NRICC
NORTHERN RHODE ISLAND CHAMBER OF COMMERCE

The Honorable John Burke
Senate Committee on Labor & Gaming
State House
Providence, RI 02903

Dear Chairman Burke 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 opposes the passage of S.2166, An Act Relating to Labor and Labor Relations – Minimum Wage – Overtime.

Under current law, employers are not obligated to pay overtime to their executive, administrative, and professional employees who are compensated through salary rather than hourly wages, unless the salary of such employees would fall below the minimum wage. S.2166 would raise that cut-off and make additional salaried employees non-exempt and therefore eligible for overtime pay, based on differing formulas for small employers (up to 50 employees) and large employers (50 or more employees) Beginning 2027, the multiplier would be one and one-half times the minimum hourly wage for a 40-hour workweek for small employers ($49,920 a year) and two times the minimum hourly wage for a 40-hour workweek for large employers ($66,560 a year). Essentially, this makes more employees subject to overtime payments.

Starting January 1, 2028, the non-exempt trigger would rise to two times the minimum hourly wage for small employers ($70,720 a year) and to 2 ½ times the minimum hourly wage for large employers ($88,400). Finally, small employers would match the 2 ½ times requirement of large employers January 1, 2029.

S.2166 would lead to a reduction in flexibility for both employees and employers, as exempt employees are often entrusted with greater autonomy in their roles. Changing this threshold would likely lead to changes in compensation structures, with employers potentially having to cut salaries, reduce benefits, or limit work hours to stay within budget constraints. In the worst case, it could lead to job losses if businesses are unable to absorb the additional cost.

Additionally, many employees currently classified as exempt are compensated with higher salaries and benefits in exchange for their increased responsibilities and the expectation of flexible work hours. Reducing the salary threshold could undermine these arrangements and harm employee morale. The relationship between employees and their employers could become more transactional, shifting from a focus on results and outcomes to hourly tracking and micromanagement.

We ask the committee to take no action on S.2166.

Respectfully,

Monika Zuluaga

Monika P. Zuluaga
President & CEO