



Alaska Employer

Newsletter

Unemployment Insurance Tax



ALASKA DEPARTMENT OF LABOR
& WORKFORCE DEVELOPMENT

Bill Walker, Governor

Heidi Drygas, Commissioner

Patsy Westcott, Chief of UI

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**Questions about
your rate, account
or contributions?**

CONTACTS

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New Year, New Rate

The 2016 rate notices were mailed in December 2015. Now is the time to update your payroll system with this year's rate. If you are unsure of your rate, please contact us. This year the majority of employer's rates are lower than previous years. This means if you are using an incorrect rate, you may be overpaying your taxes.

Reduce Your 2016 UI Tax Rate

If you pay bonuses or issue payroll on a biweekly basis, you may be able to reduce your Unemployment Insurance (UI) tax rate. Alaska's rate system is based on quarterly wage declines. A decline in quarterly wages exists when the amount of total wages you report reflects a decrease from one quarter to the next. The higher the decline in wages, the higher your tax rate may be. There are several factors that may create artificial quarterly declines, such as:

- Bonus payments
- Biweekly payroll systems
- Issuance of lump-sum payments
- Paying a labor dispute settlement
- Changes in your accounting or payroll methods

"Employer Option Forms" were enclosed with your Annual Rate Notice and may be used to help equalize any quarterly declines caused by these variables. Employer Option Forms enable employers to delete or apportion wage payments. This helps to stabilize your payroll from one quarter to the next, thus obtaining a more favorable tax rate.

Questions regarding employer options should be directed to the UI Tax Employer Account Specialist Unit at (888) 448-3527 or (907) 465-2757. Employer Option Forms, in addition to a variety of other UI Tax forms, are available online at www.labor.alaska.gov/estax.

**Quarterly reports and payments
are due by April 30.**

National Directory of New Hires

The National Directory of New Hires (NDNH) serves a valuable purpose in the collection of child support payments, but did you know it also affects UI tax rates? The NDNH database contains information which can be used to prevent fraud and decrease improper UI benefit payments, keeping the UI Trust Fund solvent and employer tax rates low.

When reporting the date of hire or rehire on the NDNH form, the employee's start date is the first day the new employee works for you or the rehired employee starts working for you again. Providing accurate and timely information to NDNH helps prevent improper payments against the UI Trust Fund.

Buying a Business

When buying an existing business, remember to inquire about any balance due to the UI Program. If the current owner has a balance, you are required to withhold from the purchase price enough funds to pay the due. More importantly, you can inherit the business' rate and rating history when you purchase an existing business. Many times an inherited experience contribution rate is lower than a new employer rate. To receive the proper experience rate, complete the registration form and include information regarding the purchase.

Some Employees Eligible for Refunds

Employees who worked for more than one employer may be eligible for a UI tax refund if they paid more than \$220.59 in unemployment taxes in 2015. The refund form is available at: labor.alaska.gov/estax/forms/eerefund.pdf.

DID YOU KNOW ...

- Employee payroll advances must be reported on the quarterly contribution report for the quarter the advance is paid.
- Sole proprietors, general partners, and LLC members are not reportable on the quarterly contribution reports.
- You can file your reports online and access other services at labor.alaska.gov/estax.