

CLIENT MEMORANDUM

Federal Court Blocks New Overtime Regulations

November 23, 2016

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On Tuesday, November 22, 2016, a federal court issued a nationwide preliminary injunction blocking the U.S. Department of Labor (the “DOL”) from implementing new regulations that would increase the minimum salary level from \$23,660 to \$47,476 for the so-called “white collar” exemptions from overtime pay under the Fair Labor Standards Act. The court also enjoined the implementation of a mechanism that would automatically update the minimum salary level every three years. The new regulations were scheduled to take effect on December 1, 2016. In his decision, Judge Mazzant of the Eastern District of Texas concluded that the DOL likely overstepped its authority in issuing the regulations and that the plaintiffs – 21 states led by Texas and Nevada – would be irreparably harmed were the new rules to take effect. Although we anticipate that the DOL will appeal this decision in the near future, the injunction will remain in place until further judicial review and existing overtime regulations will remain in effect.

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