

PRESS RELEASE**FOR IMMEDIATE RELEASE**

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**AmericanHort Submits Comments Expressing Concern About
Administration's Proposed New Overtime Rule**

Washington, DC/Columbus, OH — AmericanHort, along with the Partnership to Protect Workplace Opportunity (PPWO), submitted comments last week to the U.S. Department of Labor regarding the proposed rule known as “Defining and Delimiting the Exemption for Executive, Administrative, Professional, Outside Sales, and Computer Employees.” The proposal changes the criteria for the executive, administrative, professional, outside sales, and computer employee exemptions from the overtime requirements under the Fair Labor Standards Act.

Under its “white collar” overtime exemptions, DOL proposes raising the minimum salary threshold to \$970 per week (\$50,440 annually); and, increasing this minimum salary on an annual basis by pegging it to the 40th percentile wage under the Bureau of Labor Statistics’ Occupational Employment Statistics database or by indexing it to inflation for urban goods and services, in order to establish a mechanism for automatically updating the salary and compensation levels going forward. The DOL is not proposing any changes to the standard duties tests at this time.

AmericanHort and coalition partners expressed serious concerns if the proposed rule were to become law. First, the proposed annual salary minimum for an executive, administrative, professional, outside sales, and computer employees (known as the “white collar” or “EAP” exemptions) is more than double the current level. According to Craig Regelbrugge, AmericanHort senior vice president for industry advocacy and research, “It is also unusual and extremely disruptive for government to impose significant increases in a one-step approach rather than as a multi-year phase-in.”

Second, the average salary in many rural areas and small towns outside of major metropolitan areas and in certain lower-wage regions of the country is substantially lower than the national average. The proposed EAP minimum will mean that many, possibly most, current salaried managers and supervisors in many industries and many parts of the country may revert from being salaried employees to hourly employees. “This may seem advantageous to employees at first glance; however, the result in many cases will be that although these employees may well see their paychecks increase substantially during the season, they will see substantial decreases during slower times and off-season as they will now be paid only for hours worked,” said Regelbrugge.

Third, if the DOL’s proposal is implemented, large numbers of employees may be reclassified as non-exempt. Reclassification could harm the ability of employers to provide and employees to take advantage of flexible scheduling options; limit career development opportunities for employees; reduce employee access to a number of benefits, including incentive pay; introduce additional legal and operational issues, such as increased administrative costs; trigger a rapid decline in the number of full-time salaried employees.

The National Retail Federation estimates that full-time employees will quickly decline 38% the first year and the decline could reach 92 percent over the 5 years of the implementation of the proposed rule. Employers will try to reduce costs by reducing workers’ hours or hiring more part-time workers. Employers could face increases in labor and administrative costs and the American people would experience higher prices for goods and services as well as diminished customer service. “AmericanHort and its allies are committed to seeking a more balanced outcome for our members and their employees,”

said Michael Geary, AmericanHort president and CEO. “Therefore, AmericanHort and the PPWO asked the Administration to withdraw its proposal.”

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AmericanHort was formed in 2014 by the consolidation of the American Nursery & Landscape Association and OFA – The Association of Horticulture Professionals. With a combined history of 220+ years, AmericanHort supports nearly 16,000 member and affiliated businesses that include breeders, greenhouse and nursery growers, garden retailers, distributors, interior and exterior landscape professionals, florists, students, educators, researchers, manufacturers, and all of those who are part of the industry market chain. The horticulture industry's production, wholesale, retail, and landscape service components have annual sales of \$163 billion, and sustain over 1,150,000 full- and part-time jobs. Our mission is to unite, promote, and advance the horticulture industry through advocacy, collaboration, connectivity, education, market development, and research. The association has offices in Columbus, Ohio for administration and member services, and in Washington, DC to facilitate government relations and research activities.