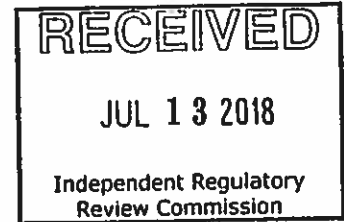


Stephen Hoffman

3202

From: Sharon Faux <Sharon.Faux.1432787@muster.com>
Sent: Friday, July 13, 2018 10:58 AM
To: IRRC
Subject: Regulation #12-106 Overtime eligibility rules



Dear Independent Regulatory Review Commission,

Thank you for the opportunity to comment on proposed regulations submitted by the Pennsylvania Department of Labor and Industry (L&I). These regulations are intended to update the rules that determine if an employee is required to be paid overtime.

Though this proposed regulation may be well-intended I am deeply concerned with the negative impacts on employers and many of the very employees whom the proposal is supposed to help.

L&I proposes to more than double the wage requirement to qualify for exempt status. This dramatic increase will force many employers to convert salaried employees to hourly status, which usually entails a far more rigid work schedule with less flexibility, burdensome record-keeping, fewer training opportunities and benefits. Hourly workers required to clock in and clock also risk less take-home pay if hours worked in a week dip below 40.

L&I also proposes changes to the so-called "duties test" which is used in conjunction with the salary threshold to determine exempt status. In the proposed regulation, L&I expressed a desire to align Pennsylvania's "duties test" with federal regulations. This would be a welcome change; unfortunately, the proposed rule falls short of the expressed goal.

The U.S. Department of Labor proposed a very similar regulation in 2015 and employers applauded the ruling to strike down the proposal by U.S. District Judge Amos Mazzant, who was nominated by President Obama to serve the Eastern District of Texas.

The current U.S. Department of Labor is expected to propose a new rule and Pennsylvania should hold off pursuing its own overtime update at least until the new federal rule is proposed.

As a matter of fact, several years ago we were forced to change the status of two of our valuable long term employees from salaried to hourly due to the same "well intended" but morale killing reasons proposed now by Gov. Wolf. The result was that these two outstanding employees were left feeling they were less valued and that their positions were seen as not professional - something of which they had been very proud until the Dept. of Labor forced us to change them from salaried to hourly employees. Therefore, in addition to the many reasons cited above in this message showing the negative consequences of approving Gov. Wolf's proposal, we are providing you with the actual negative effect this has had on two of our employees whom we respect. They both understand that we had no choice and they respect our efforts and attempts to keep them in salaried positions. However, they do not respect the government dictate that has made them feel less professional.

Thank you for considering my views on this important matter.

Sincerely,

Sincerely,

Sharon Faux
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