

Michigan League for Public Policy

mlpp.org/overtime-rules-just-got-better

President Obama announced on Monday that the U.S. Department of Labor is making a rule change that will **enable approximately 100,000 more workers in Michigan to get overtime pay** when they work more than 40 hours in a week.

Presently, employers are required to pay overtime only to workers earning below approximately \$23,700 per year. To put that in perspective, the poverty level is \$19,073 for a single parent with two children and \$24,008 for a two-parent family with two children. That means **workers with children currently must have wages close to the poverty level in order to get overtime!**

Many modestly-paid workers, such as retail and fast food workers classified as managers or assistant managers, regularly work more than 40 hours a week without overtime. This flies in the face of one of the central aims of the Fair Labor Standards Act of 1938: preventing workers from being required to put in overly long work weeks without additional compensation.

The rule change will raise the salary threshold for overtime to \$50,400 beginning in 2016. Any worker earning under that amount will be required to get time and a half for every hour worked over 40 per week. (Certain occupations will be exempt from this rule.)



This will be only the second time since 1975 that the salary threshold has been raised; its failure to keep up with wages or inflation caused it to atrophy to the point where it covered only very low-paid workers. To prevent similar erosion in the future, the **rule change requires the threshold to be updated each year to keep up with wage levels.**

Since the change was done through executive order, a future president can reverse or modify it. However, **one opinion writer has argued** that future presidents will be hesitant to take away overtime rights for so many workers.

This is a victory for workers and a huge step for economic justice!

The Department of Labor will be taking comment for 60 days before the rule takes effect. **You can express your support for the rule change and find out how it will affect you** by going to this **website**.

