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New Alaska Minimum Wage Effective January 1st

JUNEAU, Alaska – Alaska's minimum wage will increase to \$9.75 per hour on January 1, 2016, an increase of \$1 per hour over the current Alaska minimum wage of \$8.75. For an Alaskan who works full-time at minimum wage, the increase will result in additional earnings of approximately \$2,000 per year. The Alaska Department of Labor and Workforce Development estimates approximately 12,000 jobs in Alaska currently pay less than \$9.75 per hour.

"This is great news for low wage workers who struggle to make ends meet in Alaska," said Labor Commissioner Heidi Drygas. "This increase will help thousands of Alaskan families pay for housing, food, and other necessities."

In November 2014, Alaskans voted overwhelmingly in favor of a ballot measure to increase the minimum wage from \$7.75 to \$8.75 on January 1, 2015, and to \$9.75 on January 1, 2016. The ballot measure will also adjust the minimum wage each year for inflation beginning in 2017. An additional condition requires that, going forward, Alaska's minimum wage remain at least \$1 per hour over the federal minimum wage.

"This long-overdue increase in the minimum wage did not happen on its own," said Commissioner Drygas. "Hundreds of Alaskans put an incredible amount of time and effort into getting this issue on the ballot. Thank you to all the Alaskans who worked hard to see this initiative pass."

The Alaska minimum wage applies to all hours worked in a pay period regardless of how the employee is paid: whether by time, piece, commission, or otherwise. All actual hours worked in a pay period multiplied by the Alaska minimum wage is the very least that an employee can be compensated by an employer. Tips do not count toward the minimum wage.

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