

NEWS RELEASE

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New overtime rule to hurt small business, Lubbock Chamber fighting back

LUBBOCK, Texas – The Lubbock Chamber of Commerce is alerting local job creators about changes to federal overtime regulations due to be finalized soon that pose a serious threat to employers and salaried workers. Anticipating that final regulation could be issued as early as the first week of May, the Chamber is encouraging employers to express support for the Workplace Advancement and Opportunity Act that would prevent the new overtime regulations from taking effect.

Congressman Randy Neugebauer has already indicated his support for the legislation that would nullify the new overtime regulations.

Last summer the Chamber filed official comment opposing the Department of Labor’s proposed 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 of more than \$23,660 annually (\$455/week), they are classified as exempt from being paid overtime. The new proposal would increase that salary threshold to \$50,440 annually (\$970/week), and increase it annually. Changes to the “white collar” duties eligibility definition could also be included in the new regulations.

“If implemented, this higher salary threshold will mean many employers will have to reclassify some employees as hourly employees and possibly pay them overtime. For many of our small businesses, and other employers including state and local governments, this could mean a disastrous financial hit, or reducing their ability to serve their customers,” said Beth Bridges, Lubbock Chamber of Commerce Chairwoman.

The regulations could also have a negative effect on workplace flexibility and employee morale.

“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,” said Bridges.

The Chamber is urging those who are concerned about the regulations to express concerns and register their support for the Workplace Advancement and Opportunity Act (S. 2707/H.R. 4773) at this link: <http://lubbockchamber.freeenterpriseaction.com/J7QkD2F>

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.

“The Chamber will continue to represent employers in expressing concerns to federal officials that this rule will not boost employees' income, but instead will force employers to reduce employees' flexibility, benefits, and growth opportunities,” Bridges concluded.

The Lubbock Chamber of Commerce represents over 2,000 businesses and over 79,000 employees on the South Plains which accounts for over \$2 billion in annual household earnings in Lubbock and West Texas. The Chamber has twice earned the distinguished 5-Star Accreditation from the U.S. Chamber of Commerce and is a two-time Chamber of the Year recognized by the Association of Chamber of Commerce Executives.

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