

**FEDERAL LEGISLATION - CALL TO ACTION**

**HR 795 - Employer Participation in Student Loan Assistance Act**

Please reach out to our Vermont Congressman Peter Welch and ask him to support HR 795. This bill would change the Internal Revenue Code to include student loan repayment, and employers could opt to *voluntarily* provide student loan repayment on a tax free basis for up to \$5,250 per employee per year.

<https://welch.house.gov/contact>

**FEDERAL OVERTIME RULE UPDATE FROM SHRM**

The 2016 overtime rule was invalidated at the court level and the Department of Labor (DOL) has begun a process of issuing a revised overtime rule update.

On August 31, 2017, the US District Court for the Eastern District of Texas granted summary judgement in favor of a coalition of states and business groups that challenged the DOL's final overtime rule published on May 23, 2016. While the court upheld DOL's ability to set a salary threshold, it ruled that by setting the salary level so high, DOL exceeded its authority under the statute and that the Final Rule is, therefore, invalid. (*State of Nevada, et al. v. United States Department of Labor, et al.*, No. 4:16-CV-00731).

Before the court issued its decision, DOL published a [Request for Information \(RFI\)](#) as the first step in creating a new overtime rule. [*Right click on the link and select "Open Hyperlink" to review the RFI*]

SHRM has always supported a reasonable increase in the salary threshold and is drafting a comment letter to DOL to help shape how a revised salary threshold and other aspects of a new rule are formulated.

**Key Points that will be addressed in SHRM's Comment Letter to DOL:**

- ***Minimum Salary Threshold*** -- While some increase in the salary threshold is justified, it must be reasonable.
  - SHRM recommends that DOL utilize a similar methodology used in its 2004 salary threshold update.
- ***Automatic Increases to Threshold*** -- The minimum salary threshold should not be automatically increased.
  - Regularly mandated inflationary increases would significantly impair the ability of employers to manage merit increases for employees at or near the salary threshold.
  - National average salaries may continue to rise, but this does not mean that all salaries in all industries and in all regions will also rise at the same rate. Ensuring that adjustments to the minimum salary threshold are made through notice and comment rulemaking helps ensure that geographic and sector disparities are accounted for.

- **Duties Test -- The Department should not make substantive changes to the duties tests without first making a specific proposal available for notice and comment.**
  - The Administrative Procedure Act (APA) requires notice and comment rulemaking.
  - If the Department decide to move forward with any proposed changes to the duties tests, it should issue another proposed rule describing proposed changes or alternatives in detail, before proceeding to a final regulation.

Read more of SHRM's [Preliminary Draft outline](#)

*[Right click on the link and select "Open Hyperlink" to review the Preliminary Draft outline]*

For more information about the SHRM Vermont State Council Legislative Advocacy Update, please contact Shelley Sayward at 802-772-2215 or [shelley.sayward@casella.com](mailto:shelley.sayward@casella.com).