

## Six-Month Limit on Claims under FLSA, Equal Pay Act Ruled as Invalid Waiver Says Sixth Circuit

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Provisions in employment agreements that shorten the statute of limitations period for employees to file claims under the Fair Labor Standards Act (FLSA) and Equal Pay Act (EPA) are invalid, the Sixth Circuit ruled on August 3, 2013. In *Boaz v. FedEx Customer Information Services, Inc.*, the employee alleged that she was paid less for performing the same duties as a male employee and that FedEx failed to pay her overtime. Her employment agreement stated, "To the extent the law allows an employee to bring legal action against Federal Express Corporation, I agree to bring that complaint within the time prescribed by law or 6 months from the date of the event forming the basis of my lawsuit, whichever expires first." Relying on this provision, the district court dismissed the employee's claims because the last alleged illegal activity occurred more than six months prior to the filing of the lawsuit.

Reversing the dismissal, the Sixth Circuit cited Supreme Court decisions stating that employees may not waive their FLSA rights to minimum wages, overtime or liquidated damages, either prospectively or retrospectively. It then concluded that as applied to the employee's claim, the six-month limitation period acted as a waiver of her FLSA rights and was invalid. In reaching this conclusion, the Sixth Circuit rejected FedEx's argument that courts have enforced similar limitations period for claims arising under other statutes, such as Title VII.

Addressing the EPA claim, the Sixth Circuit first concluded that employees cannot waive claims under that statute. The court then reached the same conclusion as it did for the FLSA claim and declared the limitations provision in the employment agreement invalid. Finally, the court rejected FedEx's arguments that the claims failed on their merits.

### **What Does This Case Mean For Employers?**

Employers in the Sixth Circuit will not be able to rely on statute of limitations provisions that reduce the multi-year statute of limitation periods set forth in the FLSA and EPA. Importantly, however, *Boaz* does not disturb decisions enforcing such provisions as applied to other claims. Therefore, employers should continue to assess whether to include such provisions in employment applications and agreements.

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