

Employment Law Summary

Alaska Minimum Wage Laws



Because You're Different

Federal minimum wage law is governed by the Fair Labor Standards Act (FLSA). The current federal minimum wage rate is **\$7.25 per hour** for nonexempt employees. The Alaska Wage and Hour Act (AWHA) complements federal law and, in some cases, prescribes more stringent or additional requirements that employers must follow. Whenever both state and federal laws apply, employers must follow the law that provides the greatest benefit or highest protection to employees.

The [Alaska Department of Labor and Workforce Development \(ADLWD\)](#) enforces compliance with the AWHA throughout the state.

Minimum Wage Rate

Under the AWHA, the state rate must be at least one dollar higher than the federal minimum wage rate. This state rate is also adjusted annually to reflect the cost of inflation. The table below provides an overview of how the state minimum wage rate has changed over the last few years.

Effective Date	Jan. 1, 2020	Jan. 1, 2021	Jan. 1, 2022	Jan. 1, 2023	Jan. 1, 2024
State of Alaska	\$10.19	\$10.34	\$10.34*	\$10.85	\$11.73

Finally, the AWHA indicates that unless a term is specifically defined under state law, employers should interpret wage and hour provisions according to the definitions of the federal [Fair Labor Standards Act \(FLSA\)](#).

Wages for Work Therapy

State law authorizes the ADLWD to set a lower minimum wage rate for individuals who participate in work therapy that is part of a residential drug abuse or alcoholism treatment program. These programs must be designed to extend more than 120 days. In determining whether these programs qualify for a lower minimum wage rate, it is considered whether the work performed by the patient:

- Is solely for the benefit of the patient and is ordinarily carried on by patients in a residential treatment program;
- Would ordinarily be performed by full-time employees of the program;
- Is work that may produce income to the patient, other than wages;
- Produces compensation for goods or services that will economically or otherwise benefit the owners, operators or businesses of the rehabilitation program; and
- Creates an unfair competition with private enterprises because of lower wage standards.

Other Subminimum Wage Rates

The ADLWD may authorize employers to pay wages below the minimum wage rate to:

- Apprentices;
- Learners; and

- Individuals employed by a nonprofit organization for not more than 12 weeks in a calendar year at a residential summer camp who receive room and board in addition to a weekly wage that is equal to or greater than
 - 80% of the minimum hourly wage, multiplied by 40 hours; or
 - 50% of the minimum wage multiplied by the total hours they worked in the week.

Minimum Wage Exemptions

AWHA minimum wage requirements do not apply to:

- Individuals employed in agriculture;
- Individuals employed in the catching, trapping, cultivating, farming, netting or taking of any kind of fish, shellfish, or other aquatic forms of animal and vegetable life;
- Individuals employed in the handpicking of shrimp;
- Individuals employed in domestic service (including babysitters) in or about a private home;
- Individuals employed by a federal or state governmental agency, including prisoners not on furlough detained or confined in prison facilities;
- Individuals engaged in the nonprofit activities of a nonprofit religious, charitable, cemetery or educational organization or other nonprofit organization where the employer-employee relationship does not, in fact, exist and where services rendered to the organization are on a voluntary basis and are related only to the organization's nonprofit activities;
- Employees engaged in the delivery of newspapers to the consumer;
- Individuals employed solely as watchmen or caretakers of a plant or property that is not in productive use for a period of four months or more;
- Bona fide executive, administrative, or professional employees;
- Outside salespersons or salespersons who are employed on a straight commission basis;
- Computer systems analysts, computer programmers, software engineers or other similarly skilled workers;
- Individuals employed in the search for placer or hard rock minerals;
- Individuals under 18 years of age employed on a part-time basis, not more than 30 hours a week;
- Individuals working for a nonprofit educational or childcare facility to serve as a parent of children while the children are in residence at the facility if the employment requires residence at the facility and is compensated on a cash basis exclusive of room and board at an annual rate of not less than \$10,000 for an unmarried person or \$15,000 for a married couple;
- Certain taxicab drivers;
- Individuals who are licensed and work for a registered or licensed guide-outfitter or master guide-outfitter (for the first 60 workdays during a calendar year);
- Individuals engaged in activities for a nonprofit religious, charitable, civic, cemetery, recreational, or educational organization where the employer-employee relationship does not, in fact, exist and where services are rendered to the organization under a work activity requirement (Alaska temporary assistance program);
- Individuals who provide emergency medical services only on a voluntary basis, serve with a full-time fire department only on a voluntary basis or provide ski patrol services on a voluntary basis;
- Students participating in a University of Alaska practicum;
- Individuals who are employed by a motor vehicle dealer and whose primary duty is to:
 - Receive, analyze, or reference requests for service, repair, or analysis of motor vehicles;
 - Arrange financing for the sale of motor vehicles and related products and services that are added or included as part of the sale; or
 - Solicit, sell, lease, or exchange motor vehicles.

Required Poster

The AWHA requires employers to keep and post a summary or abstract of the state's minimum wage requirements. The poster must be approved by the ADLWD and displayed in a conspicuous location where individuals work. This [poster](#) is available from the ADLWD at no charge.

Recordkeeping

Employers must keep wage and hour records for **at least three years** at the place where employees work. Wage and hour records must include each employee's:

- Name, address and occupation;

- Rate of pay;
- Amount paid each pay period;
- The hours worked each day and each workweek; and
- Other payroll information required by the ADLWD.

The ADLWD is authorized to copy employer records at any reasonable time. Employers may be required to provide a sworn statement of their records on demand.

Enforcement

The ADLWD is authorized to investigate and enforce compliance with wage and hour laws in the state. The agency is also authorized to enter places of business or employment at reasonable times to inspect payroll records and question employees during work hours.

It is a violation of the AWA for employers to:

- Hinder or unnecessarily delay the ADLWD's enforcement efforts;
- Refuse to admit an authorized ADLWD representative to a place of employment;
- Falsify or fail to keep a required record, refuse to make the records accessible to the ADLWD or refuse to furnish a sworn statement of the records;
- Refuse to give information required for the enforcement of this chapter upon demand
- Fail to display a required poster; or
- Discharge or in any other manner discriminate against an employee who has filed a complaint, has instituted (or caused to be instituted) any proceeding or has testified (or is about to testify) in a proceeding.

Employee Remedies

Employers that violate the AWA are liable to affected employees for unpaid wages and an additional equal amount as liquidated damages. Employees that prevail in lawsuits for unpaid wages may also recover the costs of the lawsuit and reasonable attorney's fees.

Actions for unpaid wages must be filed within two years after the cause of action accrues.

Criminal Penalties

In addition to the remedies available to employees, employers that violate the state's minimum wage laws are subject to a fine of between \$100 and \$2,000, imprisonment between 10 and 90 days or both. Each day a violation occurs is considered a separate offense.

More Information

Contact Heffernan Insurance Brokers for more information on labor and employment laws in Alaska.

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