

System Wide Communication - Federal Court Vacates Key Component of Labor Department FLSA Rule Set to Take Effect

Franchise Owners (Copy ARs)

We are pleased to announce the federal U.S. District Court of the District of Columbia decision today in the case of the Home Care Association of America et al v David Weil, et al. Today's decision grants the home care community's motion for partial summary judgment and vacates the U.S. Department of Labor's efforts to deny third-party employers access to the existing companion care exemption under the Fair Labor Standards Act (FLSA). The Department's rule, modifying the FLSA, was set to take effect on January 1, 2015.

While a clear victory for the home care community, this decision does not vacate the entire regulation and does not resolve concerns with the Labor Department's updated definition of companion care. In his decision, Judge Richard J. Leon states "Undaunted by the Supreme Court's decision in *Coke*, and the utter lack of Congressional support to withdraw this exemption, the Department of Labor amazingly decided to try to do administratively what others had failed to achieve in either the Judiciary or the Congress." Judge Leon further states "The language of the exemption provision is quite clear: 'any employee' who is employed to provide companionship services, or who resides in the household in which he or she is employed to perform domestic services, is covered by the exemption."

HCAOA and the home care community have long held the Labor Department's regulatory actions in this area were outside the bounds of the law. Today's decision provides hope to many who had feared they would no longer be able to afford home care services due to the Labor Department's overreach. Please stay tuned for further information from HCAOA as they consider further steps and await response from the Department of Labor on this ruling relative to implementation on the remainder of the FLSA rule.

For more information on the decision see the following: <http://1.usa.gov/1zOD6wU>. We will continue to update you with additional information as this story unfolds.