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Trump administration backs away from Obama overtime rule

By *Julia Horowitz*

The Justice Department will not defend an Obama-era rule that would make workers automatically eligible for overtime pay if they make less than \$47,000 a year.

The Trump administration said in a court filing Friday that it wants the right to set that threshold, but will revisit what the number should be.

Worker advocates fear the administration will lower the threshold and make fewer workers eligible for OT.

It's the latest development in a long battle over who should make additional money when they put in extra hours.

In May 2016, President Barack Obama asked the Labor Department to give federal overtime rules a makeover and raise the salary threshold to \$47,476 a year, or \$913 a week. That would have roughly doubled the level already in place.

The change was set for Dec. 1, 2016. But business groups and 21 states sued, and in November, a federal judge issued an injunction. Since then, everyone's been waiting for the Trump administration to weigh in.

The move from the Trump team wasn't surprising.

During his confirmation hearing in March, Labor Secretary Alexander Acosta said he considered the Obama rule "a very large revision" and would need to look at it closely.

And earlier this week, the Labor Department sent the Office of Management and Budget a request for information on the overtime rule -- the first step needed to open the regulation back up for comment.

Groups that stand behind Obama's overtime update aren't pleased.

"Secretary Acosta has made little secret of his desire to lower the salary threshold, a clear capitulation to the businesses and their lobbies who complained so loudly about having to fully pay workers for the labor they perform," Christine Owens, executive director of the National Employment Law Project, said in a statement.

Pro-business organizations are praising the move.

"It is a major victory for small businesses that would have faced dramatic labor cost increases from the doubling of the overtime salary threshold," said Alfredo Ortiz, president and CEO of the Job Creators Network.