Federal unemployment tax } 3.4\% \times \$6,000 & = & \$204 \\ - \text{Tax credit } 3.0\% \times \$6,000 \times 90\% & = & \underline{-162} \\ & & \$42 \end{array}$$

Under state law for 1973, employees are taxed at a rate of 0.8 percent on earnings to a maximum tax of \$80 per year. Tax rates for employers are set by statute and take into account payroll fluctuations and the adequacy of the Trust Fund. The rate ranges from a low of 2.6 percent to a maximum of 5.1 percent. Maximum employer taxes for 1978 range from \$260 to \$510 per year.

Payroll decline is the method used to measure unemployment experience in Alaska. This method is totally independent of benefits paid to former employees. Experience with unemployment is measured by decline in an employer's payroll from quarter to quarter. The declines are measured as a percentage of payroll in the preceding quarter, so that employers with large and small payrolls may be compared. Employers whose payrolls show little or no percentage decrease over a three-year period receive lower tax rates, while employers whose payrolls show large decreases receive higher tax rates.

The tax schedule to be used each year is determined by the reserve multiple of the fund. Varying tax schedules are triggered automatically as the ability of the Trust Fund to pay potential benefits changes.

## Reimbursement Payments

Non-profit organizations and government entities do not pay the federal UI tax and have the option of electing reimbursement payments in lieu of state UI tax contributions. Employers who chose this option are responsible for paying the amount of benefits that have been received by their former employees. Reimbursement is a self-insured method. Employers cover all of their costs whether high or low and do not contribute to a buildup of the Trust Fund, as do tax paying employers. Reimbursable accounts have only been a small part of the unemployment insurance program up to now. But with coverage extended to state and local governments on January 1, 1978, reimbursable accounts will become a much larger portion of the program. The State of Alaska and 58 local governments have chosen to reimburse the Trust Fund rather than pay tax contributions during calendar years 1978-1979.

## BENEFITS

Benefits are available to all unemployed workers who have earned a minimum of \$750 in covered occupations, with at least \$100 earned outside the calendar quarter with the highest earnings. At this level of earnings, a claimant is eligible for \$18 per week for 14 weeks. As earnings increase, benefits and duration increase to a maximum of \$90 per week for 28 weeks. This amount can be claimed by those earning \$8,500 or more per year. Dependents allowance adds a maximum of \$10 per dependent up to three dependents.

## **ADDITIONAL UNEMPLOYMENT INSURANCE PROGRAMS**

### **Extended Benefits**

The Extended Benefits program was initiated in 1971. This program allows claimants who have exhausted their regular unemployment insurance benefits to continue drawing benefits during periods of high unemployment. Alaskan claimants exhaust their state benefits after 28 weeks of compensation. The Extended Benefits program allows them an additional 11 weeks for a maximum of 39 weeks of unemployment compensation. The benefits in this program are funded 50 percent federally and 50 percent by the state.

Extended Benefits are allowed only when the national or state insured unemployment rates (IUR) reach certain defined levels. The current indicators for the state are:

- 1) IUR is greater than 4 percent and 120 percent or greater of the preceding two years' average; or
- 2) IUR is greater than 5 percent.

A total of \$16.4 million has been paid since the start of the program. The federal government has reimbursed the state for one half of these costs.

### **Federal Supplemental Benefits**

The Federal Supplemental Benefits program began in January of 1975. It was a temporary measure to aid in combating the long term unemployment resulting from the national recession and was one hundred percent federally financed. The program was phased out in January of 1978.

### **Supplemental Unemployment Assistance**

The federal government also began the Supplemental Unemployment Assistance (SUA) program in January, 1975. This program gave benefits to qualified individuals who were not covered under the state's regular program. The SUA program was phased out in June, 1978, after state coverage was extended to state and local government workers and domestic and agricultural workers (most of the individuals covered under the SUA programs.)

## **THE CURRENT UNEMPLOYMENT INSURANCE PROGRAM**

Aside from changes made in order to conform with federal law and deletion of mandatory coverage of fishermen, no changes have been made to the unemployment insurance program since 1973. However, the Alaskan economy has expanded considerably since then, and the effects on the UI program have been immense. From 1974 to 1977, those eligible for maximum benefits increased from 40 percent of claimants to approximately 80 percent of claimants. The \$10,000 tax base in 1974 was 2/3 of the average annual wage; in 1977 it was only 2/5 of the average annual wage. Other changes are shown in the table below.

Since 1973 we have seen remarkable growth in all areas of the UI program:

	<u>1973</u>	<u>1977</u>	<u>% of Change</u>
Covered employment . . . . .	71,097	120,965	70
Total covered wages . . . . .	\$855,441,000	\$2,711,137,000	217
Ratio taxable/total wages. . . . .	.61	.55	-10
Average weekly wage . . . . .	\$231	\$431	87
Contributions . . . . .	\$19,083,000	\$65,681,000	244
Benefits (regular UI) . . . . .	\$19,233,000	\$82,698,000	330
Trust Fund – (year end)			
dollars – . . . . .	\$41,477,000	\$74,599,000	80
reserve multiple – . . . . .	1.12	0.63	
Average weekly benefit amount . .	\$55	\$86	56

Although the statistics for 1977 are high, many of the numbers were even higher in 1976 when the trans-Alaska pipeline construction was at its peak:

	<u>1976</u>
Covered employment . . . . .	127,276
Total covered wages . . . . .	\$3,245,936,000
Ratio taxable/total wages. . . . .	.52
Average weekly wage . . . . .	\$490
Contributions . . . . .	\$71,968,000
Benefits (regular UI). . . . .	\$51,948,000
Trust Fund – (year end)	
dollars – . . . . .	\$92,662,000
reserve multiple . . . . .	.66
Average weekly benefit amount . . . .	\$81

Under the existing program, the benefit schedule ranges from a minimum of \$18 for 14 weeks to a maximum of \$90 for 28 weeks (not including dependents allowances). This schedule was enacted in 1973 along with the existing tax base of \$10,000 (effective 1/1/74).

