



POLICY BRIEF

ALASKA
POLICY FORUM

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Unemployment Insurance Indexing

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In Alaska, a worker who gets laid off must have at least one continuous year of work history to qualify for unemployment benefits. The specific requirement is work history from “the first four of the last five completed calendar quarters prior to filing [a] claim.”¹ The duration of unemployment benefits is based on an individual’s work history. But what about all the seasonal workers in Alaska, or those who recently started working? At the beginning of the pandemic, workers qualified for different durations of unemployment benefits based on how long they had been working, not what the current job market looked like. A solution to this problem is unemployment insurance indexing (UI indexing).

UI indexing would change Alaska’s current unemployment system, which now bases weeks of unemployment benefits on past work, to one in which UI benefits are tied to the state’s economic condition.² When the unemployment rate is high — and job opportunities are low, such as at the height of the pandemic — unemployed individuals would receive UI benefits for a longer period of time, allowing them more time to search for work. When the unemployment rate is low — and jobs are plentiful — unemployed individuals would be expected to return to work more quickly before becoming ineligible for UI program payments.

This new system would help seasonal workers, who currently may not qualify for the same duration of unemployment benefits as non-seasonal workers. UI indexing levels the playing field, so to speak, and allows all workers to receive temporary assistance from the state for the same time frame when times are tough. When a seasonal worker and a non-seasonal worker are laid off at the same time, they should be allowed the same duration of assistance, as both unemployed individuals are facing the same job market.

In addition, indexing the state’s UI program to the current economic condition would help individuals focus on reemployment when the job market is growing, allow employers to fill job vacancies, halt the need to increase payroll taxes on both employers and employees, and allow the state to rebuild its UI trust fund.³

Alaskan workers deserve to be treated comparably by the state when it comes to the duration of UI benefits. In times of economic downturn (such as a national pandemic), the state should offer unemployed workers temporary assistance fairly. UI indexing would help unemployed Alaskans by granting workers the same duration of benefits when they are laid off at the same time, regardless of the seasonality of their work.

¹ Alaska Department of Labor and Workforce Development. “Calculating Your Weekly Benefit Amount and Duration.” (07-210-802 Rev. 2/2011) http://www.akleg.gov/basis/get_documents.asp?session=32&docid=78606 (accessed 2/19/22).

² Josh Waters and Jonathan Ingram. *How Indexing Unemployment Benefits Can Help States Weather Economic Downturns*. Foundation for Government Accountability, May 15, 2020, <https://thefga.org/paper/indexing-unemployment-benefits/> (accessed 2/19/22).

³ Hayden DuBlois and Jonathan Ingram. “How Indexing Unemployment Can Restore State Trust Funds, Cut Taxes, and Grow the Workforce in the Wake of COVID-19.” Foundation for Government Accountability, December 21, 2021, <https://thefga.org/paper/indexing-unemployment-in-the-wake-of-covid19/> (accessed 2/19/22).