



Employment Practices Liability Product

FLSA Claim Examples

The Fair Labor Standards Act is a federal law administered by the U.S Department of Labor (DOL) that establishes minimum wage, overtime pay, recordkeeping, and child labor standards. The DOL has recovered more than \$1.6 billion in back wages for employees since 2009 and found violations in 79 percent of agency-initiated investigations in the 2015 fiscal year.

- ▶ Thirty-five technical support employees took legal action against a marketing firm when they were reclassified as non-exempt. Initially all employees were offered two years of back pay for the unpaid overtime they had earned. Unhappy with the terms of the settlement offer, they sued their employer and were awarded three years of back overtime pay and liquidated damages for the intentional misclassification. The total payout exceeded \$200,000 and an additional \$40,000 was paid in defense costs.
- ▶ A chain of fitness centers was sued by 20 current and former employees who were required to work through lunch, break periods, mandatory meetings and training sessions. This time was later counted as unpaid by the employer and the employees were awarded more than \$67,500 for the time worked as well as an additional \$21,000 in attorney's fees.
- ▶ A manufacturing company was sued by 27 employees for reimbursement of more than \$112,000 in unpaid wages and \$50,000 in attorney's fees for uncompensated duties performed before and after their shifts. The employees were required to put on their employer issued uniforms and take other security measures prior to clocking in and beginning their shift. The FLSA requires that if an employee has to work before or after their shift, they are entitled to be paid for it.
- ▶ A large retail store was ordered to pay \$49,000 to 19 employees who were all under the age of 16 for willful violations of the FLSA youth employment provisions. The business had minors working more than seven days in a row and operating dangerous equipment in the warehouse. The youth employment provision of the FLSA identify hazardous orders that prohibit these specific activities for workers under 18 and limits the number of hours that minors can work on school days/weeks. The claim cost an additional \$24,000 in attorney's fees.
- ▶ A non-exempt customer service representative settled with her former insurance agency for \$60,000 in unpaid overtime. The representative was paid \$20 an hour by the agency and never complained about her workload. She frequently came in early for conference calls and answered emails on her phone on the weekends. The owner had no knowledge of any wrongdoing and was served with a lawsuit by the employee who had been carefully tracking the hours she worked. The agency had no way of proving her calculations were not accurate and settled the case on the advice of counsel. They paid an additional \$15,000 in attorney's fees.

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