



# MURTHA MEANS MORE INDUSTRY INSIGHT

## LABOR & EMPLOYMENT NEWS

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### VERDICT AGAINST HIGH PROFILE LAW FIRM HIGHLIGHTS RISK OF DOUBLE DAMAGES IN WAGE CASES

On October 29, a Hartford jury awarded \$262,930 in a wage dispute against the Haymond Law Firm, P.C. Of particular significance, the Judge permitted the jury to apply the new statutory standard for doubling damages.

Effective October 1, Connecticut requires a court/jury to award double damages in cases where an employer failed to (1) pay an employee's wages, accrue fringe benefits, or arbitration award or (2) meet the law's requirements for an employee's minimum wage or overtime rates. As before, a prevailing plaintiff is entitled to recover attorney's fees.

The only way an employer can avoid double damages is if the employer can establish that it had a good-faith belief that its underpayments were legal. Prior to this amendment, in order to recover double damages, the burden was on the employee to show that the employer acted in bad faith.

By shifting the burden to the employer to establish good faith, the amendment makes it harder for an employer to avoid a doubling of the lost pay claim. In addition, the heightened risk of exposure to double damages may make it much more difficult to resolve lost pay cases with the Connecticut Department of Labor and plaintiff's employment lawyers before trial. The shifted burden on "good faith", and the application of the standard in this high profile case, will likely affect the relative settlement value of wage & hour cases.

The Hammond case highlights the importance of an employer's avoidance of liability at the outset by accurately recording, tracking, and paying an employee's wages on time and at the appropriate rate. The new standard also applies in overtime pay cases where misclassification of employees as exempt can result in significant exposure if those employees are working overtime hours. Now is a good time to conduct an audit of your job classifications.

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