



April 9, 2025

The Honorable Arthur J. Corvese, Chairman  
House Labor Committee  
State House  
Providence, RI 02903

Re: H.5678, An Act Relating to Labor and Labor Relations – Minimum Wages – Overtime

Dear Chairman Corvese,

The undersigned members of the Rhode Island Business Coalition would like to express our opposition to House Bill 5678 – An Act Relating to Labor and Labor Relations – Minimum Wages – Overtime.

Currently, employees in bona fide executive, administrative or professional capacities as defined by the Fair Labor Standards Act, and paid on a salary basis, are exempt from overtime payment requirements unless their wages, if computed on an hourly basis are below the state minimum wage. H5678 proposes to expand the number of salaried workers required to receive paid overtime by increasing the eligibility threshold as a percentage of the minimum wage.

House Bill 5678 proposes that by January 1, 2028, salaried workers in all Rhode Island businesses earning up to two and a half times the minimum wage are required to be paid overtime pay for a workweek over forty hours. The bill would place additional administrative burdens on employers, particularly small employers that would now need to track the hours worked and salaries for many more employees. In addition, the bill would make it more difficult for businesses to budget their payrolls.

Hourly employees are typically compensated based on the amount of time worked, which provides them with the clear benefit of earning extra pay for overtime hours. However, salaried employees are often expected to complete their tasks without a strict time limitation, and for many, the added flexibility in their work schedule is a trade-off for not receiving overtime. The distinction between salaried and hourly employees has traditionally been based on the expectation that salaried employees perform tasks that require more responsibility, autonomy, and managerial skills, which in turn justifies the lack of overtime pay. Increasing the salary threshold for overtime eligibility could erode this understanding, creating discrepancies in the treatment of employees performing similar tasks, and reducing the flexibility that many salaried workers currently value.

Thank you for your consideration of our position on H5678 and we ask the committee not to take any action on this bill.

The Rhode Island Business Coalition represents 50 industries and 6,280 businesses that employ 231,200 people throughout Rhode Island.

Sincerely,

East Greenwich Chamber of Commerce

National Federation of Independent Business

Rhode Island Bankers Association

Rhode Island Builders Association

Rhode Island Business Group on Health

Rhode Island Hospitality Association

Rhode Island Manufacturers Association

Rhode Island Marine Trade Association

Rhode Island Staffing Association

Small Business Economic Summit Regulations Committee

Small Business Economic Summit Tax and Budget Committee

cc. House Labor Committee members