



New York City Comptroller  
**Scott M. Stringer**

**NEWS**

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## **COMPTROLLER STRINGER: IMPLEMENTATION OF NEW FEDERAL OVERTIME RULE WILL PUT \$20 MILLION INTO THE POCKETS OF 67,000 NEW YORK CITY RESIDENTS**

*110,000 New Yorkers will gain Federal overtime protection  
for the first time; 260,000 will see stronger safeguards*

**(New York, NY)** – The new overtime rule announced today by the U.S. Department of Labor (DOL) will put an additional \$20 million into the pockets of 67,000 hardworking New York City residents and expand overtime protections for hundreds of thousands more, according to a new analysis released today by New York City Comptroller Scott M. Stringer. The report, "[Past Time for Overtime](#)," analyzes the impact on New York City workers of raising the federal overtime salary threshold to \$47,476 per year.

"New York is the hardest working City in the country, but overtime protection hasn't kept up with the times, even as productivity has skyrocketed," New York City Comptroller Scott M. Stringer said. "The new rules announced today by the Department of Labor will strengthen those protections, and make sure that an honest day's work is rewarded with an honest day's pay."

While federal law ensures that most hourly workers performing manual labor or working in service industries are guaranteed overtime protection, eligibility for salaried workers varies by the type of work performed and salary level. Individuals in jobs deemed "executive," "administrative," or "professional" are not guaranteed overtime pay if they earn above a certain threshold, and a low threshold can incentivize employers to misclassify workers and avoid paying overtime.

Between 1938 and 1975, the federal "overtime threshold" was raised every five to nine years, but has only gone up once in the last four decades – in 2004, when it rose to \$23,660. In New York State, the overtime threshold for executive and administrative employees is currently \$35,100 per year.

Due to inflation, the real value of the federal threshold has declined to the point where only 7 percent of full-time salaried workers are eligible for overtime pay, compared to 62 percent in 1975. The new rule announced today will raise the federal threshold from \$23,660 to \$47,476 annually and expand protections for existing workers.

The Comptroller's report found that:

- 370,000 New York City workers will benefit from the proposed increase in the federal overtime salary threshold.
  - Of these, 110,000 salaried workers will gain federal overtime eligibility for the first time, including 67,000 workers who are not currently eligible for New York State overtime protection.
  - An additional 260,000 workers will see their protections strengthened because the higher threshold will help guard against misclassification by employers.
- The 67,000 workers who are not currently eligible for state overtime will see increases of roughly \$300 in their average annual earnings, putting an additional \$20 million into the pockets of hard-working New Yorkers.
- Of the 110,000 newly-eligible workers:
  - 89 percent are over 25 years of age;
  - 56 percent are women;
  - 47 percent are persons of color; and
  - 66 percent hold college degrees.

“Enacting strong overtime protections was one of the great labor victories of the 20<sup>th</sup> century, but we need to update these laws so that hardworking men and women aren't left behind,” Stringer said. “President Obama's announcement will provide a much-needed boost to working families across the five boroughs.”

To read the full report, click [here](#).

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