



Opening Statement
Frederica S. Wilson, Ranking Member
Workforce Protections Subcommittee
Full Committee Hearing
*"The Administration's Overtime Rule and Its
Consequences for Workers, Students, Nonprofits, and Small Businesses"*
Thursday, June 9, 2016
10:00 a.m. in 2175 Rayburn

Thank you, Mr. Chair.

The Department of Labor's final overtime rule will extend overtime protections to 4.2 million Americans, including 330,870 workers in my home state of Florida and 101,463 workers in my colleague's state of Michigan.

In addition to extending overtime eligibility to millions, this update strengthens overtime protections for 8.9 million workers who are already eligible for, but are unfairly denied, overtime pay.

Salaried workers are entitled to premium overtime *unless* they both earn above the salary threshold and meet a duties test. Unfortunately, too many employers fail to perform a duties test, focusing only on the salary threshold, which, since 2004, has hovered near poverty wages. This focus on salary level alone has left far too many employees misclassified as exempt, depriving them of the overtime pay they deserve.

Since its inception, the salary level test was designed to prevent this misclassification by screening out workers who were obviously non-exempt because they failed the job duties test. But as the salary threshold becomes outdated, misclassification becomes more abundant as more workers are subject to the duties test. The previous salary level only screened out 15 percent of workers who failed the duties test.

The new rule restores the efficacy of the salary threshold, simplifies application, and prevents misclassification by making clear the 8.9 million Americans who were previously subject to, but failed, the duties test are eligible for overtime pay simply by virtue of their salaries.

I urge my colleagues in the majority to rethink their stance on this sensible effort to prevent misclassification. I urge them to also cosponsor my bill, *the Payroll Fraud Prevention Act*, which would prevent another form of misclassification – the misclassification of employees as independent contractors, which deprives them of vital wage and hour protections. I urge the majority to reconsider its position on both of these policies designed to protect workers from the misclassification that can deny them of their hard-earned pay.

I yield back.