



May 6, 2025

Dear Employer,

The Alaska Department of Labor and Workforce Development, Wage and Hour has developed this letter to provide clarity to some of the most common labor laws as they pertain to the shore-based fish processing industry. For the purpose of education, this letter is being made available as an industry-wide notice to inform employers and employees of these requirements. Among the issues that have been the focus of questions, complaints and subsequent enforcement activities are:

- The passage of Ballot Measure 1 in the 2024 general election and Alaska's adoption of laws guaranteeing paid sick leave to most employees;
- The absence of written hiring agreements between the employer and the employee;
- Changes to the rate of pay without the required written notice;
- Payment of wages and overtime inconsistent with the *Alaska Wage and Hour Act*;
- Nonpayment of wages for all hours worked;
- Insufficient or non-existent records of all daily and weekly hours worked by every employee;
- Employees subjected to unlawful deductions from wages, the withholding of paychecks, or who are being compelled to reimburse employers without written authorization;
- Employees not being fully paid within the required time frames after termination;
- Employees not being provided return transportation when the employer is required to do so;
- Employees exposed to amputation hazards from improperly de-energized or unguarded equipment (AKOSH);
- Inadequate safety training or safety training not presented in language understood by the employee (AKOSH).

We will address each of these issues in this letter and we are always available to discuss any follow-up questions you may have.

Paid Sick Leave

Following the passage of Ballot Measure 1 in the 2024 General Election, Alaska has adopted laws guaranteeing paid sick leave to most employees. Alaska's paid sick leave laws will go into effect on July 1, 2025. All employees will accrue sick leave at the same rate, 1 hour per every 30 hours worked. These hours worked are cumulative. The hours counted for salary-exempt employees may be limited to 40 hours per week.

The amount of paid sick leave that can be accrued and used in a year is capped depending on the number of employees an employer has. While accrual and usage are capped, the sick leave balance is not capped. Unused sick leave must be carried forward into the next year.

Employers who have existing paid time off programs need to review their policies to assure they meet the minimum standards established by the new law. Employers are free to offer a more generous plan to their employees if they choose.

Employers are prohibited from interfering with, restraining, or denying the use of paid sick leave. They cannot require employees to find coverage for missed shifts or take adverse actions against employees for the usage of paid sick leave. Documented verification of the need for paid sick leave, such as a doctor's note, can only be requested for paid sick leave usage of more than three consecutive workdays and must comply with statutory requirements.¹

The Department has published frequently asked questions to aid with the understanding of Alaska's new sick leave laws and has provided a link to the ballot measure language. These can be found at: <https://labor.alaska.gov/lss/ballot-1-faq-2025.html>.

Written Hiring Agreements and Changes in the Rate of Pay

Under Alaska Labor Law, employers must provide all employees with a written hiring agreement. This must include their rate of pay, where they receive payment, and the established payday which cannot occur less frequently than once per month (i.e. daily, weekly, bi-weekly, or monthly). Any time the employer elects to make a change, they must provide the employee with written notification of the change no later than on the payday before the time of change. The change cannot be made in the middle of a pay period and cannot be retroactive.²

Accurate Record of Hours Worked

An employer shall keep an accurate record of all the daily and weekly hours worked by each employee.³ This recordkeeping requirement applies to all employees regardless of how they are compensated or how they are classified to include salary-exempt employees. A mere record of hours scheduled may not be sufficient to account for all the hours actually worked by the employee. As a best practice, employees should also keep a record of hours separately from their employer's so they can check the employer's accounting for accuracy at the time of payment. The time worked may also include, but is not limited to, time spent preparing to deliver services to the recipient and time spent on post-provision duties (such as preparing records or cleaning at the end of the shift, travelling between facilities, doctor's appointments for clients, trips to the store to purchase items for the assisted living home, etc.).

¹ AS 23.10.067

² AS 23.05.160

³ AS 23.05.080

The burden to keep hours is borne by the employer under statute. Requiring an employee to keep a timesheet does not absolve an employer of this responsibility. Failure of an employee to follow employer reporting policy or issues with electronic reporting systems also do not resolve employers of the responsibility to maintain employee records and ensure employees are paid on the appropriate payday. Failure to follow employer policies may result in adverse administrative actions up to and including termination, it cannot result in the withholding of pay.

