

EMPLOYMENT LAW UPDATE

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Federal Law

The Ninth Circuit holds that an employee's claims for meal periods based on protections provided by state law were not preempted by federal labor law.

Valles v. Ivy Hill Corporation (9th Cir., June 6, 2005) 05 C.D.O.S. 6293

By Jason A. Geller and Jordan Rojas

Ivy Hill Corporation operates a printing facility in Los Angeles. Its employees are represented by a union and the terms and conditions of employment are governed by a collective bargaining agreement ("CBA"). The CBA mandates non-working meal periods and provides for time and a half pay in the event an employee must work during a regularly scheduled meal period. Despite this contractual language, employees who worked on the first shift were not afforded lunch periods. Instead, they worked through lunch and were paid at their normal hourly rate for their working lunches. No employee filed a grievance about this practice. In June 2002, Ivy Hill instituted non-working, unpaid lunch periods.

Three months later, employees David Valles and John Breslin brought a class action lawsuit in state court, alleging that until June 2002 Ivy Hill had failed to provide them with uninterrupted thirty minute meal periods and ten minute rest breaks in violation of California's Labor Code. The employees based their claims entirely on the provisions of state law

and not on any terms contained in their CBA.

Ivy Hill removed the case to federal court on the ground that the meal period claims were "completely preempted" by Section 301 of the federal Labor Management Relations Act ("LMRA"). The district court denied the employees' motion to remand to state court and granted summary judgment in favor of Ivy Hill. Valles and Breslin appealed.

When the preemptive force of a federal statute is so strong that it "completely preempts" an area of state law, federal jurisdiction exists. Section 301 of the LMRA vests jurisdiction in federal courts over "[s]uits for violation of contracts between an employer and a labor organization representing employees in an industry affecting commerce." 29 U.S.C. § 185(a). The Supreme Court has interpreted Section 301 to compel the complete preemption of state law claims brought to enforce CBAs and claims upon which the resolution "is substantially dependent upon analysis of the terms of [a CBA]."

Nonetheless, the Supreme Court has repeatedly admonished that Section 301 preemption is not designed to trump substantive and mandatory state law regulation of the employee-employer relationship and not every claim which requires a court to refer to the language of a labor-management agreement is necessarily preempted. In order for complete preemption to apply, the nature of plaintiff's claim must require the interpretation of the CBA. Moreover, Section 301 does not permit parties to waive, in a CBA, nonnegotiable state rights conferred on individual employees.

The state law right to meal periods applies to employees covered by CBAs. The California Labor Code sections which provide for meal periods and rest breaks are designed to protect individual employees; meal period provisions address some of the most basic demands of an employee's health and welfare. Section 219 of the California Labor Code states that the meal period and rest break rights cannot "in any way be contravened or set aside by a private agreement, whether written, oral or implied." This makes clear that the right to meal periods is a generally applicable labor standard that is not subject to waiver by agreement.

Any provision of the CBA purporting to waive the right to meal periods would be of no effect because the meal period right is plainly non-negotiable. Thus, the court cannot construe the terms of the CBA and the claim cannot be substantially dependent upon the analysis of the terms of the CBA.

The right to meal periods applies to employees covered by CBAs and constitutes a non-negotiable right under

California state law. Because the employees have based their meal period claim on the protections afforded them by California state law, without any reference to provisions of their CBA, the claim is not subject to preemption and the court lacks jurisdiction over it.

This case underscores the broad protections afforded to employees under the wage and hour rules in California. It reminds employers to review their wage and hour practices to ensure compliance with these rules.

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