



March 22, 2023

To: Sen. Michael Tipping and Rep. Amy Roeder, co-chairs  
Members, Committee on Labor & Housing

From: David R. Clough – Maine State Director

Re: LD 513 – An Act Regarding Overtime Protections for Certain Maine Workers

This statement opposed to LD 513 is on behalf of the thousands of small business owners in Maine who are members of the National Federation of Independent Business. Member businesses collectively span a wide range of economic activities; provide jobs and paychecks to about 30,000 people; and, help form the economic backbone of hundreds of communities and the state.

LD 513 resumes debate on the very controversial issue of raising Maine's overtime salary threshold to a level significantly higher than the current federal level – and higher than the \$47,476 called for by the Obama Administration in 2016 U.S. Department of Labor rules that were blocked from implementation by a federal judge.

- Only 5 states – California, Colorado, MAINE, New York and Washington – set their own overtime salary thresholds above the federal level. The levels in 2023 are:
  - CA \$64,480
  - WA \$57,294 (1-50 employees) and \$65,478 (51 or more employees)
  - NY \$55,341 (\$58,500 NYC)
  - CO \$50,000
- If LD 513 were existing law:
  - ME \$62,100 (4500 times \$13.80)
- Analyses of increases in the overtime salary threshold typically warn that the impact on small employers could be significant. Such impacts are very likely in Maine with the higher thresholds called for by this legislation.

Cost impacts on affected small employers will occur at a time many employers are still recovering from sudden and severe economic shockwaves that pulsed through the Maine economy during the coronavirus pandemic.

- Even after small employers have recovered, however long that may take, the cost impacts of LD 513 would put small businesses at a disadvantage compared to large competitors in Maine that have more staffing flexibility and compared to competitors of various sizes in the 45 states (including NH and MA) that follow the federal salary threshold.

Rules to update the federal salary threshold are expected to be proposed in May by the U.S. Department of Labor, according to the agency's latest regulatory agenda. This rulemaking is likely to include an increase in the federal salary threshold as well as other changes that could affect Maine law. We urge committee members to await new final federal rules before considering what may be appropriate in Maine.

Thank you for being interested Maine small business employers.