

U.S. Department Of Labor Abandons Obama Overtime Rule

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On June 30, the U.S. Department of Labor told the U.S. Court of Appeals for the Fifth Circuit that it intends to abandon the Obama overtime rule, but pursue new rule-making to set a more reasonable salary level. The department asked the Fifth Circuit to confirm its ability to set a minimum salary level through rulemaking. The department told the Fifth Circuit it would not initiate new rulemaking until the court affirms its right to set a minimum salary level – so timing remains uncertain. The white collar overtime rule raised the minimum annual salary required to support exempt status from \$23,660 to \$47,476. Labor Secretary Alexander Acosta stated in his confirmation hearing that he would support a revised minimum annual salary in the low \$30,000 range to account for inflation and not use it as a tool to bolster wages. He confirmed that opinion in a July 7 interview. On Nov. 22, 2016, U.S. District Judge Amos Mazzant of the Eastern District of Texas issued a nationwide injunction blocking the overtime rule scheduled to go into effect on December 1. The Obama administration appealed the injunction to the Fifth Circuit in December. The new administration had not weighed-in on the rule until its June 30 filing.

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