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**Testimony of Dillon Murray,  
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Neither For Nor Against  
LD 599, An Act to Codify the Federal Salary Threshold for Overtime Pay  
To the Joint Standing Committee on Labor  
Hearing, March 19, 2025**

Good afternoon Senator Tipping, Representative Roeder and members of the Joint Standing Committee on Labor. My name is Dillon Murray, Legislative Liaison for the Maine Department of Labor (Department). I am here today to speak on behalf of the Department Neither For Nor Against LD 599, "An Act to Codify the Federal Salary Threshold for Overtime Pay."

Under Maine statute, most workers are guaranteed an overtime premium when they work more than 40 hours in a week. This bill would alter the minimum salary that certain workers in Maine must receive to be exempted from the overtime requirement. Said another way, salaried employees earning less than the new threshold will **either** be eligible for overtime pay **or the increased overtime threshold for salaried employees, based on their job duties.**

Both Maine and federal law use a three-pronged test to determine if an employee is exempt from the overtime provisions of the law. The three-pronged test is important when determining eligibility for overtime pay. Only if a worker passes all three of the tests is that worker exempt from receiving overtime pay.

The three prongs of the test are:

1. The employee must be paid on a salary basis.
2. The employee's salary must exceed the defined salary threshold, which is the subject of this bill.
3. An exempt employee's job duties must also conform to certain categories (administrative, professional and executive) as further delineated in the Bureau's Rules Chapter 16.

The "duties test" is often seen as a proxy for determining how much independent bargaining power the employee has. Generally, this includes whether that worker oversees other full-time

employees or directs a division or department or has responsibility for hiring and firing other employees.

The US DOL increased its salary threshold under the Biden Administration to \$58,656 per year, or \$1,128 per week, so that most salaried workers making less than this amount would be eligible for overtime pay if they work more than 40 hours per week. At the time, US DOL believed this would cover an additional 4 million workers nationwide.

On December 30<sup>th</sup>, 2024, a federal judge in Texas struck down the Biden administration rule, concurring with a different Texas judge who permanently blocked the rule earlier that November. On February 28<sup>th</sup>, 2025, the Trump administration filed a notice of appeal in Texas federal court to the December ruling. Appealing the decision allows US DOL to defend its ability to set salary threshold for overtime eligibility. US DOL's 2019 salary threshold of \$35,568 per year, or \$684 per week, is now in effect. It is unclear to us what direction this appeal, and subsequent rules promulgation from US DOL, will go.

Maine has established its own calculation for prong #2, the salary threshold. For over twenty years, Title 26 Section 663, Sub-section 3, has defined Maine's salary threshold as exceeding 3000 times the State's minimum wage, when converted to an annual rate. Since this threshold is tied to Maine's minimum wage, it changes in concert with the minimum wage, which is now indexed to inflation. The current state salary threshold is \$43,951 per year, or \$845.21 per week.

LD 599 significantly increases this threshold to at least \$58,656, Maine's current calculation of the minimum wage, or the 35th percentile of weekly earnings for full-time salaried workers in the lowest-wage census region, as published by the U.S. Department of Labor (DOL) - whichever is greater.

The Maine Department of Labor recognizes the intent of LD 599 to modernize the state's overtime threshold in alignment with federal standards and wage growth. While the bill aims to improve wage protections for salaried employees, its implementation may require significant adjustments for both employers and enforcement agencies.

We appreciate the opportunity to provide this testimony, and for the time of Committee members. I would be happy to answer any questions you may have now or at a future work session.

The Maine Department of Labor is committed to serving Maine workers and businesses by helping employers recruit and train a talented workforce, providing workers with skills needed to compete in our economy, assisting individuals when jobs are lost, aiding people with disabilities reach career goals, ensuring safe and fair workplaces for people on the job and providing research and analysis of employment data to support job growth.