



March 22, 2021

To: Sen. Craig Hickman and Rep. Michael Sylvester, co-chairs
Members, Committee on Labor & Housing

From: David R. Clough – Maine State Director

Re: LD 607 – An Act To Restore Overtime Protections for Maine Workers

This statement opposed to LD 607 (and the sponsor's proposed amendment) is on behalf of the nearly 3,000 small business owners in Maine who are members of the National Federation of Independent Business. NFIB has members in every Senate district and in 150 House districts. Member businesses collectively span a wide range of economic activities.

LD 607 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 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, New York, Pennsylvania and Washington) set their own overtime salary thresholds above the federal level. Of these few states, only 3 (CA, CO, WA) will have a threshold of at least \$55,000 or more as of 2024.
- 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.
- Washington state has a tiered threshold by employer size (1-50 and 51 or more workers) for 2021 but beginning in 2022 there will be no tier. California is another state with a tier based on employer size (1-25 and 26 or more workers).

Cost impacts on affected small employers will occur at a time many employers are attempting to recover from the sudden and several economic shockwaves that pulsed through the Maine economy over the past year.

- Even after small employers have recovered, however long that may take – and estimates are it could be a matter of years – the cost impacts of LD 607 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 44 states that follow the federal salary threshold.

Thank you for being interested Maine small business employers.