

**Sign On Letter for State and Local Chambers to Express Support for  
The Protecting Workplace Advancement and Opportunity Act (S. 2707/H.R. 4773)**

To the Members of the U.S. Senate and U.S. House of Representatives:

As representatives of all types of employers throughout the country, we are writing to urge you to cosponsor the Protecting Workplace Advancement and Opportunity Act (S. 2707/H.R. 4773) introduced on March 17 by Senators Scott and Alexander, and Representatives Walberg and Kline. The bill would prevent the Department of Labor's disastrous overtime regulation from taking effect and directs the Secretary of Labor to conduct a more detailed economic analysis to determine the impact on an array of employers before proposing a new rule.

Last July the Department of Labor proposed a dramatic change to the regulations that determine whether a "white collar" employee (executive, administrative, or professional) is eligible to be paid overtime for any hours worked beyond 40 per week. Currently, if these employees are performing the "primary duties" of their classification and paid a salary more than \$23,660 annually (\$455/week), they are classified as exempt from being paid overtime. The new proposal would increase that salary to \$50,440 annually (\$970/week), and increase it annually.

If implemented, this higher salary will mean many employers will have to either increase their employees' salaries to keep them exempt, or reclassify them as hourly employees and possibly pay them overtime. For many of our small businesses, and other employers, this could mean a disastrous financial hit, or reducing their ability to serve their customers.

Reclassifying employees will mean they will lose the ability to set their own hours, and to work from home or use electronic technology to handle their work since that time will be compensable and tracking it will be impossible. Many employees who have been reclassified consider it a demotion and resent the change.

While much attention on the impact of the proposed changes has rightly been on how typical for-profit employers will have to adjust, what has gotten inadequate attention is the impact the new rule will have on the most vulnerable employers such as nonprofit charities, academic institutions, and local and municipal governments, all of whom are unable to increase their revenues to cover higher labor costs. These groups are our partners in helping to make our communities attractive locations in which to live and start businesses. What will hurt them will hurt us.

Employees of nonprofits routinely work long and odd hours to serve their clients whose needs do not fall neatly into the typical eight hour workday, or 40 hour work week. To avoid this significant budget hit, many charitable groups will be forced to reduce the amount of emotional counseling, free medical care, and other services for people and families in need.

The Protecting Workplace Advancement and Opportunity Act (S. 2707/H.R. 4773) reflects the problems with the proposed rule. First, it would nullify the proposed regulation—either in its proposed stage, or if it has been finalized. Second, the bill specifies that the Secretary of Labor must conduct a detailed and extended economic analysis identifying the

impacts on employers that were ignored in the proposed rule such as nonprofits, small governments, Medicare and Medicaid dependent health service providers, and academic institutions. The economic analysis must also identify the impacts in different regions of the country and non-financial impact such as employee benefits, workplace flexibility, and career advancement opportunities.

We believe passage of the Protecting Workplace Advancement and Opportunity Act is necessary to protect our employers from the Department of Labor's ruinous proposed overtime regulation and we urge you to cosponsor it.