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More Workers to Get Overtime Pay Under Obama's New Executive Order

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President Barack Obama will announce an executive order to expand overtime pay eligibility, an anonymous White House official revealed to the Associated Press.

The new policy seeks to help millions of workers who currently work more than 40 hours a week without receiving overtime pay.

Under existing overtime laws, only workers who earn less than \$455 each week are eligible for overtime pay. The executive order seeks to raise this threshold, entitling more workers to receive overtime benefits. As of this writing, the amount by which the threshold will increase is still unknown.

"We need to fix the system so folks working hard are getting compensated fairly," said White House Domestic Policy Council director Cecilia Muñoz. "That's why we are jump-starting this effort."

On the other hand, such a policy reform may face opposition from businesses, who will eventually have to face more expensive labor costs. Conservative economists believe that such a move may even backfire on the workers themselves; businesses may scale down on workers or reduce working hours.

"There's no such thing as a free lunch. If they push through something to make a certain class of workers more expensive, something will happen to adjust," said Cato Institute senior fellow Daniel Mitchell, in an interview with The Times quoted on Fox News.

The move is said to be part of Obama's efforts towards addressing income inequality, a central theme of the Democratic campaign, the Washington Post reports.

The executive order does not require congressional approval, therefore it bypasses Republicans who may block it in the House of Representatives. Previous labor policy reform initiatives, such as Obama's proposal to raise the minimum wage, have been met with opposition by Republicans in Congress.

Obama's official directive will be announced Thursday.

