

Federal Judge Halts Overtime Rule

Until a final decision is reached, employers may continue to follow the existing overtime rule

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A federal judge in Texas put the brakes on the Department of Labor's (DOL's) new **federal overtime rule**, which would have doubled the Fair Labor Standards Act's (FLSA's) salary threshold for exemption from overtime pay.

Twenty-one states filed an emergency motion for a preliminary injunction in October to halt the rule. They claimed that the DOL exceeded its authority by raising the salary threshold too high and by providing for automatic adjustments to the threshold every three years. The states' case was **consolidated last month** with another lawsuit filed by the U.S. Chamber of Commerce and other business groups, which raised similar objections to the rule.

What's Next?

For now, the overtime rule will not take effect as planned Dec. 1, but it could still be implemented later down the road. Employers may continue to follow the existing overtime regulations until a decision is reached.

A preliminary injunction isn't permanent, as it simply preserves the existing overtime rule—which was last updated in 2004—until the court has a chance to review the merits of the case objecting to the revisions to the regulation.

The DOL will likely challenge the decision. Lawmakers are forecasting no changes, until after the Federal administration changes on 1/21/17.