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DOL "Springs" Its Part 541 Proposal for Review

May 5, 2015 By Alfred B. Robinson, Jr.

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On Tuesday, May 5, 2015, the U.S. Department of Labor (DOL) announced that it had sent its draft proposed part 541 overtime regulations to the Office of the Information and Regulatory Affairs (OIRA) at the Office of Management and Budget for review. President Obama signed a presidential memorandum on March 13, 2014, directing the Secretary of Labor to revise the Part 541 overtime regulations that define the executive, administrative, professional, outside sales, and computer employee exemptions from overtime and minimum wage requirements contained in section 13(a)(1) of the Fair Labor Standards Act. The DOL last revised these Part 541 regulations in 2004.

In a blog post on the DOL website, Secretary of Labor Thomas Perez wrote that DOL has "worked diligently over the last year to develop a proposed rule that answers the president's directive and captures input from a diverse range of stakeholders." Noting that "[t]he rules governing who is eligible for overtime have eroded over the years," Secretary Perez also reiterated the administration's call to increase the federal minimum wage "whose value has been eroding for more than four decades." Revising the overtime regulations and raising the minimum wage, Secretary Perez continued, will "build lasting economic security for the middle class and those striving for it." In a recent congressional hearing, Secretary Perez testified that the DOL's much anticipated Part 541 proposal would be published this "Spring" as part of the public notice and comment process.

OIRA will review the substance of the proposal to ensure it is consistent and compatible with the administration's policies and other federal policies as well as with various procedural requirements. The proposal is not publicly available at this time and it will not be available until published in the Federal Register. It is difficult to predict how long OIRA's review will take; it could take several weeks if not a month or more. In the interim, employers and other business entities should consider submitting comments to the DOL, as well

as taking further action to defend these exemptions, which are critical to the success of businesses that create jobs and promote economic security.

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