

NEW OVERTIME RULES STALLED

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Employment Law Reporter, Ervin Cohen & Jessup LLP

The May 2003 issue of the *Employment Law Reporter* discussed revisions proposed by the Department of Labor to the Fair Labor Standards Act which would have updated and streamlined overtime exemptions. Although the proposed rules would not have impacted California employers who are subject to more stringent state standards, the regulations would have simplified the exemptions which were last revised in 1954.

Unfortunately, as a result of a vigorous media campaign led by labor unions, the Senate passed an amendment which prohibits the Department of Labor from spending any funds to complete the rule-making process, effectively killing the proposal which was in the public comment stage. While pro-business groups have vowed to fight to preserve the revisions, it does not appear that new overtime rules will be issued any time soon unless the Senate vote is overturned.

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