

Employment Law Update

November 2016

Breaking: Federal Court Blocks U.S. Department of Labor's New Overtime Rule New Salary Basis Test on Ice For Now

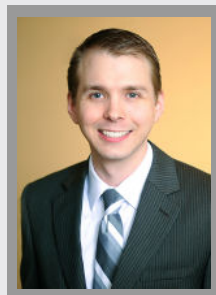
On November 22, 2016, U.S. District Court Judge Amos Mazzant, in the Eastern District of Texas, issued a preliminary injunction that blocks the U.S. Department of Labor's new overtime rule ("OT Rule") from going into effect. The OT Rule was scheduled to go into effect on December 1, 2016. We had previously discussed the OT Rule in our [March update](#) and our [May update](#).

The OT Rule would have more than doubled the minimum salary an employee had to earn to qualify for one of the "white-collar" overtime exemptions (administrative, executive, and professional) under the federal Fair Labor Standards Act to \$47,476 per year (\$913 per week).

For now, that increase is on ice, and the previous federal salary basis test (\$23,660 per year) remains in effect. It remains to be seen what will happen with the OT Rule once the new administration takes over in Washington. (Remember, however, that certain states such as California still maintain their higher salary requirements for exempt status.)

Clients with questions about this Alert or related issues are welcome to contact the article authors, or the Rutan & Tucker attorney with whom you are regularly in contact.

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