The \$10,000 tax base in 1974 taxed 71 percent of total wages, in 1977 it taxed only 54 percent. Because of this declining taxable to total wages ratio, many UI tax dollars are being lost and this, combined with increased benefit disbursements and the potential liability of the Trust Fund, is causing a deterioration of the Trust Fund adequacy.

Looking to the near future, there is little hope for improvement unless changes are made in tax provisions. The Trust Fund will slowly grow in size and the reserve multiple will also grow, slowly but steadily. (See graph, "Reserve Multiple" page 8.) Although this sounds like a pleasant future for the UI program, there are some skeletons in the closet. The slow growth of the Trust Fund adequacy reflects the inability of the \$10,000 tax base to generate enough revenues to bolster the fund. That there is any growth at all in the fund adequacy is due to the fact that the benefit schedule is outmoded. With 90 percent of the claimants collecting maximum benefits, there is little room for expansion of average weekly benefit amount. Projected increases in total benefit dollars are due primarily to increases in covered employment. If we assume a hypothetical 5 percent annual rate of inflation in weekly benefits, the \$10,000 tax base would be unable to keep pace with those benefits and the reserve multiple would remain near its current level (0.50—0.60).

The unemployment insurance program is due for an overhaul. The benefit structure enacted in 1973 was designed to provide a minimum of 55 percent wage replacement. 1/ And it still accomplishes this goal - to the extent a claimant earns less than \$8,500

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1/ Wage replacement is defined as weekly benefit amount divided by weekly wages, where weekly wage equals base equals base period earnings divided by 52.

in his base period. But in 1977 most claimants earned more than \$8,500 and therefore the original intent of the benefit schedule is no longer being met. As defined by the reserve multiple, the Trust Fund is currently inadequate. Because of this, any changes to the UI program must be carefully analyzed to avoid possible financial problems.

## **AVERAGE ANNUAL WAGES AND THE UI PROGRAM: A Topic of Interest**

The average annual wage can be viewed in two different ways. One is generated from a 20 percent sample of all covered workers in Alaska and produces the arithmetic mean of the wages earned by individuals during the calendar year. A second method of computation uses the formula recommended by the federal government and is used uniformly by all states as a measure of the average annual wage for the purposes of unemployment insurance.

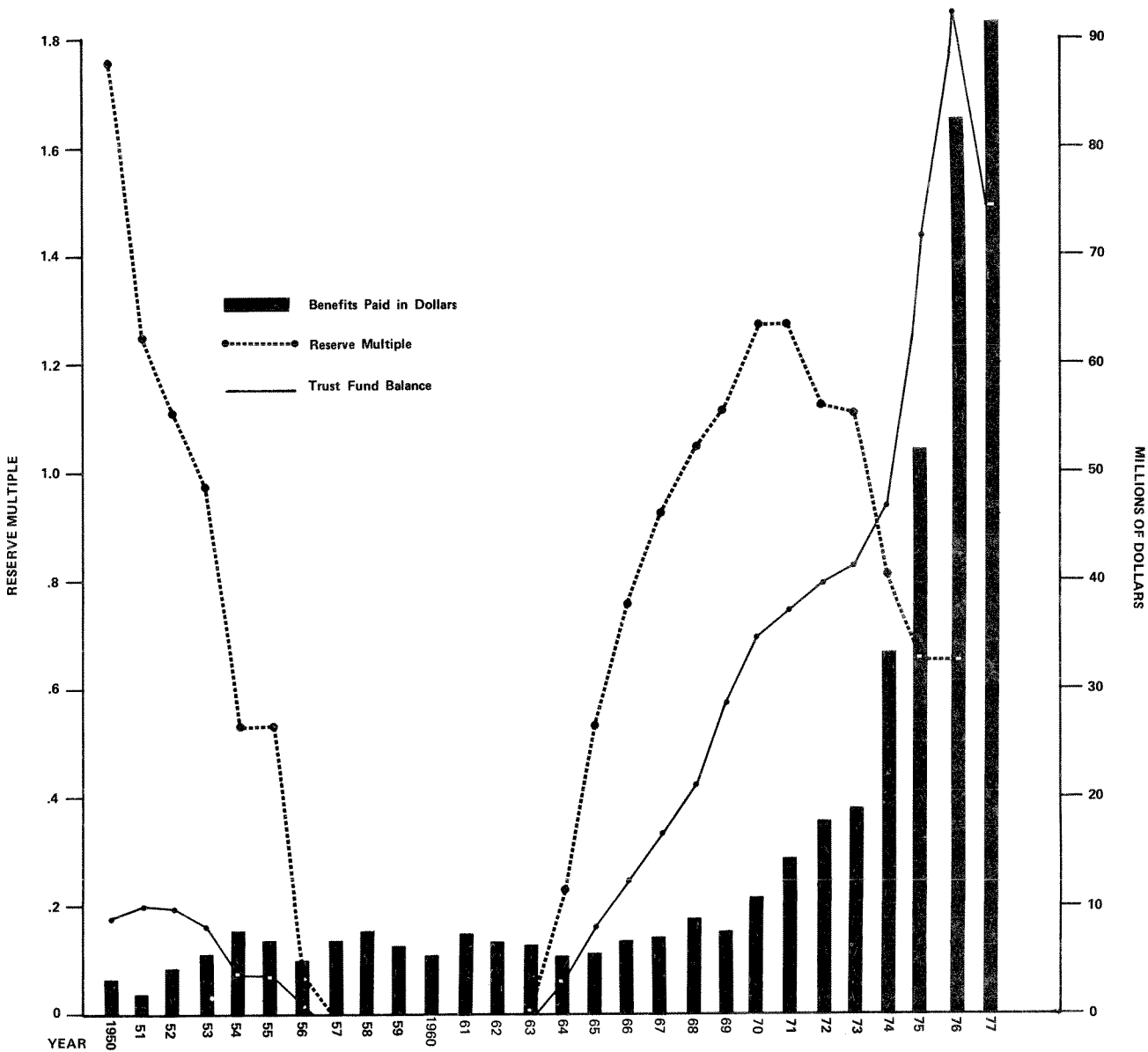
In the calculation of the arithmetic mean, all individuals and their wages are counted. This includes part-time help, and any individuals who worked in covered employment whether they were employed for one day or one year. For calendar year 1977, the arithmetic mean wage for all workers was \$11,238. (This includes workers who only had wages in one quarter and these workers are not eligible for U.I.)

