



July 13, 2016

The Honorable Kurt Schrader
U.S. House of Representatives
2431 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Schrader:

On behalf of the Society for Human Resource Management (SHRM) and more than 285,000 HR professionals, I am writing in strong support of the Overtime Reform and Enhancement Act, to gradually phase-in the Department of Labor's (DOL) final overtime rule. This reasonable legislation would still provide for a salary threshold increase to the \$47,476 level, but would provide the time necessary for employers to ensure compliance, communicate changes, and accurately reclassify employees. Thank you for your leadership on this critical workplace issue.

While SHRM supports an increase to the salary threshold, the DOL's increase of more than 100 percent to the salary threshold in the *first year* is simply too far, too fast. This drastic increase presents significant challenges for employers whose salaries tend to be lower, such as small employers, nonprofits, employers in certain industries and employers in lower cost-of-living areas. Of equal concern, SHRM strongly opposes the automatic increase to the salary threshold included in the final overtime, which ignores economic variations of industry and location and the overall state of the economy.

Given these concerns, SHRM welcomes the introduction of the Overtime Reform and Enhancement Act. This reasonable legislation would phase-in the DOL's new salary threshold over three years, starting with a substantial salary threshold increase to approximately \$35,984 on December 1, 2016. Additional increases would occur in December 2017, 2018, and 2019. Importantly, if enacted, the legislation would also prohibit the final rule's automatic increases to the salary threshold. Instead of indexing the salary threshold, SHRM supports DOL using the current regulatory process to propose changes to overtime regulations through notice and comment, allowing critical input of all interested stakeholders.

SHRM strongly supports this legislation and other legislative efforts by congressional leaders to address the overtime rule in a way that benefits both employers and employees. Thank you again for your leadership.

Sincerely,

A handwritten signature in black ink that reads "Michael P. Aitken".

Michael P. Aitken
Vice President, Government Affairs

CC: Members of the U.S. House of Representatives