

Congress of the United States
Washington, DC 20515

February 9, 2016

The Honorable Thomas E. Perez
Secretary of Labor
United States Department of Labor
200 Constitution Ave, NW
Washington, D.C. 20210

Dear Secretary Perez,

We are writing today to express our serious concern over the Department of Labor's (DOL) proposed rule to revise the existing "overtime rule." As written, this one-size-fits-all rule would adversely impact all affected employers, especially small businesses. Instead of helping our nation's workers, this rule will ultimately hurt them.

In 2014, President Obama directed the DOL to examine the "white collar exemption" that is currently in place for executives, administrative, and professional employees in the Fair Labor Standards Act (FLSA) regulations and propose revisions to the existing regulations. The FLSA, which was signed into law in 1938 by President Roosevelt during the Depression, establishes the minimum wage and overtime standards for most American workers. It included the white collar exemption from the minimum wage and overtime requirements because workers in these categories were often compensated with add-on benefits above and beyond normal wages. The white collar exemption ensured that the federal government did not force employers to inflate the salaries of certain employees who were already given fair compensation through non-wage payments. While the DOL's proposed rule is aimed at expanding overtime protections to help more workers, the proposed rule, as drafted, will instead hurt American workers and the businesses that employ them.

Currently, employers are required to pay overtime for all employees who make \$23,660 or less per year. The new rule, proposed by DOL's Wage and Hour Division, would raise the salary threshold and require employers to pay overtime for all employees who make \$50,440 or less per year. With the implementation of the rule, nearly 5 million employees would suddenly become eligible for overtime pay. This 113 percent increase in the salary threshold would place a large burden on business owners and their workers, and is a major departure from previous DOL policy.

Additionally, increasing the salary threshold by such a significant amount also disregards the geographic diversity of our country. As you know, the purchasing power of a dollar is drastically different in various parts of our country. Not only is the DOL ignoring regional realities, but they are also overlooking the differences that exist between rural and urban areas.

The belief that this rule change will increase millions of workers' paychecks is simply shortsighted. Unfortunately, a change of this magnitude is likely to have unintended

consequences regarding how an employer compensates its employees which would negatively affect workers. Many small businesses, which often operate on thin margins, yet still pay competitive salaries, provide great benefits, and positive workplace environments, simply cannot afford to increase their workers' salaries to the new salary threshold that has been proposed. Thus, to remain economically viable and keep the prices of their goods and services competitive, many businesses would be forced to take actions such as reducing workers hours or shifting salaried workers to hourly status, which many workers would consider a demotion and may also mean a reduction in benefits. As drafted, this rule is poised to have the most negative impact on those entering the workforce along with mid-level managers.

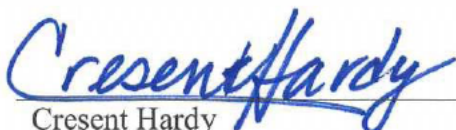
In addition, we are concerned the new rule does not clearly explain the DOL's plan regarding the future of the duties test which is one of the main components used in determining whether a given employee is exempt from the provisions of the FLSA. As it stands, the proposed DOL rule is overly ambiguous about its plans for changing the duties test and indicates the DOL is considering the implementation of clearly flawed policies.

For instance, the DOL asks a series of questions in the proposed rule about the duties test. The Department asks whether a percentage-of time rule should be applied to the exemptions' primary duties test. The DOL also specifically asks whether it would be appropriate to adopt California's 50% rule. A series of questions is not a viable substitute for a concrete regulatory proposal the businesses affected by this rule need specific language they can consider and comment upon before any changes to the duties test are finalized.

Employers have already invested a significant amount of time and money understanding and applying the current duties test. Any changes would force businesses to expend even more time and money to adapt to the new rules. In addition, the vague language regarding the potential for changes to the duties test in the final rule is likely to cause confusion and increase the number of disputes over altered or new classifications. The impact, again, would hurt businesses and employees more than it would help them.

It is for these reasons we strongly believe this rule change would adversely impact all businesses, especially those categorized as small businesses. We urgently ask you to reconsider moving forward with this rule as drafted.