The federally recommended formula used for calculating the average annual wage (AAW) is:

$$AAW = \frac{\text{total wages reported}}{\text{average monthly covered employment}}$$

Covered employment is reported by all employers on a quarterly basis and shows the number of employees working during the week of the 12th day of each month. For calendar year 1977 the formula gives an average annual wage of \$22,412. The discrepancy between methods is very large and a look at Alaska's situation is needed to clarify the difference.

UNEMPLOYMENT INSURANCE STATISTICS



Alaska's economy is very seasonal. About half of all covered workers in Alaska earn their wages in six months or less; with only about 30 percent of the current workers earning wages in all four quarters.

Covered employment varies greatly throughout the year. In 1977, employment ranged from a low of 110,176 in January, to a maximum of 130,608 in August - a difference of 20,432 (see graph "Monthly Covered Employment, 1977," page 2). The federal formula does not fully consider Alaska's seasonal work force and produces a wage based on 122,460 individuals who work 12 months a year. As the table below indicates, this is not the typical work experience in Alaska.

A look at the mean wage of workers who earn their wages in 1, 2, 3, or 4 quarters shows an interesting picture:

Workers with wages in	have a mean annual wage of
one quarter	\$2122
two quarters	\$6306
three quarters	\$12866
four quarters	\$21855

Only those workers who have wages in all four quarters come very close to having the average annual wage as prescribed by formula.

Alaska is currently lobbying in an effort to stop any moves at the national level to standardize weekly benefit amounts based on the average annual wage generated by the federal formula which does not accurately portray the situation in Alaska; and would create hardships on both employers and the Trust Fund.

**COVERAGE PROVISIONS**  
**OF THE ALASKA EMPLOYMENT SECURITY ACT, 1937–1974**

April 2, 1937	Alaska Employment Security Law enacted. Employers liable for taxes are those with eight or more employees in twenty weeks of the year. The following employment are excluded from coverage: agriculture, domestic service, officers and crews on vessels, service performed by a parent, spouse, or child under 21, government, non-profit organizations, and those covered under a federal unemployment program. Employers not subject to the Law may elect coverage with permission of the Commission. <b>CH. 4, ESLA 1937</b>
July 1, 1945	Coverage extended to employers of one or more persons at any time. <b>CH. 7, SLA 1945</b>
March 20, 1947	List of excluded services extended. Additional exclusions include newsboys and students. Any employment liable for a tax under the FUTA will be automatically covered under the state U.I. Law. <b>CH. 48, SLA 1947</b>
March 31, 1947	Fisherpersons excluded from coverage. <b>Ch. 94, SLA 1947.</b>
March 17, 1959	Employees in finance insurance, and real estate paid on a commission basis are excluded from coverage. <b>Ch. 46, SLA 1959</b>
April 17, 1961	Faculty of non-profit universities excluded. <b>Ch. 108, SLA 1961</b>
Jan. 1, 1972	Coverage made mandatory for employees of non-profit organizations, state hospitals, and institutes of higher educations employing four or more in twenty weeks of the year. These employers are allowed to elect coverage on a reimbursable basis. Reimbursable financing also made available, by election, to any political subdivision. <b>Ch. 94, SLA 1971</b>
Jan. 1, 1972	Fisherpersons covered. <b>Ch. 94, SLA 1971</b>
April 1, 1977	Fisherpersons earning wages on a share-basis excluded from coverage. <b>CH. 122, SLA 1977</b>
Jan. 1, 1978	Coverage made mandatory for most employees of the state and local governments.  Coverage also extended to certain domestic and agricultural workers. <b>CH. 122, SLA 1977</b>



