

3202



Women's Law Project

November 18, 2019

Electronically mailed to irrc@irrc.state.pa.us
Independent Regulatory Review Commission
14th Floor Conference Room,
333 Market Street,
Harrisburg, PA 17101



Re: Proposed Regulation - IRRC 3202

Dear Independent Regulatory Review Commission and Deputy Secretary Berrier:

I am writing on behalf of the Women's Law Project to express our strong support for the proposed regulation increasing the salary threshold for eligibility for overtime pay for employees who are not managers, supervisors or highly-credentialed professionals. The current regulation has been in place since 1977 and has not kept pace with the cost of living and housing in Pennsylvania, or with the realities of our workplaces. By phasing in an increase in the salary threshold below which most workers are eligible for overtime pay to \$47,892 a year, the proposed regulation will extend overtime protections to more than 200,000 Pennsylvania workers, reduce excessive hours of unpaid work by underpaid employees, and increase salaries for employees earning near the new threshold.

This rule also represents an important step toward fairer pay for women and people of color, who are overrepresented in lower-paying jobs and are often required to work additional hours without compensation. Women who have worked overtime without additional pay will now be eligible for additional income to provide for their families. The women who will benefit the most are single mothers, black and Hispanic women, and women working in the service occupations.

The proposed rule also adds a definition of "management" and revises the definition of administrative personnel, both of which will provide clarity in identifying truly exempt employees and protect overtime eligibility for employees who are not really performing executive or administrative duties and therefore should receive overtime pay.

By clarifying the definitions of executive and administrative employees and raising the minimum salary to reflect current wage levels, the proposed regulation would make it much more difficult for employers to misclassify workers in order to get around the overtime requirements. This would mean that workers are not called managers when they're not actually managers, and ensure that workers on the lower end of the wage spectrum are paid correctly for all of the hours they work.

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This regulation would likely have two practical outcomes:

- (1) People who work over 40 hours per week will be paid more for their work by being compensated for overtime hours or by having their salaries raised if they are truly managerial workers; or
- (2) Employers who do not want to pay overtime will simply choose to hire more people to work the extra hours that are currently worked for free, giving hard-working salaried employees more time to spend with their families and creating new opportunities for unemployed and under-employed Pennsylvanians.

Either outcome would be good for workers and Pennsylvania on the whole, with more money in the pockets of working Pennsylvanians and their families. This additional income would be spent in local communities, providing a boon for businesses and higher tax revenues for the Commonwealth.

The proposed changes to the overtime regulations are long-overdue. We urge final approval.

Sincerely,

Terry L. Fromson
Managing Attorney
Women's Law Project

cc: Jennifer Berrier, Deputy Secretary
Department of Labor & Industry