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Amy DeBisschop
Division of Regulations, Legislation, and Interpretation
Wage and Hour Division
U.S. Department of Labor
Room S-3502
200 Constitution Avenue NW
Washington, DC 20210

Re: <u>WHD-2023-0001</u>, Defining and Delimiting the Exemptions for Executive, Administrative, Professional, Outside Sales, and Computer Employees

Dear Ms. DeBisschop:

Please accept these comments on behalf of the National Employment Law Project (NELP) in support of the Department of Labor's (DOL) proposal to update the scope of the minimum wage and overtime exemptions for executive, administrative, professional (EAP), and related employees in the Fair Labor Standards Act (FLSA). NELP is a non-profit research and policy organization with over 50 years of experience advocating for the employment and labor rights of workers paid low wages. NELP seeks to ensure that all employees receive the basic workplace protections guaranteed in U.S. labor and employment laws, including fair pay and compensation for working excessive hours.

NELP commends DOL for its proposed rule to strengthen and expand overtime protections for more workers across the country. This proposed rule is an important, though modest, step toward addressing the extremely low salary threshold set by the last administration in 2019. This updated rule will increase the number of workers who will be automatically entitled to overtime compensation and help bring relief both to workers struggling to make ends meet and to those who work too many hours and want some of their time back for personal use.

Specifically, NELP's comments will make five primary points:

- 1. The proposal corrects the previous overly broad exemptions that were stretched to include non bona-fide EAP workers who most need the FLSA's protections and often lack power in their workplaces to assert their rights to overtime.
- 2. By raising the salary threshold to \$55,068 per year, or \$1059 per week, DOL provides enhanced protections for millions of workers who are working more than 40 hours per week for no additional compensation. Employers can respond by paying those workers more, managing their time more efficiently, or by hiring additional workers, which bolsters workers' lives and communities, and fuels economic growth.
- 3. By automatically updating this salary threshold, DOL will ensure that overtime protections do not stagnate, that they are aligned with routine cost of living increases for workers, and that employers will have the predictability of regular and modest adjustments to overtime eligibility that they can plan for in advance.
- 4. The overtime threshold should be the same for all U.S. territories.
- 5. The proposed adjustments to the exemptions are fully within the Congressionally delegated authority to the DOL and can be severed if stayed in a successful legal challenge by corporate interests.
- I. This Notice of Proposed Rulemaking (NPRM) corrects the previous over-exclusion of workers who are not "bona fide" executive, administrative, or professional workers and who most need the FLSA's protections.

Congress passed the FLSA to "lessen, so far as seemed then practicable, the distribution in commerce of goods produced under subnormal labor conditions," *Rutherford Food Corp. v. McComb*, 331 U.S. 722, 727, by "insuring to all our able-bodied working men and women a fair day's pay for a fair day's work." *A.H. Phillips, Inc. v. Walling*, 324 U.S. 490, 493 (1945), quoting Message of the President to Congress, May 24, 1934; 29 U.S.C. § 202(a). Among other things, the Act shields workers from oppressively long working hours and "labor conditions [that are] detrimental to the maintenance of the minimum standard of living necessary for health, efficiency, and general well-being of workers." 29 U.S.C. § 202(a); *Overnight Motor Transport v. Missel*, 316 U.S. 572, 576 (1941).

The FLSA's guarantee of premium pay for overtime hours was meant to encourage employers to spread out extra work to more employees, instead of giving more hours to fewer employees. *Overnight Motor Transport v. Missel*, 316 at 576. Workers protected by the FLSA are presumed entitled to the overtime premium unless they are explicitly exempted under the terms of the Act. Relevant to these comments, section 213(a)(1) exempts "bona fide executive, administrative or professional employees" from minimum wage and overtime coverage. Congress did not define or delimit those terms, instead leaving it to the Secretary of Labor to do so "from time to time by regulations."

2

<sup>&</sup>lt;sup>1</sup> 29 U.S.C. § 213(a).

