

FEDERAL COURT BLOCKS IMPLEMENTATION AND ENFORCEMENT OF THE OVERTIME RULE

Labor & Employment Alert
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A federal court in Texas entered a nationwide injunction prohibiting the U.S. Department of Labor from implementing and enforcing its overtime rule that was slated to go into effect on December 1, 2016. As we previously reported, the overtime rule sought to increase the minimum salary level necessary for employees to qualify for the executive, administrative, and professional exemptions (the “white collar” exemptions) from \$455 to \$913 per week. In its decision, the court concluded that the Fair Labor Standards Act did not grant the U.S. Department of Labor authority to require employees subject to the white collar exemptions to be paid a minimum salary, or to implement an automatic indexing mechanism for such salary level. Accordingly, the court granted the motion for preliminary injunction sought by twenty-two states and enjoined the overtime rule on a nationwide basis.

The status of the final rule in view of this decision and the results of the Presidential election leaves a number of questions open. We will keep you posted as this matter develops. In the meantime, if you have any questions, please contact any one of our wage and hour attorneys.

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