

The DOL Will Appeal Injunction Suspending Regulations Raising the White Collar Salary Minimums

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December 2, 2016

As we continue to follow the progress of the injunction suspending the Department of Labor's regulations raising the salary minimums for the 'white collar exemption', yesterday the DOL informed a Texas federal court that it will appeal that injunction.

It is a strange coincidence that the DOL announcement came on the same day – December 1 – that the new regulations would have gone into effect.

Judge Mazzant, the Texas judge who issued the injunction, had found that the states were likely to succeed in their challenge of the regulations and would be irreparably harmed if the rule went into effect. The judge concluded that the DOL did not have the authority to set these salary minimums at all, stating in part:

"Congress defined the [white-collar] exemption with regard to duties, which does not include a minimum salary level." He concluded, "With the final rule, the department exceeds its delegated authority and ignores Congress's intent by raising the minimum salary level such that it supplants the duties test."

The rules, which are now under legal challenge, would have raised the minimum salary threshold to qualify for the FLSA's white-collar exemption to \$47,476 per year, and would also include automatic increases in those salaries in years going forward.

Unfortunately for many businesses, they had already begun planning to comply with the announced rules, and had announced or implemented raises which could not be rolled back.

In any event, the new salary rules remain on hold for now and will remain in limbo during this appeal.

We will keep following this litigation and update with new development as it progresses.