The EAP exemptions apply only to "bona fide" EAP workers, to distinguish them from a general exemption for so-called "white-collar" workers or even from the subset of all EAP employees." Of the exemptions included in the originally-enacted FLSA, the EAP exemptions are the only ones to use the qualifier of "in a bona fide capacity" for the class of workers to which the exemptions apply. These exemptions are based on the understanding that bona fide EAP employees have more power in the workplace and can set their own schedules and negotiate their own pay and benefits. The EAP definitions were meant to be limited to workers who earned salaries well above the minimum wage and those that earned privileges above the baseline fringe benefits that set them apart from non-exempt workers entitled to overtime pay. Congress also anticipated that exempt workers performed the type of work that was "not easily standardized to a particular period and could not be easily spread to other workers after 40 hours in a week."

The NPRM proposes objective measures to define and delimit the scope of the exemptions, noting that titles or job descriptions by themselves are not dispositive, and nor is simply paying someone a salary.<sup>7</sup>

This adjustment is necessary because the current salary threshold is so low that it encourages and allows employers to misclassify millions of workers as overtime exempt who should be receiving overtime. In January 2023, the National Bureau of Economic Research (NBER) released new research documenting the prevalence of this practice.<sup>8</sup> The abstract for the paper tells the story:

We find widespread evidence of firms appearing to avoid paying overtime wages by exploiting a federal law that allows them to do so for employees termed as "managers" and paid a salary above a pre-defined dollar threshold. We show that listings for salaried positions with managerial titles exhibit an almost five-fold increase around the federal regulatory threshold, including the listing of

https://www.nber.org/papers/w30826#:~:text=Too%20Many%20Managers%3A%20The%20Strategic%20Use%20of%20Titles%20to%20Avoid%20Overtime%20Payments,-

 $\underline{Lauren\%20Cohen\%2C\%20Umit\&text=We\%20find\%20widespread\%20evidence\%20of, a\%20pre\%2Ddefined\%20dollar\%20threshold}.$ 

<sup>&</sup>lt;sup>2</sup> Congressional Research Service Report R45007 (October 31, 2017), pp. 3-4, ("As noted in the supporting analysis for the 1940 rule, 'if Congress had meant to exempt all white-collar workers, it would have adopted far more general terms than those actually found in section 13(a)(1) of the act.") *See* Harold Stein, "Executive, Administrative, Professional … Outside Salesman Redefined", U.S. Department of Labor, Wage and Hour Division, Washington, DC, October 10, 1940, pp. 6-7 (hereafter cited as "Stein Report").

<sup>&</sup>lt;sup>3</sup> Congressional Research Service Report R45007, p. 4.

<sup>&</sup>lt;sup>4</sup> Report of the Minimum Wage Study Commission Volume IV, pp. 236 & 240 (June 1981).

<sup>&</sup>lt;sup>5</sup> *Id*.

<sup>&</sup>lt;sup>6</sup> *Id*.

<sup>&</sup>lt;sup>7</sup> See, e.g., 88 Fed. Reg. 62157.

<sup>&</sup>lt;sup>8</sup> Lauren Cohen, Umit Gurun & N. Bugra Ozel, "Too Many Managers: The Strategic Use of Titles to Avoid Overtime Payments," National Bureau of Economic Research, Working Paper 30826 (January 2023),

managerial positions such as "Directors of First Impression," whose jobs are otherwise equivalent to non-managerial employees (in this case, a front desk assistant). Overtime avoidance is more pronounced when firms have stronger bargaining power and employees have weaker rights. Moreover, it is more pronounced for firms with financial constraints and when there are weaker labor outside options in the region. We find stronger results for occupations in low-wage industries that are penalized more often for overtime violations. Our results suggest broad usage of overtime avoidance using job titles across locations and over time, persisting through the present day. Moreover, the wages avoided are substantial - we estimate that firms avoid roughly 13.5% in overtime expenses for each strategic "manager" hired during our sample period.

The researchers concluded that in 2019 alone, employers used job titles to avoid paying overtime on 151 million employee hours, worth about \$4 billion in money stolen from workers. The average worker lost about 13.5 percent of their salary based on this misclassification. Clearly, this is a problem DOL needs to mitigate, and given the scope and consequences of this misclassification, it must be done through regulations.

