

FLSA Alert - Court Issues Nationwide Injunction Blocking New DOL Overtime Rules

A Texas Federal Judge issued an injunction today blocking the Department of Labor's (DOL) new overtime rule from going into effect. The ruling comes after more than 20 states and a host of companies and industry trade groups filed suit to block the overtime regulations, arguing that the regulation constitutes executive overreach and violated the 10th Amendment, and that that the DOL overstepped its authority when devising the new rule.

In his ruling, Judge Amos L. Mazzant III of the U.S. District Court for the Eastern District of Texas decided that the DOL's new overtime regulations were directly in conflict with Congress's intent, in that the agency "exceed[ed] its delegated authority and ignore[d] Congress's intent by raising the minimum salary level such that it supplants the duties test." In addition, the court found the DOL lacked the authority to implement the automatic updating mechanism which would raise the salary test every three years. As a result, the Texas court issued a nationwide injunction temporarily barring the final overtime rule from going into effect.

So what does this mean?

Essentially, it means the DOL's new overtime rule, scheduled to become effective December 1st, and which raises the salary threshold for workers to qualify as exempt from overtime pay requirements from \$455 to \$913 per week (or from \$23,660 to \$47,476 per year), and increases the current minimum salary requirements for employees exempt from overtime pay under the "highly-compensated" exemption from \$100,000 to \$134,004 per year, is **temporarily barred from going into effect.**

So what are employers supposed to do?

At this point, the ruling amounts to only a temporary delay of the implementation of the new overtime rules. However, since the

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court's order applies nationwide, employers should consider delaying making any changes as a result of the ruling until the ruling is reversed or altered.

We will keep you apprised on any developments as they occur.

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