

Restoring Overtime Pay Act of 2026

Section-by-Section

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

Section 1. Bill title: Restoring Overtime Pay Act of 2026

Section 2. Minimum Salary Threshold for Bona Fide Executive, Administrative, and Professional Employees Exempt from Federal Overtime Compensation Requirements:

Amends the Fair Labor Standards Act (FLSA) to annually increase the salary threshold on the following schedule:

- **2026 (effective date):** \$45,000
- **January 1, 2027:** \$55,000
- **January 1, 2028:** \$65,000
- **January 1, 2029:** \$75,000
- **Beginning January 1, 2030:** 55th percentile of full-time salaried workers nationally as determined by the Bureau of Labor Statistics (BLS) based on data from the second quarter of 2028*.

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

Allows the Secretary of Labor to establish a higher salary threshold through notice and comment rulemaking, as long as it can be updated annually. Requires annual, automatic updates to the overtime threshold of at least the 55th percentile of weekly earnings of full-time salaried workers.

In the event the Secretary does not establish an increased salary threshold, the 55th percentile of weekly earnings of full-time salaried workers nationally shall take effect, based on BLS statistics from the second quarter of the preceding calendar year.

Requires the Secretary to publish a notice announcing the revised salary threshold no later than 60 days before the revised threshold takes effect. Further requires the BLS to publicly publish data on its website for each week of each quarter and data of weekly earnings by census region.

Section 3. Nonexempt Duties Limit for Bona Fide Executive, Administrative, or Professional Employees: Amends exemption language to clarify that employees who spend 20 percent or less of their hours worked on executive or administrative duties are eligible for overtime, regardless of the industry or sector they work in.

Section 4. Effective Date: Takes effect on the first day of the third month after enactment.