

Update: White Collar Employees Minimum Wage

For several months now we have been telling you about the upcoming change in the minimum salary “white collar” employees will be required to earn on an annual basis to continue to be exempt from overtime rules. (For more information on the new rules you can visit our bookstore where you will find several useful resources www.cmanational.org). The change is scheduled to take place on December 1, 2016.

Now, however, several efforts are underway to delay or even do away with the New Rule. In late September the U.S. House of Representatives voted 246-177 to delay implementation of the New Rule by six months to June 1, 2017. The Senate has also introduced a similar “companion” bill and is expected to vote on it soon. President Obama has vowed to veto the measure if passed however, so it is unlikely to have any impact.

Separately, two lawsuits have been filed in Federal Court, one by a group of 21 State Attorneys General and a second by a coalition of business groups including the Chamber of Commerce and the National Association of Manufacturers.

The State Attorneys General contend that the New Rule violates the Tenth Amendment to the Constitution by mandating how States pay their employees.

The business group lawsuit argues that the U.S. Department of Labor (DOL) exceeded its statutory authority in issuing the New Rule. The basis for their claim being that under the Constitution only Congress has the authority to create new laws.

The plaintiffs in both lawsuits have requested a "stay" on the New Rule taking effect until the matter is resolved by the courts. Whether a judge will issue an injunction is yet to be determined.

Bottom line: you should keep working to prepare your organization for the change, making sure each employee is correctly classified and then stay tuned to see whether the lawsuits will delay or overturn DOL's New Rule.

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