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[policymattersohio.org/overtime-nov16](file:///C%3A%5CUsers%5CMShields%5CAppData%5CLocal%5CMicrosoft%5CWindows%5CTemporary%20Internet%20Files%5CContent.IE5%5CM8ST6I2D%5Cpolicymattersohio.org%5Covertime-nov16)

**Judge blocks overtime, deals blow to middle class workers in Ohio, across nation**

In a blow to more than 12 million American workers, including 351,000 in Ohio, a federal judge has blocked implementation of an overtime rule set to take effect on December 1. The new rule, issued by the Department of Labor (DOL), under executive order by President Obama, would raise the income threshold below which salaried workers must qualify for overtime compensation to $47,476. Today that threshold sits at $23,660, which is not enough to keep a family of four out of poverty.

“Today, lack of overtime protection gives license to abuse of employees’ time, and reduces hiring in professional sectors,” said Michael Shields, researcher with Policy Matters Ohio. “Allowing employers to demand free labor from existing employees is destructive to the labor market; in this case, it hits the good jobs families send their children to college for.”

The current overtime threshold has been severely eroded by inflation over time, with infrequent adjustments that failed to keep pace. In 1975, 61 percent of salaried US workers could count on overtime protection. Today, that share is just 8 percent. The new rule would partly [restore lost ground](http://www.nelp.org/news-releases/on-the-labor-departments-final-overtime-rule/), extending coverage to 33 percent of all salaried workers, including 28.7 percent [in Ohio](http://www.policymattersohio.org/overtime-rule-oct2016).

[The court found](http://www.reuters.com/article/us-usa-employment-overtime-idUSKBN13H2JY) that the DOL lacks authority to set a salary guideline for overtime eligibility. That ruling breaks with [78 years of precedent](http://www.epi.org/press/overtime-injunction-is-an-extreme-and-unsupportable-decision/?utm_content=bufferd6883&utm_medium=social&utm_source=twitter.com&utm_campaign=buffer). The DOL has exercised the right to set salary guidelines and duties tests to determine eligibility since the Fair Labor Standards Act was enacted in 1938. The threshold was last modified in 2004, by Presidential order and agency rulemaking.

The DOL has not yet announced plans to appeal the court’s decision, and with the pending tenure of President-elect Donald Trump, the overtime rule faces even greater uncertainty. In August, Trump called the rule “burdensome” and threatened to repeal it.

“What the President-elect characterized as a “burden” is in fact the most basic workplace protection,” said Shields. “Employers must pay middle-wage workers for all the hours they work,”

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*Policy Matters Ohio is a nonprofit, nonpartisan state policy research institute*

*with offices in Cleveland and Columbus.*