



Alaska Employer Newsletter

Unemployment Insurance Tax



ALASKA DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT

Sean Parnell, Governor

Dianne Blumer, Commissioner

James Harvey, Director

September 2014

Questions about your account or contributions?

Contacts

Juneau Central Office

P.O. Box 115509
Juneau, AK 99811-5509
Phone: (907) 465-2757

Toll free: (888) 448-3527
Fax: (907) 465-2374
Email: ESD.Tax@Alaska.Gov
Relay Alaska: (800) 770-8973

UI TAX OFFICES

Anchorage

P.O. Box 241767
Anchorage, AK 99524-1767
Phone: (907) 269-4850
Fax: (907) 269-4845

Fairbanks

675 7th Ave., Station L
Fairbanks, AK 99701-4595
Phone: (907) 451-2876
Fax: (907) 451-2883

Juneau

P.O. Box 115509
Juneau, AK 99811-5509
Phone: (907) 465-2787
Fax: (907) 465-2374

Kenai

11312 Kenai Spur
Highway, Suite 2
Kenai, AK 99611-9106
Phone: (907) 335-3020
Fax: (907) 283-5152

Wasilla

877 Commercial Drive
Wasilla, AK 99654-6937
Phone: (907) 352-2535
Fax: (907) 352-2581

UI Tax Representative

Toll free: (888) 448-2937

NEW REPORTING REQUIREMENTS

Employers who have 50 or more employees must file their quarterly contributions through Alaska Department of Labor and Workforce Development's Tax online at

labor.alaska.gov/estax/home.htm

REDUCE YOUR 2015 UI TAX RATE

The annual process of determining employer tax rates for calendar year 2015 has begun. Factors that may unfavorably affect your tax rate include:

- balance due on your account
- missing reports for any quarter
- balance due or missing reports on your predecessor's account



Contact any of the offices listed in this newsletter to resolve the above bulleted items and to:

- establish deferred payment contracts
- advise you of rate-lowering options
- confirm contributions and reports are posted correctly to your account or to your predecessor's account

FUTA TAX REDUCTION

Under the Federal Unemployment Tax Act (FUTA) employers can receive a 5.4 percent offset against the 6 percent FUTA tax imposed if their state has an approved Unemployment Insurance (UI) program and no delinquent federal loans.

Alaska's UI Trust Fund has remained solvent without the need to borrow from the federal government. Alaska employers can therefore expect to continue to receive their full federal tax offset, provided employers file their report and make their payments on or before the last day of the month which follows the calendar quarter for which contributions have accrued (8 AAC 85.30).

ARE YOU A SEASONAL EMPLOYER?



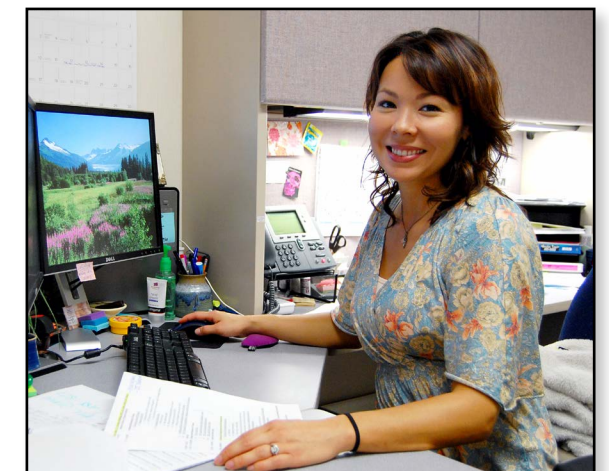
If you are a seasonal employer who traditionally files "zero" reports for quarters when your business is closed for the season (quarters where no wages were paid), why not make those reports part of your closing ritual? Mail your future reports (zero reports) to us when you close for the season and we will post them on the appropriate quarter due date. Currently, the Tax Online System does not provide for future reporting; however you may file your reports early on paper and send them to us through the mail.

The Alaska Quarterly Contribution Report form is online at labor.alaska.gov/estax/forms/toc_forms.htm

LOWER YOUR TAX RATES BY REPORTING EXCESS WAGES CORRECTLY

UI contributions are due for each employee up to the amount of the current year's taxable wage base (\$37,400 for calendar year 2014).

Wages paid to an employee in excess of the taxable wage base must be included on the "Alaska Quarterly Contribution Report" and listed on the "Wage Schedule," but are not taxed. Amounts that exceed the current year's taxable wage base must also be listed as a total in Box 3 on the quarterly contribution report for determining "Taxable Wages" paid during the quarter and the proper calculation of taxes due.



When wages in excess of the taxable wage base are not included in the "Total Reportable Wages" listed in Box 2 of the "Alaska Quarterly Contribution Report" and on the "Wage Schedule," you run the risk of creating a decline in the quarterly wages you report. A decline in "Total Reportable Wages" from one quarter to the next may have a negative impact on your assigned tax rate.

SAVE TIME AND MONEY – FILE ELECTRONICALLY!

Login process

- Log in at **labor.alaska.gov/estax**
- Select "Online Employer Services"
- You will be routed to the myAlaska login page
- Select and complete myAlaska information
- Select "Employment Security Tax"
- Select particular service

Services provided online

- File your quarterly reports
- Electronic Fund Transfer of ES Tax Payments
 - Pre-note is required for first-time users to verify banking information
 - Bank account and routing info required
- View balance and payments
 - First-time users will see a delay from pending to completed status
- Registration of a new business
- Close account
- Change contact information on tax account
- Update corporate officer information

EMPLOYEE ADVANCES – WHEN ARE THEY REPORTABLE?

Payroll advances made to employees are reportable by the employer **in the calendar quarter in which they are paid**, not when they are deducted from a subsequent payroll.

For example, an employee is paid an advance of \$100 on Sept. 20 and the \$100 advance is later deducted from the employee's gross for payroll issued on Oct. 1. The \$100 advance would be reported in the "Total Reportable Wages" for the third quarter, **not** the fourth quarter. The gross wages less the advance amount reported in the previous quarter would be reported on the fourth quarter report.

All remuneration for service is to be reported in the quarter in which payment is issued.

WHO'S THE EMPLOYER

Some Alaska employers look for ways to either supplement their existing staff or turn over their Human Resource (HR) functions to another company, thus allowing them to focus on their businesses. Alaska Department of Labor and Workforce Development is supportive of this concept.

In most cases, the business supplementing its employees or turning over the HR functions to another company is the liable employer and is responsible for reporting the wages under their account, not under the account of the business providing the workers or HR functions.

As an employer, you are required to report your employee wages under your account. Alaska does not allow employees from multiple businesses to be combined and reported under a single UI Tax account.

For UI Tax purposes, Alaska Regulation 8 AAC 08.015 determines which business is required to report wages of the employee by looking at:

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| • who directly benefits from the services being performed by the employee | and control over the day-to-day duties | related to the nature of the client employer's business operations and whether the services are performed in the client employer's place(s) of business |
| • who exercises direction | • whether the services performed by the employees are directly | |



UPDATE YOUR ACCOUNT ONLINE

To update your name, address, phone number or email on your **Employment Security Tax account**, go online: **labor.alaska.gov/estax/home.htm**. Click on the "On-Line Employer Services" link to access and update your account.

Quarterly reports are due Oct. 31.

We are an equal opportunity employer/program.
Auxiliary aids and services are available upon request to individuals with disabilities.