Minimum Wage and Overtime

Except as otherwise provided for in law, an employer shall pay to each employee a minimum wage, for all hours worked in a pay period, whether the work is measured by time, piece, commission or otherwise.

The current Alaska minimum wage is \$11.91 per hour as of January 1, 2025. As of July 1, 2025, the minimum wage will increase to \$13.00 due to the passage of Ballot Measure 1 in 2024.

Barring any allowable exemptions, an employee who works over 8 hours in a day and/or more than 40 straight-time hours in a week must be paid 1.5 times their regular rate of pay⁴ (this requirement of the law is referred to as “overtime”⁵). Furthermore, if an employee is paid multiple rates of pay the overtime is to be calculated by using a *weighted average* formula unless there is an established agreement to pay overtime at 1.5 times the rate of pay for the type of work being performed during the overtime hours.⁶

If the work is directed by or allowed by the employer or if the employer has reason to suspect that the employee worked, the time spent working is compensable.⁷ An accurate record of all daily and weekly hours worked must be kept, and most importantly, the employee must be paid correctly for all these hours.

Breaks and Down Time

If an employee is completely relieved from all duties for a period of 20 minutes or more during which the employee may use the time effectively for his/her own purpose, the period can be classified as a break and need not be counted as time worked.⁸ Again, the employer is expected to keep an accurate record of the daily and weekly hours worked by each employee to assure proper payment for all time worked. Taking deductions for meal periods that were provided but not taken by the employee, or wherein the employee was not completely relieved of all duties while eating, is prohibited.

Orientation and Training

Time spent in orientation and training that is directly related to the employee’s job, given by or under the control of the employer, is considered work time and is therefore compensable time.

Attendance at lectures, meetings, training programs and similar activities need not be counted as working time if all four of the following criteria are met:

⁴ 8 AAC 15.100

⁵ AS 23.10.060

⁶ 29 CFR §778.419

⁷ 29 C.F.R. §785.11

⁸ 29 C.F.R. §785.18

- (a) Attendance is outside of the employee's regular working hours;
- (b) attendance is in fact voluntary;
- (c) the course, lecture, or meeting is not directly related to the employee's job; and
- (d) the employee does not perform any productive work during such attendance.⁹

However, attendance is not in fact voluntary if the employee is led to believe that their present working conditions or the continuance of their employment would be adversely affected by non-attendance.

The training is considered to be directly related to the employee's job if it is designed to make the employee handle their job more effectively as distinguished from training him for another job, or to a new or additional skill. Time spent in such a course given by the employer or under their control is hours worked.¹⁰

Deductions

An employer and employee may enter into a written agreement to provide for deductions of monetary obligations of an employee. Requiring an employee to give up wages to which they are entitled through force, intimidation, or threat of dismissal from employment, or any other manner is prohibited. A written agreement for deductions is not valid if it would reduce the employee's wage rate below the statutory minimum wage and overtime rates.

An employer may deduct from an employee's wage for the following based on written agreement:

- A deduction from wages could be made based on a written agreement signed by the employee, directing the employer to provide wages for the employee's benefit to a creditor, donee, or other third party. An example of this type of deduction would be payments to an employee's medical insurance plan or retirement plan.
- Deductions, based on a written agreement signed by an employee, for charges for items which are made available for the employee's benefit, and are not sold to the public in the employer's usual course of business, and are purchased voluntarily by the employees. Examples of deductions include: pop, candy, cigarettes, magazines, books, etc., made available through the company's store. These types of deductions may be treated as an advance against wages and may be deducted from minimum wage or overtime. In order to be considered an advance the deducted charges must not extend beyond the pay period in which they were incurred. Charges that are split over multiple pay periods would be classified as a loan and may not reduce the employees wage rate below minimum wage or overtime rate.

An employer may not deduct from an employee's wages for the following:

- Lost, missing, or stolen property, unless the employee admits willingly and in writing to having personally taken the specific property alleged to be lost, missing or stolen.
- Damage or breakage costs, unless clearly due to willful conduct of the employee and the employee has acknowledged responsibility in writing.
- For a more thorough list of unlawful deductions see Alaska regulation 8 AAC 15.160.

⁹ 29 C.F.R. §785.27

¹⁰ 29 C.F.R. §785.29

Uniforms:

An employer may not require an employee to purchase a uniform or equipment if its use is required by the federal, state, or local safety or health codes. Additionally, purchase cannot be required if the nature of the business requires the use of the uniform or equipment, and if the uniform is distinctive and advertises the products or services of the employer and cannot be worn or used during normal social activities of the employee. An employer may charge for clothing or equipment that constitutes a uniform and that advertises the products or services of the business if the item is customarily sold to the public by the employer¹¹ and can be worn or used during normal social activities of the employee.

