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Overtime Salary Hike Struck Down

Justice doesn't usually move fast, but it did this time. [As we relayed a few days ago](#), a Texas judge heard oral arguments last Friday challenging the Department of Labor's April regulation raising the salary threshold for the overtime exemption to \$58,655, effective January 1, 2025.

All signs were favorable, but the timing was uncertain. This afternoon, the Texas judge struck down the rule permanently and nationwide. The judge's ruling will be subject to appeal, but to one of the more conservative federal appeals courts in the nation.

The decision not only invalidated the anticipated January 1, 2025, change to the salary threshold level, but also found that the July 2024 increase to the salary threshold was similarly an impermissible stretch of the DOL's authority. The automatic indexing provision of the Rule was also struck down. The Final Judgment vacates and sets aside the April 2024 regulation "**in its entirety.**"

As with the challenge to the Obama administration's attempt to raise the threshold in 2016, the incoming administration will likely pull the plug on any appeal once it takes office in January.

If you have any questions or would like additional information, please contact Al Vreeland at (205) 323-9266 or avreeland@lehrmiddlebrooks.com; Mike Thompson at (205) 323-9278 or mthompson@lehrmiddlebrooks.com; or Whitney Brown at (205) 323-9274 or wbrown@lehrmiddlebrooks.com.