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Harkin, Unions Misleading on FairPay Overtime Reform

Contrary to big labor fabrications, Bush Administration's new regs. enhance protection for workers

WASHINGTON, D.C. – Organized labor held a rally on the steps of the Department of Labor today protesting the Bush Administration's newly enacted overtime regulation reform, or FairPay. Senator Tom Harkin (D-IA) stood side-by-side with Union leaders claiming the new regulations will strip nearly 6 million workers of their right to overtime compensation. Most analysts, however, disagree with this figure and many insist that FairPay actually *enhances* protection of overtime pay.

“Senator Harkin and Union leaders are flat out lying when they say that 6 million workers will lose their right to overtime under FairPay,” said ATR President Grover Norquist. **“President Bush’s overtime reform will expand the number of low and middle income workers eligible for overtime protection.”**

FairPay nearly triples the salary at which workers are automatically eligible for overtime pay. Workers earning less than \$23,660 per year are guaranteed overtime protection, strengthening overtime rights for 6.7 million American workers, including 1.3 million low-wage workers who were denied overtime under the old rules. All blue collar workers, the majority of big labor’s membership, are guaranteed overtime under FairPay, regardless of income. Finally, FairPay significantly clarifies which clerical and administrative personnel are eligible and is designed to expand overtime protection for these employees rather than take it away.

“I think it’s really sad that Big Labor is lying to their members about the FairPay Overtime Reform,” said Ryan Ellis, Executive Director of the American Labor Coalition. **“Big Labor is demonizing good, common sense reform that will greatly benefit their members. Unions are misleading those they are supposed to protect.”**

According to the DOL, the employees who will become exempt from overtime pay are managers and professionals who earn higher salaries often found the old overtime regulations restrictive. By greatly clarifying overtime eligibility, FairPay is designed to cut down on employer-employee friction, eliminate expensive lawsuits and save businesses money on burdensome administrative costs.

Americans for Tax Reform (ATR) is a non-partisan coalition of taxpayers and taxpayer groups who oppose all federal, state and local tax increases. For more information or to arrange an interview, please contact Chris Butler at (202) 785-0266 or at cbutler@atr.org.