Press Release

Understanding the New Overtime Rule

ALLISON EDWARDS | SEPTEMBER 25, 2019

The Department of Labor (DOL) issued a new rule that expands the number of people who qualify for overtime pay, among other things. While this new change is expected to make overtime available to 1.3 million more workers, the rule may not have the impact that many expect, notes AAF's Labor Market Policy Data Analyst Isabel Soto.

An excerpt:

> *In a previous iteration of the overtime rule, the DOL had proposed to set the standard salary threshold at its projected January 2020 level in anticipation of future wage growth and have the highly compensated employees salary requirement set at the 90th percentile of full-time salaried workers. A previous AAF analysis outlined the costs and impact of this particular change—an analysis that is broadly still applicable to this final version. Only 232,000 of the 1.3 million newly covered workers would regularly benefit from the rule, the authors found, indicating that the new overtime rule may not have the widespread effect that legislators are hoping for due to the number of eligible workers who regularly work more than 40 hours a week.*

Read the analysis.