Sincerely,



Crescent Hardy
Member of Congress



Steve Knight
Member of Congress



Ann Wagner
Member of Congress



Thomas Massie
Member of Congress



Brian Babin
Member of Congress



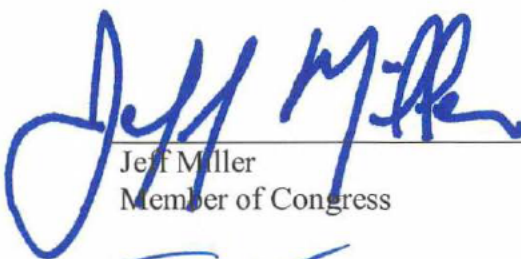
Rick Crawford
Member of Congress



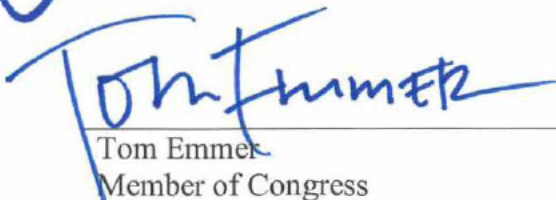
Bradley Byrne
Member of Congress



Tim Huelskamp
Member of Congress



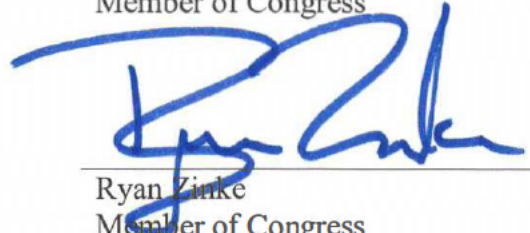
Jeff Miller
Member of Congress



Tom Emmer
Member of Congress



Steve Chabot
Member of Congress



Ryan Zinke
Member of Congress



Paul Gosar
Member of Congress




Dana Rohrabacher
Member of Congress



Glenn Grothman
Member of Congress



Morgan Griffith
Member of Congress



Mark Amodei
Member of Congress



Chris Stewart
Member of Congress



Brad Wenstrup
Member of Congress



Doug LaMalfa
Member of Congress



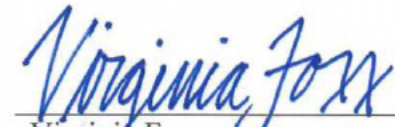
Bruce Poliquin
Member of Congress



Adrian Smith
Member of Congress



Chris Collins
Member of Congress



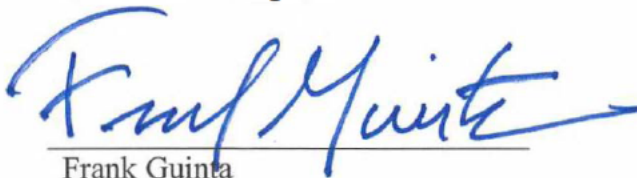
Virginia Foxx
Member of Congress



Austin Scott
Member of Congress



Dan Newhouse
Member of Congress



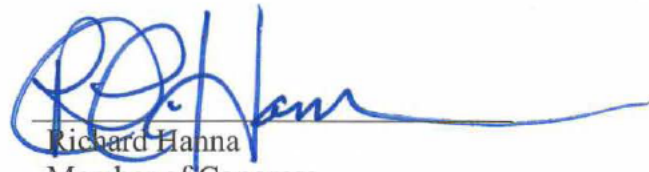
Frank Guinta
Member of Congress



Curt Clawson
Member of Congress



Brad Ashford
Member of Congress



Richard Hanna
Member of Congress



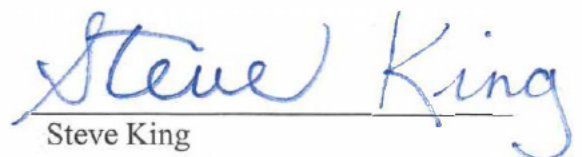
Sam Johnson
Member of Congress



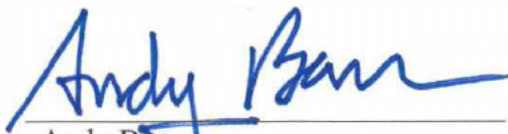
French Hill
Member of Congress



Dave Brat
Member of Congress




Steve King
Member of Congress


Andy Barr
Member of Congress


Kevin Cramer
Member of Congress


Blaine Luetkemeyer
Member of Congress



David Rouzer
Member of Congress



John Ratcliffe
Member of Congress

