

Employment Law Update: Federal Judge Delays Implementation of New Overtime Rule

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A federal district judge in Texas has issued a nationwide preliminary injunction delaying the implementation of the Department of Labor's new overtime rule. The new rule, which was supposed to take effect on December 1, 2016, amended the salary test for exempt employees. The rule would have changed the amount an employer must pay an administrative, professional, or executive employee per week in order for that employee to be exempt from the wage and hour laws. This would have meant that an employer would have to pay an employee \$913 per week in order to avoid paying overtime hours. Under the current rule an employer must pay an employee \$455 per week to avoid paying overtime hours.

As a result of the injunction, employers are not required to comply with the new rule on December 1, 2016. However, employers should note that the judge's decision is not a final determination. The injunction may only delay the implementation of the rule. Therefore, employers should be aware that the new rule may go into effect at some time in the future. The Employment Law Team will notify you of any developments regarding the overtime rule as soon as they occur.

Attorney

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