

# Restoring Overtime Pay Act of 2026

Rep. Mark Takano & Senate HELP Committee Ranking Member Bernie Sanders

The Restoring Overtime Pay Act would expand or strengthen overtime protections for up to 29.3 million workers by gradually increasing the overtime salary threshold to the 55<sup>th</sup> percentile of full-time salaried workers nationwide. While too many Americans are working longer hours for lower wages, the Restoring Overtime Pay Act will ensure American workers are paid fairly for all of the work they do.

Currently, just eight percent of full-time salaried workers are eligible for overtime pay based on their salaries alone. In 1975, nearly 63% of all full-time salaried workers were guaranteed overtime pay. While 60% of Americans are living paycheck-to-paycheck, the Trump Administration is trying to make it more difficult for working families to make ends meet by weakening the protections set by the Biden Administration. In response, this bold, commonsense legislation will help restore fairness to an economy rigged against workers and their families.

## Restoring Overtime Pay Act Timeline

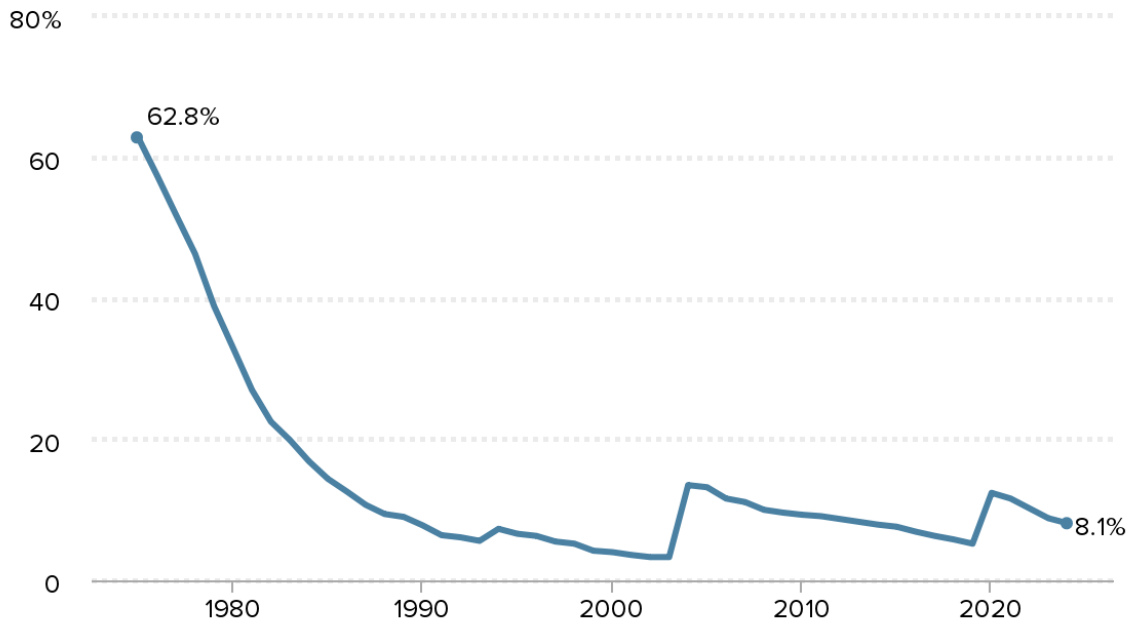
Year	Overtime Threshold
2026	\$45,000
2027	\$55,000
2028	\$65,000
2029	\$75,000
2030	55 <sup>th</sup> percentile of full-time salaried workers nationally*, updated annually

\*The current 55<sup>th</sup> percentile of full-time salaried workers nationally is \$89,440 and could increase to \$98,000 by 2030.

### Background:

- The Fair Labor Standards Act (FLSA) guarantees overtime pay of time-and-a-half to certain workers for any hours worked beyond 40 hours in a workweek. The salary threshold, set by the U.S. Department of Labor, helps determine which workers are required to be paid overtime.
- The **current overtime salary threshold of \$35,568** was set by the Trump Administration in 2019, after the 2016 Obama-era threshold of \$47,476 was struck down in federal court.
- The Biden Administration set a two-step increase of the overtime threshold to \$43,888 effective July 1, 2024 and \$58,656 that was intended to go into effect on January 1, 2025. **This rule would have benefited 4.3 million workers.**
- A federal court struck down the Biden rule in November 2024 and the Trump Administration quickly abandoned the defense of the Biden rule in court last year. On May 15, 2026, Trump formally rescinded the Biden rule and the 2019 Trump standard remains in effect today.

## Share of full-time salary workforce who earn less than the federal overtime salary threshold, 1975–2024



**Source:** EPI analysis of the Current Population Survey Outgoing Rotation Group microdata, EPI Current Population Survey Extracts, Version 1.0.63 (2025), <https://microdata.epi.org>.

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