

Recent Supreme Court Decision: Employees Do Not Have to Be Paid for Post-Shift Security Search

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Earlier this month, the Supreme Court handed down a significant decision affecting employee compensation. In *Integrity Staffing Solutions v. Busk*, a case involving an Amazon® warehouse in Nevada, plaintiff-employees alleged they should have been paid for the time they spent waiting in line to go through a metal detector at the conclusion of their shift. The plaintiff employees alleged they would spend nearly 25 minutes waiting in line after clocking out each day. Conversely, the employer contended the employees spent less than 90 seconds waiting in line at security.

The Supreme Court sided with the employer and clarified that the time employees spend waiting to undergo a post-shift security search is not compensable as hours worked. The decision will save Amazon® and similar retail companies millions of dollars in alleged unpaid wages – for example, the employees in Integrity Staffing Solutions were seeking \$100 million in damages. Many of these warehouse-based companies conduct security searches at the end of each shift to help safeguard against internal theft, which has caused the industry billions of dollars in lost revenue each year.

The Court's decision centered on long-standing precedent under the federal Fair Labor Standards Act ("FLSA") that employees must be compensated for all hours actually worked, which includes time spent performing the "principal activities" of the job and tasks which are "integral and indispensable" to the job. Under the FLSA, however, compensable time does not include time spent clocking in and out of work, breaks lasting more than 30 minutes, and similar spurts of time that are not considered principal activities of the job and do not meet the "integral and indispensable" test.

Despite workers' protests and allegations, the Supreme Court applied these same rules and theories in Integrity Staffing Solutions and concluded that the post-shift security searches were neither integral nor indispensable to employees' ultimate job duties, i.e. stocking warehouse shelves and packaging products for shipment. The Court's decision is certain to have an impact on similar cases that are pending against Apple Inc.® and CVS Pharmacy®.

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