



## **Testimony in Opposition to LD 607, “[An Act To Restore Overtime Protections for Maine Workers](#)”**

Senator Hickman, Representative Sylvester, and the distinguished members of the Committee on Labor and Housing, my name is Nick Murray and I serve as policy analyst for Maine Policy Institute, a nonpartisan, non-profit organization that advocates for individual liberty and economic freedom in Maine. Thank you for the opportunity to testify on LD 607.

This bill institutes huge jumps in the salary exemption level for workers required to be covered for overtime pay, changing the exemption from those whose annual wages exceed 3,000 times the state minimum wage to a redefined schedule by nominal yearly salary. Maine’s median individual yearly income is just under \$30,000 per year.<sup>1</sup> While under this bill, the exemption amount would be lower than the current formula over 2021, the rates would increase dramatically so by 2024, so the exemption amount of \$55,224 per year could exceed the average Mainers’ salary by up to 40%.

There are plenty of reasons to believe that this mandate will cause some damage to the job prospects for low-skilled workers.

By continuing to raise minimum wage and salary rates for Maine employers, the state is unnecessarily inserting itself into the relationship between workers and employers. Excessive wage prohibition has already hurt many Maine businesses, and will continue to do so, especially now that it is pegged to inflation. This bill would inflict another similar hurdle to a more adaptable Maine economy.

The state minimum wage has already grown too high to be reasonable for Maine’s rural employers and residents. In all but two Maine counties, minimum wage is more than 50% of the median wage,<sup>2</sup> where many mainstream economists peg an appropriate minimum.<sup>3</sup>

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<sup>1</sup> [Data Commons - Maine - US Census data](#)

<sup>2</sup> [County Profiles](#) | Maine Department of Labor

<sup>3</sup> [Designing Thoughtful Minimum Wage Policy at the State and Local Levels](#) | Brookings Institution

## Maine Average Wage by County



This much should be plain and simple reading this bill: it is too much, too fast. At a time when many Mainers are in a precarious financial situation, this is not the time to enact more unfunded mandates on the private sector. The thing about raising the minimum wage, is that when it works as intended, it prices thousands of workers out of the labor force.

Even though our unemployment rate is a little over 5%, if all of the folks who were in the labor force one year ago were still looking for work, unemployment would be double.<sup>4</sup>

Median income should not be the statutory minimum; this is a reckless policy for a weakened economy. Please heed this call to release Maine's economy from unnecessary, unfunded mandates instead of instituting more restrictions, and vote LD 607 "Ought Not to Pass." Thank you for your consideration.

<sup>4</sup> [CWRI News Release](#), March 15, 2021 | Maine Department of Labor

Nick Murray  
Maine Policy Institute

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