

Supreme Court of California Strikes a Blow to the De Minimis Doctrine in *Troester v. Starbucks*

August 21, 2018

Douglas Troester (“Troester”) was employed by Starbucks in a managerial, yet non-exempt, role. As he was often responsible for closing the store at the end of the day, he regularly clocked out prior to performing his final evening tasks: activating the store’s alarm system, walking out of the store, and locking the store’s front door. While the tasks were undeniably performed on Starbucks’ behalf, their performance was technically unpaid, as Troester was no longer on the clock at the time.



Ryan H. Nell, Esq.
rnell@pettitkohn.com
(858) 755-8500

Following the conclusion of his employment, Troester filed suit alleging violations of the California Labor Code for failure to pay minimum and overtime wages, failure to provide accurate wage statements, and failure to timely pay all final wages. It was determined that, over the 17 month course of Troester’s employment, his unpaid time totaled 12 hours and 50 minutes. At the (then) minimum wage of \$8 per hour, his allegedly unpaid compensation totaled \$102.67.

Starbucks filed a motion for summary judgment, seeking to dismiss the case by arguing that its practices were protected by the de minimis doctrine. Under that legal theory, Starbucks argued, as “extra time” worked by Troester would have been extraordinarily limited in nature and difficult to capture, Starbucks should not have been required to pay it. The trial court agreed and dismissed the case.

Troester appealed the decision, which was ultimately accepted for review by the California Supreme Court. He argued that the de minimis doctrine was, in fact, not applicable under California law. In a somewhat surprising, and undeniably negative decision for California employers, the state’s highest Court agreed.

While federal employment law under the Fair Labor Standards Act expressly allows for application of the de minimis doctrine, the Supreme Court held that California law does not. In its ruling, the Supreme Court noted the proliferation of advanced timekeeping systems that can adequately address the issue and prevent employees from being required to perform work, however minimal, off the clock. It also noted that, while recovery on an individual basis may be minimal, the frequency of class action lawsuits means that representative actions can play a role in compiling small claims to address a perceived greater issue on a class-wise basis.

The decision in Troester is a negative one for California employers, particularly retailers and small businesses that often engage in the very tactics utilized by Starbucks. In light of the California Supreme Court’s instruction, employers must make every effort to capture all time worked by employees, lest they too run afoul of California’s increasingly onerous wage and hour requirements.