



**Testimony of the Retail Lumber Dealers Association of Maine
In Opposition to LD 607
Monday, March 22, 2021**

On behalf of the Retail Lumber Dealers Association of Maine (RLDAM), which represents independent lumber and building material dealers, manufacturers, wholesalers, distributors, and other associated businesses in the state of Maine and an industry that employs more than 20,000 Maine residents, we ask you to oppose LD 607.

LD 607 annually raises the minimum salary that an employee who works in an executive, administrative or professional capacity must earn for that employee to be exempt from the laws governing the minimum wage and overtime pay until it is \$55,224 on January 1, 2024. The bill also provides for an annual adjustment, beginning January 1, 2025, based on the percentage annual increase in certain earnings as published by the United States Department of Labor, Bureau of Labor Statistics.

The current minimum amount an employee can legally earn without receiving overtime compensation is \$33,000 and increased to \$36,000 in 2020.

LD 607 would increase the amount to \$55,224 by 2024 and the rate would be increased annually based on wage data and statistics from the United States Department of Labor.

Small businesses in Maine are already burdened with minimum wage increases that were passed in 2016. If this bill passes, employers will need to do one of the following if their employees work more than 40 hours per week; Increase their employees' earnings to at least \$55,224 by 2024, pay their employees a substantial amount in overtime, or cut the number of hours their employees' work.

Additional financial mandates of this magnitude would require small and medium-sized businesses to make difficult financial decisions in the future. There is a reason no other state has adopted overtime exemptions as extreme as this proposal.

As small businesses across the state continue to adapt to the economic realities created by the COVID-19 pandemic, it is critical to avoid additional mandates that exasperate the struggle to keep a business open, and successfully operating.

It is for the above-mentioned reasons that RLDAM opposes this bill. Thank you very much for taking the time to hear our industry insight, and we hope that you will take our testimony into consideration.