



OFFICE OF THE GOVERNOR
ROD R. BLAGOJEVICH - GOVERNOR

NEWS

FOR IMMEDIATE RELEASE

August 23, 02004

**Blagojevich to U.S. Dept of Labor: New Federal Overtime Rules Don't Apply in Illinois
*Informs U.S. Department of Labor Secretary that federal changes going into effect today will not
apply in Illinois***

CHICAGO – As new federal overtime rules go into effect today, stripping away overtime pay for millions of workers across the country, Gov. Rod R. Blagojevich today sent a letter to U.S. Department of Labor Secretary Elain Chao reiterating that legislation he signed this spring will ensure that 375,000 workers in Illinois will not lose their overtime rights.

“The Fair Labor Standards Act guaranteed the right to compensation equaling time and a half for every hour worked beyond the normal 40-hour week. A person who is willing to work hard -- and then is willing to work even harder by working longer hours -- ought to be rewarded for his or her initiative, not punished,” Gov. Blagojevich wrote. “Illinois law protects overtime pay for these workers. We intend to keep it that way.

“The United States Department of Labor should know that Illinois law will continue to protect Illinois workers, even when the federal Department of Labor decides not to.”

Under the Fair Labor Standards Act that was originally adopted in 1938, most workers were guaranteed the right to compensation equaling time and a half for every hour worked beyond the normal 40-hour workweek.

The new U.S. Department of Labor rules redefine the three job classifications that are exempt from overtime pay. More workers would be classified as “professional,” “administrative,” or “executive,” and as a result, an estimated 375,000 Illinois workers would no longer qualify for overtime compensation.

In response, the Governor signed a new law in April that rejects the federal changes and keeps the former job classification definitions in place, preserving overtime rights for Illinois workers who currently qualify.

The new Illinois law also raises the overtime eligibility level so that most employees who make less than \$455 a week, or \$23,660 a year, will be entitled to overtime pay. The previous limit of \$155 a week, or \$8,060 a year, had been unchanged since 1975.



**OFFICE OF THE GOVERNOR
CHICAGO, ILLINOIS 60601**

**ROD R. BLAGOJEVICH
GOVERNOR**

August 23, 2004

Elaine L. Chao
Secretary, U.S. Department of Labor
Frances Perkins Building
200 Constitution Avenue, NW
Washington, DC 20210

Dear Ms. Chao,

The new federal changes to overtime rules that take effect today strip away the right to overtime pay for millions of workers across the country. Illinois has taken steps to insure that 375,000 workers across our state are protected from these new federal rules.

The Fair Labor Standards Act guaranteed the right to compensation equaling time and a half for every hour worked beyond the normal 40-hour week. A person who is willing to work hard -- and then is willing to work even harder by working longer hours -- ought to be rewarded for his or her initiative, not punished.

The new rules proposed by the U.S. Department of Labor mean that more workers would be classified as "professional," "administrative," or "executive." As a result, workers would no longer qualify for overtime compensation. The proposed classification changes impact licensed practical nurses, retail and food service workers, secretaries and emergency medical technicians.

Illinois law protects overtime pay for these workers. We intend to keep it that way.

This spring, I signed legislation that rejects the federal changes and keeps current job classification definitions in place. This will preserve overtime rights in Illinois.

Our law also raises the overtime eligibility level so that most employees who make less than \$455.00 a week, or \$23,660 a year will be entitled to overtime pay -- this changes the previous limit of \$155 a week or \$8,060 a year.

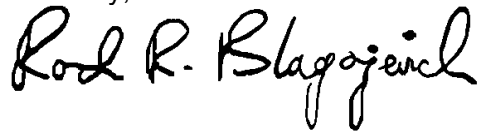
The Illinois Department of Labor will enforce Illinois law, not the new federal administrative rules. Therefore, the men and women in Illinois who work overtime will continue to receive overtime pay.

We intend to make this clear to all Illinois employers. And we also intend to make it clear to working men and women in our state that if they work overtime, they are entitled to receive overtime pay.

The United States Department of Labor should know that Illinois law will continue to protect Illinois workers, even when the federal Department of Labor decides not to.

If you have any questions, please call me at (312) 814-2121. Thank you for your time.

Sincerely,

A handwritten signature in black ink that reads "Rod R. Blagojevich". The signature is written in a cursive, flowing style with a prominent initial "R".

Rod R. Blagojevich
Governor

VOICE OF THE PEOPLE (LETTER)

Protecting middle-class wage earners

Dan Hynes, Comptroller
State of Illinois

August 23, 2004

Chicago -- This is regarding "Ready or not, OT law coming; Some firms may be ill-prepared" (Business, Aug. 16). The story gave the erroneous impression that many Illinois workers would be negatively affected by sweeping changes to federal overtime rules scheduled to go into effect Aug. 23. Not until the last sentence in the last paragraph of the story is the point made that "if state employment laws are more favorable to workers, they prevail."

In Illinois, that, in fact, is the case, thanks to a bill I drafted and that was passed by the General Assembly this past spring. The bill protects as many as 375,000 Illinois workers from the punitive new federal rules that would have eliminated their overtime protection by bypassing the more restrictive federal standards in favor of Illinois standards that are fairer to workers.

The Bush administration guidelines will remove certain workers who had previously met requirements for overtime pay after a 40-hour workweek from eligibility by redefining blue-collar and white-collar jobs. Workers with minimal supervisory duties or who use reference manuals as part of their job could be reclassified as "executive or administrative" employees and therefore would no longer be eligible for overtime pay.

Another change broadens the exemption for professionals like doctors and lawyers to now include nurses, military veterans, chefs and other workers without advanced academic degrees.

The changes will also take away overtime pay protections from many of America's veterans.

My bill incorporates the new federal guideline that provides overtime eligibility for workers making less than \$425 a week--up from \$155 per week under current rules.

Otherwise it maintains the existing Illinois tests and definitions for the executive, administrative and professional employee exemption.

I initiated the legislation because the Bush administration is treating middle-class wage earners unfairly. With one hand, the White House wants to take money away from working men and women. With the other, it wants to fatten corporate bottom lines. To me, that's nothing but perverse trickle-up economics.

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