**Alaska Payroll Taxes**

**AK State Income Tax Withholding**

Alaska has no state or local income tax withholding.

**AK State Unemployment Insurance**

In general, workers are covered by the unemployment law of the state in which the work is performed. Out-of-state and multi-state employers must set up accounts for workers who are hired in Alaska and perform work in Alaska. Employers may also be required to report to Alaska the workers who are hired out-of-state and brought to work in Alaska.

Alaska Department of Labor and Workforce Development’s Employment Security Tax section is responsible for providing assistance and information to employers concerning the Unemployment Insurance (UI) contributions program and for the collection of UI contributions. Register for a UI account, file reports, make payments, view balance and payments, and manage your account by visiting TaxWeb at [www.labor.alaska.gov/estax](http://www.labor.alaska.gov/estax).

Once an employer is assigned an account number, a rate notice (see the section in this handbook entitled Contribution Rates), letter of coverage determination, a blue placard Notice to Employees will be mailed out. The Notice to Employees informs employees they are covered under provisions of the Alaska Employment Security Act; its posting in a conspicuous place is required.

Quarterly reports are due for each quarter as long as the account is open, even if no wages were paid during the quarter. Reports are due according to the following schedule:



UI Tax encourages all employers and their agents to file reports, submit payments, view account balances and payment history via the Internet at [www.labor.alaska.gov/estax](http://www.labor.alaska.gov/estax). If you are mailing your quarterly contribution reports and payments, send them to:

Alaska Department of Labor and Workforce Development

Juneau Central Office

P.O. Box 115509

Juneau, AK 99811-5509

Employees who work for an employer that pays contributions are required to pay the employee share of contributions on the wages they earn. The employer is responsible for deducting the employee’s share of the tax from wages earned. This tax is reported and submitted with the employer’s quarterly contribution report.

Nonprofit organizations, political subdivisions (s the state and its agencies, boroughs, cities, and municipalities and their agencies, such as hospitals or schools), and federally recognized tribes may choose to be a contributory employer and pay contributions based on their quarterly wages, or elect to be a reimbursable employer and reimburse the state for the benefits paid out to their former employees. Election of the reimbursable payment method requires approval from the Alaska Department of Labor and Workforce Development (AKDOL). These items must be submitted before approval can be granted:

* a completed Alaska Employer Registration Form
* a written notice of the employer’s election
* a copy of the IRS 501(c)(3) exemption letter (non-profits)
* proof of tribal status (federally recognized tribes)
* a security deposit

If you are a contributory nonprofit employer who wants to elect the reimbursable payment method, written notice must be filed no later than Dec. 1 before the beginning of the tax year the election will be in effect. Political subdivisions that elect the reimbursable payment method may request in writing a waiver of the bond or deposit requirement. A waiver can only be granted if the political subdivision is not delinquent in its payments, and payments do not appear to be in jeopardy.

Employees of nonprofit organizations, political subdivisions or federally recognized tribes who have chosen the reimbursable payment method are not required to contribute to the UI program. Unlike regular contributory employers, reimbursable employers will not make deductions from their employees’ pay to reimburse the Trust Fund.

AK has not officially adopted the Interstate Reciprocal Coverage Arrangement for unemployment insurance; however it follows the Arrangement for up to three employees. Under this arrangement, if an employee works in more than one state, an employer may elect to cover all the services of such a worker in any state in which: (1) any part of the worker's service is performed, (2) the worker has his or her residence, or (3) the employer maintains a place of business. The agreement should be initiated through the state where the employer wants to report the payroll. A Washington employer may request to elect reciprocal coverage with another state by following the filing process outlined by Washington Administrative Code 192-300-150: <https://app.leg.wa.gov/wac/default.aspx?cite=192-300-150>. *Agreement with Washington State.* The Alaska Department of Labor and Workforce Development and the Washington Department of Employment Security have entered into a formal agreement addressing requirements for wages to be reported to each state.

**AK State Workers’ Compensation**

Workers’ Compensation Coverage is mandatory in Alaska, not voluntary. There are no “opt out” provisions under the Alaka Workers’ Compensation Act. All labor occurring in Alaska, including that performed by non-resident employees, must be insured by a workers’ compensation policy bound in Alaska and produced by an insurer authorized through the Alaska Division of Insurance to write workers’ compensation insurance in the State of Alaska.

Washington State Department of Enterprise Services (DES) administers a Workers' Compensation Insurance program for state workers. If your employee works outside of Washington in a single other state for more than 30 days (240 hours) per year, **your agency must work with DES** to insure your out-of-state employee. For more information, contact Kimberly Haggard kimberly.haggard@des.wa.gov at DES Risk Management.

**AK State Paid Family / Medical Leave**

Alaska does not have a paid family and medical leave program as of 01/12/2024.

**Helpful resources for Alaska**

Alaska Employer Packet: <https://labor.alaska.gov/estax/employer_packet.htm>

Alaska Unemployment Insurance Tax Handbook: <https://labor.alaska.gov/estax/documents/taxbook.pdf>

Alaska Department of Labor and Workforce Development Employment Security Tax (Unemployment Insurance) contact information:

Toll-free telephone: 888-448-3527; 888-448-2937

Email: esd.tax@alaska.gov

Alaska UI Tax Forms: <http://www.labor.alaska.gov/estax/forms/toc_forms.htm>

Alaska UI Tax FAQs: <https://labor.alaska.gov/estax/faq/faq-contents.htm>

Alaska UI TaxWeb FAQs: <https://labor.alaska.gov/estax/faq-taxweb.htm>

Alaska Workers’ Compensation home page: <https://labor.alaska.gov/wc/home.htm>

Alaska Workers' Compensation Employer Information: <https://labor.alaska.gov/wc/er-profit.html>

Employer’s Guide to the Alaska Worker’s Compensation Act: <https://labor.alaska.gov/wc/publications/employer_guide_to_wc_act.pdf>