

November 30, 2016

Re: Federal Court Injunction Blocks US Department of Labor Overtime Rule

Dear Mayor:

As we previously advised, in May, the U.S. Department of Labor (DOL) announced a publication of the final rule updating overtime regulations under the Fair Labor Standards Act. The proposed rule, which was set to go into effect on December 1, would double the minimum salary threshold under which an employee is entitled to overtime pay - to \$47,500. It would also establish a mechanism to automatically update salary and compensation every three years.

In September, 21 states and over 51 business groups filed lawsuits challenging the Administration's new overtime rule and seeking a temporary and permanent injunction that would block implementation of the rule on several grounds, including that it violates the 10th Amendment.

Last week in Texas, a federal court judge granted a preliminary injunction of the entire rule. The League's Labor Relations Counsel, Genova Burns, has prepared a blog post ([linked here](#)) regarding the Final Overtime Rule's current status.

The implications of this ruling are that employers do not need to implement changes by December 1. The court, after hearing the full case could allow the rule to go into effect, but for the time being it will not.

Congress now has an opportunity to address the final rule, during its lame-duck session or with the beginning of the 115th Congress. This delay also means that the incoming administration now also has time to change or end permanently the rulemaking.

We will keep you updated as we learn more.

Sincerely,

Michael J. Darcy, CAE  
Executive Director