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DOL's Overtime Rule Struck Down

On August 31, 2017, a Texas federal judge invalidated the Obama administration's rule that expanded overtime protections to an estimated 4.2 million white collar workers. The court held the U.S. Department of Labor (DOL) improperly used a salary-level test to determine which workers are exempt from overtime compensation and exceeded its authority by issuing the rule. Significantly, the court did not state that there cannot be a salary level. Rather, the court held that the DOL focused too heavily on the amount of money workers make, instead of focusing on their job duties.

The rule would have required employers to pay overtime to most salaried workers who earn less than \$47,476 annually – a sharp increase from the current annual salary limit of \$23,660. The rule also would have required an update to the salary threshold every three years and raised the highly compensated employee threshold from \$100,000 to \$134,000 in total annual compensation.

This decision marks an important win for employers and halts what would have been a dramatic change in labor law.

Going forward, President Trump's DOL has signaled that it plans to reconsider the rule and has asked for public input. Secretary of Labor Alexander Acosta has indicated that the DOL may consider revising the salary threshold to somewhere near \$32,000 a year.

For more information on wage and hour law, please contact [Amy Wilson](#), [Rick Etter](#), [Jeffrey Lindemann](#), [Neal Shah](#), [Kyle Johnson](#), [Jennifer Rulon](#), or any member of Frost Brown Todd's [Labor and Employment Practice Group](#).

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