



This FAQ will provide some clarity regarding the questions we have received on Ballot Measure 1. Specifically in reference to the increase of the minimum wage and the provision of paid sick leave to workers, as well as information about how these changes may affect any existing paid time off (PTO) programs.

1. What is Ballot Measure 1 that was passed in 2024?

Ballot Measure 1 is a voter initiative that was part of the 2024 General Election. Ballot Measure 1 passed, was certified, and will be enacted as law effective **July 1, 2025**. State law does not allow for the governor to veto laws passed by initiative, and the legislature is prohibited from repealing said laws for a two-year period. Ballot Measure 1 does three things.

- increases the minimum wage,
- establishes sick leave,
- prohibits employers from holding mandatory meetings for the primary purpose of sharing political or religious opinions.

Regulations relating to Ballot Measure 1 will be drafted in accordance with the Administrative Procedure Act. The regulations will go out sometime in the spring of 2025 and will include a public notice and comment period to allow the opportunity for public input. To stay informed about potential new regulations you can sign up for alerts from the Online Public Notice system located at <https://aws.state.ak.us/OnlinePublicNotices/Default.aspx>.

2. When do the minimum wage rates increase?

Ballot Measure 1 changes the minimum wage gradually over the next three years. The current minimum wage is \$11.91. Ballot Measure 1 will increase the minimum wage, to

- \$13.00 on July 1, 2025,
- \$14.00 on July 1, 2026,
- \$15.00 on July 1, 2027.

Starting January 1, 2028, the minimum wage will be adjusted annually for inflation based on the Consumer Price Index (CPI). Ballot Measure 1 only changes the minimum wage rate, it does not change to whom the minimum wage applies.

3. What happens to Alaska's minimum wage rate if the federal minimum wage is changed?

Ballot measure 1 contains a provision that says Alaska's minimum wage rate will be set at two dollars over federal minimum wage, then adjusted annually for inflation in subsequent years.

4. How does the minimum wage increases affect salary exempt employees?

Under Alaska [Statute 23.10.055](#) the salary of exempt employees must be at least twice the minimum wage based off a 40-hour week. Changes to the minimum wage also affect the minimum salary level to qualify as a salary-exempt employee, which is currently \$952.80/week (\$49,546/year). This will increase to,

- \$1,040.00/week (\$54,080/year) on July 1, 2025,
- \$1,120.00/week (\$ 58,240/year) on July 1, 2026,
- and \$1,200.00/week (\$62,400/year) on July 1, 2027.

Salary levels will need to be adjusted thereafter based on changes made to the minimum wage based on the CPI. Salary exempt employees must still meet the duties test for the executive, administrative, or professional to qualify for the overtime exemption.

5. Which employers are required to provide sick leave?

All employers in Alaska are required to provide paid sick leave to all employees, except for certain employees exempt from the requirements.

6. Which employees are exempt from the paid sick leave requirement?

The following individuals are exempt from Ballot Measure 1's requirement for paid sick leave:

- Minors under 18 years of age that work less than 30 hours per week. *If the minor works more than 30 hours in a week, they must earn sick leave for all hours worked that week.*
- Apprentices receiving a minimum wage exemption approved by the Commissioner of the Department,
- Student learners on a plan approved by the Commissioner of the Department,
- Seasonal employees of a non-profit residential summer camp,
- Work therapy patients at a residential drug abuse or alcoholism treatment program,
- Employed prisoners,
- Employees covered by a collective bargaining agreement that expressly waives the right to sick leave in clear and unambiguous terms,
- Those exempt from minimum wage and overtime under AS 23.10.055, which includes employees in agriculture, aquaculture, domestic service, and federal and state employees.

7. Do employers need to provide paid sick leave to part time employees?

Yes, part time employees must be provided with paid sick leave.

8. How much sick leave must the employer provide?

Sick leave is accrued at the minimum rate of one hour of sick leave for every 30 hours of work. This ratio is used regardless of whether the hours worked are straight time, overtime, or paid at different rates, or worked in the same pay period. Employees on alternative schedules, rotational schedules, or other non-traditional arrangements still earn one hour of sick leave for every 30 hours of work.

9. How is sick leave accrued for salary exempt employees?

Salary exempt employees, exempt from overtime requirements under 29 U.S.C. §213(a)(1), are only required to be credited up to 40 hours of work per week for purposes of paid sick leave

accrual, unless their normal work week is less than 40 hours, in which case paid sick leave accrues based upon that normal work week.

10. How much sick leave are employers required to allow employees to accrue?

Small employers, fewer than 15 employees, are required to allow employees to accrue and use up to 40 hours of sick leave per year. Employers with 15 or more employees are required to allow employees to accrue and use up to 56 hours of sick leave per year. An employee can carry a sick leave balance forward into a new year and must begin to accrue sick leave again. While usage and accrual of sick leave is capped at either 40 or 56 hours per year, an employee's sick leave balance can exceed this.

11. When can sick leave be used?

Sick leave, as defined by Ballot Measure 1, is paid leave that is allowed to be used for injury, illness, to care for a family member, or when necessary to receive care or legal help related to domestic violence, sexual assault, or stalking.

An employer cannot deny an employee's use of sick leave, penalize an employee for using sick leave, or require an employee to arrange coverage for their missed shift. When used, sick leave should be used to cover the worktime the employee missed due to the illness or injury, paid out at the employee's regular rate.

Employers are not allowed to require proof of illness for paid sick leave unless it extends beyond three consecutive workdays. If requested, a signed note from a health care professional indicating that the sick leave is/was necessary will suffice. An employer is barred from requiring the employee to share the nature or detail of the illness or underlying health needs.

12. What if we already have an existing PTO plan?

Ballot Measure 1 does not necessarily require that employers provide additional paid sick leave if their current paid time off (PTO) program meets the minimum requirements for paid sick leave and the employee is allowed to use that time for absences due to sickness or injury. In the same way that employers are free to pay an employee over minimum wage, they are free to offer a more generous leave program as long as it exceeds the requirements of Ballot Measure 1. Employers should review existing plans for compliance with the new law, particularly regarding leave request procedures.

If an employee with a combined PTO/sick leave plan uses their entire leave balance for a vacation and later falls ill, they are not entitled to any additional paid leave. If they accrue at least one hour of leave per 30 hours worked and have the option to use it as paid sick leave the employer has satisfied the requirements of Ballot Measure 1.

13. Are employers required to pay out accrued sick leave when employment ends?

Employers are not required to pay out accrued sick leave at the end of employment, but if it is not paid out and an employee is rehired within six months of ending employment, they must have their previously held sick leave balance reinstated.

14. Our company allows employees to "cash out" unused PTO at the end of each calendar year. Will this no longer be allowed?

Employers can have a policy that allows employees to request a “cash out” of accrued PTO/sick leave. However, employers cannot mandate payout of yearly sick leave accrual. They must allow sick leave to roll over year to year.

Is there anything else we should know about Ballot Measure 1?

Ballot Measure 1 will take effect on July 1, 2025. We hope this FAQ helps clarify some of the confusion surrounding the change in labor law. You can look for regulations to be published for public comment sometime during the spring of 2025.

Wage and Hour provides a cost-free counseling service to Alaska employers, and we invite you to take advantage of this service. A monthly webinar is offered to the employers and employees concerning wage and hours laws. Check our website for the time of each webinar or contact our office at (907) 269-4900. An investigator is on duty Monday through Friday from 8:30 a.m. to 4:30 p.m. excluding the noon hour, to answer any questions you may have.