



Federal District Judge Enters Preliminary Injunction Against Enforcement of DOL Overtime Rules

November 22, 2016

A federal District Judge in Texas today entered a preliminary injunction prohibiting the Department of Labor from enforcing its new overtime rules. The new rules, intended to take effect December 1, would raise the minimum salary necessary to be considered an “exempt” employee from \$23,660 to \$47,476 per year. The rule changes were expected to convert more than four million workers previously thought “exempt” to overtime-eligible. The Court found merit in the argument that Department of Labor was without statutory authority to issue these rules.

The injunction is nationwide. It is a preliminary injunction, meaning it prevents enforcement for now, but it is not a final decision on the merits. A copy of the decision can be found [here](#). There will likely be further proceedings to determine whether the rule should be halted on a permanent basis. No timetable for any further hearings has been set.

Employers thus receive a temporary reprieve from the new rules, but the future remains uncertain. In the end, the courts may ultimately uphold the rules, the Trump Administration may decline to enforce them, or the new Congress may pass legislation on the subject. Employers will need to prepare to comply with the new rules, if, when or in whatever form they become effective. If your business has already made changes in anticipation of the new rules, you must decide whether to keep, alter, stay or reverse course. Although the future is unpredictable, employers should consider the practical effects on employee morale, timekeeping methods and the bottom line.

If you have questions about this alert, please contact your Lathrop Gage attorney or either of the attorneys listed above.