



ASTA Win! Federal Court Invalidates the Department of Labor's Final Rule on Overtime

On November 15, the federal district court hearing the case of *State of Texas v. U.S. Department of Labor, et al.*, entered an order invalidating the Department of Labor's (DOL) [final rule on overtime](#), holding that the DOL exceeded its authority in issuing it. ASTA was opposed to the rule, having [submitted comments](#) during the draft rule phase, and this decision was welcomed news to the association and the travel agency businesses – large and small – it represents.

The case was one of three actions brought in the federal courts challenging the validity of the rule which, among other things, increased the minimum salary for exempt workers to \$43,888 beginning on July 1, 2024. The final rule, announced on April 23, would have implemented a further salary increase to \$58,656, effective January 1, 2025, and automatic updates every three years beginning in 2027. In light of the ruling, the minimum salary threshold for overtime-exempt workers returns to the 2019 level, namely, \$35,568. Similarly, the threshold for so-called highly compensated employees returns to \$107,432.

ASTA members will recall that the court in the same case previously issued a preliminary injunction on June 28, but that the injunction was very limited in scope, and did not decide the merits of the plaintiff's arguments as to the DOL's rulemaking authority. As such, that earlier action had little, if any, effect on ASTA member agencies. This decision, however, will be applicable to all travel agencies.

The Biden administration may elect to appeal the decision to the Fifth Circuit; however, it is highly unlikely that the incoming Trump administration would be inclined to continue to defend the rule. This is precisely what happened to an Obama-era DOL rulemaking from 2016 that was similarly invalidated.

ASTA will continue to monitor the status of the case and we will update our members as developments may warrant. In the meantime, ASTA invites its members to join us in celebrating this development.