



Alaska Employer

Newsletter

Unemployment Insurance Tax



ALASKA DEPARTMENT OF LABOR
& WORKFORCE DEVELOPMENT

Mike Dunleavy, Governor

Dr. Tamika L. Ledbetter, Commissioner

Patsy Westcott, Director

March 2022

Questions about your rate, account or contributions?

CONTACTS

Juneau Central Office

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Fax: (907) 465-2374
Email: ESD.Tax@Alaska.Gov
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UI Tax Representative

Toll free: (888) 448-2937

Update new 2022 rate and taxable wage base

Now is the time to update your payroll system with your new contribution rate. Rate notices were mailed in December. The taxable wage base for 2022 is \$45,200. Tax rates range from 1% to 5.40% for employers and 0.56% for employees. Many accounts have seen an increase in rates, so it's important to update your 2022 rate in your payroll system to prevent an underpayment of contributions due.

Can't find your rate notice? Your TaxWeb Administrator can access your rate online. Sign into TaxWeb through myAlaska at tos.dol.alaska.gov/tos. Under "Payments" select "View Rates."

Option forms may help reduce your rate

If you pay bonuses or issue payroll on a bi-weekly 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 reported reflects a decrease from one quarter to the next. The larger the decline in wages, the higher your tax rate. There are several factors that may create artificial quarterly declines, such as:

- Bonuses
- Bi-weekly payroll system
- Lump Sum payments
- Paying a labor dispute settlement
- Changes in your accounting or payroll method

Employer Option forms were enclosed with your 2022 annual rate notice and are also available on our website at labor.alaska.gov/estax/forms/toc_forms.htm. They may help equalize any quarterly declines caused by those variables. Employer Options enable employers to delete or apportion wage payments. This helps stabilize your payroll from one quarter to the next, thus possibly obtaining a more favorable tax rate. Questions regarding Employer Option forms should be directed to the UI Tax Employer Account Specialist Unit at (888) 448-3527 or (907) 465-2757.

Alaska Economic Trends Magazine is a monthly publication that covers a broad range of economic issues. To view the electronic magazine, search articles and archives, and sign up for a FREE electronic subscription visit labor.alaska.gov/trends.

What is the “taxable wage base?”

- The taxable wage base is calculated each year and is 75% of the average annual wage in Alaska.
- 2022’s taxable wage base is \$45,200, 75% of the average annual wage amount \$60,217.
- The average annual wage for 2022 is computed from four quarter of wages from July 1, 2020, through June 30, 2021, and from the average number of employees for each quarter during this same time period.
- If an employee is transferred to Alaska with the same company, the employer must take credit for the taxable wages paid in the other state against Alaska’s taxable wage base in the same calendar year.
- In some successorships, the wages paid to an employee by the predecessor can be combined with wages paid by the successor for the calendar year of acquisition to determine the taxable wage base limitation.
- Do not list the taxable wage amount for each employee on the wage schedule. Total reportable wages are listed on the wage schedule by employee’s name and SSN. The computation for non-taxable wages is listed as a total amount on Line 3 of the Quarterly Contribution Report.

Take advantage of TaxWeb!

As a reminder, if you have 50 or more employees your quarterly report must be submitted online through TaxWeb, per 8 AAC 85.020(d). We encourage all employers to take advantage of our online services regardless of the number of employees. Three quarters of Alaska employers are currently using TaxWeb because it is easy, convenient and secure. In addition to filing quarterly reports, features include:

- Auto-filled quarterly reports
- Payment scheduling
- Access to balance and payment history
- Manage bank accounts

These features allow you to file your report immediately after the quarter ends and schedule a payment transfer for later in the month. After filing your report on TaxWeb, your next report will auto-fill with your employees’ information. Sign into TaxWeb through myAlaska at tos.dol.alaska.gov/tos.

Unemployment Insurance fraud

If an individual refuses an offer of work, is asking to be laid off or requests to have their hours reduced so they can collect UI benefits, they may be committing fraud. Employers should immediately report these activities for investigation.

Employers should send the following information to the UI office by email at uifraud@alaska.gov or by fax to **(907) 269-4835**:

- Business name
- Contact information
- Individual’s first and last name
- Last four of the individual’s Social Security Number if available
- A brief description of the activity

A representative will contact the business for additional information.

**First quarter reports and payments
are due by April 30, 2022.**