**FINANCING PROVISIONS**  
**OF THE ALASKA EMPLOYMENT SECURITY ACT, 1937-1974**

April 2, 1937	All wages paid to employees covered under the law are assessed a uniform tax of 1.8%. <b>Ch. 4, ESLA 1937</b>
Jan. 1, 1938	Uniform tax raised to 2.7% of total covered wages. <b>Ch. 4, ESLA 1937</b>
March 26, 1941	Taxable wages limited to first \$3,000 of wages paid to an employee. <b>Ch. 40, SLA 1941</b>
June 30, 1947	Credits against the tax are available to qualified employers if a fund surplus exists. The credit is based on the individual employer's annual payroll decline. <b>Ch. 74, SLA 1947</b>
Jan. 1, 1955	Tax base increased to first \$3,600 of wages. An employee tax of .5% is also assessed. Employer tax credit is eliminated. <b>Ch. 5, ESLA 1955</b>
April 4, 1957	Tax base increased to first \$4,200 of wages. <b>Ch. 169, SLA 1957</b>
March 30, 1960	Uniform employer tax raised to 2.9%. Uniform employee tax raised to .6%. Tax base increased to \$7,200. <b>Ch. 60, SLA 1960</b>
Oct. 1, 1960	Individual employer and employee tax rates made variable depending on quarterly payroll declines of employer. Employer tax rates range from 1.5% to 4.0% with an average tax rate of 2.9%. Employee tax rates range from .3% to .9% averaging .65%. <b>Ch. 60, SLA 1960</b>
Jan. 1, 1974	Employee tax made uniform and employer tax left variable. Tax base raised to \$10,000. There are ten alternative tax rate schedules with the appropriate schedule determined by the "reserve multiple" which measures the ability of the fund to meet potential benefit payments. <b>Ch. 43, SLA 1973</b>

**BENEFIT PROVISIONS**  
**OF THE ALASKA EMPLOYMENT SECURITY ACT, 1937-1974**

April 2, 1937	Benefits first made payable Jan. 1, 1939. Minimum payment—\$5; maximum—\$15. WBA (Weekly Benefit Amount) set at 50% of full time weekly wage. Total benefit payments not to exceed 16 X WBA. Ch. 4, ESLA 1937
Jan. 17, 1939	Minimum payment—\$5; maximum—\$16. WBA set at 1/20 of high quarter wages. Total benefit payments not to exceed either 16 X WBA or 1/3 of base year earnings. Ch. 1, SLA 1939
Oct. 1, 1946	Minimum payment—\$8; maximum—\$25. Maximum reduced to \$20 if the fund balance is less than \$2 million on January 1. Total benefit payments not to exceed either 25 X WBA or 1/3 base year wages, however an eligible claimant is entitled to at least 8 X WBA. Ch. 32, ESLA 1946
July 1, 1949	WBA is increased by 20% for each dependent of the claimant up to three. Ch. 25, SLA 1949
July 1, 1951	Minimum payment—\$8; maximum—\$30. Ch. 11, SLA 1951
July 1, 1953	Minimum payment—\$8; maximum—\$35. WBA now based on total wages earned in base year. Total benefit payments available limited to 26 X WBA for most claimants. Ch. 99, SLA 1953
July 1, 1953	WBA is increased by 20% for each dependent of the claimant up to five. Ch. 125, SLA 1953
July 3, 1955	Minimum payment—\$10; maximum—\$45. Maximum limited to \$25 for claimants residing outside the Territory. WBA is increased by \$5 for each dependent of the claimant up to five. Claimants or their dependents who are residing outside the Territory are disqualified for the dependency allowance. Ch. 5, ESLA 1955
March 30, 1960	Maximum WBA for interstate claimants reduced to \$20. Ch. 60, SLA 1960
July 1, 1966	Minimum payment—\$10; maximum—\$55. Total benefit payments limited to 28 X WBA for most claimants. Ch. 112, SLA 1966
July 1, 1969	Minimum payment—\$18; maximum—\$60. Ch. 106, SLA 1969
Jan. 29, 1971	Depending on the level of the 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. 1, SLA 1971
Jan. 1, 1972	Discrimination against non-resident claimants is ended. Ch. 106, SLA 1971
July 1, 1973	Minimum payment—\$18; maximum—\$90. Dependency allowance set at \$10 per dependent up to three. Ch. 43, SLA 1973

