



SEIU Healthcare.

United for Quality Care

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Dear Members of the House Labor and Industry Committee:

On behalf of 45,000 members of SEIU Healthcare Pennsylvania, I write to express our strong support for the regulation proposed by the Pennsylvania Department of Labor and Industry regarding the Executive, Administrative, and Professional (EAP) salaried worker exemptions. The proposal alters the definition of EAP and increases the minimum salary threshold to bring it in line with 21st century wages. This change offers a much needed update to the current regulation, which is outdated and robs hardworking Pennsylvanians of their earned wages.

Under the proposed change, approximately 465,000 working Pennsylvanians will benefit from receiving overtime pay they deserve but currently do not receive. These workers are employed in a variety of positions and settings, including fast food shift supervisors, assistant department managers at retail stores, factory team leads, and professional service providers supervised by high-paid executives. They are not truly managerial and should be compensated properly for their time worked. This additional income they receive will benefit the workers and community since it will be spent locally, boosting state tax revenues and local businesses.

The existing regulation has not kept pace with the commonwealth's cost of living and housing. The minimum salary threshold for the EAP exemption is currently either \$8,060 or \$13,000, depending upon employment duties, and has remained unchanged since it was set in 1977. More than four decades later, the exemption hovers around or below the federal poverty line of \$12,140. This threshold should instead be more in line with the statewide median wage, approximately \$55,000 annually, rather than the poverty level. The proposal ensures this threshold keeps pace with inflation by updating it every three years.

The proposed regulation clarifies the definitions of EAP employees and raises the minimum salary to reflect today's wage levels. These long overdue changes will make it more difficult to misclassify employees to circumvent overtime wage requirements. We fully support the implementation of the department's proposed change to the overtime wage laws.

Sincerely,

Matthew Yarnell
President, SEIU Healthcare Pennsylvania

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