



The Voice of Oregon Banking • Since 1905

July 18, 2016

Sent Via Electronic Delivery

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

RE: Overtime Reform and Enhancement Act ("OREA")

Dear Congressman Schrader:

On behalf of the Oregon Bankers Association ("OBA") and its membership of Oregon's state and national banks, as well as the businesses our banks serve, we write to thank you for your leadership in introducing the Overtime Reform and Enhancement Act ("OREA").

As you are aware, the U.S. Department of Labor (DOL) issued a final regulation updating the overtime rules for salaried employees. The rules raised the salary threshold for employees who are exempt from overtime pay from \$23,660 (\$455 per week) to \$47,476 (\$913) per week effective December 1, 2016. More than doubling the current threshold with such a short period of implementation places a considerable strain on Oregon's banks and the many businesses – especially small businesses – they serve. This strain of the new rules is even more acute given the other employer mandates also required of Oregon businesses by the 2015-16 Oregon Legislature. We believe that the common sense phase-in period of three years contemplated by OREA will provide much needed relief to Oregon's businesses.

The elimination of the automatic increase in the salary threshold is also a helpful feature of OREA. Removing the automatic increase requires the DOL to continue to seek input on subsequent salary threshold increases and helps ensure that the concerns of business are heard on this important issue through the rulemaking process.

Again, on behalf of the banks we represent and the Oregon businesses our banks serve, thank you for your leadership on this important issue. If you have any questions, please feel free to contact me.

Very best regards,

A handwritten signature in black ink that reads "Linda Navarro".

Linda Navarro
President & CEO
Oregon Bankers Association & Independent Community Banks of Oregon