

IMPORTANT DOL UPDATE: The Final Rule on Doubling White Collar Salaries Is Shot Down By Texas Judge

InTouch Magazine – NAMA
Fall 2017

Do you remember last November when a federal judge put a temporary hold on significant changes to federal labor laws affecting millions of workers and their employers?

In her latest article for *NAMA's InTouch Magazine*, Heather Bailey provides an Important DOL Update, in which she addresses the Department of Labor's final rule, the potential ramifications, and the court's recent decision to dismiss the proposed changes.

Back in May 2016, the US Department of Labor ("DOL") issued its long awaited final rule, increasing the minimum salary threshold required to qualify for the Fair Labor Standards Act's ("FLSA") "white-collar" exemptions (executive, professional and administrative classification) from \$455 per week (\$23,660 annually) to \$913 per week (\$47,476 annually) as of December 1, 2016. (see our prior articles: [U.S. DOL Publishes Final Overtime Rule](#) and; [Are you ready for December 1st? The FLSA Salary Changes Are Almost Here](#)).

However, on August 31, 2017, Judge Amos L. Mazzant of the United States District Court, Eastern District of Texas answered many business owners' prayers by ruling the DOL indeed exceeded its authority by more than doubling the minimum salary threshold for exempting white-collar employees.

While it seems unlikely this ruling will be appealed, the decision could catapult the Trump administration to issue a new rule providing for a more moderate increase in the minimum salary threshold – one that does not vitiate the primary focus of the "white collar" overtime exemptions: the employees' actual duties and responsibilities.

The good news for now, Heather says, is that operators can continue to follow the previous DOL regulations as to white collar exemptions. She recommends practice tips for employers to take such as analyzing their exempt positions to confirm they meet the duties test and are truly exempt positions and ensure your management is trained to enforce certain policies related to working time, time clock procedures, meal and rest breaks, etc.

PROFESSIONALS

Heather A. Bailey
Partner

RELATED SERVICES

Employee Benefits, Executive
Compensation & Tax

Employment Advice &
Counsel

Government Regulation,
Audit & Compliance

Labor, Employment &
Immigration

Wage & Hour

Workers' Compensation

With the judge's ruling, many business owners will be able to find some comfort in being able to keep their exempt employees on a reasonable salary without having to break the bank.

Heather's full article can be found in the Fall 2017 edition of *NAMA's InTouch Magazine*.

IMPORTANT
DOL
UPDATE:
The Final
Rule on
Doubling
White Collar
Salaries Is
Shot Down
By Texas
Judge