

United States Supreme Court: Employees Not Entitled to Pay for Time Spent in a Security Line

In a much anticipated decision, the United States Supreme Court recently held in Integrity Staffing Solutions, Inc. v. Busk that hourly employees are not entitled to compensation for time spent standing in a post-shift security line. The decision was unanimous. Employers should take this opportunity to review their wage and hour policies and practices to ensure that they are in compliance with federal law.

In Busk, the plaintiffs were hourly employees of Integrity Staffing Solutions, Inc. ("Integrity Staffing"), which provided employees for Amazon.com's warehouses. The plaintiffs filed a class action on behalf of themselves and other warehouse employees whose job it was to retrieve products from the shelves and package those products for delivery to Amazon's customers. Integrity Staffing required that such employees undergo a security screening after each shift to ensure no products were being stolen. Plaintiffs alleged that such screenings could take up to 25 minutes each day—time for which they were not paid.

The plaintiffs argued that the screenings were designed to prevent employee theft, and consequently occurred for Integrity Staffing's benefit. According to the plaintiffs, employers are legally obligated to compensate hourly employees for any time spent performing activities required by the employer, including postshift security screens, because such activities are solely for the employer's benefit.

The Supreme Court rejected the plaintiffs' argument, explaining that the proper test is not, as plaintiffs had claimed, whether the activities were required by the employer. Under the Fair Labor Standards Act, employees are entitled to compensation for time spent performing their "principal activities" and all tasks that are "integral and indispensable" to their principal activities. According to the Court, the plaintiffs' "principal activities" included retrieving items from shelves and packaging those items for shipment. The security screenings were not part of their principal activities and were not "integral and indispensable" to those activities because the plaintiffs could still do their jobs even if Integrity Staffing eliminated the screenings. Consequently, the Court held that plaintiffs were not entitled to wages for the time spent standing in the security line.

In response to the Court's holding in Busk, employers should do the following:

Review compensation practices to ensure compliance with state and federal

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law. Whether time spent performing certain activities is compensable must be determined on a case-by-case basis.

- Review timekeeping policies to ensure employees are properly recording and reporting time spent performing compensable work. An employer may be held liable for back pay and penalties if it knows employees are performing work and not reporting the time.
- Train supervisors to identify and report possible wage and hour issues. An employer's policies are only as good as the supervisors who enforce them.
- Evaluate whether employees are entitled to compensation for activities such as changing clothes, traveling, being on-call, and attending training programs.

If you have questions about the Supreme Court's decision in Busk, or about wage and hour issues generally, please contact <u>Katie Triska</u>, <u>Rob Driscoll</u>, or your Reinhart attorney. They will be happy to assist you.

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