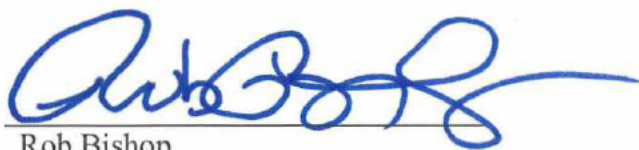

Larry Bucshon, M.D.
Member of Congress


Joe Wilson
Member of Congress



Earl L. 'Buddy' Carter
Member of Congress

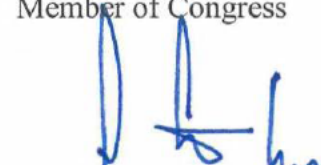

Jeff Duncan
Member of Congress



Todd Rokita
Member of Congress

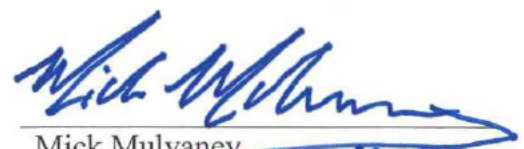

Rob Bishop
Member of Congress

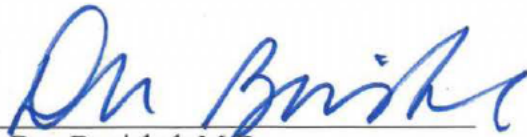

Rod Blum
Member of Congress


Bill Huizenga
Member of Congress


Trent Kelly
Member of Congress


Richard Hudson
Member of Congress


Mick Mulvaney
Member of Congress



Dan Benishek M.D.
Member of Congress



Brett Guthrie
Member of Congress



Jackie Walorski
Member of Congress



John Culberson
Member of Congress



Collin C. Peterson
Member of Congress



Bill Flores
Member of Congress



Bob Goodlatte
Member of Congress



Mimi Walters
Member of Congress



Doug Collins
Member of Congress



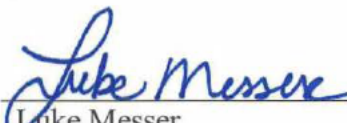
Bruce Westerman
Member of Congress



Robert E. Latta
Member of Congress



Mike Kelly
Member of Congress



Luke Messer
Member of Congress



Steve Womack
Member of Congress



Mike Bishop
Member of Congress



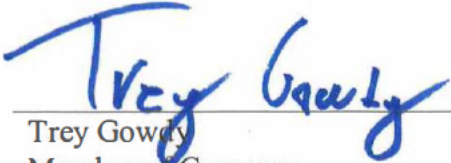
Steve Stivers
Member of Congress



Pete Olson
Member of Congress



Matt Salmon
Member of Congress



Trey Gowdy
Member of Congress



Aumua Amata Coleman
Radewagen
Member of Congress



Ed Royce
Member of Congress



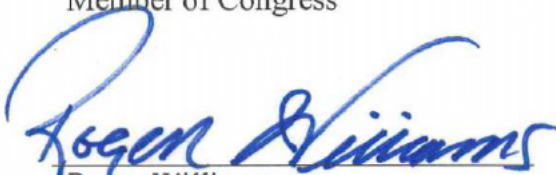
Bill Shuster
Member of Congress



Duncan D. Hunter
Member of Congress



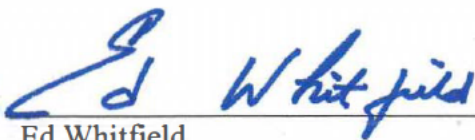
Louie Gohmert
Member of Congress



Roger Williams
Member of Congress



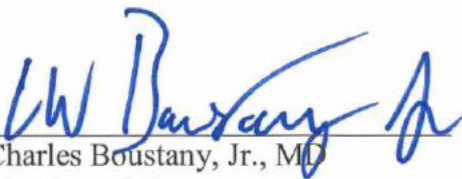
Susan Brooks
Member of Congress



