**Texas Judge Temporarily Blocks Overtime Regulations That Were to Become Effective on December 1**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

On November 22, 2016, a federal court judge in Texas issued a preliminary injunction that temporarily blocks the U.S. Department of Labor (DOL) from implementing and enforcing its revised white collar overtime regulations on a national basis. The regulatory revisions, which would more than double the minimum salary requirements for the major white collar exemptions to the federal Fair Labor Standards Act (FLSA), were set to become tffective on December 1, 2016.

Judge Amos L. Mazzant III, a federal judge for the Eastern District of Texas, issued the ruling in a consolidated set of cases brought by 21 states and several business organizations. Both cases challenge the changes to 29 C.F.R. Part 541, which defines and delimits the standards for evaluating whether employees are exempt executive, administrative, and/or professional employees. Under the current regulations, the minimum salary requirement for these exemptions generally is $455 per week, which annualizes to $23,660 per year. Under the revised regulations, the minimum salary would more than double to $913 per week, which annualizes to $47,476 per year.

In his decision, Judge Mazzant found that the plaintiffs’ challenge to the final regulations has a substantial likelihood of success on the merits and that the plaintiffs have shown that they would be irreparably harmed if the rule was not enjoined.

Background

On September 20, 2016, 21 states filed a lawsuit against the DOL and its Wage and Hour Division (including three officials of those agencies) challenging the overtime regulations. A few weeks later, the states filed an emergency motion seeking an injunction to halt or delay the implementation of the new overtime regulations. Meanwhile, on October 19, 2016, another lawsuit—this one brought by numerous chambers of commerce and business groups also aimed at preventing the implementation of the new regulations—was consolidated with the states’ case. Before the suits were consolidated, the plaintiffs in the second suit had asked the court to consider a motion for summary judgment to halt the new regulations on an expedited basis. After the cases were consolidated, these plaintiffs also joined in the states’ request for a preliminary injunction. Judge Mazzant conducted a hearing on the preliminary injunction motion on November 16, 2016, during which he vigorously questioned both sides and took the matter under advisement. At that time, he indicated that he intended to issue a written ruling on the preliminary injunction motion on November 22, which he now has done.

Practical Impact

For the many employers that have been struggling to meet the December 1 effective date, Judge Mazzant’s ruling offers some welcome relief. It does not, however, provide any certainty for the future. Although the injunction halts the revised regulations from becoming effective on December 1, it is a preliminary injunction, not a permanent one, and it does not necessarily mean that the new rule will be gone forever, either in its current form or in some revised form under a Trump administration.