

Wal-Mart workers to receive more than \$33 million in back wages

by Bend Weekly News Sources

The U.S. Department of Labor announced Thursday that Wal-Mart Stores Inc. will pay over \$33 million in back wages to resolve issues that arose under the Fair Labor Standards Act (FLSA) concerning how the company computed overtime pay. The agreement covers 86,680 employees who worked for the company from Feb. 1, 2002 to Jan. 19, 2007.

Headquartered in Bentonville, Ark., Wal-Mart operates more than 3,900 establishments in the U.S. Back wage payments will go to current and former employees of the company's retail divisions in the U.S. and Puerto Rico, including Wal-Mart Discount Stores, Wal-Mart Supercenters, Neighborhood Markets and Sam's Club warehouses. "This settlement provides \$33 million in back wages, plus interest, to Wal-Mart workers, and the company has taken corrective action to prevent this from happening again," said Assistant Secretary of Labor for Employment Standards Victoria A. Lipnic.

To finalize the agreement, the Labor Department filed a complaint today in the U.S. District Court for the Western District of Arkansas, Ft. Smith Division, against Wal-Mart Stores Inc. alleging violations of the FLSA overtime provisions. A consent judgment ordering the company to pay back wages and enjoining it from further violations was filed at the same time. The consent judgment was approved by the court Thursday morning.

Wal-Mart brought this matter to the attention of the Department of Labor after an internal audit raised concerns regarding overtime computations. The issues involve how Wal-Mart treated incentives and other premium payments in the calculation of employees' overtime pay. The agreement also addresses payment of overtime to certain non-exempt salaried interns, manager trainees and programmer trainees.

Under the terms of the consent judgment, Wal-Mart has agreed to pay all back wages the Labor Department has determined are owed for violations identified in the consent judgment to present and former employees, and to pay pre- and post-judgment interest. The company has also agreed to set up a Web site (<http://www.dol.settlement.wal-mart.com/>) and to staff a toll-free telephone number, 1-888-262-1559 or 1-800-318-7442 (TTY), to answer questions regarding the back wages. A third-party administrator will disburse the payments to the affected employees. The agreement resolves only those violations identified in the consent judgment. It does not affect ongoing private litigation or workers' ability to file complaints with the Labor Department.

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