

INSIGHTS

Department of Labor Overtime Regulations Enjoined by Federal Judge

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Late yesterday Judge Mazzant of the Eastern District of Texas issued a temporary, nationwide injunction blocking implementation and enforcement of the Department of Labor's (DOL) revised overtime regulations. The regulations, which were to take effect December 1, would have raised the minimum salary threshold for the white collar exemptions to overtime pay to \$913 weekly (\$47,476 annually) and automatically increased the threshold every three years.

The injunction applies nationwide and to all aspects of the regulation – including the minimum salary threshold and automatic updates. A copy of the injunction memorandum opinion and order may be viewed [here](#).

Although this injunction is not a decision on the merits, it may foreshadow what could be the court's ultimate decision. To obtain an injunction, the State and Business Plaintiffs were required to demonstrate (i) a substantial likelihood of success on the merits, (ii) a likelihood of irreparable harm, (iii) a balance of the hardships on each party favored granting of the injunction, and (iv) the public interest is best served by issuing the injunction.

In his order, Judge Mazzant reviewed the history of the Fair Labor Standards Act and the statutory language authorizing the DOL to define and delimit the terms used to set out "employ[ment] in a bona fide executive, administrative, or professional capacity." Persuaded by the argument of State and Business Plaintiffs, Judge Mazzant reasoned that, because Congress defined the exemptions with regard to duties without a minimum salary level, the DOL could not raise the minimum salary threshold in a way that overtook the duties tests. In other words, the DOL did not have the authority to raise the minimum threshold to create "essentially a de facto salary-only test."

The ultimate fate of the DOL overtime rules – whether implemented in full, part, or not at all – remains to be seen. The Court's injunction is only one step in the litigation process. Bracewell will continue to monitor the outcome of this litigation.