



## The Trump Administration's Overtime Rule Leaves Millions of Workers Behind

Under the *Fair Labor Standards Act* (FLSA), certain employees are guaranteed overtime pay for any hours worked in excess of 40 in a single workweek. Most salaried workers who earn under the salary threshold are eligible for overtime pay. But a consistent failure to properly update the salary threshold for overtime eligibility has gradually stripped overtime pay protections from millions of salaried workers.

In 1975, more than 60 percent of full-time, salaried workers were eligible for overtime based on their salaries alone. Today, less than seven percent of full-time, salaried workers are overtime eligible based on their salaries alone.

In 2016, the Obama administration finalized a rule to raise the salary threshold from [\\$23,660 a year to \\$47,476 a year](#), with triennial updates to ensure it does not fall behind again. In 2020, the threshold would have been [\\$51,053 a year](#). Unfortunately, a flawed federal district court ruling blocked the rule, and the Trump administration has refused to defend the 2016 rule's salary threshold in court.

On March 22, 2019, the Department of Labor published [a proposed rule](#) to set the salary threshold at \$35,308 a year in 2020. The Trump administration used a flawed methodology, which was first adopted under the Bush administration, and would continue to leave workers behind.

**The Trump administration's proposed rule would leave 8.2 million workers behind and cost workers \$1.2 billion in lost wages in 2020 alone in comparison to the Obama-rule. This includes:**

- 4.2 million women,
- 3 million workers of color, and
- 2.7 million parents of children under the age of 18.

Trump's proposed salary threshold would cover only 15 percent of full-time, salaried workers, compared to the 33 percent of full-time salaried workers who would have been covered under the 2016 rule.

**The Trump administration's rule will leave even more workers behind in the future.**

Unlike the 2016 rule, the Trump administration's proposal fails to include automatic updates to keep pace with the economy. Instead, the Trump administration proposes an unenforceable intention to revisit the threshold every four years. In 2004, DOL made a similar commitment to update the threshold regularly but did not take up a change to the standard until a decade later.

Without automatic indexing of the salary threshold, the number of workers left behind under the 2019 proposal will grow from [8.2 million in 2020 to an estimated 11.5 million in 2029](#). Without indexing, annual earnings losses will grow from \$1.2 billion to \$1.6 billion (in inflation-adjusted terms) in 2029.