Ballot Measure 1: An Act Increasing the Minimum Wage, Requiring Paid Sick Leave, and Prohibiting Mandatory Meetings about Religious or Political Issues

Frequently Asked Questions

Disclaimer: *This document is not intended as legal advice. The suggestions are guidelines only.*

Notes: *The following questions were generated during an educational briefing held by Foraker in February 2025. Regulations from the Alaska Department of Labor will further clarify the implementation of Ballot Measure 1. Additionally, DOL has a website and an FAQ that is a complement to this document.*

Additional information

- Division of Elections Ballot description
- Alaska Department of Labor FAQ

Contents

General Questions

Q. What law outlines the requirements for tracking employee hours?

A. Alaska statute 23.05.080 requires employers to keep detailed records for each employee including their daily and weekly hours worked and wages paid each pay period.

Q. Will the implementation date of July 1, 2025, be extended?

A. No, the requirements as outlined in the ballot measure will go into effect on July 1, 2025.

Q. If an employee is domiciled in Alaska but works for an organization operating from another state, does the ballot measure apply to them?

A. Generally, if an employee physically works in Alaska, even for an out-of-state employer, Alaska employment laws would apply to them.

Q. Can Foraker provide template sick leave language for an employee handbook?

A. Foraker can work with each organization to determine which language is appropriate for the organization and complies with the law.

Minimum Wage Increases

Q. Are state and federal employees exempt from the requirements of Ballot Measure 1?

A. Federal and state employees are exempt from state minimum wage and overtime requirements under AS 23.10.055. They are also exempt from the sick leave requirements outlined in the ballot measure.

Q. Will minimum wage increases occur each year in January and July?

A. Minimum wage increases are scheduled for:

- *July 1, 2025: increase to $13.00/hour*
- *July 1, 2026: increase to $14.00/hour*
- *July 1, 2027: increase to $15.00/hour*

Prior to these changes, Alaska's minimum wage was subject to annual adjustment each January 1 based on inflation, as mandated by a 2014 ballot initiative. Starting in 2028, the minimum wage will be adjusted annually for inflation, with the adjustments taking place annually on July 1.

Sick Leave

Calculating Number of Employees

Q. Organizations with fewer than four employees are allowed to pay their employees straight-time for all hours worked. Are these organizations exempt from providing sick leave?

A. No, all employers with any number of employees are required to provide sick leave to their employees.

Q. For purposes of sick leave calculations, how is the number of employees determined?

A. The number of employees is determined by counting all individuals employed regardless of their location or employment status. This includes full-time, part-time, and temporary employees,

as well as those working outside Alaska. The ballot measure does not specify a method for calculating the number of employees; therefore, employers should consider all employees on their payroll when determining their obligations under the paid sick leave provisions. Further information may be available when the state releases its regulations.

Hours, accrual, cap

Q. Is there a sick leave accrual cap?

A. Yes, there are sick leave accrual caps based upon the size of the organization.

- *Employers with 15 or more employees: Employees can accrue and use up to 56 hours of paid sick leave per year.*
- *Employers with fewer than 15 employees: Employees can accrue and use up to 40 hours of paid sick leave per year.*

While the ballot measure mandates that all unused leave carry over from year to year without a designated carryover cap, it allows employers to limit annual accrual and usage to the specified amounts above.

Q. What is the sick leave accrual year (calendar year, July 1, or employee anniversary date)?

A. The ballot measure does not explicitly define the sick leave accrual year. Employers have the discretion to establish their own accrual year, which can align with the calendar year, fiscal year, or the employee's anniversary date. It is important for organizations to clearly communicate their chosen accrual year to employees to ensure transparency and compliance with the law.

Q. If an employee works less than 30 hours in a week, are they exempt from accruing sick leave?

A. The ballot measure does provide an exemption for employees under the age of 18 years old who work less than 30 hours per week. For employees over the age of 18, the ballot measure does not specify an exemption based solely on working fewer than 30 hours per week. Therefore, such employees are entitled to accrue paid sick leave at the standard rate, regardless of the total number of hours worked annually.

Q. Does an organization need to provide sick leave in addition to the paid time off that they already provide?

A. If an employer already offers paid time off that meets or exceeds the requirements set by the ballot measure, they are not obligated to provide sick leave. This means that a compliant paid time off policy can serve as a substitute for separate sick leave, provided it allows employees to accrue and use leave at least at the rates specified by the measure.

Q. Will sick leave and paid time off need to be tracked separately?

A. The ballot measure does not explicitly mandate that employers track paid sick leave separately from other forms of paid time off (PTO). However, employers must ensure that their PTO policies comply with the measure's requirements, including accrual rates, usage, and carryover provisions. Employers should provide their employees with written notice of their entitlement to paid sick leave, the amount they will accrue, and the prohibition against retaliation. This notice must be given within 30 days of the law's effective date of July 1, 2025.

Q. Can an employer cap the number of sick hours used per calendar year to 40/56?

A. Employers with 15 or more employees may limit the accrual and usage to 56 hours per year. Employers with fewer than 15 employees may limit the accrual and usage to 40 hours per year.

Impact on progressive discipline

Q. How does the requirement to provide sick leave impact my ability to utilize progressive discipline if an employee is not meeting attendance standards?

A. The ballot measure does not specifically address or restrict employers' rights to implement or enforce progressive discipline for attendance. However, it is crucial that policies do not penalize employees for legitimate use of accrued paid sick leave as stipulated by the ballot measure. Retaliation against employees for utilizing paid sick leave is also prohibited.

