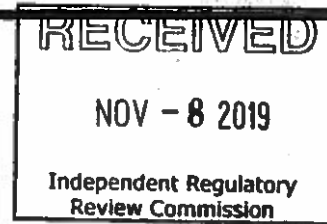


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Kathy Cooper

From: Kelly Varner <kvarner@mymjrsc.com>
Sent: Friday, November 8, 2019 9:57 AM
To: IRRC
Subject: Proposed Massive Overtime Rule Expansion



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Dear PA Independent Commission,

This ruling can have negative impacts on a nonprofit, such as my agency. We rely on government funding and our supervision staff are paid less than we would like, because we are only given so much money to work with. We would love to pay more, but are unable. By making such a huge increase we would need to make our supervisors hourly employees. They would lose their ability to flex their hours and we would have to be more rigid in how we manage their time. We aim to be family friendly, but then supervisors would have to use leave time if needing to leave for a school function. They frequently have to take calls from home on call. We simply cannot afford the OT that this would result in and would not be able to serve as many seniors in our area because of having to pay the PT or higher salaries. While I don't disagree that adjustments should be made, it should not be done so drastically. As an employee who would have been affected a few years ago when this first came about I can tell you that I would rather have my flexibility being an exempt employee allows me,. The government thinks it is positive so that more people will get paid the OT, but that is not how it will work. My company discourages OT. So my work will go undone and our services will suffer affecting our community and the care that we provide. At that time, I also felt like a lesser employee and my morale was effected. I had reached a level in my career where I was exempt, but now I had to go backwards and becoming hourly again. It feels like a demotion when you are doing the same job. The salary amount needs to be lowered to a reasonable increase so that so many workers are not affected and to allow aompanies time to budget appropriately and make gradual adjustments. It seems like the government is trying to make it so that only the C-Suite is exempt. Which isn't feasible from a business perspective. This is just another example of the government making decisions for us that we do not want made and going overboard because they failed to make adjustments every few years to creep the number up. Such a big increase is not sustainable by many businesses, especially smaller nonprofits like us.

Thank you for the opportunity to comment on the Final Form Regulation 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's first version of this regulation submitted in June 2018 proposed more than doubling the wage threshold to potentially qualify for exempt status. Despite hundreds of comments reflecting widespread concern among employers from a range of industry sectors, L&I made only minimal changes. The new proposal would still increase the salary threshold by over 92 percent and require regular increases using a formula that would impose larger and larger increases.

The same concerns described in 2018 remain. Employers may not have the ability to simply absorb higher labor costs and many nonprofits rely on static government funding. A significant salary threshold increase of this nature will force many of these employers to convert salaried employees to hourly status in order to track and cap hours. This transition typically entails a 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.

I am also concerned that, despite some improvements, the proposal still falls short of L&I's stated goal of aligning federal and state overtime laws. Overtime laws are among the most difficult for employers to administer and even if L&I's proposal is approved this area of employment law will still be unnecessary complicated and inconsistent.

We urge the Independent Regulatory Review Commission to disapprove of this regulation. A similar proposal was struck down by a federal court, IRRC itself expressed concerns back in 2018 that L&I does not appear to have addressed and the U.S. Department of Labor is already planning to increase the salary threshold, albeit at a more reasonable level, in 2020.

Thank you for considering my views on this important matter.

Sincerely,

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