**QUALIFYING PROVISIONS**  
**OF THE ALASKA EMPLOYMENT SECURITY ACT, 1937-1974**

April 2, 1937	To qualify for benefits, a claimant must have: 1) been unemployed in two of the last thirteen weeks preceding claim, 2) have wages in the first three of the last four calendar quarters totaling three of the last four calendar quarters totaling more than sixteen times his Weekly Benefit Amount (WBA), and 3) be ready and able to work. If he quit his last employment without good cause, he is disqualified for five additional weeks. <b>Ch. 4, ESLA 1937</b>
Jan. 17, 1939	Total wages in base year must equal or exceed twenty-five times the WBA. <b>Ch. 1, SLA 1939</b>
March 26, 1941	Claimant must have been unemployed for two weeks in his benefit year including the week in which his claim was filed. <b>Ch. 40, SLA 1941</b>
July 1, 1945	Women are disqualified during the last two months of pregnancy and the month following pregnancy. <b>Ch. 50, SLA 1945</b>
Oct. 1, 1946	Minimum required wages in base year set at \$150. <b>Ch. 32, SLA 1946</b>
June 30, 1947	Waiting period reduced to one week. <b>Ch. 74, SLA 1947</b>
July 1, 1953	Minimum wage requirement set at \$300. Seasonal workers are disqualified for benefits for unemployment not occurring during their regular working season. <b>Ch. 99, SLA 1953</b>
July 3, 1955	Minimum wage requirement set at \$450 or 1 1/4 times high quarter wages. Women are disqualified until they subsequently earn \$120 if they leave work to 1) get married, 2) live with 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 twenty-six weeks. <b>Ch. 5, ESLA 1955</b>
April 4, 1957	Minimum wage requirement set at \$500 or 1 1/4 times high quarter wages. <b>Ch. 169, SLA 1957</b>
April 7, 1962	Claimants are not disqualified while attending a training course to improve their skills. <b>Ch. 63, SLA 1962</b>
July 1, 1969	Minimum wage requirement set at \$750, \$100 of which must have been earned outside the quarter with the highest wages. <b>Ch. 106, SLA 1969</b>
Jan. 1, 1972	Women no longer disqualified during pregnancy. <b>Ch. 106, SLA 1971</b>

## 1937 - 1977

- 16 -

1965	10,258	163	5,520	16,168 <u>2/</u>	356,782	285,308	.800	"
1966	10,250	338	6,586	20,260 <u>2/</u>	380,422	296,094	.788	"
1967	10,967	539	7,155	20,906 <u>2/</u>	422,494	321,292	.760	"
1968	11,876	731	8,493	21,283 <u>2/</u>	472,050	349,755	.741	"
1969	13,990	1,045	7,647	28,652	564,708	409,417	.725	"
1970	15,593	1,520	11,165	34,541	626,584	427,950	.683	"
1971	15,886	1,687	14,419	37,268	672,528	451,063	.671	"
1972	18,438	1,760	17,826	39,640	775,056	487,027	.628	"
1973	19,083	1,977	19,223	41,477	855,441	523,635	.612	"
1974	26,889	2,253	23,709	46,910	1,328,516	914,704	.689	10,000
1975	56,077	2,100	33,307	71,780	2,523,050	1,494,145	.592	"
1976	71,968	4,939	51,948	92,662	3,245,936	1,659,969	.511	
1977		5,224	82,697	74,559				

1/ Includes employee contributioned from 1955.

2/ Includes advances from the Federal Unemployment Account in the Federal Unemployment Trust Fund.

ALASKA UNEMPLOYMENT INSURANCE FINANCIAL DATA

1937 - 1977

Benefit and Claims Data

Average Monthly Covered Employment	First Payments Issued	Weeks Compensated for All Unemployment	Claimants			Potential	Actual	Average Number	Percent of Gov. Employ.	Year
			-Exhausting Benefits- Number	Percent of First Payments 3/						
-	-	-	-	-	-	-	-	-	-	1937
10,356	-	-	-	-	-	-	-	-	-	1938
10,188	2,558	19,230	826	-	-	-	7.5	-	-	1939
12,776	4,641	36,421	2,104	45.9	-	-	7.8	-	-	1940
17,939	2,783	19,986	710	24.2	-	-	7.2	-	-	1941
21,509	1,317	10,323	215	12.7	-	-	7.8	-	-	1942
22,878	285	1,888	47	16.2	-	-	6.6	-	-	1943
22,478	270	270	69	25.7	-	-	8.2	-	-	1944
15,878	1,032	5,136	78	23.1	-	-	5.0	-	-	1945
17,732	2,335	27,259	757	28.9	15.6	11.7	-	-	-	1946
24,801	3,024	25,458	760	31.2	17.0	8.4	359	1.4	1.4	1947
23,479	6,288	60,981	1,467	27.1	19.0	9.7	925	3.9	3.9	1948
23,089	8,862	109,292	2,677	31.2	18.6	12.3	1,162	5.0	5.0	1949
25,028	10,815	131,756	4,032	34.9	18.4	12.2	1,847	7.3	7.3	1950
32,605	7,462	70,751	2,244	31.5	17.7	9.5	913	2.8	2.8	1951
32,882	13,335	137,475	3,345	27.0	19.2	10.3	2,213	6.8	6.8	1952
30,618	17,945	173,923	3,090	19.7	20.8	9.7	3,213	10.5	10.5	1953
27,281	16,306	229,210	2,597	16.8	23.9	14.1	3,773	13.8	13.8	1954
28,763	11,779	207,308	3,623	27.2	24.9	17.6	3,071	10.7	10.7	1955
30,493	9,095	145,869	1,848	19.1	25.3 5/	16.0 5/	2,477	8.1	8.1	1956
29,525	9,456	174,221	2,330	25.2	25.0 5/	18.4 5/	3,223	10.9	10.9	1957
28,693	11,080	217,793	3,747	32.0	25.2 5/	19.7	3,988	13.9	13.9	1958
30,241	9,086	176,241	3,093	32.7	25.2 5/	19.4	3,503	11.6	11.6	1959
33,412	9,370	154,224	2,398	26.3	25.3	16.5	2,972	8.9	8.9	1960
32,419	11,333	202,315	3,247	29.0	25.2	17.9	4,098	12.6	12.6	1961
33,102	9,738	177,654	3,238	30.4	25.2	18.2	3,492	10.5	10.5	1962
34,096	10,585	168,783	2,659	26.2	25.2	15.9	3,500	10.3	10.3	1963

