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Press Release

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Federal Reform Raises Wages for Many Alaskans Working Overtime *U.S. Department of Labor overtime rule raises the bar for "white collar" exemptions*

ANCHORAGE, Alaska—The U.S. Department of Labor finalized a new overtime rule that increases the minimum salary requirements for employees to be considered overtime exempt. The new rule limits an employer's ability to classify lower paid workers as overtime exempt. The rule will affect approximately 5,560 qualifying Alaskans currently treated as overtime exempt who receive a salary of less than \$47,476 per year (\$913 per week). This includes employees working under administrative, executive, professional and other "white collar" overtime exemptions.

"Alaska's middle class will be strengthened by this regulatory reform," said Commissioner Heidi Drygas. "The minimum salary requirements for overtime have not been updated for more than a decade. This adjustment means lower paid workers should earn additional compensation when they are required to work overtime."

Alaska's labor laws have exceeded federal standards since the legislature passed the Wage and Hour Act in 1959. Alaska's minimum wage is higher than the federal minimum wage, and overtime coverage is more comprehensive. Under Alaska's overtime law, employees receive overtime when they work more than 8 hours in a day or when they work more than forty hours in a week, while federal overtime threshold only kicks in after forty hours worked in a week. As a result of this update, most workers earning less than \$47,476 per year will be paid for overtime work.

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