

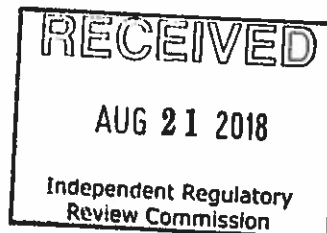
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**Kathy Cooper**

**From:** Stella LaPaglia <stelvis59@yahoo.com>  
**Sent:** Thursday, August 16, 2018 10:53 PM  
**To:** Smolock, Bryan  
**Subject:** Impact to Local Organizations of Proposed Changes to PA Overtime Regulation

Stella LaPaglia  
11473 Rte. 97N  
Waterford, PA 16441

August 16, 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.

The Human Resource Management Association of Northwest Pennsylvania (HRMA) urges the Labor Department to reconsider this rulemaking and proposed minimum salary. We are concerned about the impact of this proposal on our member companies. The current proposal would double the salary threshold for the exemptions from overtime and would establish a mechanism for automatic increases.

HRMA represents HR professionals in multiple industries, whose employers vary in size and scope. Primarily our member employers are headquartered in our region, but may be serving customers, not only in northwest Pennsylvania, but nation- and world-wide. We feel that we are best able to serve our employees and customers and compete in our market by basing compensation on industry survey data and the cost of living in our area. The proposed new minimum salary could force employers to make drastic changes in pay scales or convert employees who meet the duties test for exemption to non-exempt roles. It also fails to consider the variations in pay throughout our state and our nation and disproportionately impacts employers in smaller communities.

The number of member employees who will be affected by this change, if implemented as currently proposed, could represent a large number for us. If we were to raise all salaries without regard to tenure and experience to the new minimum salary, we could all become less competitive in our market. Some of our smaller companies that are only marginally profitable remain open now, but may not be able to thrive with drastic increases in payroll costs.

This proposal could significantly impact morale among employees who are currently exempt. Exempt employees feel a certain sense of pride in achieving an exempt level position and may view this change as a demotion. They may also view recording their time as invasive and burdensome. Moving these employees into non-exempt status would also impact their ability to be flexible with their time and cause them to feel a loss of work/life balance.

Many of our exempt level employees are now able to give back to the community through volunteering their time to charitable organizations. We all take pride in our contributions to community giving, both with our money and our time.

Converting a portion of our workforce to non-exempt positions could also impact our flexibility in allowing employees time to give back to their communities.

We are realistic and understand that it's necessary to adjust financial thresholds periodically, but request that changes are done regularly and moderately. To double the current threshold puts an undue burden on smaller organizations and companies in areas where the cost of living has remained low over time. We request a more gradual change and a delay of final rulemaking until the federal Department of Labor publishes their new rule.

Sincerely,

Stella LaPaglia  
HRMA of NWPA Chapter President

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

Sincerely,  
Stella LaPaglia