



July 30, 2025

Commissioner Catherine Muñoz
Alaska Dept of Labor and Workforce Development
Email to: dol.iss.regulations@alaska.gov

RE: Public comment on proposed regulations on paid sick leave (Project/Regulation #: 2025200108)

Dear Commissioner Muñoz:

The Alaska Chamber (the Chamber) writes to express comments on the proposed regulations on paid sick leave as approved under the 2024 General Election Ballot Measure 1.

The Alaska Chamber is the state's largest statewide business advocacy organization. Our mission is to promote a healthy business environment in Alaska. The Chamber has more than 700 members and represents businesses of all sizes and industries from across the state, representing 58,000 Alaskan workers and \$4.6 billion in wages.

As the voice of Alaska's business community, we are committed to fostering a vibrant and sustainable business environment across the state. Employers continue to face significant challenges in hiring and retaining talent, and these challenges are exacerbated when mandates are implemented without input from the businesses they affect. While we appreciate the Department's efforts to clarify this complex law, we have significant concerns regarding the practical implications of several provisions.

Below, we outline seven primary areas of concern and offer recommendations for clarification or revision.

1. Increments and Documentation Requirements

The requirement to allow employees to take sick leave in partial-hour increments (e.g., 15-minute blocks) may be appropriate in some workplaces but is overly burdensome for many. For example, this level of granularity complicates leave tracking and payroll administration. Additionally, the prohibition on requesting documentation unless the employee is absent for more than three consecutive workdays exposes employers to potential abuse without meaningful recourse. We urge the Department to permit employers to adopt reasonable minimum increments (e.g., 1 hour) and to clarify documentation rights for recurring or patterned absences.

2. Use of Paid Time Off (PTO) to Satisfy Paid Sick Leave (PSL)

We appreciate the allowance to use existing PTO policies to satisfy PSL requirements, however the expectation that PSL be tracked or designated separately undermines this flexibility. Creating separate buckets or concurrent leave tracking increases administrative complexity and cost. We ask the Department to allow a unified PTO bank, provided it meets or exceeds PSL minimums and includes required disclosures.



2550 Denali Street, Suite 530
Anchorage, AK 99503



Office (907) 278-2722



www.alaskachamber.com
info@alaskachamber.com

3. Employee Count Calculations

The proposed method for calculating employer size based on a weighted average from the previous calendar year is complicated, particularly for seasonal industries. Small employers may inadvertently fall above the 15-employee threshold despite having limited year-round staff. We request an alternative calculation method, such as using quarterly headcount averages or providing a small employer exemption for short-term staffing increases.

4. Frontloading and Carryover Rules

We commend the Department for allowing frontloading of leave. However, requiring employers to track actual hours worked even with frontloading defeats the administrative simplicity frontloading was meant to provide. Additionally, the interaction between rollover requirements and annual use caps remains unclear, particularly for employers with leave banks exceeding 56 hours. We ask the Department to confirm that reasonable caps on accruals and rollovers are permissible and to provide model policies for frontloading.

5. Notice and Absence Policy Conflicts

The prohibition against requiring more than 10 calendar days' notice for foreseeable absences is operationally impractical. In cases such as surgeries or known long-term leave, advance planning is both possible and necessary for business operations. Additionally, the 10-day maximum notice period for foreseeable absences prevents employers from adequately planning for operational continuity. We recommend reverting to the statutory language requiring "reasonable notice." Furthermore, the term "absence control policy" is undefined, leaving employers uncertain about permissible consequences for unplanned absences, especially when such absences cause logistical or financial burdens (e.g., missed flights to remote work sites). We request greater clarity and flexibility in these areas.

6. Administrative Burdens

Mandating PSL balances on pay stubs, especially within unified PTO systems, imposes significant payroll system changes. Moreover, the requirement to track actual hours worked for exempt employees undermines the fundamental principles of exempt status and places an unreasonable burden on employers. We urge the Department to allow simplified reporting and reasonable presumptions for exempt staff unless specific discrepancies are raised.

7. Unresolved Legal and Structural Issues

Several significant issues remain unaddressed:

- **Out-of-State and Traveling Workers:** Employers are uncertain when intermittent work in Alaska triggers accrual.
- **Forced Use of PSL:** It is unclear whether employers can require PSL use instead of leave without pay or PTO.

We respectfully request that the Department address these gaps in the final regulations to ensure employers can comply in good faith without facing legal uncertainty.



The Alaska Chamber supports policies that promote employee well-being while acknowledging the diverse and often unique operational realities of businesses in our state. While the current proposed regulations are well-intentioned, they present practical, legal, and administrative challenges that warrant refinement. We urge the Department to revise the regulations to provide the clarity, flexibility, and predictability that employers need to comply effectively.

Thank you for considering the Chamber's comments on these proposed regulations.

Sincerely,

A handwritten signature in black ink that reads 'Kati Capozzi'.

Kati Capozzi
President and CEO



2550 Denali Street, Suite 530
Anchorage, AK 99503



Office (907) 278-2722



www.alaskachamber.com
info@alaskachamber.com