



JUDICIAL RULING HALTS 2024 OVERTIME THRESHOLD INCREASE

Nov 19, 2024

The 2024 increases to the overtime exemption threshold are vacated nationwide and revert to the prior threshold of just under \$36,000.

We advised you last month that the Federal Rule increasing the minimums for overtime exemptions was under court review, and that a decision was expected prior to the January 1 deadline. On November 8, the Court heard oral arguments from attorneys on both sides of the case, and then, late last Friday, the Court issued its decision.

In an opinion that extended for 62 pages, the Court concluded that, even though salary criteria may be permitted in some instances, the Department of Labor exceeded its authority with these salary increases. The Judge declared that he was vacating the Rule and sending it back to the Labor Department to rethink the rule. The portions of the Opinion and final Order which are germane is as follows:

The 2024 Rule impacts millions of employees in every facet of the economy, as well as state and local governments, and will impose billions in costs to employers. And considering the volume and variety of the trade organizations' members who are entitled to relief, it would be impractical, if not impossible, to fashion party-tailored relief here. Therefore, consistent with controlling circuit precedent, the proper remedy is vacatur of the 2024 Rule and remand to the Department for "further consideration in light of this opinion."

The Court VACATES and SETS ASIDE, in its entirety, the Department of Labor's Final Rule "Defining and Delimiting the Exemptions for Executive, Administrative, Professional, Outside Sales, and Computer Employees, 89 Fed. Reg. 32842 (Apr. 26, 2024) (codified at 29 C.F.R. §§ 541.0–541.710). The Court remands this matter to the Secretary of Labor for further consideration.

Of course, the Government still has the option of appealing that ruling to the Court of Appeals, which we will be monitoring. But, in the meantime, the January 1, 2025, increases are canceled.

Karen D. Adinolfi

Shareholder, Firm General Counsel
(330) 849-6773 | kadinolfi@ralaw.com

Aretta K. Bernard

Shareholder, Practice Group Manager, Employment Services
(330) 849-6630 | abernard@ralaw.com

Robert E. Blackham

Chairman, Shareholder
(216) 615-4839 | rblackham@ralaw.com

Michael B. Brohman

Shareholder
312.582.1682 | mbrohman@ralaw.com

Christopher J. Carney

Shareholder
216.830.6825 | ccarney@ralaw.com



Barry Y. Freeman

Shareholder

312.741.0786 | bfreeman@ralaw.com

Morris L. Hawk

Shareholder

216.615.4841 | mhawk@ralaw.com

Paul L. Jackson

Shareholder

(330) 849-6657 | pjackson@ralaw.com

Stephanie Olivera Mittica

Shareholder

330.849.6671 | smittica@ralaw.com

Nancy A. Noall

Shareholder

216.820.4207 | nnoall@ralaw.com

Thomas J. Wiencek

Of Counsel

330.434.5604 | twiencek@ralaw.com