



P.O. Box 7857  
Madison, WI 53707-7857  
[www.doj.state.wi.us](http://www.doj.state.wi.us)

**BRAD D. SCHIMEL**  
**ATTORNEY GENERAL**

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## **NEWS RELEASE**

### **AG Schimel Joins Bipartisan Coalition of States Challenging New U.S. Department of Labor Overtime Rule**

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Johnny Koremenos  
608-266-1221

MADISON, WI – Today, Wisconsin Attorney General Brad Schimel joined a bipartisan coalition of 21 states in filing a federal court complaint challenging the United States Department of Labor’s new overtime rule. If implemented, the new rule will more than double the minimum salary overtime threshold for public and private workers without congressional authorization. The rule will force many state and local governments to substantially increase their employment costs. Some governments may be forced to eliminate some services and even lay off employees. The complaint urges the court to prevent the implementation of the new rule before it takes effect, which is scheduled for December 1, 2016.

“The federal overreach we continue to see is not a Republican vs. Democrat issue, which is demonstrated by the bipartisan coalition of states fighting this rule,” said Attorney General Schimel. “Wisconsin, and every other state, must be able to set their own priorities and policies, and not be forced to take directive from an unchecked Washington D.C. bureaucracy attempting to establish unprecedented power.”

On March 13, 2014, President Obama ordered the Department of Labor to revise the Fair Labor Standards Act’s overtime exemption for executive, administrative, and professional employees – the so-called “white collar” exemption – to account for the federal minimum wage. On May 23, 2016, the Department of Labor issued the final new overtime rule. The rule doubles the salary-level threshold for employees to be exempt from overtime, regardless of whether they perform executive, administrative, or professional duties. Beginning December 1, 2016, all employees would be entitled to overtime if they earn less than \$47,476 a year, including state and local government employees. Additionally, the new rule contains a ratcheting mechanism to automatically increase the salary-level threshold every three years without going through the standard rule-making process required by federal law.

In addition to Wisconsin, other states who joined this filing include: Alabama, Arizona, Arkansas, Georgia, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Michigan, Mississippi, Nebraska, Nevada, New Mexico, Ohio, Oklahoma, South Carolina, Texas, and Utah.

The filed complaint is attached.

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