



*A bimonthly news update from ASA's legislative activities.*

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**Recent activities of ASA's Washington, D.C., office ...**

**U.S. DOL Issues New Overtime Regulation**

The U.S. Department of Labor (DOL) issued a new rule for the nation's overtime regulation. According to the DOL, the rule will serve to:

- Raise the minimum salary threshold from \$23,660 to \$47,476 a year, or from \$455 to \$913 a week to qualify as exempt from overtime requirements
- Raise Americans' wages by an estimated \$12 billion over the next 10 years, with an average increase of \$1.2 billion annually
- Extend overtime protections to 4.2 million additional workers who are not currently eligible for overtime under federal law
- Update the salary threshold every three years
- Raise the "highly compensated employee" threshold – from \$100,000 to \$134,004 – above which only a minimal showing is needed to demonstrate an employee is not eligible for overtime
- Respond to employers' concerns by making no changes to the "duties test" and allowing bonuses and incentive payments to count toward up to 10 percent of the new salary level

The DOL notes that under the rule, employers will be required to raise the salaries of employees to or above the salary level to maintain their exempt status, pay overtime in addition to the employee's current salary when necessary or evaluate and realign hours and staff workload. ASA members are encouraged to review these rule changes relative to their businesses prior to Dec. 1, 2016, when the final rule takes effect. For more information, please see the DOL's link: [www.dol.gov/featured/overtime](http://www.dol.gov/featured/overtime).

**ASA Hosts DOL Overtime Webinar**

The Automotive Service Association (ASA) held a webinar on the new U.S. Department of Labor (DOL) Overtime Rule.

Participants heard from:

- Brian Farrington of Cowles & Thompson's Employment Law Practice Group in Dallas on the rule's impact and implications
- Darrell Amberson, president of operations at LaMettry's Collision in Minneapolis, Minn.
- Ed Cushman, president of C&H Foreign Auto Repair in Spokane, Wash.

Bob Redding, ASA Washington, D.C., representative, served as moderator for the webinar.

Following the presentations, the participants had the opportunity to engage in a question-and-answer session with panelists. The primary concerns consisted of

variations in the rule's implementation from state to state, the effects of commissions on the salary test and the necessity of logging hours.

For those who were unable to participate, find a recording of the webinar here: [youtu.be/tpmBHLK9kPE](http://youtu.be/tpmBHLK9kPE).

**Overtime Capitol Hill Update**

The U.S. House Committee on Small Business held a hearing titled, "Damaging Repercussions: DOL's Overtime Rule, Small Employers, and Their Employees." The hearing addressed the repercussions of the U.S. Department of Labor's (DOL) recent overtime rule on the small business community.

Witnesses included:

- Adam Robinson, co-founder/CEO of Hireology, testifying on behalf of the Job Creators Network
- The Hon. Jerrie Tipton, commission chair of Mineral County, Nev., testifying on behalf of the National Association of Counties
- Albert F. Macre, general partner, Payroll + Services, testifying on behalf of the National Federation of Independent Business
- Christine V. Walters, J.D., Master of Advanced Studies (MAS), Society of Human Resources Management (SHRM); sole proprietor of FiveL Company, testifying on behalf of the SHRM
- Ross Eisenbrey, vice president, Economic Policy Institute

In Committee Chairman Steve Chabot's, R-Ohio, opening remarks, he outlined his concerns with the rule and said, "Countless small employers, including small businesses, small nonprofits and small local governments, do not have the profit margins or the budget flexibility to increase currently exempt workers' salaries to the new salary level ... This means that many workers – particularly entry-level managers – will have reduced flexibility, reduced paycheck certainty and reduced benefits, as well as fewer opportunities for career advancement."

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