

July 19, 2016

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

Dear Congressman Schrader:

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 the Overtime Reform and Enhancement Act introduced on July 17.

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 Enhancement Act provides a much more reasonable timeline for organizations to comply with this significant payroll burden, starting with a salary threshold increase to approximately \$35,984 on Dec. 1, 2016, with additional, incremental increases phased in over the next three years. ASAE also favors the provision in the bill that would eliminate the automatic increase to the salary threshold every three years to maintain the threshold at the 40th percentile of full-time salaried workers in the lowest-wage region of the country. ASAE believes any proposed increase to the salary threshold should be subject to public notice and comment periods consistent with the rulemaking process.

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