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## Press Release

COMMISSIONER'S OFFICE

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### **New Alaska Minimum Wage Effective Feb. 24**

JUNEAU, Alaska—Alaska's minimum wage will increase to \$8.75 an hour on Feb. 24, which is \$1 more than the current \$7.75. An estimated 16,000 Alaska jobs currently pay \$8.75 or less.

While the voter-approved Ballot Measure 3 called for a Jan. 1 increase, in accordance with the Alaska Constitution the effective date is 90 days after the Nov. 26 certification of election results by the Division of Elections – Feb. 24.

The measure will also increase the minimum wage to \$9.75 per hour on Jan. 1, 2016 and adjust the minimum wage each year thereafter for inflation. The new law also requires evaluation and potential changes whenever the federal minimum wage is adjusted, as Alaska's minimum wage must remain at least \$1 above the federal minimum wage starting with the Feb. 24 effective date. The current federal minimum wage is \$7.25.

Alaska's minimum wage was last increased on Jan. 1, 2010 due to June 2009 legislation that called for a wage 50 cents above the federal minimum wage.

With some limited exceptions, the Alaska minimum wage applies to all employees in the private sector, whether working in a for-profit or not-for-profit business. It also applies to all hours worked in a pay period regardless of how the employee is paid: whether by time, piece, commission or otherwise. All the actual hours worked in the pay period multiplied by the Alaska minimum wage is the very least that an employee can be compensated.

Tips still do not count toward the minimum wage. Under Alaska law, public school bus driver wages must be not less than twice minimum wage. Also, certain employees must be paid on a salary rate not less than twice minimum wage based on a 40-hour work week in order to maintain exempt status.

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