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BLOGS

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U.S. House Passes New Overtime Bill Aimed at Allowing Comp Time in the Private Sector

While most of the nation has been focused on the potential repeal of the Affordable Care Act, the U.S. House of Representatives passed a bill this week that could, depending on its progression, drastically affect overtime pay practices in the private sector. The bill, dubbed the Working Families Flexibility Act, would allow private employers to offer paid time off instead of overtime pay to compensate non-exempt workers for overtime hours. Public employers already have the legal right to offer such comp time as a form of overtime pay, but private employers do not.

Not surprisingly, the House bill passed largely along partisan lines only six Republicans voted against it and no Democrats voted for it. Republicans touted the bill's effect of giving non-exempt workers more control over their personal time. Democrats, on the other hand, criticized the bill as a way to cheat non-exempt employees out of overtime pay. Notably, the bill gives employers not employees discretion to choose how to pay out overtime (either in paid time off or wages). The bill also makes it unlawful for employers to coerce employees into taking paid time off in lieu of overtime wages.

Similar measures have been introduced in the past, but have never passed in either body of Congress. The House bill now heads to the U.S. Senate, where Republicans hold a 52-48 majority. However, Senate Democrats may engage in a filibuster to try to prevent the bill from coming up for a vote. President Trump appears to support the bill.

If ultimately passed by the Senate and signed into law, the overtime bill could have the effect of reducing overtime expenses for some employers. If passed, the bill would likely require the grant of paid time off at 1.5 times the number of overtime hours worked. As always, GPM will continue to monitor this development and other wage and hour developments as they arise.