



Alaska Employer



Newsletter

Unemployment Insurance

Alaska Department of Labor
and Workforce Development

Sean Parnell, Governor

Dianne Blumer, Commissioner

Paul Dick, Director

November 2012

Questions about your account or contributions?

Contacts

Juneau Central Office

1111 W. 8th St., Room 203
P.O. Box 115509
Juneau, AK 99811-5509
907.465.2757
Toll free 888.448.3527
Fax 907.465.2374
Email ESD.Tax@Alaska.Gov
TDD-Relay Alaska Operator
800.770.8973

FIELD AUDIT OFFICES

Anchorage

3301 Eagle St., Room 106
P.O. Box 241767
Anchorage, AK 99524-1767
907.269.4850
Fax 907.269.4845

Fairbanks

675 7th Ave., Station L
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Juneau

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Kenai

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Kenai, AK 99611-9106
907.283.2920
Fax 907.283.5152

Wasilla

877 Commercial Drive
Wasilla, AK 99654-6937
907.352.2535
Fax 907.352.2581

UI Tax Representative

Toll free 888.448.2937

2013 rates and taxable wage base

2013 rate notices will be mailed during the first week of December. The notice will include the 2013 employer and employee rates and the amount of the taxable wage base. If you have questions regarding your rate, email or call the Employer Account Unit in Juneau at esd.tax@alaska.gov or **888.448.3527** or **907.465.2757**.

Business changes

Do you have a change in ownership, management or control, or has all or part of your business been acquired by another employer? Notify the Employer Account Unit in Juneau within 15 days of the change or acquisition. You can notify us online by going to our website at **Labor.Alaska.Gov/estax** and selecting the "On-line Employer Services" link to update your account information or you can notify us in writing by submitting an updated Alaska Employer Registration Form available at **labor.state.ak.us/estax/forms/AER.pdf**. To be sure you are paying the lowest contribution rate possible provide the department with the following information:

- the date of a change or acquisition
- the date wages were first paid under new ownership
- the type of change, including
 - a change in entity, such as a change from a sole proprietorship to a partnership or a partnership to a corporation
 - a corporate charter change
 - corporate officer change
 - a change as a result of a merger, consolidation or purchase
 - percentage and type of operating assets acquired in Alaska
- identification of current and prior owners
 - name
 - social security number
 - federal identification number
 - business name
 - the number of employees you acquired

How your UI contribution rate is calculated

The mission of Employer Accounts and Contributions Unit is to keep the Alaska UI Trust Fund solvent in order to pay benefits to eligible claimants. Alaska maintains a reserve rate to meet the benefit demands of a severe economic recession while also keeping the system from being over funded.

To maintain solvency, the financing system must cover the cost of the benefits being paid. The level of employer and employee contributions is based on the Average Benefit Cost Rate, the relationship between benefit costs and the total payroll of taxable employers. Data for multiple years is used in the calculation of the Benefit Cost Rate, thereby "smoothing out" sudden changes to the system and making the rate somewhat counter-cyclical. Counter-cyclical financing allows the fund to weather an economic slump while resisting sudden changes in contribution rates during a period of high benefit demands thus helping to stabilize the economy.

Successor employer responsibilities

If you purchase a business you may be held liable for any unemployment insurance contributions not paid by the seller. Alaska Statute 23.20.260 requires the buyer (successor) take the following action to ensure debt of the seller (predecessor) is paid.

- The successor must register the business.
- The successor should withhold enough purchase money to cover the amount of contributions due and unpaid until the predecessor produces a receipt from Employer Accounts and Contributions showing the predecessor's account is paid in full. If the successor fails to withhold purchase money as required, and the contributions are not paid within 10 days, the successor is liable for the payment of the predecessor's unpaid contributions.
- The successor should consider the wages paid by the predecessor when computing taxable wages for the remainder of the calendar year in which the business was acquired.

As with all employers, successors will receive a penalty rate if, prior to the annual rating process, one of the following two conditions exists:

1. Either the predecessor's account or the successor's account has a balance due; and/or
2. The quarterly report(s) have not been filed for all quarters on either the predecessor's account or successor's account. An estimated report does not take the place of a factual report.

For more information on successor/predecessor responsibilities, contact your local field audit office.

UPDATE YOUR ACCOUNT ONLINE

If you need to update your name, address, phone number or email on your **Employment Security Contribution account**, visit labor.alaska.gov/estax/home.htm. Click on the "On-Line Employer Services" link to access and update your account.

Quarterly reports are due Jan. 31, 2013.