

**132nd MAINE LEGISLATURE****LD 599****LR 1509(01)****An Act to Codify the Federal Salary Threshold for Overtime Pay****Preliminary Fiscal Impact Statement for Original Bill****Sponsor: Sen. Tipping of Penobscot****Committee: Labor****Fiscal Note Required: Yes**

Preliminary Fiscal Impact Statement

	FY 2025-26	FY 2026-27	Projections FY 2027-28	Projections FY 2028-29
Net Cost (Savings)				
General Fund	\$7,535,275	\$10,047,033	\$10,047,033	\$10,047,033
Appropriations/Allocations				
General Fund	\$7,535,275	\$10,047,033	\$10,047,033	\$10,047,033

Fiscal Detail and Notes

Increasing the annual rate that an employee who works in an executive, administrative or professional capacity must earn in order to be exempt from the laws governing the minimum wage and overtime pay to a minimum of \$58,656 will increase costs to employers beginning in fiscal year 2025-26. The cost to the State as an employer is estimated to be \$1,512,775 in fiscal year 2025-26 and \$2,017,033 in fiscal year 2026-27, including the increase in retirement costs. The Maine Community College System estimates the cost of this provision to be \$1,875,000 and \$2,500,000 in fiscal year 2025-26 and fiscal year 2026-27, respectively while the University of Maine estimates the additional cost for the employees impacted by this legislation to be \$4,147,500 in fiscal year 2025-26 and \$5,530,000 in fiscal year 2026-27. This preliminary fiscal impact statement assumes an effective date of October 1, 2025.