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New Compensation Bill May Replace Overtime Regulations

The US House of Representatives passed a bill to allow private-sector employees the ability to offer compensatory time off to employees in lieu of overtime pay.

The bill has yet to proceed to the Senate, and it is not clear what will happen to the bill once there.

The law requiring payment of time-and-one-half for hours worked beyond 40 hours in a week dates back to the New Deal. The alternative currently proposed was originally introduced in the 1990’s. Similar bills passed the House in 1996, 1997 and 2013, but stalled in the Senate.

The House bill provides that, instead of immediate payment for overtime work, employees would instead accrue **an hour and a half in a comp time bank**, useable later as paid time off.

The bill includes a ban on coercion to choose comp time, and guarantees that comp time be available to workers "within a reasonable period."

If passed, the new rules would create significant changes in how employers manage employee schedules and track time and attendance.

UEA will continue to monitor the progress of this bill and keep you updated if the bill becomes law.

Have questions about how this applies to your workplace? We are here to help!

Please reach out with any questions via email to jtowne@unitedemployers.org, or call (503) 595-2170.