



MAINE AFL-CIO

A Union of Unions Standing for Maine Workers

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Testimony of Maine AFL-CIO Legislative & Political Director, Adam Goode, in Support of LD 607, "An Act To Restore Overtime Protections for Maine Workers"

Senator Hickman, Representative Sylvester and members of Labor & Housing Committee, my name is Adam Goode. I'm the Legislative and Political Director of the Maine AFL-CIO. We represent 40,000 working people in the state of Maine. We work to improve the lives and working conditions of our members and all working people. We testify in support of LD 607.

This bill restores overtime pay for workers who have lost that benefit over time. Nearly a century ago we made the good decision to pass labor laws protecting the 40 hour workweek and ensuring extra pay for extra work by creating overtime pay for all workers, except those that are highly paid. It is common understanding that hourly workers receive overtime when they work more than 40 hours. Salaried workers who earn less than a "salary threshold" set by overtime regulations are also due time and half pay for overtime. In 2020, that salary threshold was \$36,000 a year.

The federal Fair Labor Standards Act (FLSA) is supposed to ensure that low-wage workers are automatically eligible for overtime. The salary threshold is a tool to do that. Unfortunately, the impact of the threshold has gone down in recent decades. LD 607 proposes to gradually raise the salary threshold until 2024, resulting in overtime pay for all workers who earn less than \$55,000 a year. This amount would mean that no worker is made to work long hours without either receiving overtime pay or a living wage¹.

Working people should be compensated for their labor, and should not be expected to work for free. If you are currently an assistant store manager at the Dollar General or Best Buy and you make \$38,000 a year, you could very well be working 50 hours a week. This means you are working 10 hours each week for free. If you work 60 hours a week, you are working 20 hours for free.

The last time this tool was significantly updated was 1975. At that time, 62% of salaried Americans earned below the threshold amount². Fast forward to 2013 and only 11% of salaried Americans were below the threshold.

LD 607 restores the intent of the FLSA. Work has changed, and workers are increasingly expected to respond to work tasks at any time of day. This pressure from employers puts strain on the work-life balance of working people. It is only fair that employees be paid if it is expected that employers will have their attention via smartphones and email when they are eating dinner with their family, watching their children at an after school function or visiting their parents on a Sunday.

¹Glasmeier, Dr. Amy K., "Living Wage Calculator." Massachusetts Institute of Technology. Accessed March 18, 2021. <https://livingwage.mit.edu/states/23>

²<https://www.epi.org/publication/ib381-update-overtime-pay-rules/>

This bill helps people who are generally supervisors and low-level managers whose jobs currently qualify them as overtime exempt. They earn below \$55,000 a year, making them generally middle-class workers who shouldn't be expected to work long hours without extra pay.

It will likely be argued that these changes will have a cost impact on business. If a business wants to avoid costs incurred by this change, they can move away from expecting employees to work unpaid hours when they are not technically at work. There is also the option of providing compensatory time instead of overtime pay. That way a worker can take time off during the slower time of year to make up for working longer hours in peak season.

We urge you to vote ought-to-pass on LD 607.