Exceptions

Q. Does a hatchery fall under the exemptions as outlined in AS 23.10.055?

A. The ballot measure specifies that individuals exempt from overtime under AS 23.10.055, including employees in aquaculture, are exempt from the paid leave requirement.

Q. Do residential summer camps fall under the exemptions as outlined in AS 23.10.055?

A. The ballot measure specifies that individuals exempt from overtime under AS 23.10.055, including seasonal employees of a nonprofit residential summer camp, are exempt from the paid leave requirement.

Q. Do non-residential summer camps fall under the exemptions as outlined in AS 23.10.055?

A. The ballot measure does not explicitly mention exemptions for non-residential summer camps. Therefore, employees of non-residential summer camps are generally subject to the paid sick leave provisions.

Q. Will the regulations provide more clarity on the exemptions as outlined in AS 23.10.069?

A. This will be determined when the regulations are published. Wage and Hour, AK DOL, will provide community members with a comment period associated with the creation and publication of the regulations.

Cashout, donated leave, leave without pay

Q. Must sick leave be cashed out when an employee separates?

A. Employers are not required to pay out accrued, unused paid sick leave upon an employee's separation from employment. However, if an employee is rehired within 12 months, previously accrued sick leave must be reinstated.

Q. May sick leave be donated to other employees within the organization?

A. The ballot measure does not address the donation of sick leave from one employee to another. Employers may choose to establish such programs at their discretion so long as they comply with Alaska laws and regulations.

Q. Can an employee bank their sick leave by taking days of leave without pay instead?

A. The ballot measure does not address whether employees can choose to take leave without pay in lieu of accrued sick leave. However, it does state that employees are entitled to use paid sick leave as it is accrued. Employers may establish policies regarding the use of leave without pay so long as they are not discouraging employees from utilizing their accrued sick leave.

Multiple Employment

Q. If an employee has two places of employment, may they elect when to utilize their sick leave from each organization?

A. Under the ballot measure, employees accrue paid sick leave separately with each employer. Employees may utilize sick leave in accordance with the ballot measure and as outlined in their employer's policies.

Notice of use

Q. Can an organization require an employee to provide minimum notice of their use of sick leave?

A. Employers can require employees to provide advance notice when the need for sick leave is foreseeable. Employees are expected to make a good-faith effort to notify their employer in advance and to schedule their leave in a manner that does not unduly disrupt the employer's operations. However, the ballot measure does not specify notice requirements for unforeseeable absences.

Eligibility for sick leave

Q. Do seasonal employees accrue sick leave?

A. Yes, seasonal employees over the age of 18 accrue leave at a rate of 1 hour per 30 hours worked.

Q. Do temporary employees accrue sick leave?

A. Yes, temporary employees over the age of 18 accrue at a rate of 1 hour per 30 hours worked.

Q. Do paid interns accrue sick leave?

A. Yes, paid interns over the age of 18 accrue at a rate of 1 hour per 30 hours worked.

Q. Are staffing agencies considered an "employer" for purposes of sick leave accrual?

A. The term "employer" is not defined within the ballot measure. In the absence of a specific definition, existing labor laws provide guidance which outlines that staffing agencies are typically considered an employer of record for these employees.

State date

Q. In calendar year 2025, will employees only be eligible to accrue half the amount of sick leave required in the ballot measure?

A. The ballot measure does not specify any reduction in accrual rates for calendar year 2025. Therefore, employees will accrue paid sick leave at the standard rate of one hour for every 30 hours worked starting from July 1, 2025. For the remainder of 2025 (July 1 – December 31), employees will accrue sick leave at the standard rate without any prorated reduction. However,

employers can limit the total amount of paid sick leave an employee can accrue and use during that period to the applicable annual cap.

Q. When do employees begin to accrue sick leave?

A. Employees begin to accrue paid sick leave at the commencement of their employment or on July 1, 2025, whichever is later.

Employee Rights to Avoid Speech

Q. What is the definition of "religious matters?"

A. In the ballot measure, "religious matters" means matters relating to religious affiliation and practices and the decision whether or not to join or support a religious organization or association.

Q. What is the definition of "political matters?"

A. In the ballot measure, "political matters" means matters relating to elections for political office, political parties, candidates, proposed legislation or regulations, and the decision whether or not to join or support a political party, or political, civic, communal, fraternal, or labor organization.

Q. Does an organization have to be a congregation or a house of worship to be considered a bona fide religious organization?

A. The ballot measure does not define the term "bona fide religious organization." It is anticipated that this term will be defined in the regulations. Until the regulations are published, organizations should consider it as an expansive definition. Generally, there is a distinction between a congregation/house of worship and a faith-based organization that provides services beyond congregational services. Those organizations that do not have a place of worship or proper documentation of purpose (e.g. charter, state or federal registration, or business license) should be aware that there may be risk at identifying as a bona fide religious organization.

Q. If an organization has a faith-based component, would they qualify as a bona fide religious organization?

A. As stated above, since the term is undefined, organizations should consider it as an expansive definition, but moving farther afield of a strong religious purpose would create a greater risk for an organization.

Q. Can a political organization require participation in a meeting if the information provided is directly related to the job requirements?

A. Yes, the ballot measure does not prohibit an employer from communicating to its employees information that is necessary for the employee to perform their job or directly relates, or is relevant to, the workplace.