Room and Board

When an employee lives in customarily furnished housing provided by the employer, an employer may deduct an amount from the minimum wage or overtime rates set out under Alaska Statute 23.10 of an employee's earnings, to reimburse an employer for the reasonable cost of furnishing board or lodging. The amount of this deduction must be reasonable and without profit to the employer, directly or indirectly, and must be based on a *written agreement signed by the employee*.

Written notice to the employee must include the following:

- a basic description of the board or lodging;
- a statement of the amount to be deducted weekly for the board or lodging; and
- stating that the employee's acceptance of the board or lodging and deduction is voluntary.

A deduction of \$20 per day or less for board or lodging will not require a determination by the director unless evidence indicates that the deduction is unreasonable for the board or lodging provided or results in a profit to the employer.

The hiring or firing of employees based upon the employee's willingness to authorize deductions for room and board costs from their check is forbidden.

Furthermore, unless the employer and the employee have a *written agreement* signed by the employee, before the deduction, the employer is prohibited from seeking to retroactively deduct the cost of room and board from their wages at the time of termination.¹²

Right to Return Transportation and Subsistence

An employer who provides, pays for, or agrees to provide or pay for transportation for a person from the place of hire to a point inside or outside the state to employ the person shall, when the job comes to an end, provide the person with return transportation to the place of hire, or to a destination agreed upon by both parties.¹³ This is defined as all transportation costs to return the employee only to the original place of hire.¹⁴

¹¹ 8 AAC 15.165

¹² 8 AAC 15.160

¹³ AS 23.10.380

¹⁴ 8 AAC 20.030(1)

Return transportation is subject to the following conditions:

- Must be provided on or after termination of employment for a cause considered good and sufficient by the Department, or for reasons beyond the person's control, or after termination of the contract of employment or a renewal of the contract.
- Must be provided to the eligible employee when requested by the employee or the Department within 45 days after termination.

If an employer terminates an employee to whom return transportation *is due*, return transportation must be provided unless reason for termination is:

- 1) Falsification of the employment application;
- 2) Intoxication;
- 3) Fighting; or
- 4) Unexcused absence from duties for more than three consecutive scheduled working days.

Return transportation is not due if an employee voluntarily terminates their position *unless* the employee's reason for termination is one of the following:

- 1) Misrepresentation of wages, working hours, lodging, or other conditions of employment; or
- 2) Working conditions or employer-provided lodging that is unsafe or unhealthy.¹⁵

When an employee is owed return transportation and immediate transportation back to the point of hire is unavailable, the employee is entitled to subsistence. Subsistence is due from the date of termination until the date that transportation becomes available, or for 10 days, whichever occurs first.¹⁶ Subsistence is defined as board and lodging furnished by the employer or \$100 per day furnished by employer for living expenses.¹⁷

Proof of Earnings/Paycheck Stubs

An employer must provide each employee a written or electronic statement of earnings and deductions for each pay period, otherwise known as a pay stub. The statement of earnings and deductions must contain the employee's:

- Rate of pay;
- Gross wages;
- Net wages;
- Beginning and end dates of the pay period;
- Federal income tax deductions;
- Federal Insurance Contribution Act deductions;
- Alaska Employment Security Act contributions;
- Board and lodging costs;
- Advances;
- Straight time and overtime hours actually worked in the pay period;
- Other authorized deductions.¹⁸

¹⁵ 8 AAC 20.010

¹⁶ 8 AAC 20.020

¹⁷ 8 AAC 20.30(2)

¹⁸ 8 AAC 15.160

Final Paycheck

If the employment is terminated by the employee, payment is due at the next regular payday that is at least three days after the employer received notice of the employee's termination of services. If employment is terminated by the employer, regardless of the cause of the termination, payment is due within three working days after the termination.¹⁹ The day of termination, weekends, and bank or state holidays, are not included in these three days. Final paychecks are to be provided to the employee in the same manner that they normally receive them unless the hiring agreement states otherwise. However, an employer and an employee may reach a mutual agreement to have them provided by other means. If final paychecks are mailed, as a best practice the employer should verify the employee's address before sending the final paycheck and pay statement.

