

AFL-CIO

LEGISLATIVE ALERT

July 15, 2016

Dear Representative:

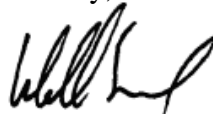
I am writing on behalf of the AFL-CIO to urge you to oppose legislation, introduced by Rep. Kurt Schrader, that would rob millions of workers of the overtime pay protection they have earned. The misnamed “Overtime Reform and Enhancement Act” would delay by three years the full implementation of the Labor Department’s new overtime regulations, originally scheduled to take effect in December, 2016.

The Schrader bill would also eliminate the final rule’s mechanism that would automatically update the salary threshold every three years after implementation. As you know, workers have waited decades for an update to the salary threshold—it has only been updated once since the 1970s—in 2004 (when it was set too low). Having experienced decades of wage stagnation and uncompensated overtime, workers should not have to wait three more years for the protection the new regulations will provide.

The current salary threshold for overtime pay would be over \$57,000 if it had kept pace with inflation since 1975. Instead, effective December 1, 2016, the salary threshold below which salaried employees are automatically eligible for overtime pay will rise from \$23,660 (\$455 per week) to \$47,476 (\$913 per week). The Labor Department based this new threshold level on the 40th-percentile salary for workers in the lowest-wage Census region (currently the South). Because history demonstrates that it can take years for the regulatory process to adapt to changing labor markets, the rule also indexes the threshold to inflation. Once implemented, the threshold level will increase every three years, beginning in 2020.

For approximately 12.5 million workers, this new regulation is the most effective way to raise wages, create jobs, and restore the 40-hour work week. The AFL-CIO urges you to oppose the Overtime Reform and Enhancement Act and any legislation that would delay or weaken implementation of this important rule.

Sincerely,



William Samuel, Director
Government Affairs Department