



e-Alert: DOL Overtime Rule Struck Down

Last May, [the US Department of Labor \(DOL\) issued a Final Rule](#) to raise the salary threshold to help determine whether workers are eligible for overtime pay. The rule was originally planned to take effect on December 1, 2016, and would have increased the “white collar” exemption salary level for overtime pay from \$455/week (\$23,660/year) to \$913/week (\$47,476/year).

However, [the ruling was put on hold](#) in November 2016 when a federal judge in Texas delayed implementation after 21 states filed a motion for a preliminary injunction arguing that the new salary threshold was too high. Because of the injunction, the rule would not go into effect unless the DOL successfully appealed the decision.

What has happened to the rule since the injunction?

On August 31, 2017, the same judge that issued the injunction stopping implementation of the final rule overturned the Fair Labor Standards Act (FLSA) Final Overtime Rule that would have doubled the annual salary level to qualify for exemption from overtime from \$23,660 to \$47,476.

Next steps for employers

This may not be the end of the issue. Earlier, Labor Secretary Alex Acosta requested public comments on the rule and indicated that his department planned to review and possibly adjust the salary thresholds for exemption. The DOL could also appeal the ruling. For now, the minimum salary level for exempt employees will remain at \$455/week (\$23,660/year) since the DOL is dropping its defense of the proposed rule. We will keep you informed of any changes as the rulemaking process continues. Please feel free to [contact us](#) if you have any questions or concerns.

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