36,541	9,585	148,959	2,408	23.4	25.3	15.5	3,028	8.3	1964
40,158	10,098	145,085	2,042	22.0	25.5	14.4	3,086	7.7	1965
41,516	10,484	161,787	2,438	22.2	26.2	15.4	3,416	8.2	1966
44,303	10,700	163,692	2,243	21.6	27.3	15.3	3,411	7.7	1967
46,954	11,220	177,803	2,512	22.7	27.1	15.8	3,618	7.7	1968
52,544	11,607	172,383	2,199	20.4	27.3	14.9	3,558	6.8	1969
56,295	15,138	227,853	2,925	22.6	27.3	15.1	4,718	8.4	1970
59,064	16,390	277,575	4,605	26.7	27.2	16.9	5,409	9.2	1971
66,284	18,656	309,278	4,960	27.4	27.3	16.6	5,604	8.5	1972
71,097	19,979	331,095	5,113	28.3	27.3	16.6	5,698	8.0	1973
87,839	19,743	334,945	4,866	23.5	27.4	17.0	6,014	6.8	1974
118,850	26,622	389,408	4,881	18.3	27.7	14.6	7,035	5.9	1975
127,276	44,521	655,267	7,321	16.5	27.7	14.8			1976
				29.0		18.9			1977

3/ Prior to 1960, computed by related calendar year exhaustions to first payments for 12-month periods ending September 30. Beginning with 1960, the calendar year exhaustions are related to the first payments for the preceding fiscal year.

4/ Excludes January-March data.

5/ Includes data for the Unemployment Compensation for Federal Employees Program.

COMPARISON OF REGION 10 STATES - 1977

	ALASKA	IDAHO	OREGON	WASHINGTON
QUALIFYING WAGE OR EMPLOYMENT	\$750; \$100 outside high quarter	1 1/4 X High quarter wages; not less than \$520.01; with \$416.01 in one quarter - must have wages in two quarters	18 weeks of work at an average of \$20 or more but not less than \$700	\$1650 and 1) 16 weeks of work or 2) 600 hours of work
COMPUTATION OF WEEKLY BENEFIT AMOUNT (WBA)	2.3 - 1.1% of annual wages	1/26 AAW up to 60% of state AAW	1.25% of base period wages up to 55% of state AAW	1/25 of average of 2 highest quarter wages up to 55% of state AAW
WBA MIN MAX	\$18 - 36 \$90 - 120	\$17 \$110	\$30 \$112	\$17 \$119
EARNINGS DISREGARDED	Greater of \$10 or 1/2 basic WBA	1/2 WBA	1/3 WBA	\$5 + 1/4 wages
TAXES (EMPLOYERS ONLY) MIN MAX	2.3% 4.8%	.9% 4.0%	2.6% 4.0%	3.0% 3.0%
TAX BASE	\$10,000	\$9,600	\$8,000	\$8,400
TAX CONTRIBUTIONS MIN MAX	\$230 \$480	\$86.40 \$384	\$208 \$320	\$252 \$252



EXPERIENCE RATING

NUMBER OF RATED ACCOUNTS BY MAJOR INDUSTRY

DIVISION

Tax Rate Class	I		II		III		IV		V		VI		VII		VIII		IX		X		TOTAL	
Major Industry Division	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Agriculture Forestry Fisheries	3	.5	0	0	3	.5	2	.3	6	.9	2	.3	6	.9	2	.3	13	1.9	625	94.4	622	100
Mining	7	5.1	1	.7	8	5.9	8	5.9	7	5.1	3	2.2	11	8.1	16	11.8	15	11.0	60	44.2	136	100
Contract Construction	18	1.5	2	.2	7	.6	21	1.8	30	2.5	15	1.3	43	3.6	84	7.0	222	18.6	749	62.9	1,191	100
Manufacturing	10	3.1	2	.6	14	4.3	20	6.2	14	4.3	9	2.8	24	7.4	32	9.9	57	17.6	142	43.8	324	100
Transportation Communication Public Utilities	40	8.0	10	2.0	37	7.4	44	8.8	52	10.4	18	3.6	55	11.0	56	11.2	61	12.2	127	25.4	500	100
Wholesale and Retail Trade	100	5.2	29	1.5	163	8.5	265	13.8	270	14.0	85	4.4	275	14.3	243	12.6	238	12.4	257	13.3	1,925	100
Finance, Insurance and Real Estate	73	13.2	13	2.4	41	7.4	63	11.4	64	11.6	14	2.5	72	13.1	54	9.8	65	11.8	92	16.8	551	100
Services	182	10.1	34	1.9	170	9.4	219	12.1	229	12.7	49	2.7	238	13.2	196	10.8	192	10.6	229	16.5	1,808	100
Government	0	0	1	2.9	4	11.8	6	17.6	5	14.7	2	5.9	4	11.8	3	8.8	5	14.7	4	11.8	34	100
TOTAL ALL ACCOUNTS	433	6.1	92	1.3	447	6.3	648	9.1	677	9.5	197	2.7	728	10.2	686	9.6	868	12.2	2,355	33.0	7,131	100

