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Kathy Cooper

From: Shannon Joyce <sjoyce@integracare.com>
Sent: Friday, August 10, 2018 9:39 AM
To: Smolock, Bryan
Subject: Impact to Local Organizations of Proposed Changes to PA Overtime Regulation

Shannon Joyce
6600 Brooktree Court
Wexford, PA 15090

August 10, 2018



Dear Bryan Smolock,

I am a local human resource professional and am concerned about the impact that changes to the overtime regulations will have on my organization and our employees.

Adopting regulations for Pennsylvania that dramatically increase the salary threshold and set it at the 30th percentile of weekly earnings of full-time salaried workers in the Northeast, in addition to updating the salary threshold every three years, will have a significant negative impact on the labor costs for my organization.

This proposal will also have a negative impact on employees as we adjust our workplace rules in order to control our overtime costs. This may include limiting the ability to work overtime and reducing workplace flexibility.

This proposal more than doubles, in a short period of time, what is the current federal salary threshold. As a legal matter, this dramatic increase in the minimum salary will have the effect of rendering the minimum salary the sole arbiter of exempt status for most positions, the precise reason the proposed federal rule was struck down. Additionally, using Northeast census data is unfair to Pennsylvania workplaces which cannot meet the higher salary demands of other Northeast cities such as Boston, New York City and Washington, D.C. It will have a particularly harsh effect in rural areas where the cost of living and salaries are lower than Pennsylvania cities.

While we may be able to raise salaries of some employees above the new minimum salary to preserve their exempt status, more employees the majority of our team members will be reclassified as non-exempt resulting in the loss of flexibility they currently enjoy as they are required to start tracking their time and working less flexible schedules. We monitor labor costs closely and cannot easily pass on additional cost and remain competitive. For this reason, these proposed changes will cause us really zone in on overtime pay and will likely cause us to cap or eliminate access to overtime work or even adjust salaries to make sure that total wages remain the same.

Please take my concerns into consideration as you evaluate these rules.

Sincerely,
Shannon Joyce