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Membership Release
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Federal District Court Issues Preliminary Injunction Blocking Implementation of Overtime Rule

Texas Judge delays Department of Labor overtime regulation set to take effect on December 1.

A federal judge in The United States District Court in Texas has issued a preliminary injunction to postpone the new Department of Labor (DOL) overtime regulation set to take effect on December 1, 2016. The injunction does not overturn DOL regulation; however, it delays enactment to allow the Court more time to determine its validity. As a result, the rule will not take effect on December 1, and KGA members may continue to operate within the existing employee overtime compensation rule.

Under the current Fair Labor Standards Act (FLSA), employees may be exempt from overtime pay requirements if employees are paid on a salary basis, earning at least \$455 per week (\$23,660 annually). If the new DOL regulation is enacted, upon further Court scrutiny, employers will be required to pay overtime to full-time employees earning less than \$913 per week (\$47,476 annually).

Twenty-one states, including Kentucky, filed an emergency motion in October challenging the overtime rule on several counts, most critically that the Department overstepped its authority by increasing the threshold for the "white collar" overtime exemption and by also mandating an automatic threshold adjustment recurring in three year increments.

KGA expects the Department of Labor to challenge the Court injunction. As such, KGA members and Kentucky businesses should monitor the litigation and prepare for compliance if necessary.

The Kentucky Gas Association is dedicated to serve as a premier advocate and information source for the natural gas industry. KGA represents 170 member companies, comprised of municipal and investor owned natural gas utilities and affiliates.

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