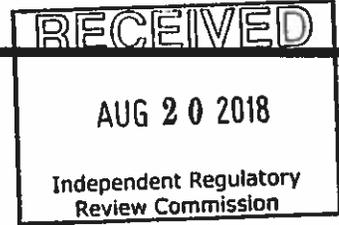


3202

Kathy Cooper



From: Scott Smith <scottkris96@gmail.com>
Sent: Sunday, August 19, 2018 9:59 AM
To: IRRC
Subject: IRRC 3202 - Dept of Labor & Industry

I am writing to submit comments regarding the proposed changes to the PA Overtime Laws. I work for a consulting firm in Central PA and hear the voice of many organizations that would be effected by this legislation.

Salary Threshold Comments:

Comment 1:

The increase from the current Federal levels to \$921 (\$47,840) are a radical increase. I support an increase to outdated standards, but such a large jump followed by tri-annual increases. For roles that are currently considered exempt that do not meet this requirement, a company will only have two options and both will negatively impact employees or employers

Option 1- Increase wage to threshold. This action will result in the company spending more of gross profit dollars on that role. Spending more on wages in a role means there are either less dollars for the employer to spend on things like benefits, training, or jobs or that the employer will need to accept lower profits.

Option 2 – Keep the role as nonexempt and pay hourly. Because employers seek to manage OT expenses, the employee will be restricted by the employer from doing extra “on the clock” activities to contribute to business success or personally develop. Neither of these outcomes make PA Businesses or workers stronger

Comment 2:

Employees who are forced to convert from exempt status to non-exempt status will be lose flexibility. They will be required to track time and submit weekly hours. In the world of smart phones, productivity has been greatly enhanced. Often employers will not allow or will restrict the use of technology with non-exempt employees as the risks of them doing work and not reporting hours is too great. Therefore, non-exempt employees are expected to work at the office, clock in and out. They also have limited flexibility to adjust schedules to personal or family needs because they don’t have permission to work remotely. The flipside is if employers choose to take on extra cost by raising salaries (reducing profits), those workers could get increased flexibility.

Comment 3:

Using NorthEast census data is damaging to businesses in Central PA. The salaries in Boston, NY, Philadelphia, etc.... significantly distort this data and create levels that cannot be “matched” by small businesses in Central PA

Summary Comment:

This regulation seems valuable at the surface. Who could argue with getting people more wages by giving them access to OT or by raising their salary to maintain exempt status. However, with deeper thought, the unintended consequence of the legislation will be that workers will not benefit because businesses take offsetting actions to reduce the cost. Furthermore, these actions will position PA noncompetitively vs other states. As businesses consider where to build or relocate, PA will be at a competitive disadvantage for economic growth. Why would a business come to or stay in Central PA when they can go to other rural areas and realize better labor costs.

I would like to ask that PA seek to be a leader in other areas that can promote economic growth and defer action on this rulemaking until the federal DOL publishes it’s new rules. PA can then align to the updated federal regulation and remain competitively positioned vs. other state economies.