September 8, 2016

United States House of Representatives
Washington, DC 20515

Dear Pennsylvania Delegation:

On behalf of the 22,000 members of the Pennsylvania Institute of Certified Public Accountants (PICPA), I am writing in support of H.R. 5813, the *Overtime Reform and Enhancement Act*, which would establish a gradual implementation schedule for the Department of Labor (DOL) final overtime rule. Specifically, H.R. 5813 would increase the salary threshold from $23,660 to $47,476 over three years, and would further eliminate the automatic update provision.

The DOL released a final rule amending the requirements for overtime pay under the Fair Labor Standards Act on May 18, 2016, and set the date of implementation for December 1, 2016. This truncated timeline gives employers a mere six months to assess the impact of the new salary threshold which is twice as high as the current threshold. The timeline further gives a short window for employers to make critical decisions regarding employees impacted by the new threshold, to communicate the adjustments to those employees, and to make the necessary changes in areas such as human resources and payroll. Six months is simply not enough time to adequately comply with such a large threshold change. This bill would provide employers a more measured implementation schedule so as to help them make the best decisions for the good of their employees and the success of their businesses.

H.R. 5813 uses the DOL’s initial compliance date of December 1, 2016 to begin its incremental threshold increases. The bill sets a schedule of increases each December until the full threshold is reached on December 1, 2019. Vitally, H.R. 5813 also eliminates the provision of the overtime rule establishing automatic updates to the salary threshold every three years. As written in the final rule, these automatic increases would deprive DOL of future input from employers on the impact a change to the overtime threshold would have on firms and businesses based on what is happening at that time in the economy.

On behalf of our member employers who must make difficult business and personnel decisions in such a short amount of time, and their employees whose exemption status may suddenly change, I respectfully request that you cosponsor H.R. 5813, the *Overtime Reform and Enhancement Act*.

Sincerely,

Michael D. Colgan, CAE
CEO & Executive Director