

United States Senate

WASHINGTON, DC 20510

February 23, 2016

COMMITTEES:

FINANCE

BANKING, HOUSING, AND
URBAN AFFAIRS

COMMERCE, SCIENCE, AND
TRANSPORTATION

VETERANS' AFFAIRS

SPECIAL COMMITTEE ON AGING

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

Dear Secretary Perez,

I write to express my serious concerns over the Department of Labor's (DOL) proposed rule to revise the existing "overtime rule." The DOL's significant changes to the overtime rule, ambiguous plans to index salary thresholds going forward, and limited public comment period all ignore the demands of a globally competitive economy and will ultimately hurt American workers.

Current law under the Fair Labor Standards Act (FLSA) requires employers to pay overtime for all employees who make \$23,600 or less per year. 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 in theory could expand workers' opportunities to qualify for overtime. In reality this drastic of increase in the salary threshold would fundamentally change how employers compensate their workers by shifting salaried employees to hourly status, potentially reducing hours, and cutting benefits. Nevadans have already experienced stagnant wages for the greater part of a decade, and the DOL's proposed changes would do further damage in a struggling economy.

DOL also proposes to update this threshold level annually on the basis of 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 businesses in my home state of Nevada, and their response to the DOL's vague yet possibly detrimental plans to address overtime pay in the future will halt their plans to grow their businesses, hire more workers, and allow current employees to grow in their responsibilities and earn higher wages.

DOL's proposal presents a myriad of complex questions which will impact individuals and entities across numerous industries vital to our economy. For employers, many of which are small businesses, need adequate time to review the potential administrative burdens, business implications, and compliance concerns. Ignoring industries' needs to do their due diligence and provide relevant feedback is necessary to protect workers from be adversely affected by this significant change to the FLSA overtime requirements.

This rule will negatively impact those entering the workforce and will stifle job opportunities for middle class taxpayers. On behalf of millions of Nevada workers, I respectfully ask that the Department of Labor 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.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dean Heller". The signature is fluid and cursive, with the first name "Dean" written in a larger, more prominent script than the last name "Heller".

DEAN HELLER
U.S. Senator