

PUBLICATION

Stop the Presses – The Overtime Rule is in Overtime

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Employers finally have their reprieve. A federal court in the Eastern District of Texas granted a nationwide injunction blocking the enforcement of the FLSA overtime rule. Employers are no longer required to meet the December 1 deadline.

The lawsuit, filed by 21 states and a variety of employer groups, argued that the Department of Labor (DOL) exceeded its authority when it nearly doubled the salary level required for overtime exemption from \$23,660 (\$455/week) to \$47,476 (\$913/week). [In a stunning 20-page order](#), Obama-appointee Judge Amos L. Mazzant III agreed. The court held that the states were able to effectively show "irreparable harm" if the rule went into effect and that the DOL exceeded its authority when it raised the salary threshold. Specifically, the court held that the DOL's increase of the salary threshold was unlawful under the plain language of the FLSA: "Congress did not intend salary to categorically exclude an employee with [exempt] duties from the exemption." The court held that while the DOL had authority to define the duties performed by employees under the executive, administrative and professional exemptions, it did not have authority to raise the minimum salary level "such that it supplants the duties test."

No doubt this decision will be appealed to the Fifth Circuit Court of Appeals, but for now, the overtime rule will not go into effect. If you have any questions, please contact your Baker Donelson attorney. We will provide updates as the case progresses.