



July 7, 2016

The Honorable Tom Cole
Chairman
Subcommittee on Labor,
Health & Human Services,
Education & Related Agencies
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Rosa DeLauro
Ranking Member
Subcommittee on Labor,
Health & Human Services,
Education & Related Agencies
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

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CAMDEN R. FINE
President and CEO

Dear Chairman Cole and Ranking Member DeLauro:

On behalf of the more than 6,000 community banks represented by ICBA, I write to express our strong support for Section 111 of the fiscal year 2017 appropriations bill for the departments of Labor, Health and Human Services, Education, and related agencies (the Act). Section 111 would provide that none of the funds made available by Act may be used to implement, administer, or enforce the final rule entitled “Defining and Delimiting the Exemptions for Executive, Administrative, Professional, Outside Sales and Computer Employees” published by the Department of Labor in the Federal Register on May 23, 2016.

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 and 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.

Thank you again for your consideration. ICBA looks forward to working toward the enactment of Section 111 of the Act.

Sincerely,

/s/
Camden R. Fine
President & CEO

CC: Appropriations Committee Chairman Hal Rogers, Appropriations Committee Ranking Member Nita Lowey

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