



American Institute of CPAs  
1455 Pennsylvania Avenue, NW  
Washington, DC 20004-1081

August 18, 2016

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

Dear Congressman Schrader:

The American Institute of CPAs (AICPA) is the world's largest member association representing the accounting profession, with more than 412,000 members in 144 countries, and a history of serving the public interest since 1887. AICPA members represent many areas of practice, including business and industry, public practice, government, education, and consulting. The AICPA writes in support of H.R. 5813, the Overtime Reform and Enhancement Act (OREA), a bill that will ease the initial shock of compliance with the Department of Labor (DOL) final overtime rule.

While the AICPA appreciates the importance of ensuring that government regulations regarding overtime reflect the evolving workplace, to require firms, businesses and non-profits to meet a significant threshold increase by December 1, 2016, creates a substantial burden to employers. This burden will be felt most acutely by smaller firms and organizations, particularly those in rural areas.

OREA does not change the salary threshold, rather it lessens some of the compliance burden by implementing a more reasonable timeline for gradual yearly increases ending in 2019. This longer landing approach allows employers the necessary time to ensure that they are in full compliance with the regulation and to assess their affected employees so as to make sound decisions on how best to absorb the new requirements.

Importantly, OREA eliminates the provision for automatic updates to the salary threshold every three years. Setting an automatic update denies employers the opportunity to provide valuable real-world insight on the impact future updates will have on businesses before they are required to comply. This ensures that DOL has the information necessary to continue to update the overtime rule as intended under the Fair Labor Standards Act (FLSA).

Thank you for your leadership in addressing concerns regarding changes to the DOL overtime rule. The AICPA supports the swift consideration of this legislation which seeks to alleviate the encumbrance of the threshold change.

Sincerely,

Barry C. Melancon, CPA, CGMA  
President and CEO