The Daily Dish

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Congressional Republicans uncovered a discrepancy in the number of people that have signed up under the ACA. The administration acknowledged the error, with HHS head Sylvia Burwell calling it “unacceptable.” The accounting error involved approximately 400,000 people. Douglas Holtz-Eakin said, “Usually, the goal is for the forecast to hit the reality, but here the reality is being massaged to hit the forecast.”

In a new video, Douglas Holtz-Eakin provided a rebuttal to critics, including the president, claiming companies that undertake inversions no longer pay taxes. In the video, Holtz-Eakin explains that inversions level the playing field while companies continue to pay taxes after the practice.

Last night, President Obama announced his plans for executive action on immigration. According to USA Today , “The president's plan will allow undocumented immigrants who are parents of U.S. citizens and legal permanent residents, known as green card holders, to legally live and work in the country for a period of three years. He expanded the pool of undocumented immigrants brought to the country as children who are eligible for protected status.”

Eakinomics: Overtime Pay

In March, President Obama directed the Department of Labor to revise labor rules in order to expand the number of people eligible to receive overtime pay. Presently, a worker is exempt from the obligation to be paid overtime if: (a) the worker is salaried (the salary basis test), (b) the salary meets a minimum level of $455 per week (the salary level test), and (c) the worker’s duties align with the definition of an executive, administrator, or professional (the duties test). The most straightforward modifications would raise the minimum salary and change the duties needed to be classified as an executive, administrator, or professional.

In a new paper, AAF scholar Ben Gitis examined those who would be impacted if the salary level test were raised from $455 to $550, $650, $750, $850, $950, or $1,050 per week. The most important finding is that changing overtime rules does not do much for the poor. In particular:

- Expanding overtime pay will help only 0.5 to 6.7 percent of salaried workers,
- Less than 1 percent of all salaried workers will be impacted by expansions in overtime pay and are in poverty, and
- Over 60 percent of those affected by the rule change do not have dependent children.

As a result, such changes will not substantially improve the livelihood of low-income families. However, rule changes will impose additional costs on the labor market in the form of layoffs, reduced hiring, and higher prices.

If those results sound vaguely familiar, they echo the findings of the effects of raising the minimum wage —

few in poverty helped at the price of damaging the low-skill labor market. This is hardly a coincidence as the overtime effort is a disguised way to raise wages; the economic outcomes are similarly bad.

From the Forum

Primer: Overtime Pay Regulation by Ben Gitis, AAF Policy Analyst

Eakinomics: Correcting The Record On Inversions by Douglas Holtz-Eakin, AAF President

What to Expect With a Republican Majority: Health Care in the 114th Congress by Christopher Holt, AAF Director of Health Care Policy; and Angela Boothe, AAF Health Care Policy Analyst