



## Obama Signing Overtime Executive Order For Salaried Workers

President [Barack Obama](#) is reportedly set to sign an executive ordering overtime pay for millions of American workers employed on a salary. A senior Obama administration official confirmed the Thursday overtime expansion signing ceremony with *Fox News* earlier this morning.

The president is once again using the power of his pen to alter existing law without Congressional review. The Department of Labor regulation change is expected to infuriate private sector businesses. President Obama's latest executive order will also likely anger Republicans and may have unintended consequences when salaried employees embark on new contract negotiations. Supporters of the idea feel that is yet another step in the president's plan to combat income inequality.

The [overtime executive order](#) will impact American workers currently deemed "executive or professional" employees by the Department of Labor. President Obama's executive order will alter the Fair Labor Standards Act of 1938. Under existing labor statutes employers do not have to pay overtime to a salaried worker unless the individual makes less than \$455 per week. The executive order will reportedly increase the salary threshold amount, but it is not currently known to what degree.

Republican opponents speaking out against the latest [Obama executive order](#) maintain that the labor change will lead to businesses reducing staff or cutting pay.

**Cato Institute Senior Fellow Daniel Mitchell had this to say about the overtime executive order for salaried workers during an interview with the New York Times:**

"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."

Business groups successfully lobbied in 2004 to garner greater latitude on exempting white collar salaried workers from overtime pay – labor unions objected to the decision. US Chamber of Commerce Executive Director of Labor Law Policy Marc Freedman stated that the overtime regulations in the United States impact a wide variety of employers and organization members. "I expect this is an area we will be very much engaged in," Freedman said.

Obama administration officials disagree with the idea of any negative fallout from the overtime for salary workers executive order. Domestic Policy Council Director Cecilia Munoz said, "We

need to fix the system so folks working hard are getting compensated fairly. That's why we are jump-starting this effort.”

Changes to the Fair Labor Standards Act of 1938 will be subject to public comment before the Labor Department gives final approval. According to the *New York Times*, the overtime for salaried workers executive order is an election-year effort to convince voters that Democrats are looking out for the middle class.