## II. The proposed salary threshold is a better indicator of who could fall into the exemption and will bolster workers' economic security and fuel economic growth.

By raising the salary threshold to the historically modest \$55,068 per year (\$1,059/ week) and pegging it to the lowest cost of living region in the country, DOL will provide new and enhanced protections for millions of workers who are working more than 40 hours per week without premium pay. This is a much-needed adjustment to the inadequate current level of \$684 a week, which means that a person who works full time making \$35,568 a year could be characterized as a bona-fide EAP employee and be required to work long hours without any extra compensation.

An even higher threshold would better encompass workers at the lower end of the earnings scale who are intended to be covered. Earlier this year, at a Congressional hearing, Democratic lawmakers urged then-Secretary Walsh to peg the salary threshold to the 55<sup>th</sup> percentile of earnings, which would set the threshold at \$82,732 by 2026. The Restoring Overtime Pay Act, introduced by Senator Sherrod Brown (D-OH) and Representative Mark Takano (D-CA), would increase the ceiling to around \$75,000 by 2026, followed by annual automatic updates.

Having a salary threshold is an efficient method for marking a bright line for employers and workers, under which no employee can be called exempt. A salary level test has been included in all of the DOL's definitions of the EAP exemptions dating back to the earliest regulations<sup>9</sup> because the "final and most effective check on the validity of the claim for exemption is the

4

<sup>&</sup>lt;sup>9</sup> Ross Eisenbrey, Economic Policy Institute, "Updated Overtime Rules Will Help Millions of Middle-Class Workers," Testimony Before the U.S. House of Representatives Subcommittee on Workforce Protections' Hearing on "Examining the Costs and Consequences of the Administration's Overtime Proposal," July 23, 2015, <a href="https://www.epi.org/publication/congressional-testimony-updated-overtime-rules-will-help-millions-of-middle-class-workers/">https://www.epi.org/publication/congressional-testimony-updated-overtime-rules-will-help-millions-of-middle-class-workers/</a>

payment of a salary commensurate with the importance supposedly accorded the duties in question." The salary level test has been updated multiple times, and every time the DOL has recognized that the salary level test works in tandem with the duties test to identify bona fide EAP employees. In 1975, the relevant salary threshold was set at a level that meant 63 percent of full-time salaried workers were covered by overtime regardless of their duties. By 2023, that share has dropped to just 9 percent. As a result, the 40-hour work week no longer exists for millions of underpaid U.S. workers in a wide range of occupations. Workers including as so called "managers" managers in fast food chains and retail stores, are routinely asked to put in 50, 60, even 70-hour weeks, pulling them away from their families and communities. Restoring overtime pay protections is crucial for workers seeking greater work-life balance and boosting workers' stagnant paychecks.

A more robust salary threshold is also necessary because of changes to the overtime regulations made by the Bush Administration in 2004. The salary threshold works in tandem with duties tests that are applied to the work done by those who make a salary above the threshold set in regulations. The duties tests are designed to determine who is doing genuinely bona-fide EAP work. Prior to the 2004 revisions, most workers who earned more than the salary threshold were measured against a far more rigorous duties test than the one adopted by the Bush Administration. This weaker duties test, when coupled with the lack of transparency and knowledge of how it is applied to each worker, is why, as NBER found, many employers get away with giving workers managerial-sounding job titles, even though their work should not be overtime exempt because their duties do not meet the tests. In both the 2015 and 2023 proposed overtime regulations, DOL described and documented how the 2004 weakening of the duties test gutted protections for workers and allowed misclassification and resultant wage theft to thrive.

A stronger salary threshold means that employers will no longer be able to rely on unpaid overtime hours for workers earning less than the threshold. Employers have many tools available to manage the new overtime obligations. Assuming the workers' duties pass the duties test, employers can raise salaries over the new threshold, reassess workloads, including better oversight and management of workers' time, hire additional staff, or convert part-time workers to full-time. This shift will foster both a healthier work-life balance and an environment where employees are compensated with fair pay.

