



State & Local Compliance Update

USI EMPLOYEE BENEFITS

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Alaska's New Paid Sick Leave Law

Alaska's Ballot Measure 1 was passed in the 2024 general election. In addition to changes to Alaska's state minimum wage ("MW")¹ and a limitation on employee mandatory meetings,² Ballot Measure 1 adds a new paid sick leave requirement for all employers effective July 1, 2025. Regulations are expected in the spring of 2025.³

BALLOT MEASURE 1

Ballot Measure 1 was a voter initiative that was passed in November 2024. Among other things, the law requires:

- All Alaska employers to provide paid sick leave to all Alaska employees, including overtime exempt (salaried) and part time employees (unless the employee is otherwise exempt⁴)
- Sick leave to accrue at a minimum of one hour of sick leave for every 30 hours worked
 - Large employers (15+ employees) must allow employees to use up to 56 hours of sick leave per year
 - Small employers must allow employees to use up to 40 hours of sick leave per year

¹ Alaska MW will increase to \$13.00 on July 1, 2025, \$14.00 on July 1, 2026, and \$15.00 on July 1, 2027. The MW will then be adjusted for inflation and never be less than \$2.00 more than the federal MW.

² Employers are prohibited from holding mandatory meetings for the purpose of sharing political or religious opinions.

³ Alaska voters passed Ballot Measure 1 during the 2024 general election in November. State law does not allow the governor to veto laws passed by initiative in Alaska and the legislature is prohibited from repealing voter initiatives for at least two years. As such, Ballot Measure 1 is expected to be fully effective on July 1, 2025.

⁴ Exempt employees include:

- Minors under 18 years of age that work less than 30 hours per week. *If the minor works more than 30 hours in a week, they must earn sick leave for all hours worked that week.*
- Apprentices receiving a minimum wage exemption approved by the Commissioner of the Department,
- Student learners on a plan approved by the Commissioner of the Department,
- Seasonal employees of a non-profit residential summer camp,
- Work therapy patients at a residential drug abuse or alcoholism treatment program,
- Employed prisoners,
- Employees covered by a collective bargaining agreement that expressly waives the right to sick leave in clear and unambiguous terms,
- Those exempt from minimum wage and overtime under AS 23.10.055, which includes employees in agriculture, aquaculture, domestic service, and federal and state employees.

- Sick leave can be used for injury, illness, to care for a family member, or to receive care or help for issues related to domestic violence, sexual assault, or stalking
- Employers to provide written notice by the later of July 31, 2025, or an employee's date of hire, informing them that beginning July 1, 2025:
 - employees are entitled to paid sick leave;
 - the amount of paid sick leave;
 - the terms of its use guaranteed under the statute; and
 - that retaliation against employees who request or use paid sick leave is prohibited.

Employees can use leave as it is accrued. While the law requires a minimum number of hours that must be available for use per year (i.e., 40 or 56) the law does not appear to allow accrued, unused leave to be forfeited. However, employers are not required to pay out accrued unused sick leave. Additionally, an employee with unused accrued sick leave that is terminated must have the sick leave balance reinstated if rehired within six months.

Regulations expected in Spring 2025 should provide additional guidance related to counting employees to determine employer size and the notice requirement. Until that guidance is available, Alaska has provided a helpful FAQ for employers (see Resources below).

EXISTING POLICIES

Employers are not required to change existing policies that meet the requirements of Ballot Measure 1. However, it is important to note that employers are not permitted to:

- Deny the use of sick leave;
- Penalize an employee for using sick leave;
- Require an employee to arrange coverage for their missed shift;
- Require proof of illness for paid sick leave that is three days or less; or
- Require the employee to share the nature or detail of the illness.⁵

Given the prohibition on denial of sick leave or penalty for an employee that uses paid sick leave, employers should ensure alignment with their other workplace and time and attendance policies. For example:

- An attendance policy that tracks absences for purposes of performance management may not include leaves that are covered by Ballot Measure 1.
- A policy that requires a doctor's note for an absence of more than three days should be updated to reflect the permitted format under Ballot Measure 1.

EMPLOYER NEXT STEPS

Employers with employees in Alaska should confirm their HR or payroll system is prepared to begin tracking the required paid sick leave accrual based on employer size. Employers should work with their employment counsel to confirm that leave and related policies, such as time and attendance or

⁵ A signed note from a health care professional indicating that the sick leave was necessary will suffice

sick leave policies, comply with the requirements of Ballot Measure 1. Policies should be updated in the event any gaps are found.

Employers should also review additional guidance, such as the expected regulations, when issued.

RESOURCES

- For the FAQ, visit: [Ballot Measure 1 FAQ](#)
- For information on the law, visit: [Ballot Measure 1 Eng.pdf](#)

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