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SBLC Responds to DOL's Request for Information on Federal Overtime Rules

Washington, D.C. – On September 25, 2017, the Small Business Legislative Council (SBLC) submitted detailed comments in response to the Department of Labor's (DOL) request for information (RIN 1235-AA20) regarding the overtime exemptions to the federal Fair Labor Standards Act.

In its comments, the SBLC discussed its thoughts on the DOL's 2016 final overtime rules that were enjoined by final court order and provided feedback to the DOL on what it should do with the overtime rules going forward.

The SBLC described the negative impact that the 2016 overtime rule's massive increase to the salary requirement for the white collar overtime exemptions would have had on small businesses had it gone into effect.

While recognizing that the salary requirement under the existing 2004 rule is out of date, the SBLC urged the DOL to adopt only a moderate increase, not to exceed 50% at an absolute maximum (which would amount to a new salary threshold of roughly \$35,500 per year) to ensure that any increase is sustainable for small businesses. The SBLC further requested that the DOL allow all non-discretionary bonuses and commissions to be counted towards any new salary requirement. Finally, the SBLC recommended that, if the DOL does increase the salary requirement, any increase should be phased in over a period of at least five years to allow employers time to get into compliance and that absolutely no changes should be made to the duties test for the overtime exemptions.

"We look forward to working with the Department of Labor in order to update the overtime rules so they are fair and appropriate for both businesses and employees" said SBLC President, Paula Calimafde. "While the SBLC understands that the current salary threshold is outdated, with businesses just getting back on their feet in the wake of the recession, the DOL needs to proceed carefully to ensure that any new rules do not undermine small business growth and success."

The SBLC is an independent, permanent coalition of major national trade and professional associations whose goal is to maximize the advocacy and presence of small business on Federal legislative and regulatory policy issues, and to disseminate information on the impact of public policy on small businesses.

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