



Construction Industry Round Table

Judicial News

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11/23/2016 – Court Blocks Obama Administration’s New DoL Salary Regulation

In a *stunning* turn of events, yesterday evening the U.S. District Court in Texas blocked the Department of Labor's overtime rule from going into effect on December 1st. The emergency motion was granted at the request of 21 states, ASAE, the U.S. Chamber of Commerce, and other like-minded organizations. The lawsuit was filed on the grounds that the DOL has overstepped its authority and put forward an onerous regulation that has to be stopped before the implementation date. CIRT along with other organizations like ASAE, have opposed the rulemaking on the grounds that doubling the threshold to \$50,000 in one step and creating a "one-size-fits-all" measuring stick for overtime eligibility across the country was an over reach and not workable for many employers in large portions of the U.S. (i.e., outside of expensive urban centers).

The Texas District Court granted a nationwide preliminary injunction against implementation of the DOL overtime rule, saying in part it: "preserves the status quo while the court determines the department's authority to make the final rule as well as the final rule's validity." However in coming to its decision, the court did conclude the regulation exceeded the authority granted to the DOL by Congress. Nonetheless, the "stay" is only temporary, although it does delay DoL's planned implementation from taking place next week. The Department is expected to appeal the injunction.