

**House Bill 582**

*Labor and Employment - Exemptions From Overtime Pay –  
Administrative, Executive, or Professional Capacity*

February 13, 2025

Position: **OPPOSE**

Mr. Chairman and Members of the Economic Matters Committee:

The Restaurant Association of Maryland strongly opposes House Bill 582. This legislation would increase the current minimum salary threshold for overtime exemptions for employees classified as Executive, Administrative or Professional (EAP) by 65 percent. In the foodservice industry, such exemptions typically apply to managers and chefs.

This legislation is an attempt to enact, through State legislation, the April 2024 federal overtime rule EAP salary threshold changes that were struck down by a federal court in November 2024. Enacting such legislation would put Maryland businesses at a competitive disadvantage with businesses in bordering states and the District of Columbia.

Operationally, such an increase in the EAP salary threshold would force many employers in the restaurant/foodservice industry to find ways to mitigate the impact. Businesses that cannot afford to raise the salaries of such employees above the proposed threshold would be forced to reclassify these employees as “hourly” workers to effectively manage hours worked and applicable overtime pay. Affected employees who have worked long and hard to reach management level and be paid on a salary basis may view such a change as a demotion, which would negatively impact morale. Moreover, such employees may lose some fringe benefits that are often tied to being paid on a salary basis.

Finally, given that Maryland has long followed federal regulations and salary thresholds for overtime exemptions, such a departure from the federal salary threshold would result in significant confusion for both employers and employees, and unintentional violations.

For these reasons, we oppose this legislation and request an unfavorable report.

Sincerely,



Melvin R. Thompson  
Senior Vice President