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Overtime Rule Put On Hold: Court Grants Nationwide Injunction

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The new overtime salary requirement will **not** go into effect on December 1, 2016. A federal judge in Texas today issued a preliminary injunction in a challenge to the U.S. Department of Labor's (DOL's) new overtime salary threshold. Judge Amos L. Mazzant, III, of the U.S. District Court for the Eastern District of Texas, Sherman division, ruled that the DOL does not have the authority to utilize a salary-level test or an automatic updating mechanism under the final rule.

The nationwide injunction means that the DOL rule which doubled the salary requirement for the white collar exemptions from \$455 to \$913 per week will not go into effect on December 1, 2016, as scheduled.

OT Changes Are Delayed, Not Necessarily Dead

Two lawsuits were filed in the Texas court seeking to stop the new overtime rule from becoming effective. The first one was brought by twenty-one states and the second by numerous business associations. The two cases were consolidated and will proceed before Judge Mazzant.

By granting the preliminary injunction, the judge has delayed the rule from becoming effective until further legal proceedings may occur. The court will need to rule on whether the injunction becomes permanent. The business parties' motion for summary judgment, which seeks to throw out the final rule for good, has already been briefed and may be decided on an expedited basis.

Stay tuned as we will provide further analysis of the court's ruling.

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