SUMMARY OF EMPLOYMENT COVERED UNDER THE STATE  
UNEMPLOYMENT INSURANCE PROGRAM, ALASKA 1960-1977

	<u>TOTAL EMPLOYMENT</u>	<u>AGRICULTURE FORESTRY FISHERIES</u>	<u>MINING</u>	<u>CONSTRUCTION</u>	<u>MANUFACTURING</u>	<u>TRANSPORTATION COMMUNICATION PUBLIC UTILITIES</u>
1960	33,412	98	1,093	5,891	5,777	6,577
1961	32,419	111	1,192	4,054	5,145	7,034
1962	33,102	127	1,233	3,973	5,540	6,907
1963	34,096	117	1,194	4,250	5,720	6,757
1964	36,541	114	1,149	5,827	5,630	6,746
1965	40,158	121	1,088	6,455	6,275	7,116
1966	41,516	151	1,373	5,864	6,632	7,128
1967	44,303	149	1,967	5,991	6,621	7,332
1968	46,954	147	2,452	5,997	6,922	7,647
1969	52,544	174	3,494	6,655	7,023	8,644
1970	56,295	192	2,994	6,893	7,838	8,973
1971	59,064	224	2,430	7,443	7,780	9,644
1972	66,284	836	2,113	7,892	8,060	9,827
1973	71,097	1,041	1,967	7,838	9,350	10,239
1974	87,799	1,023	2,945	14,065	9,611	12,216
1975	118,596	995	3,790	25,869	9,651	16,247
1976	128,570	1,125	3,966	30,231	10,331	15,562
1977	122,354		4,547	20,949	11,287	15,370

	<u>TRADE</u>	<u>FINANCE INSURANCE REAL ESTATE</u>	<u>SERVICES</u>	<u>GOVERNMENT</u>	<u>MISCELLANEOUS</u>
1960	7,732	1,449	4,513	239	43
1961	8,160	1,520	4,724	316	163
1962	8,178	1,681	5,028	384	51
1963	8,601	1,830	5,268	337	22
1964	8,838	1,973	5,726	511	27
1965	9,950	2,172	6,342	615	24
1966	10,816	2,285	6,655	598	14
1967	11,753	2,313	7,451	718	8
1968	12,519	2,483	8,026	761	-
1969	13,947	2,651	9,048	908	-
1970	15,357	3,098	9,947	1,003	-
1971	16,146	3,245	11,004	1,148	-
1972	17,107	3,712	12,898	3,839	-
1973	18,337	4,243	14,099	3,983	-
1974	21,166	4,894	17,137	4,734	8
1975	26,193	6,053	24,283	5,498	17
1976	27,564	7,140	26,815	5,753	83
1977	28,200	7,594	27,302	6,333	772

COVERED EMPLOYMENT  
ALASKA, 1950-1977

	<u>AVERAGE INSURED EMPLOYMENT</u>	<u>AVERAGE INSURED UNEMPLOYMENT</u>	<u>INSURED UNEMPLOYMENT RATE</u>
1950	25,208	1,847	7.3%
1951	32,605	913	2.8
1952	32,882	2,233	6.8
1953	30,618	3,212	10.5
1954	27,281	3,773	13.8
1955	28,763	3,071	10.7
1956	30,493	2,477	8.1
1957	29,525	3,223	10.9
1958	28,693	3,988	13.9
1959	30,241	3,503	11.6
1960	33,412	2,972	8.9
1961	32,419	4,098	12.6
1962	33,102	3,492	10.5
1963	34,096	3,500	10.3
1964	36,541	3,028	8.3
1965	40,158	3,086	7.7
1966	41,516	3,416	8.2
1967	44,303	3,411	7.7
1968	46,954	3,618	7.7
1969	52,544	3,558	6.8
1970	56,295	4,718	8.4
1971	59,064	5,409	9.2
1972	66,284	5,604	8.5
1973	71,097	5,625	7.9
1974	87,799	5,967	6.8
1975	118,596	6,622	5.6
1976	128,570	9,833	7.6
1977			

