

Employment Law Update November 2016

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We represent clients ranging from large corporations to small enterprises and individuals. We have the resources to assemble a coordinated team of lawyers and support staff to meet the specific needs of each client.

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Yesterday evening, a federal judge in Texas issued a decision blocking the implementation of the Department of Labor's ("DOL") new overtime rule, which would have expanded overtime pay to an estimated 4.2 million workers across the United States. [The new rule](#), which was slated to take effect on December 1, would have made overtime available to employees earning less than \$47,476 per year, more than doubling the current threshold of \$23,660 per year. The Texas judge, who coincidentally was a President Obama appointee, issued a nationwide injunction prohibiting the DOL from enforcing its new overtime rule, indefinitely delaying the December 1 effective date.

The injunction is preliminary in nature, which means that the case is not over. The preliminary injunction gives the judge more time to come to a final decision on the merits of the case. For now, however, that judge agreed with 21 states and a coalition of business groups, including the U.S. Chamber of Commerce, who argued that the DOL does not have the authority to require employers to offer overtime to workers who earn below a certain salary threshold.

The DOL has issued a statement indicating that it is considering all of its legal options. In the statement, the DOL said: "We strongly disagree with the decision by the court, which has the effect of delaying a fair day's pay for a long day's work for millions of hardworking Americans."

Although the legal fight is likely far from over, this decision is a big win for employers. The injunction halts enforcement of the rule for the foreseeable future. Given that Texas is in the conservative Fifth Circuit, obtaining a reversal of the judge's final order at the court of appeals level could be a challenge. This case ultimately might find its way to the U.S. Supreme Court, so a final decision could be a long way off. As always, we will keep you advised of any further developments on this issue.

Have a Happy Thanksgiving!