

The U.S. Supreme Court Ruling Paves Way for Wage and Hour Plaintiffs to Win Class Action Cases

Labor & Employment Law Update

By Julie Proscia on March 24, 2016

On Tuesday March 22, 2016, the U.S. Supreme Court ruled against one of the world's largest food processors, affirming a \$5.8 million judgment. This ruling just made it a little bit easier for wage and hour plaintiffs to win class actions. In a 6-2 decision the Court held that plaintiff employees can use averages and other statistical analyses to establish class liability.

In 2007, workers at one of the meat-processing facilities sued the company for uncompensated wages alleging that they were entitled to overtime pay and damages because they were not paid for time spent donning and doffing (time spent putting on and taking off protective equipment and walking to work stations).

In order to establish the time spent donning and doffing, plaintiffs utilized individual timesheets, as well as, an average of time spent donning and doffing. The averages were based on the timesheets and the calculations from 744 observations of employees. The Iowa jury found in favor of the plaintiffs and awarded \$2.9 million in unpaid wages. An additional 2.9 million dollars in liquidated damages was subsequently awarded. In 2014 a split 8th Circuit Appellate panel upheld the judgment.

When the case came before the U.S. Supreme Court, the defendant argued that the usage of averages in statistical data was improper. Specifically, they argued against the use of averages as the time it takes an individual to put on and remove protective gear and walk to the assigned areas varies between individuals. The majority of the Supreme Court did not agree with this argument and instead indicated that averages would not even be necessary if the defendant had maintained proper records. In doing so, the Court essentially held that there is no general rule barring the use of statistics to prove class-wide liability in a class action such as this one.

The Supreme Court decision is a reminder to not only compensate for time spent donning and doffing but to keep proper time records. The failure to do so can result not only in wage and hour damages but liquidated damages.