

California Appeals Court Approves Rounding Of Employee Time

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In a decision published on Oct. 29, 2012, a California Court of Appeal ruled that employers may lawfully round employee time so long as employees are properly compensated in the long run. While this has been the general rule under federal law, and the rule has been adopted by the California Department of Industrial Relations' Department of Labor Standards Enforcement (the "DLSE"), this decision is the first published decision in California to expressly permit the practice.

In its ruling, the Court of Appeal validated the DLSE's adoption of the nearest-tenth rounding policy and stated that so long as the rounding is "fair and neutral on its face" and is "used in such a manner that it will not result, over a period of time, in failure to compensate the employee properly for all the time they have actually worked," the policy is valid.

Plaintiff's counsel in the case has stated that he plans to seek review in the California Supreme Court. Such review is discretionary.