



REBECA ROMERO RAINEY
Chairman
R. SCOTT HEITKAMP
Chairman-Elect
TIMOTHY K. ZIMMERMAN
Vice Chairman
DEREK B. WILLIAMS
Treasurer
J. MICHAEL ELLENBURG
Secretary
JACK A. HARTINGS
Immediate Past Chairman
CAMDEN R. FINE
President and CEO

June 13, 2016

The Honorable Tim Scott
United States Senate
Washington, D.C. 20510

The Honorable Lamar Alexander
United States Senate
Washington, D.C. 20510

Dear Senators Scott and Alexander:

On behalf of the more than 6,000 community banks represented by ICBA, I write to thank you for introducing the Protecting Workplace Advancement and Opportunity Act (S. 2707), which would effectively nullify the Department of Labor's (DOL's) final rule titled "Defining and Delimiting the Exemptions for Executive, Administrative, Professional, Outside Sales and Computer Employees." ICBA urges the Senate to take up and pass S. 2707 on an expedited basis before the new rule becomes effective to avert significant harm to thousands of small businesses, including community banks, and their employees.

ICBA and community bankers nationwide are seriously concerned about the real world impact of the DOL rule. The rule will significantly restrict current exemptions under the Fair Labor Standards Act so that fewer administrators, executives and sales commissioned staff are exempted from overtime pay. In particular, ICBA opposes a high nationwide salary test for the exemptions. The DOL rule more than doubles the salary test from \$23,660 to \$47,476, without any adjustment to reflect wide regional variation in cost of living, and permanently indexes the threshold for inflation.

Reclassification of employees who are currently exempt from overtime pay will limit their flexibility, bonus or incentive pay availability. More fundamentally, reclassification will change the character of their jobs, their professional incentives, and even their career path. Moreover, broadening the number of small business employees subject to overtime pay will increase not only personnel costs but also administrative costs, since it will force these businesses to track the overtime hours of more employees. The final rule will directly reduce wages and employee benefits and curb hiring.

S. 2707 would nullify the DOL rule and prohibit the agency from issuing a substantially similar rule without first conducting a thorough analysis of its impact on all employment sectors that includes hard dollar costs as well as non-financial costs including workplace flexibility, benefit structure, career advancement opportunities, business formation, and business termination.

The Nation's Voice for Community Banks.®

WASHINGTON, DC ■ SAUK CENTRE, MN ■ IRVINE, CA ■ TAMPA, FL ■ MEMPHIS, TN

1615 L Street NW, Suite 900, Washington, DC 20036-5623 | 800-422-8439 | FAX: 202-659-1413 | Email: info@icba.org | Website: www.icba.org

Thank you again for introducing S. 2707. ICBA looks forward to working with you to enact this critical legislation.

Sincerely,

/s/

Camden R. Fine
President & CEO

The Nation's Voice for Community Banks.®

WASHINGTON, DC ■ SAUK CENTRE, MN ■ IRVINE, CA ■ TAMPA, FL ■ MEMPHIS, TN

1615 L Street NW, Suite 900, Washington, DC 20036-5623 | 800-422-8439 | FAX: 202-659-1413 | Email: info@icba.org | Website: www.icba.org