

Federal Department of Labor Settles Wage Claims By Own Employees

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Litigation over wage and hour issues is likely to increase as employers across the country continue planning for the Dec. 1, 2016 effective date of the new white collar regulations under the Fair Labor Standards Act (FLSA).

Litigation went up significantly following the previous revisions to the FLSA regulations in 2004, and it is likely the same will occur after Dec. 1, 2016.

It seems no one is immune from suit—even the Department of Labor itself. In news reported by Law360, the American Federation of Government Employees Local 12 is saying they have reached a \$7 million settlement with the Department of Labor to resolve longstanding claims that Department of Labor employees worked overtime and were not compensated for that work.

The irony is thick. The news did not appear on the website of either the union or the Department of Labor as of early Monday morning. As more details emerge, it will be interesting to see how the Department of Labor handles the public relations aspect of this news.

What is the lesson for private-sector and other public employers?

It is best to prepare for potential claims by employees by spending time auditing and preparing for the upcoming changes to the FLSA regulations. Take the opportunity to review all compensation practices related to overtime, including exempt classifications, handbooks and other policies and practice related to the use of technology and off-the-clock work. Properly conducted the employers can best avoid the apparent fate of the Department of Labor itself.

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