



House Bill 582

Date: February 13, 2025
Committee: Economic Matters
Position: Unfavorable

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 7,000 members and federated partners working to develop and promote strong public policy that ensures sustained economic health and growth for Maryland businesses, employees, and families.

To codify a federal rule that was struck down by a federal judge in 2024, House Bill 582 (HB 582) would alter current exemption from overtime pay for individuals who are employed to work in an administrative, executive, or professional capacity. As a result, HB 582 would create significant additional costs for employers, limit potential job creation, and create payroll management challenges. Further, HB 582 could disrupt pay scales and employment agreements that exist for certain managers and individuals who work in a professional capacity.

By applying overtime laws to individuals who work in professional capacities that include nonmanual office work or business management, HB 582 may unintentionally result in lower pay for many workers in Maryland. As employers across the state adapt to the changes delineated in HB 582, many employers may choose to pay lower salaries to office and management staff with the expectation that those individuals would be additionally compensated with additional overtime on an as-needed basis. Many of those office workers and managers may not receive the opportunity to work overtime, which would result in an overall lower annual amount of pay for those individuals.

Due to the disruptive nature of applying overtime laws to salaried office and management staff that would create challenges for both employer and employees, **the Maryland Chamber of Commerce respectfully requests an unfavorable report on HB 582.**