

Overtime Rule on Hold After Court Action

The federal government is reviewing its legal options after a federal judge in Texas last week granted a preliminary injunction to halt the Department of Labor's overtime rule that was supposed to take effect on December 1, 2016. Read a copy of the court's ruling [here](#). The emergency motion was granted at the request of 21 states. Essentially, the Court ruled that the Labor Department exceeded its authority by drastically altering the minimum salary requirements for exemption and by establishing an automatic salary threshold increase every three years.

Judge Amos Mazzant of the U.S. District Court for the Eastern District of Texas granted the injunction as it "preserves the status quo while the court determines the department's authority to make the final rule as well as the final rule's validity." In its injunction, the court ruled that the regulation exceeded the authority granted to the DOL by Congress.

The timeline for when the court reaches a final decision on the rule will depend on the government's response. Should the Labor Department appeal as expected, it's unclear whether the court would render a final decision before the next administration takes office. It would then be up to President-Elect Trump's Labor Secretary and Attorney General to decide whether to drop the case or whether to further pursue the appeal.

In the meantime, we will keep AAMGA members advised as to the developments and, as always, are prepared to answer any questions or provide additional information you may require.

Update as of 12/6/2016