

Store Manager Covered by FLSA Exemption Despite Performing Primarily Nonexempt Work

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A store manager working 50 to 65 hours per week sued her employer, seeking overtime compensation on behalf of herself and other similarly situated store managers under the Fair Labor Standards Act (FLSA). For FLSA overtime purposes, the employer deemed store managers to be exempt executives. Although the store manager performed significant amounts of nonexempt tasks, the U.S. Court of Appeals for the Fourth Circuit found that she carried out managerial and nonmanagerial tasks concurrently and that her nonexempt functions served the employer's managerial goals of customer satisfaction and store profitability. Despite the fact that the store manager was performing nonmanagerial tasks 100 percent of the time, the court concluded that ultimately she was the only individual responsible for running and managing the store. Accordingly, the court held that the store manager was exempt from the FLSA's overtime requirements. Without a viable individual claim, the court further held that the store manager could not proceed with overtime claims on behalf of others whom she alleged were similarly situated. Employers should be aware that a managerial employee may properly be designated as exempt under the FLSA where he or she is given sole responsibility for the management of a facility, even in circumstances where the employee is also performing nonexempt work.

Grace v. Family Dollar Stores, Case No. 09-2029, (4th Cir. Mar. 22, 2011)

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