



**Champion Advocacy  
Associates**

March 27, 2024

The Honorable Arthur Corvese  
House Committee on Labor  
State House  
Providence, RI 02903

Dear Chairman Corvese and Committee Members,

The Northern RI Chamber of Commerce (NRICC) represents businesses in the communities of Burrillville, Central Falls, Cumberland, Foster, Glocester, Johnston, Lincoln, North Providence, North Smithfield, Pawtucket, Scituate, Smithfield and Woonsocket.

The Chamber is writing to express opposition to H.7579, Acts Relating to Labor and Labor Relations – Minimum Wage. These bills override current law by further increasing the minimum wage to even higher levels. In May of 2021, the legislature passed a budget article increasing the minimum wage from \$11.50 in 2020, to \$12.25 effective January 1, 2022; \$13.00 effective January 1, 2023; \$14.00 effective January 1, 2024 and \$15.00 effective January 1, 2025. For many businesses, labor is the highest operational cost, so an increase in wage is often difficult. One way to help the business community is to provide ample time to adjust. In May of 2021, that is what we asked of the legislature, and the current schedule was the result of many negotiations. H.7579 seeks to continuing raising the rate every year between 7% and 8% until 2030, when the legislation adopts an increase equal to the consumer price index.

When wages increase, there are other costs that are directly impacted by the increase. For example, if the minimum wage is increased, the unemployment insurance premium goes up, worker's compensation insurance premiums go up, FICA payments increase. Prior to the pandemic, Rhode Island's unemployment trust fund had just over \$500 million in it. Employers were paying premiums based upon schedule "F" (the schedule starts at "A" and goes up with each schedule resulting in a higher tax rate). A rate decrease was anticipated by most. We all know what happened during the pandemic as businesses were forced to close their doors and employees began collecting unemployment. Fraud occurred as well. The unemployment rate schedule was raised to "H." Today, employers are paying unemployment premiums based on schedule "G" thanks to the General Assembly placing some ARPA money into the fund; however, this is still higher than pre-pandemic levels. Rhode Island ranks 49<sup>th</sup> out of 50 for unemployment insurance tax liability (50 being the highest liability).

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Also, Rhode Island remains the only state in the country that requires employers to pay premium pay to employees who work Sunday and holidays as part of their normal forty (40) hour work week. For these employers, an increase in the minimum wage rate is an even greater hardship. These additional costs of doing business are not considered as part of this proposal and are simply increases that most businesses, especially our small businesses, cannot absorb without directly impacting their ability to remain open or to bring employees back to stabilize and grow in what we hope is soon to be a post-pandemic environment.

The Chamber encourages this committee oppose the passage of H.7579.

Respectfully submitted,

  
Lenette Forry-Merard  
Legislative Lobbyist