CPA

Practice **Advisor**

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

THIIC HISCOU

Changes may be coming for the millions of American workers who receive overtime pay. And it may affect their paychecks.

May. 03, 2017

Changes may be coming for the millions of American workers who receive overtime pay. And it may affect their paychecks.

A new bill passed by the U.S. House of Representatives would allow employers to offer hourly employees paid time off instead of overtime pay, when they reach over 40 hours in a workweek. So, for example, a worker who put in 45 hours one week, could be given seven and one-half hours off the next week (1.5 hours comp time for each hour of overtime), and paid for doing for working 40 hours but only having worked 32.5 hours.

The bill, called the Working Families Flexibility Act, has been welcomed by small businesses and national retail and restaurant groups, but opponents are claiming the difference could negatively affect the paychecks of workers who rely on the time-and-a-half pay added to their paychecks for the extra hours. The bill was sponsored by Representative Martha Roby (Rep.-Ala.).

"I don't think there's anything more powerful than giving them more control over their time so that they can make the best decisions for themselves and their families," U.S. Representative Cathy McMorris Rodgers (Rep.-Wash.) said during a press conference on Tuesday morning, May 2.

The bill has been supported by the Trump administration, which put out a press release saying President Trump would likely sign it into law if the bill passes as currently written. Bills are often subjected to numerous amendments and alterations when forwarded to the Senate.

Democratic leadership, however, is opposed to the measure. In a post on Twitter on

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

Under this legislation, employees would have the choice to use the earned overtime as comp time or have the overtime payments added to their paychecks as they have done in the past. If employees choose comp time and then change their minds, employers would have the right to hold off paying the comp-time-changed-back-to-overtime payments until year-end, which seems to be sticking point for opponents of the bill.

Under current Senate rules, the bill would need 60 votes to pass. Republicans have 52 seats, so they would need Democratic support for the measure, unless they change Senate rules.

Firm Management • Payroll

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved