



Obama to order expansion of overtime pay for millions of workers

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Feb. 12. 2014: President Obama, surrounded by workers, signs an executive order to raise the minimum wage for federal contract workers.AP

President Obama, flexing his executive authority once again, plans to order the Labor Department to expand overtime pay requirements to include millions more workers -- in a move likely to rankle the business community.

The president plans to make the announcement on Thursday at the White House, a senior administration official confirmed to Fox News. Though the administration has claimed previous executive actions had bipartisan support, officials are acknowledging that this particular move will anger business groups and congressional Republicans.

But the announcement would appear to dovetail with Democrats' election-year strategy of focusing on income inequality and the middle class.

The New York Times, citing White House officials briefed on the announcement, first reported that Obama will direct his Labor Department to require overtime pay for millions of workers currently classified as "executive or professional" employees.

The new regulations to the 1938 Fair Labor Standards Act reportedly would mandate that businesses provide overtime pay for those who work jobs as varied as fast-food restaurant managers, loan officers, and computer technicians. Currently, businesses are prohibited from denying overtime to a salaried worker making less than \$455 per week. The rules that Obama is proposing would increase that salary threshold, though it was not clear by how much.

Conservative groups have warned that Obama's planned change would lead businesses to reduce staff or cut pay.

"There's no such thing as a free lunch," Cato Institute senior fellow Daniel Mitchell told The Times. "If they push through something to make a certain class of workers more expensive, something will happen to adjust."

However, White House officials said that the changes would result in more money going to workers. "We need to fix the system so folks working hard are getting compensated fairly," White House Domestic Policy Council Director Cecilia Munoz told the paper. "That's why we are jump-starting this effort."

The executive action is likely to be viewed as a challenge to congressional Republicans, who have criticized Obama's president's "pen and phone" strategy to get things done and vowed fight his proposal to raise the federal minimum wage to \$10.10 per hour from \$7.25.