

Sept. 29, 2016

The Honorable Lamar Alexander  
Chairman  
Committee on Health, Education, Labor and Pensions  
455 Dirksen Senate Office Building  
Washington, D.C. 20510

Re: S. 3464 – Overtime Reform and Review Act

Dear Chairman Alexander,

WorldatWork, a nonprofit human resources association for professionals and organizations focused on compensation, benefits and total rewards, is writing today in support of the Overtime Reform and Review Act (S. 3464). WorldatWork is encouraged by the growing concern regarding the U.S. Department of Labor's final overtime rule.

WorldatWork supports an increase to the salary threshold, but the DOL's drastic increase of more than 100 percent is too much, too fast. More importantly, WorldatWork has long been concerned about the automatic update based on the 40<sup>th</sup> percentile of weekly earnings of full-time salaried workers in the lowest-wage census region and the erosion this indexing will have on the exempt worker status, as well as on the wage configuration for employers moving forward. According to WorldatWork [data](#), if all employees below the salary threshold are paid hourly, the 40<sup>th</sup> percentile of salaried workers could reach \$70,966 in 2020 and will quickly make the exempt employee status classification extinct for the vast majority of workers. The Overtime Reform and Review Act addresses this concern and removes the automatic update.

This legislation would phase-in the DOL's new salary threshold in four steps over five years. It would start with a salary threshold increase to approximately \$36,000 on Dec. 1, 2016, a "pause year" in 2017 so employers can adjust, and the balance taking effect in increments over the next three years. The final installment would take effect Dec. 1, 2020. Equally important is the bill's prohibition of automatic increases in the salary threshold, requiring the DOL to propose future changes to overtime regulations through the customary notice and comment rulemaking process.

For these reasons, WorldatWork supports the Overtime Reform and Review Act and applauds your leadership for this commonsense reform. We look forward to working with you and other members of the United States Senate on this important bill.

Sincerely,



Cara Woodson Welch, Esq.  
Vice President, External Affairs & Practice Leadership

WorldatWork

CC: U.S. Senate Committee on Health, Education, Labor and Pensions  
U.S. Senate Majority Leader Mitch McConnell