

# Sponsor Statement

## SB 210

*By the Senate Labor & Commerce Committee*

**“An Act relating to the computation of overtime; and providing for an effective date.”**

This legislation is designed to protect Alaska employers who properly calculated overtime wages for their employees prior to the effective date of [Ch. 43, SLA 99 \(HB 201\)](#), and correct an erroneous judicial interpretation of Alaska’s Wage and Hour Act.

In 1999 the Alaska Legislature passed HB 201 dealing with the issue of wage “pyramiding” (paying overtime wages more than once for the same hour of overtime work). Unfortunately, a last minute amendment deleted the Act’s retroactive effective date (April 1, 1997). Though future claims were clearly precluded, those claims existing on or before the effective date of HB 201 remained active. As a result several employers were sued for calculating overtime wages exactly how the Alaska Department of Labor had instructed them to do it. Every other business in the state used the same method.

[This measure](#), once and for all, brings certainty to the interpretation of computing overtime under Alaska’s Wage & Hour Act. These changes are consistent with both concerns and policy goals expressed by the Legislature in the enactment of Chapter 43, SLA 99 and official State Department of Labor practices going back to pre-statehood.