

Thirty-Two Hour Workweek Act

Thirty-Two Hour Workweek Act <u>S. 3927</u>, sponsored by Sen. Bernie Sanders (I-VT) H.R. 1332, sponsored by Rep. Mark Takano (D-CA)

The Thirty-Two Hour Workweek Act would amend the Fair Labor Standards Act (FLSA) to set 32 hours as a full-time workweek and eight hours as a full day of work, with no loss in pay compared to a worker's earnings during the current 40-hour workweek. This transition to a four-day workweek would be spread over a period of four years.

Sen. Sanders argues that wages need to rise because technology has increased worker productivity well beyond the increase in wages over the past decades. Reducing the FLSA definition of a full workweek by eight hours – but maintaining the same workweek salary – would effectively increase a worker's standard pay per hour worked. FLSA overtime pay requirements for non-exempt employees (many salaried workers are exempt) would apply for work beyond 32 hours in a week, rather than the current 40-hour threshold. Additionally, the Sanders-Takano bill would also require overtime pay of time-and-a-half for any work over eight hours in a day and double-pay for any time over 12 hours in a day. The legislation would prohibit an employer from reducing the "total workweek compensation rate", including pay and benefits, as workers transition from the current 40-hour workweek to a new 32-hour workweek.

Federal law does not prohibit businesses from voluntarily adopting a 32-hour workweek or other non-traditional workplace flexibility. In fact, at a <u>March 14, 2024 hearing</u> of the Senate Committee on Health, Education, Labor, and Pensions (HELP), an executive of Kickstarter talked about how his company voluntarily moved to a 32-hour workweek with great success. The Thirty-Two Hour Workweek Act, however, would be a mandate for all employers.

Job creators may have concerns about this policy due to the de facto 25% increase in cost of labor, which could lead to increased prices for consumers or job losses if plants move overseas. Workers may be concerned with a loss of workplace flexibility they may currently enjoy. For example, a nurse working three 12-hour shifts to maximize time

off could see that schedule forcibly changed to four shifts of 8 hours. In that three 12-hour shifts scenario, under Sanders-Takano bill, the employer medical facility would be mandated to pay the nurse four-hours of overtime pay for each of the shifts and could be expected to instead force an eight-hour-per-day maximum to minimize the cost increases.

Senate HELP Committee's hearing on this issue also acknowledged that former President Franklin Delano Roosevelt imposed the 40-hour workweek as a "New Deal" reform to, in part, limit workers' hours on the job and thereby create more job openings for the many unemployed individuals seeking work. A witness from the HR Policy Association noted, however, that today the United States has the opposite conditions – a shortage of workers for the many available jobs. Mr. Roger King wrote in his prepared testimony:

"For example, one recent study concluded that an estimated 501,000 additional workers are needed in the construction industry on top of the normal job pace of hiring in 2024. The same study concluded, in 2025, that the construction industry will need to bring in nearly 454,000 new workers, on top of new hiring, to meet industry demand. Thousands of positions in hospitals, clinics, and long-term care facilities also cannot be filled, including projections by the Bureau of Labor Statistics that the country will face a shortage of 195,400 nurses by the year 2031 and that the number of job openings for home and personal health aids will increase 37 percent by 2028."

According to the bill's sponsors, the legislation is endorsed by: AFL-CIO, UAW, SEIU, AFA-CWA, UFCW, International Federation of Professional and Technical Engineers (IFPTE), 4 Day Week Global, WorkFour, and the National Employment Law Project (NELP)

Additional Information

<u>Senate HELP Committee hearing</u>: Workers Should Benefit from New Technology and Increased Productivity: The Need for a 32-Hour Work Week with No Loss in Pay

<u>Ranking Member Cassidy Delivers Remarks</u> During Hearing on Fringe 32-Hour Workweek Proposal

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