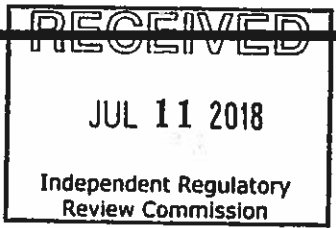


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Kathy Cooper



From: Michelle Smith <MSmith@salisburygmt.com>
Sent: Wednesday, July 11, 2018 9:46 AM
To: IRRC
Subject: Public Comment on Proposed Overtime Eligibility Rules

Good Morning,

Thank you for the opportunity to comment on Governor Wolf's proposed changes to overtime eligibility rules for employees. The proposal by Governor Wolf to more than double the minimum salary to meet exemption requirements in only a 3 year period will have an incredibly negative effect on companies that provide healthcare services, social services, special education, and other services to the most vulnerable populations of people. Ultimately, the changes that employers would need to make would end up having a *negative* effect on employees and the individuals we serve. Just a few of these negative impacts are outlined below:

1. Employers will be forced to shift non-exempt duties to exempt level staff in order to control the cost of overtime. This shift will cause managers excessive workloads, burn out, and turnover in jobs that are already very hard to fill.
2. The cost of employee benefits will be effected for all employees, hitting those employees who work challenging direct care positions the hardest. Employers will be forced to make plan changes or increase employee contributions, both of which will increase the cost to employees.
3. In the healthcare and social services fields, overtime is a reality due to struggles with recruiting and retaining employees. Some employees rely on and factor in overtime earnings to their personal budgets. The overtime they earn allows them to continue to do a job that the love while they support themselves or a family. Taking this away from them to shift it to exempt level employees in order to decrease costs will result in additional vacancies, manager burn out, and resentment by non-exempt employees to exempt employees, as well as resentment by exempt employees to non-exempt employees.
4. Retention measures that are in place in an effort to retain good employees would be decreased or eliminated.

Ultimately, even with reducing costs in the above mentioned areas, some employers wouldn't be able to sustain the increased costs that this change would create and would be forced to close. Please consider a more reasonable salary increase to enable employers meet overtime exemption requirement. Employers will be forced to make changes that, despite the intention of the change, would negatively affect ALL employees. Thank you for your consideration.

Michelle Smith, SPHR
Vice President of Administration

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