

Risk of Litigation from Labor Law Non- Compliance



resolution economics

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Overview

INTRODUCTION

METHODOLOGY

INSIGHTS

LIMITATIONS

RECOMMENDATION

Introduction

Stakeholders

- Company XYZ is at risk of both
 - individual & case suits for missing meal breaks

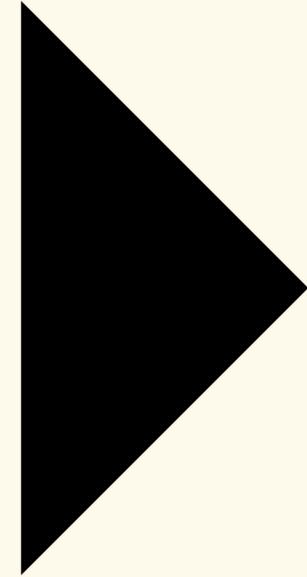
Employees

- Employees at company XYZ need to receive legally required breaks to
 - Improve employee satisfaction
 - Improve employee productivity
 - Improve company culture
 - Reduce risk of injury



Addressing the Problem

OUR GOAL IS TO MINIMIZE THE FINANCIAL EXPENSE FROM LITIGATION ASSOCIATED WITH NON-COMPLIANCE WITH SECTION 512(A) OF CALIFORNIA'S LABOR CODE.



Compliance



COMPLYING WITH SECTION 512 OF THE CALIFORNIA LABOR CODE.
SHIFTS MORE THAN 5 HOURS REQUIRE A 30 MINUTE BREAK
SHIFTS MORE THAN 10 HOURS REQUIRE 2 30 MINUTE BREAKS

Our Methodology

PRE-PROCESSING

For each employee's timesheet:

- Recorded compliance.
- Recorded total break and work hours.

For each department:

- Calculated total costs from employee pay rates and work hours
- Potential costs arising from non-compliance

FINDING A RELATIONSHIP

Next, we tried to find factors associated with non-compliance.

This included:

- Location
- Department
- Day of the week
- etc

SOLUTION

We curated specific recommendations based on the correlations we found in the data.

