

#3202

Form Letter C 19-20 3202

Kathy Cooper

From: Mark Pagano <markpag@comcast.net>
Sent: Friday, November 15, 2019 1:56 PM
To: IRRC
Subject: Proposed Massive Overtime Rule Expansion

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NOV 18 2019

Independent Regulatory
Review Commission

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Dear PA Independent Commission,

Thank you for the opportunity to comment on the Final Form Regulation submitted by the Pennsylvania Department of Labor and Industry (L&I). These regulations are intended to update the rules that determine if an employee is required to be paid overtime.

Though this proposed regulation may be well-intended I am deeply concerned with the negative impacts on employers and many of the very employees whom the proposal is supposed to help.

L&I's first version of this regulation submitted in June 2018 proposed more than doubling the wage threshold to potentially qualify for exempt status. Despite hundreds of comments reflecting widespread concern among employers from a range of industry sectors, L&I made only minimal changes. The new proposal would still increase the salary threshold by over 92 percent and require regular increases using a formula that would impose larger and larger increases.

The same concerns described in 2018 remain. Employers may not have the ability to simply absorb higher labor costs and many nonprofits rely on static government funding. A significant salary threshold increase of this nature will force many of these employers to convert salaried employees to hourly status in order to track and cap hours. This transition typically entails a more rigid work schedule with less flexibility, burdensome record-keeping, fewer training opportunities and benefits. Hourly workers required to clock in and clock also risk less take-home pay if hours worked in a week dip below 40.

I am also concerned that, despite some improvements, the proposal still falls short of L&I's stated goal of aligning federal and state overtime laws. Overtime laws are among the most difficult for employers to administer and even if L&I's proposal is approved this area of employment law will still be unnecessary complicated and inconsistent.

We urge the Independent Regulatory Review Commission to disapprove of this regulation. A similar proposal was struck down by a federal court, IRRC itself expressed concerns back in 2018 that L&I does not appear to have addressed and the U.S. Department of Labor is already planning to increase the salary threshold, albeit at a more reasonable level, in 2020.

Thank you for considering my views on this important matter.

Sincerely,

Mark Pagano
7 Glendore Dr
Hummelstown, PA 17036
markpag@comcast.net

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Cheryl Yohn

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