



RETAIL
ASSOCIATION OF
MAINE
Voice of Maine Retail

45 Melville Street, Suite 1
Augusta, ME 04330
Phone: 207.623.1149
www.retailmaine.org

March 22, 2021

Senator Craig Hickman, Chair
Representative Michael Sylvester, Chair
Members of the Labor and Housing Committee

RE: Testimony in OPPOSITION to LD 607, An Act to Restore Overtime Protections for Maine Workers, As Amended

Dear Senator Hickman, Representative Sylvester and members of the Labor and Housing Committee:

My name is Curtis Picard and I am the President and CEO of the Retail Association of Maine. I am a resident of Topsham. We have more than 350 members statewide and represent retailers of all sizes. Maine's retailers employ more than 85,000 Mainers. We are here today to testify in strong opposition to LD 607.

Under current Maine law, the salary threshold for whether or not an employee is exempt from overtime or not is calculated at 3000x the prevailing minimum wage. With the minimum wage at \$12.15 per hour, the salary threshold is currently \$36,450. Next year, it will rise again and increase every year after that. LD 607 would set an unrealistic and unsustainable salary threshold and we are disappointed that the amendment being presented today will make it even more difficult for businesses. It even goes well beyond what President Obama proposed at the end of his term which a federal judge ruled was not legally enacted. As the amendment is presented, if minimum wage continues to increase at the same 1.25% rate, by 2024, the salary threshold would be \$56,751. Additionally, we know the Maine Legislature will also be considering a \$15 minimum wage proposal. If the minimum wage in 2024 is \$15, the salary threshold would be \$67,500

LD 607 puts employers in a very difficult spot. It is perfectly reasonable to have a salaried staffer in Maine making \$40,000+ in salary. If LD 607 were to pass, the employer would essentially have to tell that staffer that they are once again moving back to hourly status and will need to punch a time clock again to track their time.

We agree the old federal salary threshold of \$23,000+ was too low. In fact, when President Obama proposed his increase, we worked with Senator King and Senator Collins to try to find a better alternative. There has been action at the federal level, however. The current federal

threshold is now slightly lower than Maine's threshold, and it is perfectly reasonable to anticipate additional federal action on this issue. Maine's salary level will increase every year and we urge the committee to reject LD 607.

Thank you for the opportunity to share our thoughts.

Sincerely,

Curtis Picard, CAE
President and CEO