

Texas Judge Overturns DOL's Overtime Rule, Halting Wage Threshold Increases

Source: The Alliance, November 18, 2024

On Friday, November 15, a federal judge in Texas vacated and set aside the Department of Labor's (DOL) Final Rule on overtime exemptions, nullifying both current and future salary threshold increases under the Fair Labor Standards Act (FLSA). The rule, officially titled "Defining and Delimiting the Exemptions for Executive, Administrative, Professional, Outside Sales, and Computer Employees", had initially gone into effect nationwide on July 1, 2024, but was previously stayed in Texas. With this [latest ruling](#), the entire rule has been overturned across the country.

Salary Threshold Increases Now Overturned

Under the Final Rule, the salary threshold, previously set at \$684 per week (\$35,568 per year), was raised to \$844 per week (\$43,888 per year) effective July 1, 2024, in most states. A second increase was scheduled for January 1, 2025, which would have further raised the threshold to \$1,128 per week (\$58,656 per year).

However, U.S. District Judge Sean Jordan for the Eastern District of Texas has now vacated the rule in its entirety. This decision not only halts the January 2025 increase but also effectively reverses the already-implemented July 2024 threshold, effectively rolling back wage requirements to the pre-rule levels of \$684 per week.

What's Next?

The Alliance is closely monitoring developments and will provide updates as more information becomes available.