



Construction Industry Round Table

Judicial News

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09/11/2017 – Court Deals Blow of Obama-era Salary Rule [Update]

A Texas federal District Court has weighed in on the Obama-era Department of Labor “salary rule” that was up for revision and potential changes under the new Administration. In its decision the court essentially struck-down the Obama rule for exceeding its authority by only taking into account the amount of pay someone earns and not their job responsibilities or role/description, thus violating the basic tenants of the law establishing overtime/salary requirements established by the FLSA. The US District Court of the Eastern District of Texas ruled against the Department of Labor’s Overtime Rule in: *Nevada v U.S. Department of Labor (DOL)*; [E.D. Tex., No. 4:16-CV-731, 8/31/17]. Although the court decision generally acknowledges that the DOL can *consider* salary levels to a certain extent; DOL cannot “categorically exclude” workers from the white-collar exemption “based on salary level alone.”

In November of 2016, this same Court issued an emergency injunction stopping the Obama-DOL from enforcing its rule for overtime pay, which was set to go into effect on December 1, 2016. The injunction was effective nationwide and will stay in place unless there is further activity in the Courts (there is a chance the District Court ruling might be appealed, but that seems unlikely given the Trump Administration DOL’s interest in revising the rulemaking). However, it is expected that the new Administration will continue to take comments on a possible adjustment to the overtime/salary level requirements since the amount has not be revisited since 2004. ([See. CIRT Story 09/07/2017](#)).