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Independent Regulatory
Review Commission

Kathy Cooper

From: Mark Zimmerman <mlzimmer@dejazzd.com>
Sent: Friday, January 17, 2020 12:32 PM
To: IRRC
Subject: Comments on Dept. of Labor and Industry Overtime Regulation #12-106

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Dear The Review Commission,

As a small business owner in Pennsylvania, I am writing in opposition to the Department of Labor and Industry's proposal to dramatically increase the salary threshold for employee overtime eligibility. As you may be aware, the Independent Regulatory Review Commission asked the Wolf Administration to address concerns that were brought up by businesses, nonprofits, and colleges. The revised rule is only moderately different from the original rule.

The proposed increase in the state threshold from an annual salary of \$35,568 to \$45,500 over two years will be especially hard on small businesses like mine and their employees. It will limit the flexibility we can offer them now with hours, benefits, and pay. It will affect the morale of employees at my business by forcing them back to punching a time clock, which will also impact my business' quality, customer service, and reputation. It also does not take into consideration the differences in pay scale based on the skill set of the employee.

Further, the proposal seriously underestimates the costs to comply because it doesn't consider the higher costs to small businesses of state mandates like this. Higher costs will force businesses like mine to cut back the hours and pay of the very employees the change is intended to help.

The proposal to automatically increase the threshold every three years after it takes effect will make employee salary costs uncertain for businesses like mine and make it virtually impossible to plan, especially in an economic downturn. It is irresponsible to assume businesses will be able to sustain this increase in the threshold without reviewing it before making another increase. In the language of this proposal - additional regulations "may" overburden companies and cause them to close shop or move to another more small-business-friendly state.

Small businesses can't afford the loss of flexibility and the increased cost of such a substantial increase in the overtime threshold. It will ultimately reduce benefits and career opportunities for my employees. Because of the dire impact it will have on businesses like mine and their employees, the Independent Regulatory Review Commission should disapprove of the rule.

"A healthier workforce and more time for families to spend together" can not be regulated into being. Only someone who has begun and kept running a business for 40 years knows the amount of time and energy it takes to make a business prosper. Trying to regulate how much time employees and employers work (especially in a company of about 15 workers) only increases the working hours of the executives and administrators. Not to mention the amount of "regulatory" paperwork that has exploded during those 40 years is phenomenal. And while we appreciate the success of companies like Sheetz, their size alone separates them from small businesses and should not be used as an example in this case.

Again, the Independent Regulatory Review Commission should disapprove of the rule.

Sincerely,

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