

United States Senate

WASHINGTON, DC 20510

March 18, 2016

The Honorable Tom Perez
Secretary
United States Department of Labor
200 Constitution Avenue Northwest
Washington, DC 20210

Dear Secretary Perez,

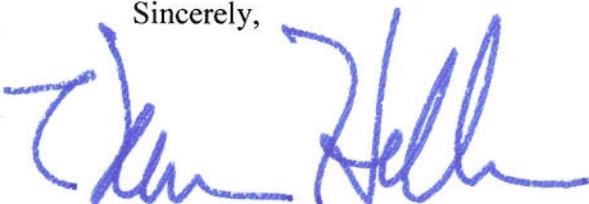
I write to follow up on my concern that the Department of Labor (DOL) is finalizing your policy to change the salary threshold under the Fair Labor Standards Act (FLSA) to increase eligibility for overtime pay. I understand the agency believes this will result in higher wages for middle class workers, however, this new policy will hurt American workers, and I ask that you halt any plan to finalize DOL's 'overtime rule'.

Among the proposed changes, DOL aims to more than double the current salary threshold under the FLSA overtime exemption for administrative, executive, and professional employees. Raising the salary threshold to \$50,440 is a significant change from current law and would fundamentally change how employers compensate their workers by shifting salaried employees to hourly status, potentially reducing hours, and cutting benefits. Nevadans are still experiencing higher unemployment and a lower workforce participation compared to the rest of the country, and have experienced stagnant wages for the greater part of a decade. The DOL's proposed changes would do further damage in a struggling economy.

DOL also proposes to update this threshold level annually based on a metric the agency has yet to determine. Changes of this magnitude, coupled with ambiguity as to how the agency will treat the salary threshold going forward, will hinder job creators' abilities to plan and expand their businesses. I have heard from a number of small businesses in my home state of Nevada, and their response to the DOL's plans to address overtime pay in the future will result in job loss, shifting full-time workers to part-time workers, and reduced wages. They believe your policy will have the exact opposite effect of that which you are intending, and it is imperative that you halt any plan to finalize this rule.

On behalf of millions of Nevada workers, I urge that the DOL to reconsider moving forward with this rule and work with employers in my state and across the country on a better strategy to increase wages for middle class Americans. I ask that you respond with a revised plan and cost-benefit analysis of a new proposal by no later than March 25, 2016.

Sincerely,



DEAN HELLER
U.S. Senator