

## **DOL Finalizes White-Collar Overtime Regulations**

The long awaited updated to the white-collar overtime regulations was printed in the *Federal Register* on Friday, April 23, 2004, which begins the 120-day implementation period. After reviewing more than 75,000 public comments, including WorldatWork's comment, on its draft regulations released in March 2003, the Department issued the final overtime rule that updates current overtime rules for certain employees, including low-income workers who are denied overtime pay under current law.

Human Resource professionals will have to reconfigure job classifications for executive, administrative and professional employees. New job duties tests and salary levels may shift employees from exempt status to non-exempt status, and vice versa. The number of employees affected, and how they are affected, remains to be seen.

On the political front, most of the response to the new regulations from Congress and the media has been positive. However, Senate Democrats Tom Harkin (D-Iowa) and Edward Kennedy (D-Mass.) and AFL-CIO chief John Sweeney continue making threats to block the new regulations. Senator Kennedy said in an April 20, 2004 press release: "If you're a cook, a store clerk, a social worker, a lab technician, or any of thousands of other jobs in America, you may well be denied overtime pay under this regulation. Instead of making these hard-working men and women work longer hours for less pay, businesses should create new jobs by hiring more employees to do the work."

However, Senate Minority Leader Tom Daschle (D- South Dakota) stated that he has "to assume this is at least a good start. Had we not fought this effort so vocally and so aggressively, I don't think we'd be where we are today."

Separately, the House Education and Workforce Committee held a hearing on April 28, where Labor Secretary Elaine Chao testified that said the Department of Labor's (DOL) new overtime security rules will strengthen and guarantee overtime pay protection for an unprecedented 6.7 million additional workers and make the existing rules much easier for workers and employers to understand.

"The new rules strengthen overtime protections for 6.7 million workers," Chao said. "These rules expressly guarantee overtime for blue-collar workers, such as construction and factory workers, any worker paid on an hourly basis, licensed practical nurses, cooks, police, firefighters, EMTS and other first responders. White-collar salaried workers earning less than \$23,660 are also guaranteed overtime. The overtime rights of many other categories of white collar workers are also strengthened and clarified by these new rules."

Chao testified that the final rules do not expand the definitions of executive, administrative or professional duties for white-collar workers, but do provide much needed clarity that will reduce litigation and help the Department ensure that workers are paid properly for all hours worked.

During the hearing, Republicans challenged the claims made by Democratic Party leaders on the overtime rule, saying the Democrat stance would deny new overtime rights to millions of low-income workers. Education & the Workforce Committee Chairman John Boehner (R-OH) said, “Democratic Party leaders are overplaying their hand in trying to make this a political issue, and millions of low-income workers would be left without new overtime rights under the rules Democratic leaders are attacking.”

As a reminder, WorldatWork will host a Webinar to fully explain the new overtime regulations with Washington, DC lawyer and lobbyist Tim Bartl on Tuesday, May 18, 2004 at noon Eastern. Interested parties may register by clicking here:

<http://www.worldatwork.org/feature/webinar.html>.

Also, keep an eye on the WorldatWork Issue Tracker at [www.worldatwork.org](http://www.worldatwork.org), which will be updated regularly as new information and resources become available.