



Testimony - HB 582, Labor and Employment - Exemptions From Overtime Pay -
Administrative, Executive, or Professional Capacity
Favorable

House Economic Matters Committee

February 13, 2025

Christopher C. Cano, MPA

Director of Political & Legislative Affairs on Behalf of SEIU Local 500

Honorable Chairman Wilson & Members of the House Economic Matters Committee:

SEIU Local 500 represents over 23,000 workers across Maryland from multiple sectors. Our members have a role in the lives of Marylanders from cradle to career. We wish to express our support for Maryland House Bill 582. Amending the current exemptions from overtime pay for individuals employed in administrative, executive, or professional capacities is not just needed, it will ensure that employees who perform managerial, executive, or highly specialized work receive fair compensation for the time they devote to their jobs. The proposed changes are necessary for several reasons:

1. Updating Salary Thresholds to Reflect the Current Economy: The bill raises the salary threshold for overtime exemptions to \$1,128 per week, as defined by the federal regulations, or a higher amount set by the U.S. Department of Labor. This adjustment ensures that the overtime exemption remains aligned with inflation and the cost of living, helping to safeguard workers from exploitation in today's economy. The current salary level has not been adequately adjusted over the years, meaning that employees who should be entitled to overtime pay are being left out of crucial protections. This measure will make sure that workers are treated fairly, and that those in professional and managerial roles are still compensated for their extra hours of work.

2. Recognizing the Importance of Discretion and Independent Judgment: One of the key elements of the bill is its emphasis on employees who exercise discretion and independent judgment with respect to significant matters. This includes individuals whose primary duties involve management, operations, or specialized knowledge in

areas such as science, learning, or the arts. By clearly defining the scope of what constitutes managerial or professional work, the bill ensures that only those who truly occupy these higher-level roles are exempt from overtime protections, preventing potential misuse of the exemption and ensuring fairness for all employees.

3. Providing Greater Clarity and Protection for Workers: House Bill 582 will offer greater clarity to both employees and employers by providing a more transparent, updated definition of which employees are exempt from overtime pay. Clearer standards will help to avoid misclassification, where employees performing similar duties may be unfairly excluded from overtime eligibility. As the modern workplace continues to evolve, it is essential to ensure that employees in managerial and professional roles who work beyond their regular hours are protected by laws that reflect the reality of today's working conditions.

4. Promoting Fairness and Equity Across All Industries: By updating the current law, this bill will promote a fairer labor market where employees in a wide range of sectors—whether in the private or public sector—can expect equitable treatment. This is particularly significant for industries where employees are expected to work extensive hours, often beyond the standard 40-hour workweek, without compensation for their extra time. Ensuring fair pay for overtime will help retain talented professionals and reduce burnout, which ultimately benefits employers by enhancing employee satisfaction, morale, and productivity.

5. A Positive Step Toward Economic Justice: House Bill 582 is a step forward in protecting workers' rights and ensuring that those in higher-level positions are still entitled to compensation for their hard work. In the broader context, the bill contributes to the ongoing effort to create a more just and equitable economic system, where all workers—regardless of their position—are treated with respect and paid fairly for their time and efforts.

By adjusting the overtime exemptions to reflect current economic realities and ensuring fair compensation for all workers, this bill helps maintain a labor market that is fair, equitable, and just. It is a necessary reform that will provide employees with the protection they deserve while promoting fairness in Maryland's workforce.

In conclusion, we strongly urge the committee to support House Bill 582 and provide a favorable report.

Thank you for your consideration.

Christopher C. Cano, MPA
Director of Political & Legislative Affairs
SEIU Local 500