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AUG - 3 2018
Independent Regulatory
Review Commission

Bryan Smolock, Director
Bureau of Labor Law Compliance Review Commission
Department of Labor & Industry
651 Boas Street, Room 1301
Harrisburg, PA 17121

Re: PA Department of Labor & Industry Regulation #12-106

Mr. Bryan Smolock,

Thank you for the opportunity to comment on proposed regulations submitted by the Pennsylvania Department of Labor and Industry (Department).

The Department has proposed to more than double the wage requirement to qualify for exempt status from an annual salary of \$23,660 to \$47,892. 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.

Most small businesses, including the vast majority of home building companies, operate under tight margins. The huge spike in the overtime threshold could force many employers to convert salaried employees to hourly workers in order to remain solvent. Many employers will be forced to scale back on pay and benefits, as well as cut workers' hours, in order to avoid overtime requirements and remain in business.

Though the rule is intended to help workers, many could wind up earning less money than they were making previously, and lose the workplace flexibility that comes with being a salaried employee. The rule will also reduce job-advancement opportunities and the hours of full-time construction supervisors, leading to construction delays, increased costs and less affordable housing options for consumers.

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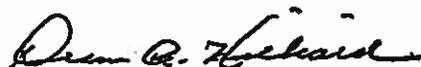
Under the new standard, the salary threshold will be indexed to inflation and adjusted every three years, forcing employers to go through this process on an ongoing basis.

The increased cost of the proposed overtime rule will certainly negatively impact my company, my staff and the quality of service we produce. It will ultimately reduce benefits and career opportunities for my employees, the very workers this administration states they are intending to help. We respectfully request the Department withdrawal this regulation.

Thank you for considering my views on this important matter.

Very Truly Yours,

Dean A Hilliard



President