legal update ALASKA

Alaska Updates State Minimum Wage Exemptions

On Sept. 14, 2022, Alaska adopted <u>amendments</u> to the state's minimum wage law exemptions. These amendments remove the exemption for workers with disabilities and add an exemption for certain summer camp employees. The amendments will become effective on Dec. 12, 2022. Employers should review and adjust their payroll processes and procedures to comply with the amendments by the effective date.

Exemption for Workers With Disabilities

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Until Dec. 11, 2022, employers in Alaska are able to claim a minimum wage exemption for "individuals whose earning capacity is impaired by physical or mental deficiency, age or injury." When claiming this exemption, employers must comply with the terms and conditions the Alaska Department of Labor and Workforce Development (DLWD) sets for these employees.

Beginning Dec. 12, 2022, employers in Alaska will no longer be able to claim this exemption. Employers should contact the DLWD for questions regarding the validity of existing subminimum wage arrangements for employees with disabilities.

Exemption for Summer Camp Employees

The amendments also create a new minimum wage exemption for summer camp employees who:

- Work for a nonprofit organization;
- Work for up to 12 weeks in a calendar year at a residential summer camp;
- Receive room and board in addition to a weekly wage.

These employees' wages must be at least equal to either 80% of the state minimum wage rate multiplied by 40 hours or 50% of the state minimum wage rate multiplied by the total hours they worked in the week.

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Important Dates

Sept. 14, 2022

Alaska amended minimum wage exemptions.

Dec. 12, 2022

Effective date for Alaska's minimum wage exemption amendments.

Employers should review and adjust their payroll processes and procedures to comply with the amendments by Dec. 12, 2022.

Provided to you by Employco USA, Inc.