**[New overtime rules will have more workers punching a clock](http://www.dglobe.com/news/business/4150814-new-overtime-rules-will-have-more-workers-punching-clock)**

By [Karl Evers-Hillstrom](http://www.dglobe.com/users/karl-evers-hillstrom) on Nov 2, 2016 at 9:42 p.m.

WORTHINGTON — New overtime rules beginning in December will require many businesses and organizations to change the way they pay their employees.

 John Kirchner, executive director at the U.S. Chamber of Commerce’s Midwest Regional Office, gave a presentation Wednesday to Worthington business owners and administrators about how the Chamber expected the new regulations would affect the workplace.

As of right now, salaried workers who earn more than $23,660 annually ($455 a week) are not eligible for overtime protections. With new overtime rules — starting Dec. 1 of this year — that number will double to $47,476 ($913 a week). This means that nearly all employees making less than that number — with the exception of positions such as managers, teachers, farmers, business owners and administrators — will have to be paid on an hourly basis in order to receive potential overtime pay.

 In 2014, President Obama signed a presidential memorandum directing the U.S. Department of Labor (DOL) to update its standards on which white collar workers are covered by the Fair Labor Standards Act. This May, the DOL published what it calls the Final Rule, creating a huge change to federal overtime regulations.

Kirchner said the Chamber had many issues with the new rule. First and foremost, it believes the increase in the salary threshold was way too large. “We were never of the opinion that the salary level didn’t need to be raised,” Kirchner said. “We were kind of caught off guard when they said, ‘We’re going to raise it by 100 percent.’”

 Under the new rule, the threshold will automatically be updated every three years. Kirchner said this automatic change was not specified in the FLSA’s guidelines for changing rules and would only result in constant increases. Kirchner said another problem with the law is it is not phased in over a period of time but will be enforced immediately upon its effective date, not giving business owners enough time to react.

These rules apply to all workers, including employees working at nonprofits and governments as well as first responders such as policemen and firefighters. Of all the organizations affected by this rule, nonprofits will be hit hardest, according to Kirchner.

“People who work in nonprofits don’t do it to make money. They do it because it’s their call, they want to give back to the community and they’re passionate about whatever the organization is,” Kirchner said. “And you’re gonna have to say, ‘Thank you for your passion and commitment, but only give us 40 hours of passion a week.’” Kirchner said he spoke with a woman who ran a crisis hotline with a budget of $70,000 who didn’t know how she would be able to operate. “Crises don't happen from 9-5,” Kirchner said. “You can't just put on a recording message saying ‘You’ve reached the crisis hotline, call us back tomorrow if everything’s OK,’” Kirchner said.

 Kirchner said the change to payroll would feel like a demotion to workers who are used to receiving salary. “Even if it’s not a demotion, even if you find a way to pay this employee the same amount, they’re losing flexibility and they’re losing what comes with being a salaried employee,” Kirchner said. “They’re going to start punching a time clock, and it’s going to feel like a demotion even if it isn’t.”

 Carmen Johnson, who does payroll for Worthington High School, said employees who would have to start punching a clock for the first time were not happy about the change. “To them, it’s demotion,” Johnson said. “The flexibility where you can work, then go off, do a little bit in between hours — when you’re punching a clock it makes that a lot more difficult.” Johnson said it will be difficult to make the change to hourly during the middle of the school year. “For us, trying to switch by Dec. 1 when the year starts July 1, we’re already that far into it so it’s really hard to get them to switch when you’ve already paid them salary,” Johnson said. “Then you’ve got to start tracking hours and try to figure out the hourly wage when it’s based on a salary.”

Johnson said it would be difficult for the school district to pay workers overtime while running on a fixed budget. The DOL report on the Final Rule says it will result in an average annual increase in pay to workers of $1.2 billion per year. It also says new regulations will cost employers $295 million per year in addition to the pay increases.

 Marty Rickers, sales manager at Bedford Industries, said that although he didn’t know exactly how much everyone at the company made, he thought the new rules wouldn’t change much because most of the workers who fall under the new threshold are already working hourly.

The DOL report on the new rules confirms that this is normal for a business. Of the 47.7 million workers who fall between the old threshold and the new threshold, more than 30 million of them already work hourly, according to DOL estimates. The report says 4.2 million workers will be directly affected by this change within a year.

The report says the rule won’t disrupt the economy, as an estimated $1.5 billion in increased payroll cost for businesses is less than one-tenth of one percent of total U.S. payroll costs.

Kirchner was not sold, however, and urged everyone affected to contact their legislators to expressing their problems with the rule. There are currently two bills that would disrupt the rule in congress, but Kirchner acknowledged it was unlikely President Obama would sign them.