



WISCONSIN MANUFACTURERS & COMMERCE

To: Members of the Assembly Committee on Workforce Development
From: Chris Reader, WMC Director of Health and Human Resources Policy
Date: February 4, 2014
Subject: **Support AB 712**

Thank you, Chairwoman Loudenberg and committee members for holding this public hearing today.

My name is Chris Reader. I am the Director of Health and Human Resources Policy at Wisconsin Manufacturers and Commerce (WMC), the statewide chamber of commerce. We have over 3,500 member companies, who collectively employ over a half million Wisconsinites.

Assembly Bill 712 is a simple bill that fixes an area of Wisconsin employment law that simply doesn't make sense. Under DWD 272.11 and DWD 274.06, employers are required to keep records of when employees work – this includes beginning and end of work each day, as well as meal periods. The requirement to keep these records applies to workers who are paid hourly, and salaried workers who are exempt from overtime requirements.

In comparison, federal law requires that employers maintain the total hours worked per day and per week for non-exempt (hourly) employees ((29 C.F.R. § 516.2(a)(7)). It does not have similar requirements respecting exempt salaried employees.

The record keeping requirements make sense for hourly employees, and are useful tools to ensure that minimum wage and overtime requirements are being met by employers. On the other hand, the requirement to maintain records for salaried employees does not serve a realistic purpose, as salaried and executive level employees don't work a regular schedule and are often considered on call at all hours. The reality is that such record keeping for exempt employees is almost impossible and rarely done accurately.

AB 712 addresses this simple issue by exempting employers from the time record keeping requirement for salaried employees. WMC supports this legislation, and I encourage this committee to move the issue forward to the full Assembly.

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Founded in 1911, Wisconsin Manufacturers & Commerce is the state's chamber of commerce and largest business trade association representing more than 3,500 employers of every size and from every sector of the economy.



MARK BORN

STATE REPRESENTATIVE • 39TH ASSEMBLY DISTRICT

Testimony on Assembly Bill 712

Committee on Workforce Development

February 4, 2014

Madam Chair and committee members,

Thank you for giving me the opportunity to testify in favor of Assembly Bill 712. I brought this bill forward based on concerns held by a business in my district and recommendations by the Department of Workforce Development during the Right the Rules process.

The Department's rules relating to hours of work and overtime are covered within DWD 274 of the administrative code. Current rules dictate:

1. Employers are generally required to pay employees 1.5 times their regular rate for hours worked in excess of 40 hours per week;
2. Certain employees are exempted from these overtime rules;
3. Employers must keep records of the hours worked and wages of their employees, including exempt employees.

AB 712 would make a minor change to current protocol by stipulating that employers no longer need to record the hours worked by an exempt employee. This change would align Wisconsin code with federal law and simplify the record keeping process for businesses and their employees.

I am sure the record keeping concerns that were brought to my attention are not unique to just one business in my district. The way businesses function continues to evolve and it is important that we update our laws accordingly. This bill will help both employers and exempt employees stay focused on doing business, not managing records that DWD has deemed unnecessary.

Based on prior discussions in committee, I think this is an issue we are all familiar with. I ask you to support AB 712 and I will be happy to answer any questions.

Thank you.