Mandatory Security Check Policy Leads to Meal Break Violations, $6 Million Jury Award

Thursday, April 25, 2019

On April 12, 2019, in a federal case known as Hamilton v Wal-Mart Stores, Inc., a California jury awarded more than $6 million in meal break premiums to a class of Wal-Mart employees who worked at the company’s fulfillment center in Chino, California. The jury found that by requiring class members to complete a mandatory security check prior to leaving the facility, Wal-Mart discouraged them from leaving the premises for meal breaks, failing to comply with its obligation to provide class members with required meal breaks. The verdict – which Wal-Mart may well appeal – provides guidance to employers doing business in California.

Background

In the lawsuit, the plaintiffs alleged that the company violated California law by, among other things: (i) requiring class members to complete a mandatory security check when leaving the facility, which allegedly infringed on their 30-minute meal periods (the “Meal Period Interruption Theory”), and discouraged them from leaving the premises during meal breaks (the “Meal Period Discouragement Theory”); (ii) failing to compensate class members for time spent walking to the security checkpoint, waiting in line, and passing through security, which allegedly resulted in unpaid wages and overtime (the “Off-The-Clock Theory”); (iii) failing to properly pay overtime to class members who worked alternative workweek schedules; (iv) failing to pay all wages due upon separation of employment; and (v) failing to provide accurate wage statements.

The Court certified several subclasses associated with these claims in August 2018. However, in March 2019, the Court decertified subclasses associated with the plaintiffs’ Meal Period Interruption and Off-The-Clock Theories.

Both sides unsuccessfully moved for partial summary judgment prior to trial. In denying the portion of Wal-Mart’s motion that addressed the plaintiffs’ Meal Period Discouragement Theory, the Court rejected the notion that the California Supreme Court’s decision in Brinker Restaurant Corp. v. Superior Court, 53 Cal. 4th 1004 (2012), prohibits “employers only from preventing employees from taking a meal break.” Instead, the Court held that “California law imposes an affirmative obligation on employers to provide employees with meal breaks.”[1] The Court further found that Wal-Mart’s mandatory security check “arguably ‘impedes or discourages’ associates from taking an ‘uninterrupted 30-minute break’ because employees have only two options: leave the premises and go through the security check even though the security check may eat up some part of their meal break or stay inside the facility.” The parties proceeded to trial on this issue, and the other surviving claims, on April 3, 2019.

The Verdict

The jury returned its verdict on April 12, 2019. Although the jury found that Wal-Mart had satisfied its obligations with respect to paying overtime to class members on alternative workweek schedules, it awarded more than $6 million to the class in meal break premiums pursuant to the plaintiffs’ Meal Period Discouragement Theory. The jury found that by requiring class members to complete the mandatory security check prior to leaving the facility,
which discouraged them from leaving the premises for lunch, Wal-Mart failed to meet its obligation to provide class members with required meal breaks.

**Takeaways**

Unless the verdict is overturned on appeal, as it may be, this verdict sheds light on the scope of an employer’s obligation to “provide” meal breaks under *Brinker*, and on how juries might apply the law to unique fact patterns, including those involving security checks and other practices that could potentially dissuade employees from leaving their worksite for meal periods. The award also serves as a reminder to employers with operations in California to take a holistic approach when evaluating compliance with wage and hour laws. Even practices that might appear to have little or no bearing on an employee’s working hours, compensation, or break time may indirectly create significant exposure under the law.

[1] In *Brinker*, the California Supreme Court held that an employer satisfies its obligation to provide meal breaks “if it relieves its employees of all duty, relinquishes control over their activities and permits them a reasonable opportunity to take an uninterrupted 30-minute break, and does not impede or discourage them from doing so.” 53 Cal. 4th at 1040.

©2019 Epstein Becker & Green, P.C. All rights reserved.