



Testimony in Support of Bill Increasing the Salary Threshold for Exemption from Overtime Wages: SB138
Senate Committee on Labor
February 24, 2021

The Economic Progress Institute supports SB138 which, if enacted, would raise the exemption threshold for employers paying their salaried employees overtime wages. Salaried workers, in contrast to hourly workers, can reasonably be expected to, when necessary, work more than their contracted weekly hours without being paid for overtime. Such workers are being paid a salary for doing their jobs and not by the hour. However, while such accommodations may be reasonable for many employees, such is not the case for low-salaried workers. At the current threshold of \$200 per week, an employer can refuse to pay overtime to an employee with an annual salary of just over \$10,000. Surely, such low-salaried employees are not those envisioned by the overtime exemption. By setting the exemption threshold above \$1,000 per week, as SB138 would codify, employers would be less able to take advantage of low-salaried and even moderate-salaried workers to work beyond their contracted hours for no additional pay.