Domestic Worker's Bill



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The Third Circuit recently upheld a whopping $7M+ award against a home healthcare company and its owner because the company had failed to pay employees for travel time to client homes, time during short breaks of twenty minutes or less, and overtime and because of its inadequate recordkeeping of time worked. *Sec'y United States Dep't of Lab. v. Nursing Home Care Mgmt. Inc.* 2025 WL 351599 (3d Cir. Jan. 31, 2025). The case began when the U.S. Department of Labor ("USDOL") conducted a fairly narrow audit of the business, identified some relatively trivial infractions, and then expanded the scope of its review.

This case is a powerful reminder of some very basic wage and hour rules.

1. Breaks of less than twenty minutes during a workday are always compensable.
2. Travel time during a workday is typically compensable, though the rules can be complex.
3. Overtime is due after forty hours during a work week for most non-exempt employees.
4. Employers must keep good daily time records and be fully prepared whenever confronting an audit request.

Employers also to have be mindful of compliance with state wage and hour and workplace laws, which often vary from federal law. If the home healthcare company in this lawsuit had employed aides in New Jersey, for example, it also would have had to comply with the recently enacted New Jersey Domestic Workers' Bill of Rights ("DWBR"). The DWBR requires employers to notify all domestic workers of their rights, and to provide employees who work more than five hours per month a written contract in English and their preferred language detailing their job duties, hourly and overtime wages, work schedule, pay method and frequency, benefits, breaks, paid holidays, paid or unpaid leave, modes of transportation and housing (if applicable), the term and duration of their contract, and any other agreed upon terms and conditions of employment. The DWBR prohibits these contracts from mandating arbitration and subjecting employees to restrictive covenants, including non-disclosure, non-

competition, and non-disparagement agreements. The DWBR further requires employers to provide workers' compensation insurance, maintain records of hours worked and the accrual and use of leave, and give notice prior to termination under certain circumstances. For those employers who have paid a domestic worker $1,000.00 or more within the past year, there are additional registration, recordkeeping, and tax obligations.

Compliance is essential and can save your business and its owners significant legal and financial exposure.

Click Here to read the entire Spring 2025 Litigation Quarterly Advisor now!

For more information on your employer obligations under the state and federal wage and hour laws and the DWBR, please contact:
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