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Form Letter B 159-160

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AUG 21 2018  
Independent Regulatory  
Review Commission

Kathy Cooper

**From:** Tim Luccaro <tluccaro@hollyhedge.com>  
**Sent:** Tuesday, August 21, 2018 3:03 PM  
**To:** IRRC  
**Subject:** Proposed Rulemaking: Title 34 Labor & Industry Regulations for Min Wage 34 Pa. Code, Pt XII, Ch 231

Dear IRRC Review Commission,

My name is Tim Luccaro, I am the owner-manager of The Lumberville 1740 House. I employ 15 people and by virtually any definition am considered a small business owner in the state of Pennsylvania.

I am writing to express my deep concerns with the current proposed rulemaking by the Department of Labor as it pertains to the salary threshold for exempt employees in Pennsylvania. By the Department's own admission, there was little to no effort to meet with the business owners in this Commonwealth whom this will affect, and to obtain feedback on the rules impact on their operations and staffing.

An increase in the threshold in Pennsylvania to \$921/week over two years would adversely effect my employees and my business, limiting my ability to add new staff, or provide additional training. While the current threshold needs to be increased to take into consideration cost of living increases, an increase of over 200 percent in such a short time frame, is well beyond what an increase based on inflation should be. And it does not allow for adequate price changes to consumers to limit its impact on our ability to maintain operations.

This change may force me to take employees that are currently in a leadership position and make them hourly, which could mean a loss in pay but more importantly take away the flexibility to make their own hours and the leadership they have earned in their salaried position in the first place. Or, it may adversely impact my ability to offer supplemental employee benefits like health care, retirement, and bonus wages. Employees often perceive reclassifications to non-exempt hourly positions as demotions. In my experience, employees look forward to making the jump from hourly to salaried and reclassifying them will undoubtedly be viewed by many as a step backwards in their careers.

Pennsylvania needs to continue to be competitive to ensure that I can grow my business and we can attract more businesses to our state. The U.S. Department of Labor is likely to change the threshold on a national level, and I would urge the state Department to wait and consider the newly proposed regulations that the federal Department will release.

To that end, I do support changing Pennsylvania's duties test to be identical to the federal duties test. Unfortunately, the proposed regulation purports to do that but actually doesn't. Pennsylvania has a significant number of gray areas as it pertains to our current regulation and aligning with the federal guideline would once again provide the consistency and clear guidance the business community needs.

The regulation as proposed will hurt my business as it currently operates and my ability to grow my business. Changes may need to be made as it pertains to the salary threshold, but the Department should take into consideration the multiple variables at play in Pennsylvania instead of relying on one-sided studies and political rhetoric.

Thank you for your consideration,

Sincerely,

Tim Luccaro

3690 River Rd  
Lumberville, PA 18933  
tluccaro@hollyhedge.com

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Review Commission

**Kathy Cooper**

**From:** James Morrison <JMorrison@GetawaysOnDisplay.com>  
**Sent:** Tuesday, August 21, 2018 3:05 PM  
**To:** IRRC  
**Subject:** Proposed Rulemaking: Title 34 Labor & Industry Regulations for Min Wage 34 Pa. Code, Pt XII, Ch 231

Dear IRRC Review Commission,

My name is James Morrison. I am the owner of Getaways On Display. I employ 20 people and by virtually any definition am considered a small business owner in the state of Pennsylvania.

I am writing to express my deep concerns with the proposed changes by the Department of Labor as it pertains to the salary threshold for exempt employees in Pennsylvania. As I understand it, no consideration will be given to the geographical make-up and different costs of living that vary throughout the Commonwealth.

An increase in the threshold in Pennsylvania to \$921/week over two years would hurt my employees and my business. While the current threshold may need to be increased to take into consideration changes over the years, an increase of over 200 percent, even if over the course of a few years, is well beyond what an increase based on inflation should be.

But of more significance, it is very clear to me that the free marketplace is the better way to "regulate" issues of compensation. In my company, because of current circumstances in the local labor market, I am not implementing a retirement plan for my employees. I am not being forced to do this by the government. I want to attract and keep good people, and that fact is all it takes to make me provide a new benefit.

This change would force me to take employees that are currently in a leadership position and make them hourly, which could mean a loss in pay but more importantly take away the flexibility to make their own hours and the leadership they have earned in their salaried position in the first place. Employees normally perceive being reclassified to non-exempt hourly positions as demotions. In my experience, employees look forward to making the jump from hourly to salaried and reclassifying them will undoubtedly be viewed by many as a step backwards in their careers.

Pennsylvania needs to continue to be competitive to ensure that I can grow my business and we can attract more businesses to our state. The U.S. Department of Labor is likely to change the threshold on a national level, and I would urge the state Department to wait and consider the newly proposed regulations that the federal Department will release.

To that end, I do support changing Pennsylvania's duties test to be identical to the federal duties test. Unfortunately, the proposed regulation purports to do that but actually doesn't. Pennsylvania has a significant number of gray areas as it pertains to our current regulation and aligning with the federal guideline would once again provide the consistency and clear guidance the business community needs.

The regulation as proposed will hurt my business as it currently operates and my ability to grow my business. Changes may need to be made as it pertains to the salary threshold, but the Department should take into consideration the multiple variables throughout Pennsylvania.

Sincerely,

James Morrison  
338 Deerfield Dr

Mount Joy, PA 17552  
JMorrison@GetawaysOnDisplay.com