

119TH CONGRESS
2D SESSION

S. 4551

To amend the Fair Labor Standards Act of 1938 to establish a minimum salary threshold for bona fide executive, administrative, and professional employees exempt from Federal overtime compensation requirements, and automatically update such threshold each year, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 18, 2026

Mr. SANDERS (for himself, Mr. SCHUMER, Mr. PADILLA, Mr. SCHATZ, Ms. DUCKWORTH, Ms. WARREN, Ms. BALDWIN, Mrs. MURRAY, Mr. MARKEY, Mr. WHITEHOUSE, Mr. BOOKER, Mr. BLUMENTHAL, Mr. FETTERMAN, Ms. CANTWELL, Mr. MURPHY, Mr. GALLEG0, Mr. WYDEN, Mr. MERKLEY, Mr. DURBIN, Mr. WELCH, Ms. HIRONO, Mr. KIM, Ms. ALSOBROOKS, Mr. REED, Mr. LUJÁN, and Ms. BLUNT ROCHESTER) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

A BILL

To amend the Fair Labor Standards Act of 1938 to establish a minimum salary threshold for bona fide executive, administrative, and professional employees exempt from Federal overtime compensation requirements, and automatically update such threshold each year, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Restoring Overtime
3 Pay Act of 2026”.

4 **SEC. 2. MINIMUM SALARY THRESHOLD FOR BONA FIDE EX-**
5 **ECUTIVE, ADMINISTRATIVE, AND PROFES-**
6 **SIONAL EMPLOYEES EXEMPT FROM FEDERAL**
7 **OVERTIME COMPENSATION REQUIREMENTS.**

8 (a) IN GENERAL.—Section 13 of the Fair Labor
9 Standards Act of 1938 (29 U.S.C. 213) is amended—

10 (1) in subsection (a)(1)—

11 (A) by inserting “subsection (k) and” after
12 “subject to”; and

13 (B) by inserting “(except as provided
14 under subsection (k)(2)(C))” after “Administra-
15 tive Procedure Act”; and

16 (2) by adding at the end the following:

17 “(k) MINIMUM SALARY THRESHOLD.—

18 “(1) IN GENERAL.—Beginning on the effective
19 date of the Restoring Overtime Pay Act of 2026, the
20 Secretary shall require that an employee described in
21 subsection (a)(1), as a requirement for exemption
22 under such subsection, be compensated on a salary
23 basis, or equivalent fee basis, within the meaning of
24 such terms in subpart G of part 541 of title 29,
25 Code of Federal Regulations (or any successor regu-
26 lation), at a rate per week that is not less than the

1 weekly rate of the applicable annualized salary
2 threshold under paragraph (2).

3 “(2) SALARY THRESHOLD.—

4 “(A) IN GENERAL.—Subject to subpara-
5 graphs (B) and (C), the applicable annualized
6 salary threshold shall be—

7 “(i) \$45,000, beginning on the effec-
8 tive date of the Restoring Overtime Pay
9 Act of 2026;

10 “(ii) \$55,000, beginning on January
11 1, 2027;

12 “(iii) \$65,000, beginning on January
13 1, 2028;

14 “(iv) \$75,000, beginning on January
15 1, 2029; and

16 “(v) beginning on January 1, 2030,
17 an annualized amount that is equal to the
18 rate of the 55th percentile of weekly earn-
19 ings of full-time salaried workers nation-
20 ally, as determined by the Bureau of Labor
21 Statistics based on data from the second
22 quarter of 2029.

23 “(B) INCREASED THRESHOLD.—The Sec-
24 retary may establish, through notice and com-
25 ment rulemaking under section 553 of title 5,

1 United States Code, a salary threshold that is
2 a rate that—

3 “(i) is greater than the applicable
4 annualized salary threshold under subpara-
5 graph (A); and

6 “(ii) is calculated based on a data set
7 and methodology established by the Sec-
8 retary that are capable of being updated in
9 accordance with subparagraph (C).

10 “(C) AUTOMATIC UPDATES.—

11 “(i) IN GENERAL.—Not later than 1
12 year after the salary threshold first takes
13 effect under subparagraph (A)(v), and an-
14 nually thereafter, or, in the case in which
15 the Secretary establishes an increased sal-
16 ary threshold under subparagraph (B), an-
17 nually after establishing such increased
18 salary threshold, the Secretary shall up-
19 date the rate of the salary threshold in ef-
20 fect under subparagraph (A)(v) or (B), as
21 applicable, so that such rate is equal to—

22 “(I) in the case in which the Sec-
23 retary does not establish an increased
24 salary threshold under subparagraph
25 (B), the 55th percentile of weekly

1 earnings of full-time salaried workers
2 nationally, as determined by the Bu-
3 reau of Labor Statistics based on data
4 from the second quarter of the cal-
5 endar year preceding the calendar
6 year in which such updated amount is
7 to take effect; and

8 “(II) in the case in which the
9 Secretary establishes an increased sal-
10 ary threshold under subparagraph
11 (B), the greater of—

12 “(aa) the 55th percentile de-
13 scribed in subclause (I); and

14 “(bb) the increased salary
15 threshold established under sub-
16 paragraph (B), as updated in ac-
17 cordance with the data set and
18 methodology established by the
19 Secretary under subparagraph
20 (B)(ii).

21 “(ii) NONAPPLICABILITY OF RULE-
22 MAKING.—Section 553 of title 5, United
23 States Code, shall not apply to any update
24 described in this subparagraph.

1 “(D) NOTICE REQUIREMENT.—Not later
 2 than 60 days before a revised salary threshold
 3 under this paragraph takes effect, the Secretary
 4 shall publish a notice announcing the amount in
 5 the Federal Register and on the internet
 6 website of the Department of Labor.”.

7 (b) PUBLICATION OF EARNINGS.—Not later than 21
 8 days after the end of each calendar quarter, the Bureau
 9 of Labor Statistics shall publish on its public website, for
 10 each week of such quarter, data on the weekly earnings
 11 of full-time salaried workers by census region (as des-
 12 ignated by the Bureau of the Census).

13 **SEC. 3. NONEXEMPT DUTIES LIMIT FOR BONA FIDE EXECU-**
 14 **TIVE, ADMINISTRATIVE, OR PROFESSIONAL**
 15 **EMPLOYEES.**

16 Section 13(a)(1) of the Fair Labor Standards Act of
 17 1938 (29 U.S.C. 213(a)(1)), as amended in section
 18 2(a)(1), is further amended—

19 (1) by striking “of a retail or service establish-
 20 ment shall not” and inserting “shall”;

21 (2) by striking “because of” and all that follows
 22 through “administrative activities,”;

23 (3) by striking “less than 40” and inserting
 24 “not less than 20”; and

1 (4) by striking “such activities” and inserting
2 “activities not directly or closely related to the per-
3 formance of executive or administrative activities”.

4 **SEC. 4. EFFECTIVE DATE.**

5 This Act, and the amendments made by this Act,
6 shall take effect on the first day of the third month that
7 begins after the date of enactment of this Act.

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