



Protect Working Families: Save the Overtime Rule

The Biden Administration's overtime expansion rule was set to increase the salary under which a worker is automatically entitled to overtime. The increase—from \$35,568 to \$58,656—grants a raise to over four million salaried workers in 2025 alone.

This important rule protects workers from being wrongfully labeled as executives who are exempt from overtime pay.

The overtime expansion rule was vacated by a Texas district court, effectively allowing corporations to cheat workers out of their hard-earned wages by calling them “executives.” Without this rule, corporations exploit and misuse an overtime exemption applied to workers classified as “executives” whose primary duty is management, or “administrators” whose primary duty involves using “independent judgment with respect to matters of significance.”

Workers lose roughly \$4 billion per year to these misclassifications, according to the National Bureau of Economic Research.

Attorneys General in Massachusetts, Delaware, New Jersey, Maine, Colorado, and Connecticut affirmed in public comments on the rule that many of the dominant industries in their states include high numbers of potentially affected employees, and that “large categories of employees” are misclassified as ineligible for overtime. And large numbers of workers will be affected in vital occupations like hospitality, retail, and construction.

Here is a common example: a convenience store worker referred to as a “manager” earning in the mid-\$30,000s annually spends most working hours, often 55 hours in a week, waiting on customers and stocking shelves—and alone in the store so not “managing” anyone—and yet is denied overtime.

Studies show that corporations most frequently use inflated “executive”-sounding job titles right at the salary level where they would have to pay overtime—in other words, the evidence shows they intentionally use inflated job titles to try to avoid paying workers the overtime pay they deserve from their hard work.

Workers Say: We Are Not Managers, and This Raise Would Help Make Up for Lost Family Time

“I should not have to make those sacrifices to pay my bills. If I do need to miss something that’s important to my kids, I should at least be compensated for it,” commented a worker from Arkansas on the proposed rule, identified as a single father making \$50,000 annually as a service manager at a farm equipment dealership who described missing family events because of unpredictable 50 to 60 hour workweeks.¹

“Because 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 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.” Paige Murdock, a Dollar General “store manager” from Eliot, Maine.²

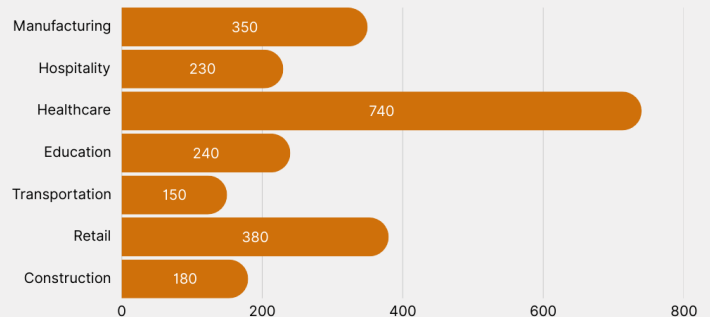
“Psychologically, they get you to believe that you are actually a manager...But we’re stock people. They want you to continuously work. There’s no stop.” John Nicoletti, a Dollar General “manager” whose pay, over 60 to 70 hour weeks, averaged out to a little more than \$8 an hour.³

Misclassifications Prevented by the Rule

EMPLOYER-DEvised JOB TITLE	ACTUAL JOB DUTIES
"DIRECTOR OF FIRST IMPRESSIONS"	FRONT DESK CLERKING
"CARPET SHAMPOO MANAGER"	JANITORIAL WORK
"EXECUTIVE HOUSEKEEPING MANAGER"	JANITORIAL WORK
"MESSAGING ENGINEER"	TAKING CALLS ON AN IT CUSTOMER SUPPORT PHONE LINE
"RESTAURANT MANAGER"	WAITING TABLES; BUSSING; BARTENDING
"ASSISTANT STORE MANAGER"	STOCKING SHELVES; CASHIERING; JANITORIAL WORK

Sources: National Bureau of Economic Research, "Too Many Managers: The Strategic Use of Titles to Avoid Overtime Payments," Working Paper 30826. Cases cited *infra*: "Stories of Wage Theft."

Affected Workers by Industry (Thousands)



Source: Defining and Delimiting the Exemptions for Executive, Administrative, Professional, Outside Sales, and Computer Employees, 89 Fed. Reg. 34842, 32904

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1] Andrea Hsu, *Biden’s overtime rule was struck down. Now some workers are losing pay raises*, NPR (Dec. 16, 2024), https://www.npr.org/2024/12/16/nx-s1-5225448/overtime-rule-pay-raises-ohio-state?utm_source=chatgpt.com.

2] Rebecca Dixon and Heidi Shierholz, *Time to Expand Overtime Pay*, *Democracy: A Journal of Ideas* (Nov. 1, 2021), <https://democracyjournal.org/arguments/time-to-expand-overtime-pay/>.

3] Dave Jamieson, *Join the Booming Dollar Store Economy! Low Pay, Long Hours, May Work While Injured*, HuffPost (Aug. 29, 2013), https://www.huffpost.com/entry/dollar-stores-work_n_3786781.