The workers most likely to benefit from the adjustments are women and people of color who hold lower-paying jobs even when they are in salaried positions. The Economic Policy Institute

<sup>&</sup>lt;sup>10</sup> *Id.* at pp. 6-7.

<sup>&</sup>lt;sup>11</sup> 81 Fed. Reg 32391 at 32444 (May 23, 2016).

<sup>&</sup>lt;sup>12</sup> Under the new rule proposed by the DOL, that share would increase to 28.2 percent.

<sup>&</sup>lt;sup>13</sup> Ross Eisenbrey, Economic Policy Institute, "Updated Overtime Rules Will Help Millions of Middle-Class Workers," *supra* note 8.

estimates that roughly 2 million women, including 700,000 women of color, will benefit from this rule—representing more than half of the 3.6 million affected workers overall.<sup>14</sup>

Many of the establishments DOL expects to be impacted include workers who are underpaid and often work long hours because employers misclassify them as overtime exempt. These industries include construction, retail, <sup>15</sup> food service, <sup>16</sup> hospitals, health care services, <sup>17</sup> and warehousing, Table 31, Fed. Reg. 62227.Many of the workers in these sectors have brought unpaid overtime pay claims.

In 2015, NELP published a report sharing stories of workers who would be impacted by a higher overtime threshold. Their stories still resonate today as workers are earning low wages and working long hours, meaning that reforms are sorely needed.<sup>18</sup>

Media reports and litigation have highlighted the problems fueled by a low overtime salary threshold. Employers deliberately understaff their retail and restaurant operations and rely on employees labeled managers who perform large amounts of non-exempt, frontline work.

For example, assistant store managers who work for the retail chain Burlington are suing for unpaid overtime because they routinely perform non-exempt work, including stocking shelves, operating cash registers, and cleaning floors. Burlington offered plaintiffs an \$11 million proposed settlement, but the judge declined to approve the settlement because all potential plaintiffs have yet to be notified that the lawsuit even exists.<sup>19</sup>

As Paige Murdock, a Dollar General store manager from Eliot, Maine explained, "[b]ecause our overtime hours are free for the company, they make us work 60 to 70 hours a week. I was working so much I couldn't make it to my church. My family was always asking, 'Why aren't

<sup>&</sup>lt;sup>14</sup> Economic Policy Institute analysis of Current Population Survey microdata, 1975-2023.

<sup>&</sup>lt;sup>15</sup> "Retail workers' unpaid overtime pay lawsuit reinstated," Business Insurance, October 16, 2023, <a href="https://www.businessinsurance.com/article/20231016/NEWS06/912360455/Retail-clerks%E2%80%99-FLSA-suit-over-overtime-pay-reinstated-Gabriel-Herrera,-et-al-v;" Publix employees claim overtime owed," Grocery Dive, October 31, 2023, <a href="https://www.grocerydive.com/news/publix-lawsuit-hourly-assistant-managers-overtime/698300/">https://www.grocerydive.com/news/publix-lawsuit-hourly-assistant-managers-overtime/698300/</a>

 <sup>16 &</sup>quot;You're Now a 'Manager.' Forget About Overtime Pay: New evidence shows that many employers are mislabeling rank-and-file workers as managers to avoid paying them overtime," N.Y. Times, March 6, 2023, <a href="https://www.nytimes.com/2023/03/06/business/economy/managers-overtime-pay.html">https://www.nytimes.com/2023/03/06/business/economy/managers-overtime-pay.html</a>
 "Unpaid Overtime in Healthcare," <a href="https://lipskylowe.com/services/nyc-wage-and-hour-attorney/unpaid-overtime/unpaid-overtime-in-healthcare/">https://lipskylowe.com/services/nyc-wage-and-hour-attorney/unpaid-overtime-in-healthcare/</a>

<sup>&</sup>lt;sup>18</sup> Judy Conti, "The Case for Reforming Federal Overtime Rules: Stories from America's Middle Class," National Employment Law Project, December 2014, <a href="https://s27147.pcdn.co/wp-content/uploads/2015/03/Reforming-Federal-Overtime-Stories.pdf">https://s27147.pcdn.co/wp-content/uploads/2015/03/Reforming-Federal-Overtime-Stories.pdf</a> (collecting individual worker stories from several retail, oil and gas, and financial service jobs).

<sup>&</sup>lt;sup>19</sup> "Burlington Workers Nab Collective Cert. After Axed \$11M Deal," Law 360, October 31, 2023, <a href="https://www.law360.com/articles/1738755?e\_id=1827b198-e173-47f5-bcfc-b20f93b336a8&utm\_source=engagement-alerts&utm\_medium=email&utm\_campaign=case\_updates">https://www.law360.com/articles/1738755?e\_id=1827b198-e173-47f5-bcfc-b20f93b336a8&utm\_source=engagement-alerts&utm\_medium=email&utm\_campaign=case\_updates</a>

you at home, Mom?' And most of my hours weren't even spent managing the store, but instead stocking shelves or running the cash register since we never had enough staff."<sup>20</sup> The New York Times has reported how this practice is common among dollar stores.<sup>21</sup>

Similar practices are common in public sector employment. For example, NELP has been informed about a 38-year-old "assistant director" at a public university in North Carolina. Her job duties include helping students navigate financial aid applications, registering them for classes, helping them apply to graduate schools, and finding resources to help them purchase things like books or food. She is not a manager, she makes a salary of approximately \$40,000 a year and works 45-50 hours a week, with no added compensation for any hours over 40.

The experiences of the states with overtime thresholds comparable to or higher than the Department's proposal suggest that the proposal will be manageable for employers. Four states currently have overtime salary thresholds that are substantially higher than the current federal level of \$35,568: Colorado, New York, California, and Washington State. Colorado's threshold will be \$55,000 as of 2024 – approximately the same level as the proposed new federal salary threshold. We York's will range from \$58,500 to \$62,400 as of 2024. California's will be \$66,500 as of 2024. And Washington's will be \$67,725 as of 2024 – and will phase up to \$92,560 by 2028. Not only is there is no evidence that these higher salary thresholds have been unmanageable for employers, but in fact, there has been little controversy associated with them.

## III. An automatic update to the salary threshold will ensure that overtime protections do not stagnate, that they are aligned with routine cost of living increases, and that employers will have the predictability of regular, modest adjustments to overtime eligibility.

DOL's proposal to update the salary threshold every three years based on what wages workers are earning is an important component of the rule. This component was previewed by DOL in its 2019 Final Rule, where it noted that it expected an update to the threshold in about three years.

<sup>&</sup>lt;sup>20</sup> Rebecca Dixon & Heidi Shierholz, "Time to Expand Overtime Pay," Democracy Journal, November 1, 2021, <a href="https://democracyjournal.org/arguments/time-to-expand-overtime-pay/">https://democracyjournal.org/arguments/time-to-expand-overtime-pay/</a>

<sup>&</sup>lt;sup>21</sup> "Everything Going the Wrong Way': Dollar Stores Hit a Pandemic Downturn," N.Y. Times, September 30, 2021, <a href="https://www.nytimes.com/2021/09/30/business/dollar-stores-struggling-pandemic.html">https://www.nytimes.com/2021/09/30/business/dollar-stores-struggling-pandemic.html</a>

<sup>&</sup>lt;sup>22</sup> Colo. Overtime and Minimum Pay Standards ("COMPS Order") #38, 7 CCR 1103-1 (effective 1/1/2022), <a href="https://cdle.colorado.gov/sites/cdle/files/7%20CCR%201103-1%20COMPS%20Order%20%2338%20%5Baccessible%5D.pdf">https://cdle.colorado.gov/sites/cdle/files/7%20CCR%201103-1%20COMPS%20Order%20%2338%20%5Baccessible%5D.pdf</a>

