

LEGAL ALERT

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Employers Granted Reprieve from New Overtime Regulations

By Cynthia L. Flanagan

Yesterday, a Texas federal judge preliminarily enjoined the implementation of the Department of Labor overtime rule that would have made an estimated 4 million more American workers eligible for overtime pay. A coalition of more than 50 business groups and 21 states sued to invalidate the regulation and sought immediate injunctive relief from the December 1, 2016 start date.

In granting the state plaintiffs' injunction request, U.S. District Judge Amos Mazzan found that they demonstrated a substantial likelihood of success on the merits, and a likelihood of irreparable harm if the rule went into effect, while the Department of Labor did not show that it would be harmed by delaying the rule. The overtime rule would have doubled to \$47,500 the maximum salary a worker can earn and still be eligible for mandatory overtime pay.

The Department of Labor has not yet confirmed whether it will appeal the ruling. However, a new Trump Administration could make its own changes to the overtime rule.

If someone you know would like to receive this Legal Alert, please send a message to Cynthia Flanagan, a partner in Schenck Price Smith & King's Labor and Employment Law Practice Group at clf@spsk.com.

DISCLAIMER: This Alert is designed to keep you aware of recent developments in the law. It is not intended to be legal advice, which can only be given after the attorney understands the facts of a particular matter and the goals of the client.

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