

Testimony

SB 984 – Protecting Oregon's Longstanding Overtime Statutes.

I am in favor of SB984. I believe that clarification of Oregon law related to overtime pay is needed.

Until recently BOLI provided clear guidance that Employers must pay the greater of daily overtime **or** weekly overtime hours at a rate of 1.5 times the regular rate. That guidance was changed in January 2017 to require employers to pay both daily **and** weekly overtime. According to the new guidance employers must pay 2.0 times an employees regular rate of pay instead of 1.5 times for some of the overtime hours.

The change was tested in court in a recent court case involving Portland Specialty Baking. The judge found that employees are entitled only to the greater of daily **or** weekly overtime pay. It is possible there will be an appeal.

BOLI has not changed it's guidance and still suggests employers pay both daily and weekly overtime. ([https://www.oregon.gov/boli/TA/pages/t\\_faq\\_tamanufacturing.aspx](https://www.oregon.gov/boli/TA/pages/t_faq_tamanufacturing.aspx))

I believe that if the new BOLI guidance continues unintended consequences will happen. I run a manufacturing company in Hillsboro. The companies reaction to the new guidance was to create a policy preventing workers from working daily overtime (more than 10 hours per day). This disappointed some workers. It is inconvenient to have the government make this decision for us. It sometimes reduces our production. We work 8 hour shifts 5 days per week. Other employers in Oregon work 10 hour shifts 4 days per week, or 12 hour shifts 3 days per week. I believe work schedules and costs will change dramatically for these organizations and their employees.

Regards,

Ron Davis  
Hillsboro