Average Non-Compliant Shifts 2021-2024

LA

12%

SF

28%

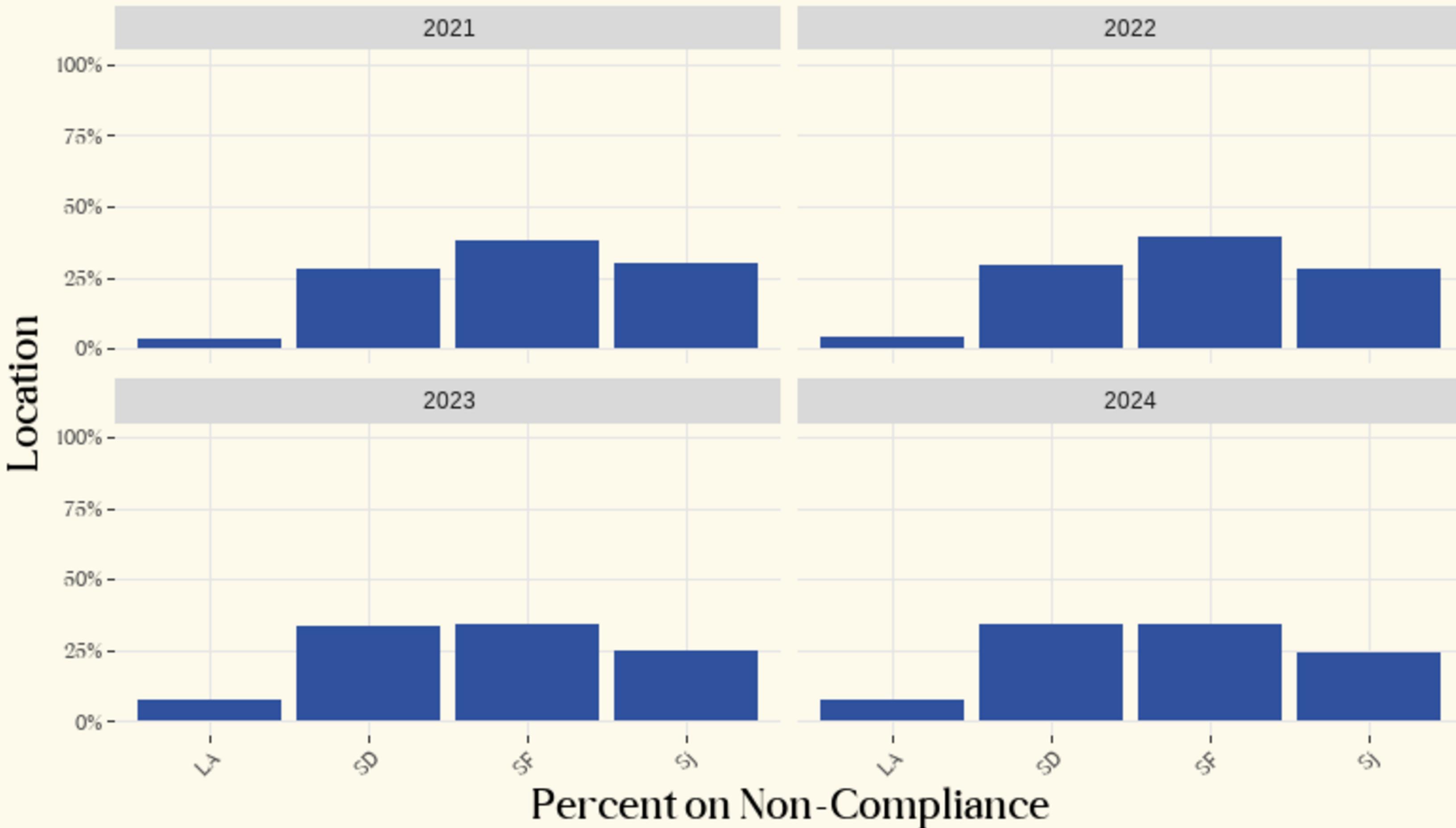
SJ

22%

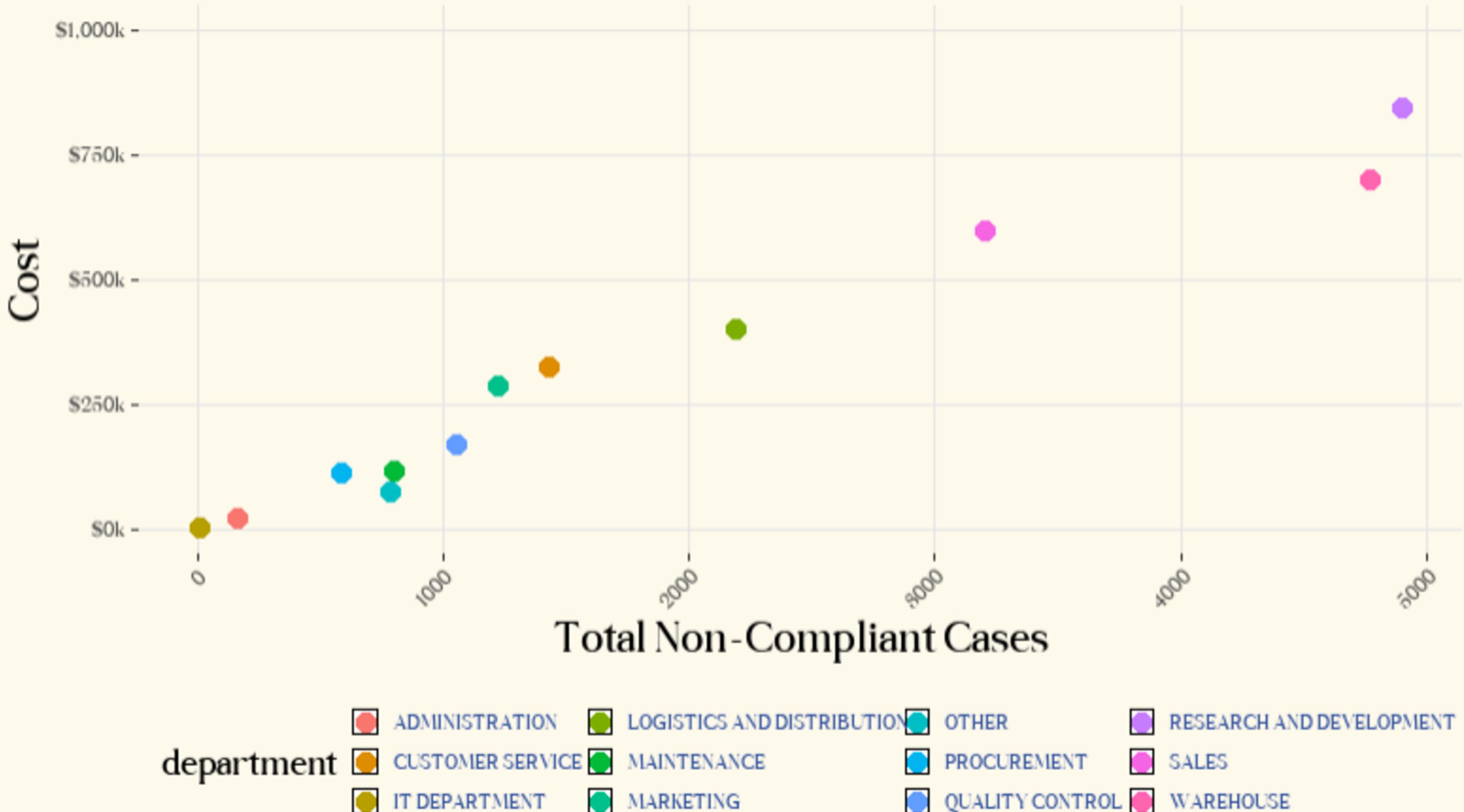
SD

38%

Non-Compliance of Different Locations by Year



Department Summary : Total Pay vs Non-Compliant Cases



What leads to breaks in compliance?

WORKING ON WEEKENDS

We found a correlation between non-compliance and shifts on the weekend.

