

March 25, 2025

Representative Ryan Mackenzie
Chair
Subcommittee on Workforce Protections
House Education & Workforce Committee
U.S. House of Representatives
2176 Rayburn House Office Building
Washington, DC 20515

Representative Ilhan Omar
Ranking Member
Subcommittee on Workforce Protections
House Education & Workforce Committee
U.S. House of Representatives
2176 Rayburn House Office Building
Washington, DC 20515

Dear Chair Mackenzie, Ranking Member Omar, and members of the House Education & Workforce Subcommittee on Workforce Protections:

The undersigned organizations, which represent various industries and employers across the country, urge you to support Representative Grothman's Ensuring Workers Get PAID Act, which would reinstate the Payroll Audit Independent Determination (PAID) program. The PAID program enabled employers to proactively rectify any inadvertent overtime and/or minimum wage violations under the Fair Labor Standards Act (FLSA), resulting in employers having the opportunity to fix unintentional mistakes, employees receiving their back wages more quickly, and less costly litigation for all parties. This is a common-sense legislative proposal, and we urge your support for the bill.

Currently, if an employer unintentionally violates the FLSA, the only means of ending a claim are through a court-approved settlement or a DOL-initiated investigation. Employers were not incentivized to self-audit and fix any mistakes that may have occurred.

The PAID program, on the other hand, provided employers with an alternative method to fix violations of the FLSA without the threat of costly litigation and penalties. Under the program employers could audit their payroll, self-report any violations to the Department of Labor (DOL), and enter into an agreement with DOL to pay 100% of the back wages to employees over a two-year period. DOL would supervise and approve the agreement and not investigate the employer for the self-reported violations. The PAID program incentivized employers to find and fix unintentional violations and resulted in workers receiving their back wages faster than via litigation. The program was, unfortunately, ended under the Biden administration.

The Ensuring Workers Get PAID Act would reinstate the PAID program, once again incentivizing employers to self-audit and self-report and ensuring workers receive their due compensation quickly without the parties having to undergo costly and lengthy litigation. This is a common-sense approach to this problem, and we urge you to support this legislation.

Sincerely,

American Hotel & Lodging Association
Associated Builders and Contractors
Associated General Contractors of America
HR Policy Association
Independent Electrical Contractors
International Foodservice Distributors Association
International Franchise Association
National Council of Chain Restaurants
National Federation of Independent Business
National Restaurant Association
National Retail Federation