Employers may not hold an employee's final paycheck regardless of real or perceived debts owed to the employer, unless the deduction is authorized in writing and comports with Alaska Administrative Code 8 AAC 15.160.

Where an employer violates this statute, the employer may be required to pay the employee a penalty in the amount of the employee's regular wage, salary or other compensation from the time of demand to the time of payment, or for 90 working days, whichever is the lesser amount.²⁰

Workers' Compensation Coverage

Any business operating in Alaska with even one part-time employee is required to carry workers' compensation insurance under Alaska Statute 23.30.075. The policy must be bound in the State of Alaska; Alaska is not a reciprocal state and does not recognize coverage bound in any other state or country, even if the policy purports to cover an injury occurring in Alaska. There is no exemption for family members or friends for purposes of workers' compensation liability. Employee status is determined using the independent contractor definition found in Alaska Statute 23.30.230(a)(12). The criteria in this definition are all-inclusive. Penalties for not having workers' compensation coverage are severe. It is a crime under the *Alaska Workers' Compensation Act* for employers to misclassify employees or deduct all or any portion of workers' compensation premiums from an employee's paycheck. If you have questions regarding workers' compensation requirements, please download and review the Employer's Guide to the *Alaska Workers' Compensation Act* at https://labor.alaska.gov/wc/publications/employer_guide_to_wc_act.pdf or contact the Alaska Division of Workers' Compensation at (907) 269-4980.

Alaska Occupational Safety and Health

All employees in Alaska have the right to a safe and healthy work environment under Alaska Statutes 18.60.10 through AS 18.60.105. Alaska Occupational Safety and Health (AKOSH) enforces these standards through inspections of workplaces. Some of the most commonly found serious hazards are unguarded or improperly guarded machinery, insufficient Lock-out Tag-out work practices and insufficient safety training. Often times, safety related training is not offered in all languages spoken by employees. AKOSH may inspect a workplace based on an employee complaint, report of a workplace injury, or through emphasis programs. Employees have the right to submit workplace safety concerns to the Occupational Safety and Health Administration (OSHA) or AKOSH by phone, online or in person. Names of complainants are confidential and

¹⁹ AS 23.05.140

²⁰ AS 23.05.160

are not disclosed to employers. Furthermore, both State and Federal law prohibit employers from retaliating or discriminating against employees who exercise their safety and health rights by filing complaints with management, AKOSH or OSHA (AS 18.60.089). Finally, employers are required to verbally report any workplace accident that results in a death, amputation, loss of eye or inpatient hospitalization within 8 hours to AKOSH (AS 18.60.58).

Anchorage Seafood Office

This office is located within the Anchorage Job Center Midtown at 3301 Eagle Street, Room #102. The Seafood Office is the crossroads for Alaska's seafood workers and many seafood employers recruit directly from there. The following services are offered:

- Seafood Orientations - Learn about working in the Alaskan seafood industry.
- Referrals and job placements based on jobseeker skills.

Office Hours:

Monday – Friday, 8 a.m.- 5 p.m.

To reach the Anchorage Seafood Office, call (907) 269-4746. Their website can be found at: <https://jobs.alaska.gov/seafood/processing.html>.

Resources

In conclusion, a business that is involved in practices that are not consistent with Alaska wage and hour laws must correct the discrepancies immediately to avoid future enforcement actions. We hope that your organization will take this opportunity to conduct an internal review and voluntarily make any wage adjustments. We have noted several applicable statutes and regulations for your review. Employers are encouraged to conduct a complete review of Alaska's wage and hour laws and regulations as published in the *Pamphlet 100* publication, which can be found at: <https://labor.alaska.gov/lss/forms/pam100.pdf>. Our website can be found at: <https://labor.alaska.gov/lss/whhome.htm>.

The Wage and Hour office provides a cost-free counseling service to Alaska employers, and we invite you to take advantage of this service. A regular, monthly webinar is offered to employers and employees concerning wage and hour laws. Check our website for the webinar schedule and contact our office at (907) 269-4900 for registration. In addition, an investigator is on duty each business day to answer any questions you may have.

Alternatively, you may wish to contact a private attorney. The Alaska Lawyer Referral Service may be able to assist you with locating an attorney to address your specific concerns. You may contact this office at 1-800-770-9999 or visit the following website for additional information: <https://www.alaskabar.org>.