TAXABLE AND TOTAL WAGES  
ALASKA 1950-1977

	TAXABLE WAGE BASE	TOTAL WAGES (EXCLUDING REIMBURSIBLES) (In \$1000's)	TAXABLE PAYROLL	RATIO OF TAXABLE TO TOTAL PAYROLL
1950	\$3,000	120,897	98,161	.812
1951	3,000	186,090	145,738	.783
1952	3,000	203,292	153,235	.754
1953	3,000	191,834	138,331	.721
1954	3,000	171,002	119,421	.698
1955	3,600	172,884	128,004	.740
1956	3,600	215,823	150,465	.697
1957	4,200	199,872	150,924	.755
1958	4,200	198,398	142,811	.720
1959	4,200	216,182	151,745	.702
1960	7,200	264,054	229,300	.868
1961	7,200	254,143	213,926	.842
1962	7,200	259,893	217,625	.837
1963	7,200	272,080	225,518	.829
1964	7,200	314,763	255,949	.813
1965	7,200	356,782	285,308	.800
1966	7,200	380,422	296,094	.788
1967	7,200	422,494	321,292	.760
1968	7,200	472,050	349,755	.741
1969	7,200	564,708	409,417	.725
1970	7,200	626,584	427,950	.683
1971	7,200	672,528	451,063	.671
1972	7,200	738,094	487,027	.660
1973	7,200	816,941	523,635	.641
1974	10,000	1,280,376	914,505	.714
1975	10,000	2,460,157	1,494,145	.607
1976	10,000	3,170,373	1,659,969	.524
1977	10,000			

AVERAGE WAGES IN COVERED EMPLOYMENT  
ALASKA 1950-1977

	TOTAL COVERED EMPLOYMENT	TOTAL COVERED PAYROLL (In \$1,000's)	AVERAGE WAGES*	
			Annual	Weekly
1950	25,208	120,897	\$ 4,796	\$ 92.23
1951	32,605	186,090	5,708	109.76
1952	32,882	203,292	6,182	118.89
1953	30,618	191,834	6,265	120.49
1954	27,281	171,002	6,268	120.54
1955	28,763	172,884	6,011	115.59
1956	30,493	215,823	7,078	136.11
1957	29,525	119,872	6,769	130.18
1958	28,693	198,398	6,914	132.97
1959	30,241	216,182	7,148	137.47
1960	33,412	264,054	7,903	151.98
1961	32,419	254,143	7,840	150.76
1962	33,102	259,893	7,851	150.99
1963	34,096	272,080	7,980	153.46
1964	36,541	314,763	8,614	165.65
1965	40,158	356,782	8,884	170.85
1966	41,516	380,422	9,163	176.22
1967	44,303	422,494	9,536	183.39
1968	46,954	472,050	10,054	193.34
1969	52,544	564,708	10,747	206.68
1970	56,295	626,584	11,131	214.05
1971	59,064	672,528	11,386	218.97
1972	66,284	775,055	11,692	224.86
1973	71,097	855,441	12,032	231.39
1974	87,799	1,328,317	15,129	290.94
1975	118,596	2,523,050	21,278	409.19
1976	128,570	3,245,936	25,503	490.44
1977				

\* Average Annual Wage  
calculated by formula

$$AAW = \frac{\text{total covered wages}}{\text{average monthly covered employment}}$$

$$\text{Average Weekly Wage} = AAW \div 52$$

BALANCE SHEET OF THE U.I. TRUST FUND, ALASKA 1940-1977  
(all figures in thousands)

	<u>CONTRIBUTIONS RECEIVED</u>	<u>BENEFITS PAID</u>	<u>INTEREST RECEIVED</u>	<u>MISCEL- LANEOUS</u>	<u>END OF YEAR BALANCE</u>
1940	585	527	25	-	1,180
1941	927	293	29	(13)	1,830
1942	1,334	147	47	-	3,064
1943	1,448	23	68	-	4,557
1944	2,301	30	93	(1)	6,920
1945	1,452	88	136	(1)	8,419
1946	1,150	433	161	-	9,297
1947	1,951	556	183	2	10,877
1948	1,574	1,408	222	-	11,265
1949	1,364	2,570	229	-	10,288
1950	1,930	3,321	198	-	9,095
1951	2,423	1,785	185	-	9,918
1952	3,775	4,171	193	-	9,715
1953	3,809	5,641	185	-	8,068
1954	3,330	7,759	134	-	3,773
1955	3,825	6,818	40	-	820
1956	4,799	4,972	47	-	694
1957	4,908	6,785	101	-	(1,082)
1958	4,603	7,783	46	-	(4,216)
1959	4,878	6,320	-	-	(5,658)
1960	7,281	5,539	-	-	(3,906)
1961	8,061	7,467	-	-	(3,312)
1962	7,488	6,504	-	-	(2,160)
1963	7,788	6,212	-	-	(283)
1964	8,704	5,486	15	-	3,162
1965	10,258	5,520	118	-	8,214
1966	10,250	6,586	292	90	12,471
1967	10,967	7,155	488	7	17,047
1968	11,876	8,493	675	-	21,091
1969	13,990	7,647	947	(30)	28,351
1970	15,593	11,165	1,396	(61)	34,114
1971	15,442	13,142	1,687	(833)	37,268
1972	16,890	15,918	1,760	(360)	39,640
1973	18,129	18,253	1,976	(15)	41,477
1974	26,122	22,461	2,253	(480)	46,910
1975	53,648	28,181	2,100	(2,696)	71,781
1976	71,968	51,948	5,300	(4,439)	92,662
1977	65,681	82,697	5,224	(6,311)	74,559

\* The state trust fund was exhausted in 1955 and remained solvent by borrowing from the federal account. All loans were paid off by 1968. The fund balances from 1955 to 1968 do not include borrowed monies.



**ALASKA  
DEPARTMENT OF LABOR**

RESEARCH & ANALYSIS

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OFFICIAL BUSINESS

