



Mike Tipping  
Senator, District 8

THE MAINE SENATE  
131st Legislature

3 State House Station  
Augusta, Maine 04333

Dear Representative Roeder and valued colleagues on the Labor and Housing Committee,

I'm proud to present LD 513, a bill to restore overtime protections for Maine workers. It's based on a simple idea: When you work, you should get paid for it.

Right now, the salary threshold in Maine for being exempt from overtime protections is just \$41,400 a year. If you make more as a salaried worker, you don't automatically qualify for time-and-a-half overtime protections. This bill would slowly raise that threshold to the equivalent of \$62,100 by 2026. This would protect another 32,000 Maine workers. About a quarter of those would likely actually receive pay for working overtime.

This change would begin to bring overtime protections back to where they're supposed to be.

Overtime pay rules used to be a reliable way to ensure that the majority of middle- and working-class Americans would either make it home in time to see their families or be compensated fairly by their employer for working beyond the 40-hour standard week. In 1977, 66% of salaried employees enjoyed this protection. Today in Maine that number is just 13%. This plummet is due in a large part to the fact that the threshold to determine who is eligible for these protections has not kept up with inflation.

I borrowed most of that last paragraph from the testimony of my brother, former Representative Ryan Tipping, from when he introduced this bill back in 2019.

Some history: Seven years ago, the federal government proposed going to a salary threshold equivalent to that proposed here, but that overtime rule was challenged in court and eventually rescinded by the next administration.

Four years ago, the bill I mentioned was introduced in Maine. It was carried over and eventually died. I understand that there was hope that a new federal administration would act to restore these protections instead.

Two years ago, a similar bill was again introduced by now-Speaker of the House Rachel Talbot Ross. It was again worked, carried over, delayed and eventually amended and passed to require the Department of Labor provide additional education on overtime. Again, there was a hope that the federal government would act. You may hear that hope expressed again today.

All this time, Mainers have continued to work overtime and not get paid for it. It's time to fix that.

I'd like to address a few potential objections to raising the overtime threshold:



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First: Some claim that it's too costly and will harm businesses and job creation. The amount of overtime we're talking about here represents about one-tenth of one percent of private payrolls in Maine. The one's it's too costly for are the workers who are currently subsidizing corporations by being forced to work for free.

Over the last decade, we have also seen a perfect natural experiment testing this hypothesis. The minimum wage and the overtime threshold increased at the fastest rate in Maine history, and instead of economic disaster we experienced the longest stretch of record low unemployment that our state has ever seen. Many of the corporations and lobbyists who predicted doom then are back today with the same talking points.

Second, some may claim that this threshold is too high. I'd note that it's still below the historical threshold. It's also well below the rate of income that this legislature decided should qualify Mainers for emergency heating assistance just a few months ago.

Third, some may claim that the "second prong" of the overtime test makes sure that workers who should be eligible are already included in overtime protections. This is the provision that exempts workers who make more than the threshold and are employed in an "executive, administrative or professional" occupation. The truth is that this provision is widely abused. A recent study by the University of Texas and Harvard Business School found that companies widely abuse this provision to deny workers their overtime.

A front-desk clerk becomes a "director of first impressions." A barber is a "grooming manager." Those are actual titles from the study.

As Paige Murdock, a "manager" at a Dollar General in Eliot Maine put it in a letter to the Department of Labor, "because our overtime hours are free for the company, they make us work 60 to 70 hours a week. I was working so much I couldn't make it to my church. My family was always asking, 'Why aren't you at home, Mom?' And most of my hours weren't even spent managing the store, but instead stocking shelves or running the cash register since we never had enough staff."

This bill maintains the exemptions in the law, including for public employees, who may receive compensatory time, and exempts employees of non-profits in the same manner. I understand from speaking with the Department of Labor that this provision may conflict with current federal law. I'd be happy to find other ways to accommodate those employers through amendment.

I appreciate your consideration of this bill and I'd be happy to answer any questions.

*Chair, Labor and Housing Committee*

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