

November 23, 2016

TO: Deans of U.S. Dental Schools
Directors of Advanced Dental Education Programs
Directors of Allied Dental Education Programs
ADEA Board of Directors
ADEA Legislative Advisory Committee

FROM: Richard W. Valachovic, D.M.D., M.P.H., President and CEO
Yvonne Knight, J.D., ADEA Chief Advocacy Officer

RE: Federal Judge Blocks Obama Administration's Overtime Rule

On Nov. 22, U.S. District Judge Amos L. Mazzant, granted a [preliminary injunction](#) blocking the Department of Labor's (DOL) [overtime rule](#) (rule) which was to take effect Dec. 1, 2016. The 20-page decision stated that 21 states and more than 50 business groups that sued to block the rule had a very good chance of success and would suffer irreparable harm if the rule went into effect as scheduled.

DOL released the proposed rule in July 2015, ADEA circulated a [memorandum](#) summarizing the rule and its effect on higher education. The rule would have doubled the minimum salary threshold required to qualify for the Fair Labor Standards Act's (FLSA) white collar exemption to \$47,476 per year and created an index for future increases. The states seeking the injunction asserted that the proposed rule disregarded the text of the FLSA by imposing a salary threshold without regard to whether an employee is actually performing bona fide executive, administrative or professional duties, which would exempt those workers from either overtime or minimum wages.

Judge Mazzant reasoned, "Due to the approaching effective date of the final rule, the court's ability to render a meaningful decision on the merits is in jeopardy," [therefore] "A preliminary injunction preserves the *status quo* while the court determines the department's authority to make the final rule as well as the final rule's validity."

Next steps, the injunction halts implementation of the rule until the government can win a countermanding order from an appeals court. In the meantime, if you adjusted employees' pay in anticipation of the Dec. 1, 2016 effective date, you may want to revisit with the understanding that for the time being implementation of the rule will be delayed pending further appeals by the Obama Administration. ADEA will keep you abreast of further legal challenges to the rule.