



ACTION ALERT

September 17, 2004

Despite Recent Congressional Action New Overtime Rules Remain in Effect; N.G.A. Members Should Continue to Follow New Rules

Despite recent votes in the House and Senate to block new rules governing overtime eligibility for white-collar workers, **retailers and wholesalers need to know that these rules remain in effect. Therefore, N.G.A. members should continue to follow the overtime rules which took effect August 23, 2004 and ensure that their compensation policies reflect the new rules.**

As has been reported by N.G.A., the new overtime rules issued earlier this year by the U.S. Department of Labor under the Fair Labor Standards Act (FLSA) have made changes to the overtime eligibility of white-collar workers. Under the new rules, workers paid less than \$23,660 per year or \$455 per week are now automatically guaranteed overtime regardless of their titles or duties. Additional information to help you comply with the new rules can be found on N.G.A.'s website at www.nationalgrocers.org or on the Department of Labor's website at www.dol.gov/fairpay.

To emphasize that the new overtime rules remain in effect, the U.S. Department of Labor issued the following statement on September 15: "**The Department's new Overtime Security rules remain in effect, despite congressional efforts to prevent funding for enforcement efforts.** These rules guarantee and strengthen overtime protections for millions of workers including workers earning less than \$23,660 annually, police, fire fighters, other first responders, hourly workers, blue collar workers, and workers under a collective bargaining agreement. We will continue to ensure that overtime protections remain in place so that workers know their rights and employers know their responsibilities."

In recent congressional action on the overtime issue, the House on September 9 approved its fiscal 2005 appropriations bill covering the Department of Labor (H.R. 5006), which included a provision to deny funding for the Department of Labor to enforce the new overtime rules. On September 15, the Senate Appropriations Committee approved an amendment with the same language to attach to the Senate's version of the bill.

Despite these votes, however, N.G.A. believes House and Senate leaders will do all they can to keep the overtime amendment out of this year's budget bills because the White House has put lawmakers on notice that President Bush will veto any bill that would eliminate the new overtime rules. On September 16, a key House leader, Appropriations Committee Chairman C.W. "Bill" Young (R-FL), indicated that the overtime amendment is likely to be stripped out of the final bill so that it will not be vetoed by President Bush. **N.G.A. will keep members informed of developments on this issue, and in the meantime members should continue to implement the new overtime rules which went into effect August 23, 2004.**