

July 14, 2016

The Honorable Kurt Schrader
U.S. House of Representatives
2431 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Schrader:

The American Bankers Association (ABA) writes to express our strong support for the Overtime Reform and Enhancement Act. This timely legislation would gradually phase-in the Department of Labor's (DOL) final overtime rule. This commonsense measure would provide for a salary threshold increase to the \$47,476 level, but would also provide the time necessary for employers to ensure compliance, communicate changes, and accurately reclassify employees.

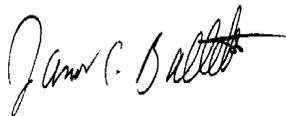
Our members believe that DOL's increase to the salary threshold in the *first year* – from \$23,660 to \$47,476 – is simply too much too soon. This drastic increase will present significant challenges for our members that provide banking services in lower cost-of-living areas of the country, particularly community banks. ABA also opposes the automatic increase to the salary threshold included in the final overtime, which fails to provide for economic exigencies and public input.

For these reasons, ABA welcomes the introduction of the Overtime Reform and Enhancement Act. We believe this is a sensible measure that would phase-in the DOL's new salary threshold over three years, starting with a substantial salary threshold increase to approximately \$35,984 on December 1, 2016. Additional increases would occur in December 2017, 2018, and 2019. Critically, if enacted, this legislation would also prohibit the final rule's automatic increases to the salary threshold. Instead of indexing the salary threshold, ABA believes DOL should use the current regulatory process to propose changes to overtime regulations through notice and comment, allowing critical input of all interested stakeholders.

ABA strongly supports this legislation and other legislative efforts by congressional leaders to address the overtime rule in a way that benefits both employers and employees.

Thank you again for your leadership.

Sincerely,



James C. Ballentine