

AFFIRMATIVE ACTION UPDATE

**** NEWS FLASH ****

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Douglas B. Brown, LLC

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NEW REGULATIONS RAISING SALARY THRESHOLD FOR OVERTIME ELIGIBILITY BLOCKED FROM TAKING EFFECT DECEMBER 1, 2016

For the third time in less than 30 days, a federal court has blocked an Obama Administration change to the nation's employment and labor laws from going into effect.

On Tuesday, November 22nd, a federal district court in Texas issued a nationwide preliminary injunction blocking the new overtime eligibility regulations, which would have raised the salary threshold to \$47,476 from the previous \$23,660, from going into effect on December 1st as planned.

The court held that the Department of Labor (DOL) lacked the authority to change the threshold. Rather, the court held that the exemption from overtime eligibility was based on the duties performed, not on the basic salary threshold.

Therefore, at the moment, none of the current practices regarding eligibility for overtime will change as of December 1st. However, it is probable that the DOL will challenge the ruling to the Fifth Circuit Court of Appeals. Whether the Court rules on the appeal prior to the change in Administrations remains to be seen. If it does not, the new Administration can choose to either push the appeal, decline to push the appeal, or entertain new legislation rolling-back the change, which would make the appeal moot.

Employers who have already made changes in anticipation of the rule going into effect will need to evaluate those changes to determine whether they should remain in place or possibly be rescinded.

We will keep you posted of further developments with the injunction.

If there are any questions or comments concerning anything contained above, they can be directed to this office by calling us at 440-564-7987 or sending an email to dbb@dbbrown.com. The discussion of this matter is for the clients and friends of Douglas B. Brown, LLC and does not represent nor is intended as a substitute for professional legal advice.