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Nov. 28, 2016



The [National Retail Federation](#) welcomed a judge's ruling last week that will prevent the Labor Department's changes to federal overtime rules from taking effect as scheduled on December 1. U.S. District Judge Amos Mazzant issued a preliminary injunction in a [lawsuit](#) brought by NRF, attorneys general from 21 states and dozens of business groups arguing that the changes are unlawful. The ruling effectively pauses implementation of the rules until the courts reach a final decision on their legality.

“The Labor Department’s overtime changes are a reckless and aggressive overreach of

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at the impact of these rules.”

The nonpartisan Congressional Budget Office recently reported that canceling the overtime changes would benefit consumers by avoiding price increases that would come if companies had to pay their workers more. Real family income would be \$2.1 billion higher without the changes in 2017 alone, and even families that would have had an increase in overtime earnings would have a net gain. While CBO estimated that the new rules would extend overtime eligibility to an additional 3.9 million workers, it found that only about 900,000 of those employees currently work enough hours to actually receive overtime pay, or 0.6 percent of the U.S. workforce. And those workers would make only an extra \$650 a year, the CBO found.

[Research](#) conducted for NRF by Oxford Economics found that the new overtime regulations would force employers to limit hours or cut base pay in order to make up for added payroll costs, leaving most workers with no increase in take-home pay despite added administrative costs. A separate [survey](#) found that the majority of retail managers and assistant managers the regulations are supposed to help oppose the plan, citing losses in schedule flexibility, benefits and professional development opportunities that would come with switching from salaried to hourly positions.

The [lawsuit](#) brought by NRF and more than 50 business organizations argues that both the \$47,476 annual minimum salary for workers to be exempt from overtime set by the new overtime rules – more than double the current level – and the automatic increase in that amount every three years exceed the Labor Department’s statutory authority under the Fair Labor Standards Act and are in violation of the intent of Congress.

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