

## BUSINESS

# White House joins overtime fray

■ Administration seeks simpler rules in highly contested area.

GANNETT NEWS SERVICE

## BRIAN TUMULTUITY

WASHINGTON — The Bush administration proposed sweeping changes to a federal overtime law Thursday that would help an estimated 1.3 million low-wage workers while taking money from higher paid employees by removing their eligibility for pre-

one of the most frequently litigated workplace issues, especially among occupations such as assistant restaurant managers, claims adjusters and funeral directors.

The federal Fair Labor Standards Act covering overtime pay and exemptions for certain executive, professional and administrative occupations affects an estimated 110 million workers, 71 million of whom are paid by the hour and now eligible for over-

time pay.

Among that group, about 25 million to 30 million Americans have administrative jobs that fall into a gray area of the law, said Marc Linder, a labor law professor at the University of Iowa. He cited one recent lawsuit where a claims adjuster for a moving company making a little more than \$20,000 a year was classified as an exempt employee not eligible for overtime, despite a 50-hour workweek.

In a recent opinion regarding claims adjusters, the Bush administration ruled in favor of employers that don't pay overtime.

In the more wide-ranging Bush administration proposal released Thursday, all employers who pay their white-collar workers at least \$425 a week — \$22,100 annually — would be subject to simpler, less rigorous federal rules for reclassifying them as salaried employees not eligible for time-and-a-half pay.

In addition, many workers earning \$65,000 or more would be subject to a less rigorous test to determine whether they would be exempt from overtime pay.

"There are some people who would lose their overtime protections at the high end," said Randy Johnson, vice president for labor policy at the U.S. Chamber of Commerce.

"But in our view, the FLSA (Fair Labor Standards

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## Overtime

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Act) was intended to protect people at the low end who are least able to bargain with their employers and protect their own interest."

Low-paid workers would gain the most. Any ambiguity involving workers who make less than \$425 a week would be removed because all white-collar employees earning less than that would automatically be eligible for overtime.

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confusing and outdated right now."

"In the last several years, that's been a booming area of litigation around the country with multimillion-dollar awards returned against companies for not paying people overtime as they're required to," Thomas said.

"Where people run into the real problem is that people assume that if someone's doing a white collar job that you don't need to pay them time-and-a-half," Thomas said. □

Includes reporting by staff writer Todd Grady.