Ed Whitfield
Member of Congress



Lou Barletta
Member of Congress



Charles Boustany, Jr., MD
Member of Congress



Lynn Westmoreland
Member of Congress



Doug Lamborn
Member of Congress



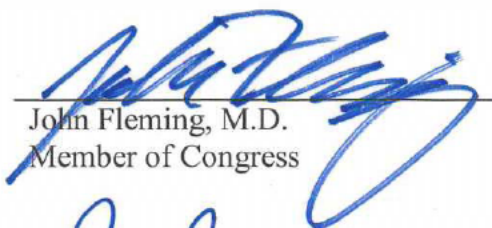
Dave Trott
Member of Congress



Gus Bilirakis
Member of Congress



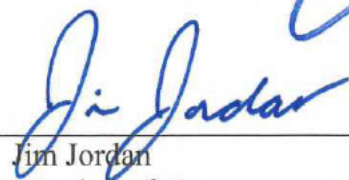
Glenn 'GT' Thompson
Member of Congress



John Fleming, M.D.
Member of Congress



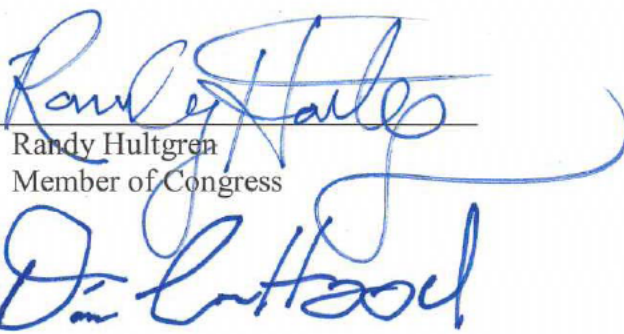
Ken Calvert
Member of Congress




Jim Jordan
Member of Congress



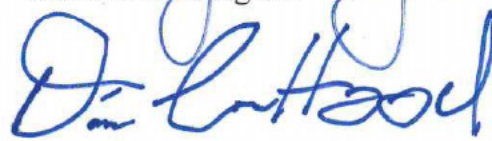
Markwayne Mullin
Member of Congress



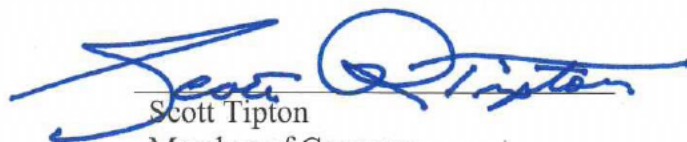
Randy Hultgren
Member of Congress



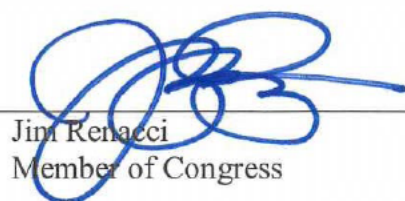
Jeb Hensarling
Member of Congress



Darin LaHood
Member of Congress



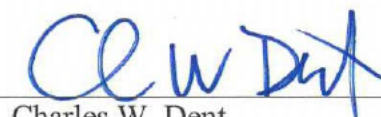
Scott Tipton
Member of Congress



Jim Renacci
Member of Congress



Frank Lucas
Member of Congress



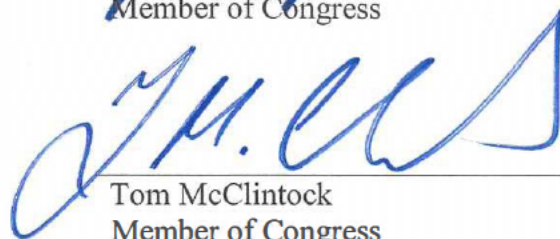
Charles W. Dent
Member of Congress



Trent Franks
Member of Congress

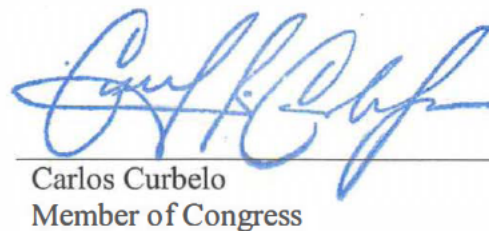


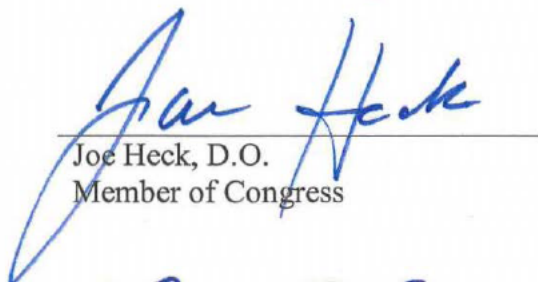
Darrell Issa
Member of Congress



Tom McClintock
Member of Congress

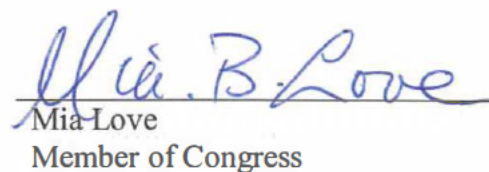

Ted Yoho
Member of Congress

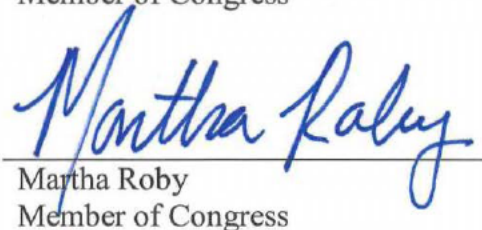

Carlos Curbelo
Member of Congress

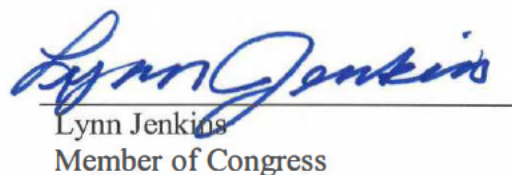

Joe Heck, D.O.
Member of Congress

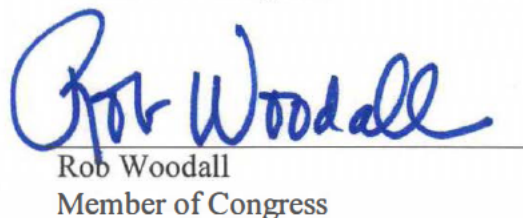

Jody Hice
Member of Congress


Cynthia Lummis
Member of Congress


Mia Love
Member of Congress


Martha Roby
Member of Congress


Lynn Jenkins
Member of Congress


Rob Woodall
Member of Congress


Steve Russell
Member of Congress