

Republicans Move To Block Obama's Overtime Rule

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June 7, 2016

Senate Republicans introduced legislation to block an upcoming overtime rule Tuesday which critics warn will put undue financial stress on businesses.

The department released the final version of the rule May 18 after an almost yearlong drafting process. Executive or manager positions currently cannot qualify for overtime if they have a salary of at least \$23,660 annually. The new rule will raise the exemption threshold to \$47,476 annually. Republicans Sens. Lamar Alexander and Ron Johnson introduced legislation to block it.

“There is no question that this rule also hurts those American workers it's intended to help, through reductions in their hours and diminished workplace flexibility,” Alexander said. “Workers who today are mid-management or professional employees are not going to like it one bit when their employer tells them that under this new rule they're going to be punching the time-clock.”

Alexander currently chairs the Senate Committee on Health, Education, Labor and Pensions. They introduced their legislation under the Congressional Review Act which allows lawmakers to review and reject regulatory changes within 60 days of being introduced. Labor unions have been much more supportive of the updated overtime exemption threshold.

“The fight for even stronger overtime protections and to raise wages for all working people continues,” AFL-CIO President Richard Trumka said in a statement. “But today, millions of workers will receive a long overdue raise, healthier and more productive jobs, and more time to spend with our community and loved ones.”

Teamsters President James Hoffa and United Auto Workers President Dennis Williams were among the other top unions officials to praise it. Democratic presidential candidate Sen. Bernie Sanders has also applauded the new rule. The White House estimates the rule change will make an additional 4.2 million workers eligible for overtime.

President Barack Obama signed a memo in March, 2014, compelling his administration to expand overtime privileges to more workers. Upon its release, the White House argued the updated rule will help restore overtime privileges which have dwindled over the decades. It notes the share of full-time salaried workers that qualify for overtime has plummeted despite wage and job growth.

Republicans Sen. Tim Scott and Rep. Tim Walberg introduced legislation March 17 that would require the department to conduct a thorough economic analysis before implementing a final version of the rule. Lawmakers can also use the congressional review process which allows them to vote down regulatory changes.

Salaried workers could lose their ability to work flexible work hours because their employers will have to track when they are working and if they have reached overtime. Competitive Enterprise Institute Expert Trey Kovacs said the rule puts a huge cost and regulatory burden on employers. The Cato Institute concludes employers may try rearranging work schedules and reduce their workforce.