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**New Overtime Rule Will Benefit Nearly Half a Million PA Workers,
Keystone Research Reports**
Biggest Policy Boost for Pay of Middle-Income Workers Pay in Decades

HARRISBURG (May 19, 2016) On Wednesday, the U.S. Department of Labor (DOL) raised the salary threshold under which working people can earn overtime pay (<https://goo.gl/KN2l6F>). Under the new rule, effective December 1 of this year, most salaried workers – including managers and professionals – making less than \$47,476 will now be entitled to overtime pay. According to estimates from the Economic Policy Institute this change will directly benefit just under half a million Pennsylvania workers or 22.6% of the commonwealth’s 2 million salaried workers (<http://goo.gl/5z2auX>).

“This is a huge win,” said Mark Price, Labor Economist of the Keystone Research Center. “While we’re used to minimum wage changes that benefit millions,” Price added, “this will boost the pay of middle-income workers more than any policy change in decades.” As well as increasing overtime pay directly, Price explained, the new policy will lift up families because some salaried employees who regularly work overtime will get raises to \$47,476. Other employers, rather than pay overtime, will respond to this rule change by hiring more staff.

Under the new rules, the overtime threshold will be updated every three years to match the 40th percentile salary for workers in the lowest paid census region which is currently the South. Members of the media and other Pennsylvanians will have the opportunity to learn more about the new overtime rule when an Obama Administration official who helped develop it, Heidi Shierholz, speaks at the Crowne Plaza in Harrisburg on the afternoon of June 9. (Dr. Shierholz, chief economist of the U.S. Department of Labor, will speak at KRC’s 20th Anniversary conference, *It’s Time for Broadly Shared Prosperity in Pennsylvania*.*)

“This change drives home the larger point that policymakers *can* change the rules governing our job market to bring back the middle class – even though they have too often done the opposite for 40 years,” said Price, “Now it’s time for Pennsylvania’s General Assembly to build on President Obama’s effort to lift up working families by raising the Pennsylvania minimum hourly wage. That could give another 1.2 million Pennsylvania workers a raise by the end of the year.”

*You can register for the KRC conference on June 8 (starting at 1 pm) and June 9 [online here](http://keystone20th.org/) (<http://keystone20th.org/>).