

## **Pennsylvania Court Finds Employee Handbook Creates Contract, Upholds \$187.6 Million Award**

January 4, 2012 by [Jodi Frankel](#)

The year 2011 saw a number of employee-friendly changes to the laws governing the workplace. The U.S. Supreme Court expanded the scope of retaliation claims [under Title VII](#) and [under the Fair Labor Standards Act](#). The Equal Employment Opportunity Commission (EEOC) implemented regulations further broadening the definition of “disability” [under the ADA](#). The National Labor Relations Board actively protected employee [social media use](#). And the EEOC has cracked down on [inflexible leave of absence and attendance policies](#).

Pennsylvania courts have not shied away from the action. In 2011, the Pennsylvania Superior Court upheld one of the largest awards in a wage and hour class action in the state’s history. In *Braun v. Wal-Mart*, the court awarded \$187.6 million in back wages, damages, and fees to employees of Wal-Mart stores throughout Pennsylvania for paid rest breaks they were not permitted to take. Approximately 187,000 current and former hourly Wal-Mart employees claimed that the employee handbook promised paid rest breaks, but they were forced to work during those breaks and were not compensated for the missed breaks.

The employees brought their claims under Pennsylvania’s Wage Payment and Collection Law (WPCL). The WPCL does not entitle employees to wages or fringe benefits, but rather provides a remedy when an employer fails to pay for wages or benefits due under the terms of a contract or agreement. According to the court in *Braun*, payment associated with paid rest breaks pursuant to a contractual agreement between an employer and employee constitutes wages as that term is broadly defined in the WPCL. And the court ultimately found such a contractual agreement for paid rest breaks under the facts before it.

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