



**PRESS STATEMENT
OCTOBER 31, 2017**

Contact: Michael Shields
mshields@policymattersohio.org
216.361.9801

White House to defend reduced overtime threshold Those making more than \$31,000 could still be out of luck

Ohio salaried workers had \$45 million per year on the line yesterday when the Trump administration issued a last-minute decision to defend the administrative overtime rule set by the Department of Labor (DOL) last year. Unfortunately, the administration has signaled that it may defend the DOL's rule-making power, but *not* the \$47,476 salary threshold in the 2016 rule.

The \$47,476 salary threshold would have restored overtime protection to some of the workers who lost it over a generation of neglect that allowed inflation to erode its value. Today's overtime threshold of \$23,440, below poverty for a family of four, covers just 7.8 percent of salaried Ohio workers. In 1975, 61 percent of salaried workers in the U.S. had overtime protection.

The Fifth District court in Texas stalled implementation of the rule before it took effect in December 2016. In August 2017, the same court overturned the rule. The Trump administration yesterday announced plans to appeal the ruling as the 60-day window drew to a close, but DOL head Alexander Acosta indicated that the Department may seek a lower salary threshold of \$31,000.

The rule as issued would have benefited 351,000 Ohioans earning up to \$47,476, about 28.7 percent of salaried Ohio workers. Together they currently put in a combined 51.7 million hours at work every year without pay.

If implemented, employers could respond by paying workers 1.5 times their hourly pay for hours beyond 40, raising their salary, improving efficiency or hiring more workers. Covered workers would be fairly paid for extra work, enjoy better work-life balance, or get a raise. The rule was expected to boost hiring.

The White House made the right call yesterday in defending overtime, but it should retain the 2016 threshold. That change does more to recover lost ground, and would meaningfully impact more than 12.5 million U.S. workers.

###

*Policy Matters Ohio is a nonprofit, nonpartisan state policy research institute
with offices in Cleveland and Columbus.*

policymattersohio.org