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The Center for Association Leadership

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October 19, 2016

The Honorable Lamar Alexander
Chairman, Senate Committee on Health, Education, Labor and Pensions
United States Senate
835 Senate Hart Office Building
Washington, D.C. 20510

Dear Chairman Alexander:

On behalf of the American Society of Association Executives (ASAE), a Washington, DC-based Section 501(c)(6) organization representing more than 21,000 association executives and industry partners from nearly 10,000 tax-exempt organizations, I wish to extend our support for S. 3464, The Overtime Reform and Review Act.

As you are well aware, the Department of Labor's final overtime rule more than doubles the minimum salary level for "white collar" employees to qualify as exempt from overtime pay requirements. Associations and other nonprofit employers are among the entities that will be hit especially hard by this drastic expansion of overtime eligibility.

While not opposed to an update to the overtime threshold, ASAE continues to believe a salary threshold more than 100 percent greater than the current threshold is exceedingly burdensome for many employers; that the minimum salary level for exempt employees should instead be keyed to government data on regional cost-of-living differences; and that the Administration should have taken into account the limitations of nonprofit budgets in setting the minimum salary threshold.

For these reasons, we believe the Overtime Reform and Review Act provides a much more reasonable timeline for organizations to comply with this significant payroll burden, starting with a salary threshold increase to approximately $36,000 on Dec. 1, 2016, followed by a "pause year" in 2017 to allow employees to review and adjust for the ramifications of this bill. Further increases to the salary threshold would occur annually thereafter, until reaching the full extent of the rule at $47,476 on December 1, 2020. We also very much appreciate that the bill prohibits the final rule's automatic increases to the salary threshold, yet allows DOL to propose changes to overtime regulations in the future through the traditional process. ASAE believes any proposed increase to the salary threshold should be subject to public notice and comment periods consistent with the rulemaking process.

The Overtime Reform and Review Act also makes changes in order to protect our most vulnerable employers. We appreciate that the legislation specifies after 2016 increases will not go into effect for nonprofits, colleges and universities, Medicare and Medicaid dependent health care providers, and state and local governments unless the Administration can certify that the 2016 increase did not negatively impact these organizations.

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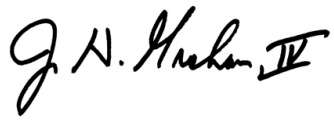
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Thank you for your leadership on this critical workplace issue. We strongly support your efforts to make sure employees are fairly compensated and businesses have time to plan for payroll increases without jeopardizing their prospects for future growth and success.

Sincerely,



John H. Graham IV, FASAE, CAE
President and CEO