

Texas Federal Court's Ruling on Whether to Block New DOL Overtime Rules Expected Soon

By H. Carlton Hilson November 2016

On November 16, 2016, a Texas federal judge announced at a hearing that his decision on whether to block the U.S. Department of Labor's ("DOL") new overtime rules from taking effect would be made by November 22, 2016. Earlier this year, the DOL issued its final changes to the federal overtime regulations, which significantly increase the minimum salary threshold requirements for the common white collar exemptions from the regulations. An estimated 4.2 million workers who are currently classified as exempt under the white collar exemptions would be effected by the new rules.

In September 2016, 21 states and dozens of business groups filed lawsuits seeking an immediate injunction to block the new rules from taking effect on December 1, 2016. The Texas federal judge presiding over the lawsuits, U.S. District Judge Amos Mazzant, said during Wednesday's hearing that what President-elect Donald Trump's administration would do with the overtime rules is "pure speculation" and that the next administration could not "just wipe this away." Judge Mazzant further stated the court's role is not to get involved in policy decisions, but to determine whether the DOL overstepped its authority on legal grounds. If the Texas federal court decides to issue an injunction, the December 1, 2016 effective date of the new overtime rule would be delayed until further action by the court, DOL, or federal legislature.

We will continue to monitor these developments and any updates that follow.

If you would like more information, please contact:

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