<sup>&</sup>lt;sup>23</sup> NYS Dep't of Labor, Proposed Amendments to Section 141-3.2(c)(1)(i)(e)(2) of 12 NYCRR, October 4, 2023, <a href="https://doi.ny.gov/system/files/documents/2023/09/mw-orders-update-9.20.23.pdf">https://doi.ny.gov/system/files/documents/2023/09/mw-orders-update-9.20.23.pdf</a>

<sup>&</sup>lt;sup>24</sup> State of Cal., Dep't of Indus. Rel., News Release Number: 2023-66, "California's Minimum Wage to Increase to \$16 per hour in January 2024," September 26, 2023, https://www.dir.ca.gov/DIRNews/2023/2023-

<sup>66.</sup>html#:~:text=An%20employee%20must%20earn%20no,to%20meet%20this%20threshold%20require ment.

<sup>&</sup>lt;sup>25</sup> Wash. State Dep't of Labor & Indus., "New salary threshold implementation schedule," <a href="https://www.lni.wa.gov/forms-publications/f700-207-000.pdf">https://www.lni.wa.gov/forms-publications/f700-207-000.pdf</a>

Historically, this regulation has never been updated that frequently, largely because of the extensive resources needed to promulgate a new regulation, even one that is relatively simple.

Indeed, such a result is to be expected. DOL let the 1975 salary threshold stand until 2004. It was not until 2015 that the Obama Administration proposed to update the 2004 threshold. Due to legal challenge to that final regulation and a change in administration, it was not until 2019 that the threshold was updated to the current level that was not only insufficient at the start, but which has eroded substantially because of inflation and wage growth over the past few years. Four years after the pronounced intent to update every three years, this NPRM proposes a more efficient way to avoid the years-long intervals between rulemakings that erode thresholds meant to assist in identifying bona fide EAP employees.

While an annual update would be better for ensuring that the intended workers are protected, automatic updating every third year will help ensure that the salary threshold does not get wildly out of sync with the intent of the threshold and will provide predictability for workers and employers. Employers will benefit from regular, predictable increases that are easily absorbed and implemented rather than larger increases at longer intervals.

The four states noted above – Colorado, New York, California, and Washington State – and also Maine have all provided for automatic annual increases in their salary thresholds to keep up with the rising cost of living. <sup>26</sup> This best practice has proven successful in these states, providing predictability for employers and protecting workers against erosion in the salary threshold. The experience in the states shows why the federal overtime threshold should similarly be updated automatically on a regular basis to protect against erosion and ensure predictability.

## IV. The proposed regulation should be applied to all U.S. territories.

Prior to the 2019 regulations, DOL only set lower salary thresholds for workers in U.S. territories if they were not subject to the full federal minimum wage. Currently set at \$7.25 per hour, it is so low that in 2021 only 1.4 percent of the U.S. workforce made the federal minimum wage.<sup>27</sup>

<sup>&</sup>lt;sup>26</sup> Colo. Overtime and Minimum Pay Standards ("COMPS Order") #38, 7 CCR 1103-1, Rule 2.5.1, *supra* note 19 (state overtime salary threshold increases each year to keep up with cost of living). N.Y. Labor Law § 652(1) (all "monetary amounts" relating to the state minimum wage, including overtime salary threshold, increase in the same proportion as the minimum wage); *id.* § 652(1-b) (beginning 2027, state minimum wage increases each year to keep up with cost of living). Cal. Labor Code § 515(a) (overtime salary threshold defined as monthly salary equivalent to two times the state minimum wage); Cal. Labor Code § 1182.12(c) (state minimum wage increases each year to keep up with cost of living). Wash. Admin. Code § 296-128-545 (defining salary threshold as a multiple of the state minimum wage, phasing up to 2.5 times the minimum wage by 2028); Rev. Code of Wash. § 49.46.020(2)(b) (state minimum wage increases each year to keep up with cost of living). 26 Maine. Rev. Stat. § 663(3)(K) (overtime salary threshold defined as 3,000 times the state minimum wage); *id.* § 664(1) (state minimum wage increases each year to keep up with cost of living).

