



555 12th Street NW, Suite 1001
Washington, D.C. 20004

1-800-552-5342
NFIB.com

January 31, 2022

The Honorable Mike Braun
U.S. Senate
404 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Braun:

On behalf of NFIB, the nation's leading small business advocacy organization, I write in support of S. 3074, the *Ensuring Workers Get PAID Act of 2021*. This legislation would resume and codify the Department of Labor's (DOL) Payroll Audit Independent Determination (PAID) program, which helped small businesses correct minor wage and hour violations before they incurred a penalty.

On April 3, 2018, DOL launched the PAID program, a six-month pilot program for employers and employees to resolve Fair Labor Standards Act (FLSA) disputes. Under the program, employers conduct self-audits of their payroll. If they discover overtime or minimum wage violations, they self-report those violations to the Wage and Hour Division (WHD). Employers then work with WHD to correct their mistakes and quickly provide any back wages due to affected employees. PAID aims to resolve wage and hour claims expeditiously and without litigation, to improve employers' compliance with the FLSA, and to ensure that more employees legally due back wages receive them faster. Unfortunately, DOL ended the program on January 29, 2021.

Unlike larger businesses, many small businesses don't have dedicated compliance experts. Half of owners handle payroll in-house, which can result in unintentional errors.¹ This program will help them to correct unintended errors before incurring costly fines or litigation. As Congress continues to debate legislation that would substantially increase penalties for minimum wage and overtime violations, this compliance assistance program would help honest small business owners before they are assessed penalties under a strict liability standard.

NFIB looks forward to working with you to advance this important legislation in the 117th Congress.

Sincerely,

A handwritten signature in black ink that reads "Kevin Kuhlman". The signature is written in a cursive, slightly slanted style.

Kevin Kuhlman
Vice President, Federal Government Relations
NFIB

¹ NFIB Research Center, *Tax Complexity and the IRS*, Volume 13, Issue 5, 2017, http://www.411sbfacts.com/files/NFIB_SBP_TaxComplexity2017_v1.pdf.