

# Pennsylvania One Step Closer to its Own Overtime Salary Threshold

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Minimum salary thresholds for overtime pay have been a lightning rod for controversy both nationally and in Pennsylvania for the last five years.

While the federal government finally settled on its salary threshold in September and put it into effect at the start of this year, Gov. Tom Wolf has been working on Pennsylvania's proposal to increase the overtime salary threshold beyond the federal threshold. The on-again, off-again plan is now back on, recently approved by the Pennsylvania Independent Regulatory Review Commission.

The [new minimum threshold](#) in Pennsylvania - the salary level at which anyone who makes less than this amount is subject to overtime pay after 40 hours per week - would match the new federal standard of \$684 per week, or \$35,568 annually for 2020. It would then rise in both 2021 and 2022, reaching \$45,500 in 2022.

The salary threshold would then automatically update every three years.

Pennsylvania legislators still have a chance to file legal objections to the regulation before it goes to the Pennsylvania Attorney General for approval. While it could take months for its final enactment, Pennsylvania's proposed 2020 salary level is identical to the current federal level. With or without the attorney general's approval, the 2020 minimum salary level for overtime eligibility in Pennsylvania will be \$684 per week, or \$35,568 annually.

With the combined federal and Pennsylvania salary threshold increase, the Wolf administration estimates 143,000 more workers will be eligible for overtime pay by 2023 in its Friday press release. However, the Pennsylvania Chamber of Business and Industry has staunchly opposed the overtime eligibility rules since Wolf started working on the idea, and remained worried about its impact Friday when the commission announced its approval of the regulation.

"In 2018, during the initial phase of the review process, hundreds of opposition comments were submitted from a wide range of stakeholders - including nonprofits, higher education, local governments, small businesses among many others who described unsustainable cost increases and harm to workplace morale as employees are forced to be shifted from guaranteed salaries to hourly clock-in, clock-out positions," Gene Barr, president and CEO of the state's chamber, said in [a statement](#).

In addition, Wolf has championed an increase to Pennsylvania's minimum wage, with a bill introduced in the Pennsylvania House of Representatives last week. [We previously noted](#) that Wolf and the Senate had reached a compromise to withdraw the overtime regulations in exchange for an increase in the minimum wage. However, the House of Representatives did not sign on to the compromise as of last week, so Wolf asked the IRRRC to move the overtime regulations forward.

If anyone has any questions on the minimum salary thresholds for overtime pay, please [contact me](#) or anyone in the [Barley Snyder Employment Practice Group](#).

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