



# HOSPITALITY ALERT

## COURT CLARIFIES “REPORTING TIME” PAY FOR EMPLOYEES WHO ATTEND MEETINGS ON OFF DAYS

According to a new decision by the California Court of Appeal, restaurants and other employers who call mandatory employee meetings and require off-duty employees to attend are required to pay off-duty employees only 2 hours of reporting time pay.

### Background

California employers are required to pay “reporting time” pay to employees who show up for work but do not work at least half of their scheduled shift. Under these circumstances, an employer must pay the greater of: (1) 2 hours’ pay, or (2) half the scheduled shift, up to a maximum of 4 hours’ pay.

What was unclear, however, was how much the employer had to pay to an employee who showed up for a meeting on his/her day off? Was that employee eligible for 2 hours’ pay, or was that employee eligible to be paid half her normal shift, up to a maximum of 4 hours, even though that employee was not on the schedule on the day he/she reported?

That answer is now clear, thanks to the California Court of Appeal’s decision in Price v. Starbucks Corp., 192 Cal. App. 4<sup>th</sup> 1136 (2011).

### The Court’s Decision

In Price v. Starbucks, the employer (Starbucks) called the employee (Mr. Price) and left him a voicemail message requesting that he come to work “to have a talk.” When Mr. Price reported to work as requested, the store manager informed Mr. Price that he was being terminated. That meeting lasted “about 45 seconds.” As required by California law, Starbucks paid Mr. Price

all of his wages due at termination. In those wages, Starbucks included 2 hours of reporting time pay for the day of the termination meeting, even though it lasted only 45 seconds.

Mr. Price objected and claimed he should have been paid reporting time pay equal to 3.3 hours - half of his regular shift. He then brought a class action against Starbucks and asserted claims for unfair competition and violation of the Private Attorney Generals Act, in addition claims for unpaid wages and penalties.

The Price v. Starbucks Court rejected Mr. Price’s claim and ruled that California law requires only 2 hours of reporting time pay when an employee is required to appear at work on his/her day off. The Court concluded that, because Mr. Price was not on the schedule on the day in question, he was not reporting with the expectation of working. Therefore, he was allowed only 2 hours of reporting time pay - and not the greater amount equal to half of his usual shift.

### Impact on California Employers

The Price v. Starbucks decision should be a relief to California restaurants and other employers who call frequent employee meetings. It is now clear that any off-duty employee who reports for any such meeting is entitled only to 2 hours of reporting time pay, not some greater amount based on that employee’s usual shift.

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