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New overtime rules will boost millions of workers

New federal rules on overtime pay to be announced today will boost wages for low- and middle-income American workers who are now required to work overtime without pay. This will help millions of Americans who struggle to get by in our hard-driving economy.

The new rules are expected to be unveiled today by Vice President Joe Biden at an event at Jeni's Splendid Ice Creams in Columbus. The U.S. Department of Labor announced that the updates will double the wage threshold for which overtime pay is required when an employee works over 40 hours a week. The annual compensation threshold will increase from \$23,660 to \$47,476.

It will benefit 12.5 million workers by extending overtime eligibility to 4.9 million workers and making it easier for another 7.6 million workers who already qualify for overtime to prove their eligibility. The rules take effect December 1.

“It makes perfect sense to update these rules,” said Amy Hanauer, executive director of Policy Matters Ohio. “This will mean that workers are paid for the hours they work and will help overworked American families restore some balance to their lives – or at least get paid when they are required to put in extra hours.”

In Ohio, the change means some 351,000 workers will get paid for the overtime they put in. Currently, someone working full time for less than the poverty level for a family of four could be forced to work overtime with no compensation.

Expanding overtime pay to more workers is particularly important in the face of stagnating wages for low- and middle-income families. Wages for U.S. workers have not kept pace with increased productivity in recent decades. The overtime threshold had been updated only once since 1975. It is also especially important in an economy where work is eating up more and more of people's family and leisure time.

“Americans have always been willing to put in extra hours when necessary,” Hanauer said. “This will ensure that when they do, they are paid for their hard work.”

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