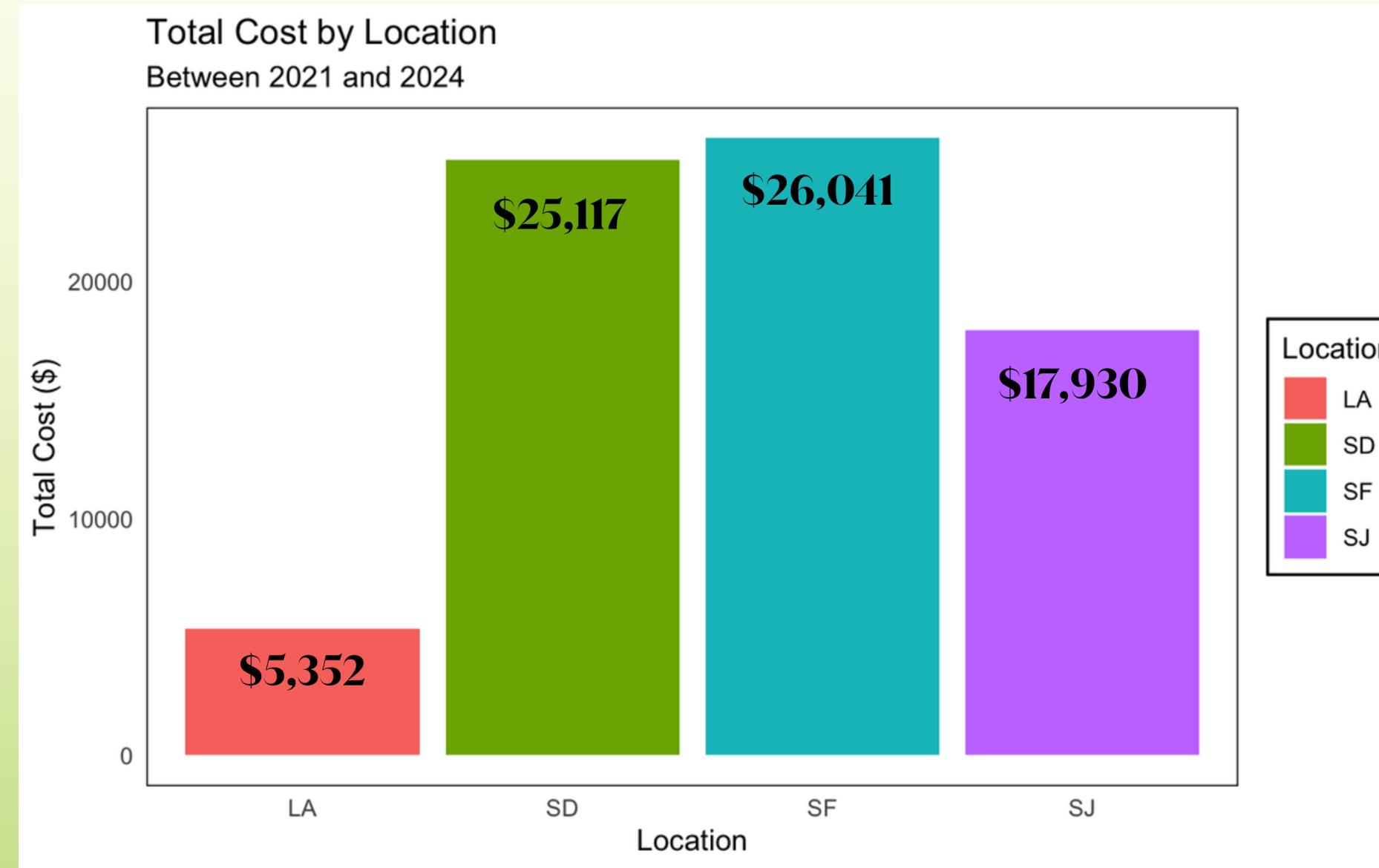
EMPLOYEE REOFFENDING

We found a correlation between employee behavior and breaks in compliance.

LARGER DEPARTMENTS

We found a correlation between the size of the department and non-compliance.

How much do violations costs?



Additional Fees

- Employment Lawyer(s)
- Additional Civil Lawsuits for Repeated Offenses
- Emotional Distress Charges

California Employment Lawyer Costs

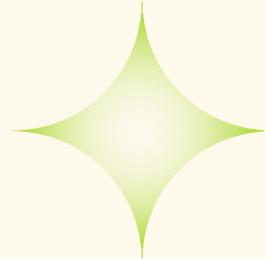
“Hourly attorneys may charge between \$98 to \$450 or more per hour”

-Corbett H. William Lawfirm

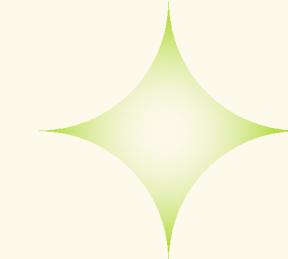
“When an employer violates meal break laws, they must compensate the employee with one additional hour of pay at their regular rate for each day the violation occurs.”

-Mara Law Firm

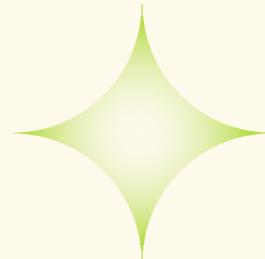
Limitations



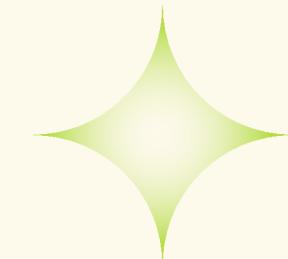
**RELATIONSHIP BETWEEN
DEPARTMENT & WORKING
THROUGH BREAKS**



**NO PROFIT OR PRODUCTIVITY
MEASURE MEASUREMENT TO
COMPARE # OF BREAKS TO**



**USING HISTORICAL DATA TO
PREDICT FUTURE DATA**



LABOR LAWS CAN CHANGE

Overall Reccomendation

New Policies

- Employees with a record of working through breaks cannot work on weekend
 - Use this as a warning
- Supervisors need training each year on the current labor laws
- End of year bonus for department with the least number of breaks in compliance
- Evaluate potential legal costs compared to current profits



Thank You

Questions?

Citation

Firm, M. L. (n.d.). Understanding meal break violations in California. Mara Law Firm.

<https://www.maralawfirm.com/meal-break-violation-california/>

Williams, C. h. (2024, November 12). 2025 how much does an employment lawyer cost in California?. Corbett Williams.

<https://www.chwilliamslaw.com/blog/employment-lawyer-cost-california/>

