



131st MAINE LEGISLATURE

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Legislative Document

No. 1278

S.P. 515

In Senate, March 21, 2023

An Act to Require Timely Payment for Salaried Employees

Submitted by the Department of Labor pursuant to Joint Rule 204.
Reference to the Committee on Labor and Housing suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator TIPPING of Penobscot.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 26 MRSA §621-A, sub-§1**, as amended by PL 2017, c. 219, §8, is further
3 amended to read:

4 **1. Minimum frequency and full payment.** At regular intervals not to exceed 16
5 days, every employer must pay in full all wages earned by each employee, except members
6 of the family of the employer and salaried employees. Each payment must include all
7 wages earned to within 8 days of the payment date. Payments that fall on a day when the
8 business is regularly closed must be paid no later than the following business day. An
9 employee who is absent from work at a time fixed for payment must be paid as if the
10 employee was not absent. For purposes of this subsection, "members of the family of the
11 employer" and "salaried employees" have the same meanings as described in section 663,
12 subsection 3, paragraphs J and K, respectively.

13 **Sec. 2. 26 MRSA §621-A, sub-§5**, as amended by PL 2005, c. 103, §1, is further
14 amended to read:

15 **5. Change in rate of pay.** ~~Notwithstanding the provision of section 623 exempting~~
16 ~~salaried employees as defined in section 663, subsection 3, paragraph K, payment~~ Payment
17 of wages or salary must be made at the rate previously established by the employer, except
18 that the employer may decrease the rate of pay, effective the next working day, if the
19 employer gives notice to all affected employees prior to the change. When an employer
20 has temporarily increased an employee's wage rate to comply with the prevailing wage
21 requirements of chapter 15; the federal Davis-Bacon Act, 40 United States Code, Section
22 276a et seq.; or other applicable federal or state law, an employer need not provide advance
23 notice prior to returning the employee to the employee's regular wage rate, as long as the
24 employer is in compliance with all posting and notice provisions of the applicable law.
25 Changes of rates of pay made under a collective bargaining agreement are exempt from
26 this requirement.

27 **Sec. 3. 26 MRSA §622**, as amended by PL 2017, c. 219, §10, is further amended to
28 read:

29 **§622. Records**

30 Every employer shall keep a true record showing the date and amount paid to each
31 employee pursuant to section 621-A. Every employer shall keep a daily record of the time
32 worked by each such employee ~~unless the employee is paid a salary that is fixed without~~
33 ~~regard for the number of hours worked, except salaried employees as described in section~~
34 663, subsection 3, paragraph K. Records required to be kept by this section must be
35 accessible to any representative of the department at any reasonable hour. Sections 621-A
36 ~~to 623 and 622~~ do not excuse any employer subject to section 774 from keeping the records
37 required by that section.

38 **Sec. 4. 26 MRSA §623**, as amended by PL 2005, c. 18, §2, is further amended to
39 read:

40 **§623. Exemptions**

41 ~~This section and sections Sections 621-A and 622 do not apply to family members and~~
42 ~~salaried employees as defined in section 663, subsection 3, paragraphs J and K. Sections~~
43 ~~621-A and 622~~ do not apply to an employee of a limited liability partnership and do not

1 apply to an employee of an S corporation or a cooperative corporation or association if the
2 employee is a stockholder of the corporation or association, unless the employee requests
3 the association or corporation to pay that employee in accordance with section 621-A.
4 Except as provided in section 621-A, subsections 3, 4 and 5, a corporation, contractor,
5 person or partnership may not by a special contract with an employee or by any other means
6 exempt itself from this section and sections 621-A and 622.

7 **SUMMARY**

8 This bill makes the following changes to the laws governing the timely payment to
9 salaried workers.

10 1. It exempts members of the employer's family and salaried employees from the
11 requirement that an employer pay in full at regular intervals all wages earned by an
12 employee.

13 2. It removes the exemption for salaried employees from the requirements relating to
14 the rate of pay and records regarding time worked.

15 3. It adds S corporations and limited liability partnerships to the exemptions from the
16 requirements relating to the rate of pay and records regarding time worked.