

3202

**Kathy Cooper**

---

**From:** Gail Landis <glandis@greaterreading.org>  
**Sent:** Monday, August 20, 2018 2:54 PM  
**To:** IRRC  
**Cc:** Ellen Albright  
**Subject:** GRCA Comment Letter: IRRC # 3202 DLI Overtime Reg. # 12-106  
**Attachments:** GRCA - IRRC Comment Letter PA DLI proposed OT 2018.pdf

IRRC

Please see attached comment letter that GRCA has mailed to you concerning PA Department of labor & Industry's Minimum Wage (Overtime Regulations) # 12-106 - IRRC # 3202. This proposal may be well intended, but the fact is that it will have a negative impact on the business community in an already challenging regulatory climate in PA, along with many of the workers it is intended to help.

*Gail*

**Gail A. Landis, C.P.M.**  
**Senior Vice President**  
**Government & Community Relations**  
[glandis@greaterreading.org](mailto:glandis@greaterreading.org) | D: 610.898.7773  
606 Court Street | Reading, PA 19601



GREATER READING CHAMBER ALLIANCE  
[www.greaterreadingchamber.org](http://www.greaterreadingchamber.org)

**Business Advocacy Resources**  
Stay Connected ~ Take Action



*Gail*

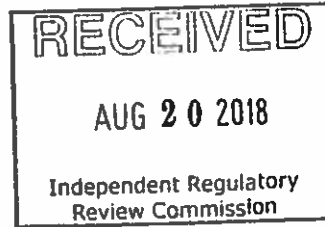
**Gail A. Landis, C.P.M.**  
**Senior Vice President**  
**Government & Community Relations**  
[glandis@greaterreading.org](mailto:glandis@greaterreading.org) | D: 610.898.7773  
606 Court Street | Reading, PA 19601



GREATER READING CHAMBER ALLIANCE  
[www.greaterreadingchamber.org](http://www.greaterreadingchamber.org)

**Business Advocacy Resources**  
Stay Connected ~ Take Action

3202



606 Court Street  
Reading, PA 19601  
P: 610-376-6766

August 20, 2018

Independent Regulatory Review Commission  
33 Market Street, 14<sup>th</sup> Floor  
Harrisburg, PA 17101

Re: Pennsylvania Department of Labor and Industry's Proposed Overtime Regulations: IRRC # 3202

The Greater Reading Chamber Alliance (GRCA) represents approximately 1,500 diverse businesses and non-profit members in the Greater Reading/Berks County region of Pennsylvania. We are concerned on behalf of our members and the business community with the June 12, 2018 proposed amendments by the Pennsylvania Department of Labor and Industry (DLI), submitting revisions to the Pennsylvania Minimum Wage Act overtime exemptions.

This proposal would dramatically change overtime rules imposed on Pennsylvania employers by requiring a wage threshold that is more than double the current rate set by the Federal government. Pennsylvania's tax and regulatory climate already pose significant challenges to the business community. Instead of placing additional burdens on employers, we should be implementing pro-growth business policies that will help to improve the state's competitive edge and allow the private sector to thrive and foster additional job creation. The PA DLI should defer its rule-making until the Federal DOL publishes its new rule, only then aligning Pennsylvania regulation accordingly.

The PA DLI's proposed increase of the salary levels for exemption workers, from \$23,660/year to \$50,440/year along with an automatic adjustments every three years requires more thorough analysis of the economic consequences. To remain competitive, employers may be forced to cap or eliminate overtime work and adjust some employees' salaries to preserve their exempt status.

The proposal may be well intended, but the fact is that it will have a negative impact on employment and will ultimately hurt many of the workers it is intended to help. This will create a significant increase to the cost of providing services or doing business and furthermore – this dramatic change could damage workplace culture and morale. Employees would need to be reclassified (to being non-exempt) because of the proposed minimum salary increase. This transition typically requires employees to start clocking in and out, along with more burdensome record-keeping, less flexibility, a rigid work schedule and fewer training opportunities and benefits. This would impact workplace operations and the potential ability to be competitive in the marketplace.

This proposed rule does not reflect the nature of the workplace today where more businesses and individuals (technology companies, accounting firms, law firms, non-profits and other professionals) work flexible schedules that allow more than 40 hours in one week due to deadlines, project goals, events and other activities. Employees may also experience the opposite where they may require fewer than 40 hours in subsequent weeks.

**GRCA Comments Continued**

**Pennsylvania Department of Labor and Industry's Proposed Overtime Regulations: IRRC # 3202**

The potential reclassification to non-exempt would contribute to a more restrictive work environment for both employees and employers and for many, directly impacting opportunities for career development. Employees who reach or are near 40 hours of work in a week may need to skip additional training or other career-enhancing opportunities, because the employer is not able to pay overtime rates for that time. Some employees will lose the opportunity to work from home or remotely, since it can be difficult to track employees' hours in those situations. Employers will also be more reluctant to provide non-exempt employees with mobile devices or may place restrictions on their use, as employers would need to account for any time employees spend on such devices.

Salaried workers and businesses need workplace flexibility and opportunities that reflects the creative workplace of the 21st Century. This regulation would be a detriment to Pennsylvania's economic competitiveness and does not account for wide differences in cost of living throughout the Commonwealth.

Due to the importance and significance of these regulations, the proposal should have proceeded through the legislative process, not by executive order. Given the nature of the businesses we represent, we request the Independent Regulatory Review Commission consider the negative impact of these proposed regulations.

Thank you for your consideration.



Randy Peers  
President/CEO  
GRCA



Gail A. Landis, C.P.M.  
SVP, Government & Community Relations  
GRCA

CC: Berks County State Delegation