<sup>&</sup>lt;sup>27</sup> https://www.statista.com/statistics/188206/share-of-workers-paid-hourly-rates-at-or-below-minimum-wage-since-1979/

Puerto Rico, Guam, the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands are all subject to the full federal minimum wage and should be subject to the same overtime regulations. And though American Samoa has a lower minimum wage, it is increasing each year and workers should be subject to the same regulations as well.

## V. The proposed adjustments to the exemptions are fully within the congressionally delegated authority to DOL.

The Fair Labor Standards Act clearly delegates to the Department the duty to "define and delimit" the scope of the EAP exemptions. 29 USC Section 13(a)(1). The Department has been regulating these exemptions since 1938, and has proposed comments, incorporated research, public comments and economic data, and enforced the statutory definitions since then, putting it in the best position to adjust when needed to align with the statutory definitions and Congressional intentions.

Here, Congress has made an unambiguous delegation of authority, calling on the Department's expertise to define and delimit the EAP exemptions' scope. Under current law, the proposed rule therefore passes muster under *Chevron U.S.A.*, *Inc. v. NRDC*, 467 U.S. 837 (1984) because the Department has given effect to the unambiguous intent of Congress. The plain language of the FLSA makes clear that Congress intended for the Department to identify criteria—such as a salary test—to be used in assessing whether an employee meets the EAP definitions. Any other reading of the FLSA would fail to account for Congress' choice that the definitions be both defined *and* delimited by the Department. This conclusion is further borne out by history: for 85 years, Congress has taken no action to curtail the Department's use of a salary test, despite making numerous amendments to the FLSA. And should *Chevron* be overturned by the Supreme Court, the Department's interpretation of its delegated authority should be upheld by a reviewing court even under less deferential frameworks: the statute is unambiguous, and the Department's long-standing interpretation is, therefore, the "best reading" of the Fair Labor Standards Act.

Neither the major questions doctrine nor the non-delegation doctrine prevents the Department from taking any of the actions in the proposed rule. Contrary to classic major questions cases, the proposed rule is neither unheralded nor transformative. Rather, the Department is regulating well within the area of its expertise, using long-exercised and well-established authority to set salary threshold levels. And even if the rule were a novel exercise of Department authority, it does not approach the scale of actions that have previously been invalidated under the doctrine. The Department is merely adjusting a long-established test that it has adjusted many times before, always pursuant to intelligible principles that Congress set down in the Fair Labor Standards Act to guide the Department's exercise of its authority.

It is also worth noting that the FLSA has been amended on several occasions over the course of DOL's regulation of the overtime provision. During that time. Congress has done nothing to change DOL's total discretion in this area, nor has it taken any action to undo anything DOL has done in this area.

NELP supports the provision in proposed section 541.5 that would sever any aspect of the Final Rule's provisions if successfully stayed or challenged in litigation brought by corporate groups. This regulation is of vital importance to millions of workers across the country. It affects workers' wages, work-life balance, and has the potential to create new and full-time jobs that workers are eager to fill. If one provision is deemed legally questionable, only that provision should be stayed while litigation proceeds.

As a final matter, while not the subject of this NPRM, NELP supports a closing of the overly broad exemption contained in current regulations that bar teachers and underpaid education workers from getting overtime pay when they work more than 40 hours in a week, regardless of their salary. A recent survey found that teachers earn 26.4 percent less on average than other similarly situated professionals. Extending overtime protections to teachers making less than the new salary threshold could help ease the teacher shortage by attracting more people to the profession.

Thank you for the opportunity to comment on these rules	Thank v	vou for t	he oppo	rtunity to	comment	on th	iese rul	les.
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Sincerely,

Catherine Ruckelshaus, General Counsel and Legal Director Judith M. Conti, Government Affairs Director

<sup>&</sup>lt;sup>28</sup> Sylvia Allegreto, EPI, <a href="https://www.epi.org/publication/teacher-pay-in-2022/#epi-toc-2">https://www.epi.org/publication/teacher-pay-in-2022/#epi-toc-2</a>