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August 18, 2018

Bryan M. Smolock, Director
Bureau of Labor Compliance
Dept of Labor and Industry
651 Boas St., Room 1301
Harrisburg, PA 17121

Re: AAUW-PA comments on proposed revisions to Regulation #12-106: Minimum Wage pertaining to proposed updates to the executive, administrative and professional exemptions from the minimum wage and overtime requirements of the Minimum Wage Act of 1968.

Dear Mr. Smolock,

On behalf of the more than 5000 members and supporters of the American Association of University Women Pennsylvania(AAUW-PA), I am pleased to share AAUW's comments on the Department of Labor and Industry's proposed amendments to clarify the definitions of Executive, Administrative, and Professional (EAP) salaried workers who are exempt from receiving minimum wage and overtime pay. AAUW's member-adopted public policy principles call for a "livable wage" and "reduction of poverty." AAUW strongly supports this proposed rule because it strengthens overtime protections for as many as to 370,000 salaried workers and up to 460,000 in four years, many of whom are women. This proposed regulation is needed to reflect today's economy and the needs of families.

When these regulations were established over forty years ago, it excluded certain white collar employees from overtime pay protections based on the presumption that these workers earned higher salaries and benefits as opposed to other workers who are entitled to overtime pay. While it is generally true that salaries increase over the years to keep up with the rising cost of living, the overtime threshold for white collar employees has not been adjusted to keep up with inflation or the cost of living. Unfortunately, many workers are now at the mercy of these outdated regulations which state that they are only automatically eligible for overtime pay if they are paid less than \$23,660 annually (\$455 a week), an amount less than the 2018 poverty level of \$25,100 for a family of 4.

In Pennsylvania wage growth has not kept pace with the rest of our region where the minimum wage has increased in all neighboring states as has employment growth. Pennsylvania's minimum wage lost 4.7 percent of its purchasing power from 2012 to 2016. In addition, employers routinely "promote" previously nonexempt workers, who were eligible to earn overtime pay, to salaried low-level managerial positions which demand hours over the 40 hour a week threshold without overtime pay. This practice essentially cheats workers out of pay who work these longer overtime hours.

AAUW-PA also supports the proposed change to align Pennsylvania's duties test with the USDOL's regulation. Eliminating the short and long test will provide clearer guidelines for employers. Also the

proposed phase in over a period of four years and the inclusion of up to 10% of salary to be satisfied through bonus pay will give employers time to adjust to the new regulations.

Research shows the increase in the salary threshold would greatly help women, especially young and minority women, because they are more likely than other subgroups to have lower salaries and are currently paid below the proposed new threshold. Furthermore, AAUW supports automatic updates to the salary level to prevent the level from becoming outdated. Thank you for the opportunity to submit comments on this important issue which we believe will improve women's economic security.

Sincerely,

A handwritten signature in cursive script that reads "Barbara Price".

Barbara Price
AAUW-PA Public Policy Co-Chair