

Testimony in support of LD 372, "An Act to Increase Enforcement and Accountability for Wage and Hour Violations"

Arthur Phillips, Analyst, Maine Center for Economic Policy February 6, 2024

Senator Tipping, Representative Roeder, and members of the Joint Standing Committee on Labor and Housing, my name is Arthur Phillips, and I am an analyst at the Maine Center for Economic Policy. I offer this testimony in support of LD 372 to ensure the proper enforcement of wage and hour law.

All Maine workers are entitled to the wages they earn and protection from labor law violations more generally. While most employers play by the rules, those which do not must be held accountable so as not to incentivize this behavior.

Workers in Maine lose tens of millions of dollars to wage theft every year, whether by being paid less than the minimum wage, not receiving overtime pay, not being paid for all the hours they work, or for other reasons. Most wage theft occurs in jobs that already pay low wages -- MECEP estimated that minimum wage violations in Maine amounted to \$30 million in 2017.ⁱ

Workers must know that when their employer is found to have violated their rights under wage and hour laws – whether it be wage theft or otherwise – workers will be made whole and the proper penalties will be executed. However, workers know that all too often there are not enough staff at the Department of Labor in the Attorney General's office to effectively follow through on enforcing the law and ensuring workers are paid what they owe. We believe that authorizing the Department to supervise the payment of unpaid wages, liquidated damages, and interest, on behalf of workers will help improve this process for the better.

Thank you for the opportunity to testify and I welcome any questions you may have.

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¹ James Myall, Maine Center for Economic Policy, <u>https://www.mecep.org/blog/wage-theft-costs-workers-millions-this-bill-would-help-workers-get-what-theyre-owed/</u>

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