



Henry G. Jackson, CPA
President and Chief Executive Officer

March 29, 2016

The Honorable John Kline
Chairman
U.S. House Education and the Workforce
Committee
2176 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Tim Walberg
Chairman
Subcommittee on Workforce Protections
U.S. House Education and the Workforce
Committee
2176 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Kline and Chairman Walberg:

On behalf of the Society for Human Resource Management (SHRM) and more than 275,000 HR professionals, I am writing in strong support of H.R. 4773, the Protecting Workplace Advancement and Opportunity Act. If enacted, this important legislation would nullify the U.S. Department of Labor's (DOL) current proposed rule to change the Fair Labor Standards Act (FLSA) overtime regulations. Thank you for your leadership on this critical workplace issue.

As currently drafted, SHRM has serious concerns with the DOL's proposed regulation to increase the salary threshold for overtime pay from \$23,660 to \$50,440 per year as of 2016. While SHRM agrees that the salary threshold should be raised, a 113 percent increase will have long-term impacts on the workplace, with a larger impact expected in the nonprofit sector, on small businesses, and in certain geographic areas. The dramatic increase in the proposed salary level will result in many professional employees being reclassified to non-exempt hourly employees, resulting in less workplace flexibility and forcing employees to closely track their hours. In addition, SHRM opposes automatic increases to the salary threshold, which ignore economic variations of industry and location and create significant wage compression in organizations.

Given these concerns with the current DOL overtime rule, SHRM welcomes the introduction of H.R. 4773. This reasonable legislation does not prevent the DOL from moving forward with changes to the overtime regulations. It simply requires the DOL to perform an economic analysis of how changes to overtime regulations will impact nonprofits, small businesses, and employers in other industry sectors before issuing a new rule. The bill would also prohibit automatic increases. Finally, the legislation ensures that any proposed changes to the duties test receive proper scrutiny through the formal notice and comment process.

SHRM strongly supports this legislation and recommends its swift passage. Thank you again for your leadership.

Sincerely,

Henry G. Jackson, CPA
President and Chief Executive Officer

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