



# Alaska Employer Unemployment Insurance Tax



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## Casual Labor

Under Alaska Statute 23.20.526(a)(3), if a worker performs service for an employer that is **in the normal course of business**, regardless of the amount of time worked or wages paid to the worker, the wages are reportable on the Quarterly Contribution Report.

### Example

An employee is out sick for the afternoon and cannot operate the cash register. The employer has a friend come in for a few hours to cover the cash register. The friend is paid \$25. The friend would be reported on the Quarterly Contribution Report as this would be work performed in the normal course of business.

Wages are reportable for service performed **outside of the normal course of business** when:

- an employee is paid \$50 or more in a calendar quarter, **and**
- the service performed is done by a worker who is regularly employed to do this work. Individuals are considered regularly employed if they perform service for some portion of the day on each of at least 24 days in a calendar quarter or during the preceding calendar quarter.

### Examples

A worker was hired to pick up garbage around the outside of a retail business. She worked one day for which she was paid \$40. She would not be reportable on the Quarterly Contribution



Report because she worked outside the normal course of business for less than 24 days in a quarter and was paid less than \$50.

An employer hires a handyman. The handyman is on call but works more than 24 days in a quarter and is paid more than \$50; therefore his wages should be reported on the employer's Quarterly Contribution Report.

Alaska's laws require an employer to report casual labor when a worker is performing services in the normal course of business and, in some circumstances, outside the normal course of business. For additional information on contract labor, contact your local field tax office.

## Types of Employer Payments to be Excluded on Quarterly Contribution Reports

The following types of employer payments should **not** be included as employee wages on the Quarterly Contribution Report:

- Employer payments to or on behalf of an employee into a fund for retirement, sickness or accident disability, medical or hospitalization, or death benefits
- Reimbursement for employees' moving expenses
- Per diem for employees working away from home
- Reimbursement for expenses incurred by employees in the performance of duties
- Dismissal pay that the employer is not legally required to pay
- Section 125 Cafeteria Plan benefits including:
  - ◇ Group term life insurance
  - ◇ Accident or health insurance
  - ◇ Participation in a 401(k) retirement plan
  - ◇ Flexible Spending Arrangement (FSA)
  - ◇ Health Savings Account (HSA)
  - ◇ AFLAC Plans

However, the following Section 125 benefits are not excluded and **must be included** on the Quarterly Contribution Report:

- ◇ Cash in lieu of benefits
- ◇ Dependent care assistance plan
- ◇ Adoption assistance
- ◇ Group legal services plan