

Fact Sheet

COMMITTEE ON EDUCATION & THE WORKFORCE DEMOCRATS

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Hon. Robert C. "Bobby" Scott • Ranking Member

New Administration Rules Strengthen Workplace Protections

Americans are working harder than ever, but too many still struggle to make ends meet. Although worker productivity has increased steadily over the past four decades, wages for the typical hourly worker have barely risen. Outdated workplace policies are forcing people to choose between caring for their families and providing for them, and discrimination still shuts hardworking people out of good-paying jobs. The basic promise that every worker will come home safe at the end of the day is broken all too often and a secure retirement is out of reach for many. This fact sheet provides an overview of recent key proposed and final rules from the Department of Labor (DOL) that are designed to make the workplace fairer for everyone.

Final Fiduciary Rule

- The <u>DOL's "conflict of interest" rule</u> ensures that financial advisors act in their retirement clients' best interests. The rule fixes an ineffective, loophole-ridden retirement savings regulation that dates back to 1975.
- Under this decades-old rule, unscrupulous advisors could easily steer a retirement client toward a particular financial product with sky-high fees that yielded a big commission for the advisors when an equally good – or better – investment with lower fees and a smaller commission was available. To get away with giving conflicted advice, all unscrupulous advisors had to provide was a boilerplate disclaimer.
- The DOL issued a final rule on April 6, 2016 that will remedy this harmful practice and save affected middle-class families tens of thousands of dollars for their retirement over a lifetime of savings.

Final Persuader Rule

- Joining a union is one of the surest ways that workers can make their way into the middle class. Most employers engage in aggressive union-busting campaigns, hiring high-priced consultants to advise them on how to thwart a union organizing effort.
- All too often, employers and consultants have exploited a massive loophole in the DOL's disclosure requirements to avoid reporting when third parties have been hired to "indirectly" persuade employees, by running the employers' union avoidance campaign.
- The DOL released a <u>final persuader rule</u> on March 23, 2016. The rule implements the disclosure requirements of the Labor Management Reporting and Disclosure Act of 1959 that require employers and union avoidance consultants to disclose their arrangements to *directly* and *indirectly* persuade workers engaged in union organizing or collective bargaining.

Final Rule to Curb Occupational Exposure to Respirable Crystalline Silica

- The Occupational Safety and Health Administration (OSHA) recently issued <u>a final rule aimed at curbing</u> silicosis, lung cancer, renal disease and other lung diseases that can result from inhaling respirable crystalline silica.
- About 2.3 million workers are exposed to silica in their workplaces. From 2005 through 2014, silicosis was listed as the underlying or a contributing cause of death on over 1,100 death certificates in the United States, but studies show that most deaths from silicosis go undiagnosed and unreported.
- On March 24, 2016, OSHA issued a final rule that reduces the Permissible Exposure Limit for respirable silica dust. This rule simplifies compliance for the construction industry, which employs 85% of those who are exposed to silica in the workplace, by allowing use of existing technology to simply wet down or vacuum up the silica dust.
- By reducing exposure to silica, this rule is estimated to save over 600 lives and prevent 900 cases of silicosis each year, and provide average annual net benefits over the next 60 years of \$3.8 to \$7.7 billion.

Proposed Overtime Rule

- Far too many employers are able to exploit the "white collar" exemption to the Fair Labor Standards Act (FLSA) to deny their workers overtime pay.
- The regulations currently classify salaried workers earning more than \$23,660 a year as "white collar" and exempt from the FLSA. That standard leaves less than 10 percent of the salaried workforce eligible for overtime.
- The Department of Labor's (DOL) <u>proposed overtime rule</u> would set the salary threshold under which most salaried workers are automatically eligible for overtime at a level equal to the 40th percentile of earnings for full-time, salaried workers, instantly making millions of workers eligible for overtime pay.
- A final version of the rule is currently at the Office of Management and Budget for review.

Proposed Rule Establishing Paid Sick Leave for Federal Contractors

- Nearly 4-in-10 private sector workers do not have access to any sick leave at all, and low-wage workers are even less likely to have sick leave. DOL's proposed rule providing paid sick leave to people working on federal contracts will help close this gap.
- The proposed rule, released on February 25, 2016, will require that federal contractors allow employees working on federal contracts to earn up to seven sick days per year.

Proposed EEOC Rule to Add Pay Data to Annual EEO-1 Reports

- At a time when women earn more advanced graduate degrees and slightly more college degrees than men, the median earnings for women working full-time, year-round are still 79 cents for every dollar paid to men working full-time, year-round. African-American women working full-time, year round have median earnings of 61 cents for every dollar paid to white, non-Hispanic men. Hispanic women working full-time, year-round have median earnings of 55 cents for every dollar paid to white, non-Hispanic men.
- The EEOC released a proposal to collect data on employee pay as part of its EEO-1 form on January 29, 2016.
- The proposal will help the agency and the Office of Federal Contract Compliance Programs achieve more efficient and effective enforcement of our nation's pay discrimination laws.

Proposed Fair Pay and Safe Workplaces Rule

- All too often, federal contractors with histories of repeated or willful violations of our nation's labor and employment laws continue to be rewarded with federal contracts.
- President Obama <u>signed the Fair Pay and Safe Workplaces Executive Order in 2014</u> which requires prospective and existing federal contractors to disclose labor law violations and directs contracting officers in federal agencies to consider labor law violations under 14 statutes when awarding contracts.
- The DOL and the Federal Acquisition Regulatory Council (FAR) issued a proposed rule and guidance implementing this order in May of 2015. The final rule and guidance are expected to be sent to OMB for review in the near future.
- These steps will help ensure that companies that play by the rules are not undercut by those who cut corners by engaging in wage theft, discrimination or violating workplace safety laws.

Republican Efforts to Block the DOL Rules

These rules are critical for working families, but Republicans have already taken the following steps to derail them:

- Passed, on a party-line vote, H.J. Res. 88, a Congressional Review Act resolution of disapproval of the fiduciary rule.
- Passed an amendment to the National Defense Authorization Act for FY2017 in the Armed Services Committee that would exempt the Department of Defense and the National Nuclear Security Administration from the requirements of the Fair Pay and Safe Workplaces Executive Order.
- Introduced H.J. Res. 87, a Congressional Review Act resolution of disapproval of the final persuader rule.
- Held hearings on OSHA's silica rule and the DOL persuader rule.
- Introduced H.R. 4773, the Protecting Workplace Advancement and Opportunity Act, legislation to block the implementation of the overtime rule.

Democrats stand united in their opposition to Republicans' misguided attempts to derail these rules, and in their support for the DOL and EEOC's efforts to ensure that hardworking Americans get a fair shake.