

Massachusetts Supreme Judicial Court Rules that Employees with Federal Overtime Claims Cannot Obtain Remedies Under the Massachusetts Wage Act

Written by Christopher Feudo, Laura Gradel

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Key Takeaways:

- The Supreme Judicial Court of Massachusetts (SJC) ruled that employees whose claims for untimely payment of overtime arise solely under the Fair Labor Standards Act (“FLSA”) are not entitled to the more generous damages allowed by the Massachusetts Wage Act—including treble damages.
- Per the SJC, the FLSA’s comprehensive remedial scheme for recovery of damages for federal overtime violations precludes an employee from alternatively pursuing remedies under the Wage Act for the untimely payment of overtime wages due solely under the FLSA.
- This decision is particularly important for Massachusetts employers with employees who are exempt under state overtime laws but not federal ones, as they will not face the harsh penalties imposed by Massachusetts law for overtime violations.

On April 14, 2022, the SJC held that where employees’ sole claims for overtime wages rest on the employer’s liability under the FLSA, employees are limited to the remedies provided under the FLSA, and may not receive treble damages and other remedies pursuant to the Massachusetts Wage Act. As such, in situations where employees are exempt from Massachusetts overtime requirements but not federal overtime requirements, violations of federal law will not expose employers to the more onerous damages imposed by Massachusetts law.

In *Devaney v. Zucchini Gold, LLC*, three restaurant employees sued their employer, alleging violations of the FLSA for failure to pay overtime wages, violations of the Wage Act for failure to pay the FLSA overtime wages in a timely manner, and violations of the federal and state minimum wage laws. The workers, however, were exempt from Massachusetts overtime requirements and did not bring an overtime claim under the state law. The trial court granted summary judgment as to the defendant employer’s liability under the federal overtime law and the Wage Act. A jury trial proceeded, solely on the issue of damages for the FLSA overtime claims. The jury returned a verdict in favor of each plaintiff. Pursuant to the Wage Act, the trial judge trebled the damages awards and awarded attorney’s fees and costs.

On appeal, the SJC rejected the trial court’s damages awards. The SJC ruled that recovery under the Wage Act conflicts with recovery under the FLSA because the FLSA permits, at most, double damages for overtime violations, and employers may avoid such damages if they can show that they acted in good faith and had a reasonable basis for believing their actions did not violate the FLSA. The remedies available under the Wage Act are, in contrast, more generous than those available under the FLSA. Employers are strictly liable for violations of the Wage Act and employees who bring successful claims under the Wage Act are entitled to a mandatory award of treble damages. The Wage Act also has a three-year statute of limitations compared to the FLSA’s two-year statute of limitations. Accordingly, the SJC concluded that allowing recovery under both the FLSA and the Wage Act in these circumstances created a direct conflict with federal law. Because the plaintiffs’ sole claim for overtime rested on the FLSA, they were limited to the remedies provided under the FLSA and were not entitled to treble damages.

Given the strict liability for violations of the Wage Act and the mandatory award of treble damages, whether an employer’s liability arises under the FLSA or the Wage Act is a significant question. This decision prevents employees from obtaining that more generous remedy if they are entitled to overtime pay under the FLSA only, and/or did not seek relief under the Wage Act. This is a particularly helpful decision

for Massachusetts employers in industries in which employees are exempt from the state overtime law, as they will no longer face Massachusetts' strict penalties for these types of violations, including treble damages.

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