

fact the interpretation of the agency.”¹²³ Similarly, the Chairman of the Senate Judiciary Committee, in explaining the conference agreement to the Senate, made the following statement concerning the “good faith” defense. “It will be noted that the relief from liability must be based on a ruling of a Federal agency, and not a minor official thereof. I, therefore, feel that the legitimate interest of labor will be adequately protected under such a provision, since the agency will exercise due care in the issuance of any such ruling.”¹²⁴

(c) Accordingly, the defense provided by sections 9 and 10 of the Portal Act is restricted to those situations where the employer can show that the regulation, order, ruling, approval, interpretation, administrative practice or enforcement policy with which he conformed and on which he relied in good faith was actually that of the authority vested with power to issue or adopt regulations, orders, rulings, approvals, interpretations, administrative practices or enforcement policies of a final nature as the official act or policy of the agency.¹²⁵ Statements made by other officials or employees are not regulations, orders, rulings, approvals, interpretations, administrative practices or enforcement policies of the agency within the meaning of sections 9 and 10.

RESTRICTIONS AND LIMITATIONS ON
EMPLOYEE SUITS

§ 790.20 Right of employees to sue; restrictions on representative actions.

Section 16(b) of the Fair Labor Standards Act, as amended by section 5 of the Portal Act, no longer permits an employee or employees to designate an agent or representative (other than a member of the affected group) to main-

¹²³ See also statement by Representative Gwynne, 93 Cong. Rec. 1563; and statement by Senator Wiley explaining the conference agreement to the Senate, 93 Cong. Rec. 4270.

¹²⁴ Statement of Senator Wiley, 93 Cong. Rec. 4270.

¹²⁵ Statement by Representative Gwynne, 93 Cong. Rec. 1563; statements by Representative Walter, 93 Cong. Rec. 1496-1497, 4389; statement by Representative Robsion, 93 Cong. Rec. 1500; statement by Senator Thye, 93 Cong. Rec. 4452.

tain, an action for and in behalf of all employees similarly situated. Collective actions brought by an employee or employees (a real party in interest) for and in behalf of himself or themselves and other employees similarly situated may still be brought in accordance with the provisions of section 16(b). With respect to these actions, the amendment provides that no employee shall be a party plaintiff to any such action unless he gives his consent in writing to become such a party and such consent is filed in the court in which such action is brought. The amendment is expressly limited to actions which are commenced on or after the date of enactment of the Portal Act. Representative actions which were pending on May 14, 1947 are not affected by this amendment.¹²⁶ However, under sections 6 and 8 of the Portal Act, a collective or representative action commenced prior to such date will be barred as to an individual claimant who was not specifically named as a party plaintiff to the action on or before September 11, 1947, if his written consent to become such a party is not filed with the court within a prescribed period.¹²⁷

§ 790.21 Time for bringing employee suits.

(a) The Portal Act¹²⁸ provides a statute of limitations fixing the time limits within which actions by employees under section 16(b) of the Fair Labor Standards Act¹²⁹ may be commenced, as follows:

¹²⁶ Conference Report, p. 13.

¹²⁷ Conference Report, pp. 14, 15. The claimant must file this consent within the shorter of the following two periods: (1) Two years, or (2) the period prescribed by the applicable State Statute of limitations. See Conference Report, p. 15.

¹²⁸ See sections 6-8 inclusive.

¹²⁹ Sponsors of the legislation stated that the time limitations prescribed therein apply only to the statutory actions, brought under the special authority contained in section 16(b), in which liquidated damages may be recovered, and do not purport to affect the usual application of State statutes of limitation to other actions brought by employees to recover wages due them under contract, at common law, or under State statutes. Statements of Representative

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(1) Actions to enforce causes of action accruing on or after May 14, 1947; two years.

(2) Actions to enforce causes of action accruing before May 14, 1947.¹³⁰ Two years or period prescribed by applicable State statute of limitations, whichever is shorter.

These are maximum periods for bringing such actions, measured from the time the employee's cause of action accrues to the time his action is commenced.¹³¹

(b) The courts have held that a cause of action under the Fair Labor Standards Act for unpaid minimum wages or unpaid overtime compensation and for liquidated damages "accrues" when the employer fails to pay the required compensation for any workweek at the regular pay day for the period in which the workweek ends.¹³² The Portal Act¹³³ provides that an action to enforce such a cause of action shall be considered to be "commenced":

(1) In individual actions, on the date the complaint is filed;

(2) In collective or class actions, as to an individual claimant.

(i) On the date the complaint is filed, if he is specifically named therein as a party plaintiff and his written consent to become such is filed with the court on that date, or

(ii) On the subsequent date when his written consent to become a party plaintiff is filed in the court, if it was not so filed when the complaint was filed or if he was not then named therein as a party plaintiff.¹³⁴

(c) The statute of limitations in the Portal Act is silent as to whether or not the running of the two-year period of limitations may be suspended for any cause.¹³⁵ In this connection, attention is directed to section 205 of the Soldiers' and Sailors' Civil Relief Act of 1940,¹³⁶ as amended, which provides that the period of military service shall not be included in the period limited by law for the bringing of an action or proceeding, whether the cause of action shall have accrued prior to or during the period of such service.

Gwynne, 93 Cong. Rec. 1491, 1557-1588; colloquy between Representative Robson, Vorys, and Celler, 93 Cong. Rec. 1495.

¹³⁰This refers to actions commenced after September 11, 1947. Such actions commenced on or between May 14, 1947 and September 11, 1947 were left subject to State statutes of limitations. As to collective and representative actions commenced before May 14, 1947, section 8 of the Portal Act makes the period of limitations stated in the text applicable to the filing, by certain individual claimants, of written consents to become parties plaintiff. See Conference Report, p. 15; § 790.20 of this part.

¹³¹Conference Report, pp. 13-15.

¹³²*Reid v. Solar Corp.*, 69 F. Supp. 626 (N.D. Iowa); *Mid-Continent Petroleum Corp. v. Keen*, 157 F. (2d) 310, 316 (C.A. 8). See also *Brooklyn Savings Bank v. O'Neil*, 324 U.S. 697; *Rigopoulos v. Kervan*, 140 F. (2d) 506 (C.A. 2).

In some instances an employee may receive, as a part of his compensation, extra payments under incentive or bonus plans, based on factors which do not permit computation and payment of the sums due for a particular workweek or pay period until some time after the pay day for that period. In such cases it would seem that an employee's cause of action, insofar as it may be based on such payments, would not accrue until the time when such payment should be made. Cf. *Walling v. Harnischfeger Corp.*, 325 U.S. 427.

¹³³Section 7. See also Conference Report, p. 14.

¹³⁴This is also the rule under section 8 of the Portal Act as to individual claimants, in collective or representative actions commenced before May 14, 1947, who were not specifically named as parties plaintiff on or before September 11, 1947.

¹³⁵A limited suspension provision was contained in section 2(d) of the House bill, but was eliminated by the Senate. Neither the Senate debates, the Senate committee report, nor the conference committee report, indicate the reason for this. While the courts have held that in a proper case, a statute of limitations may be suspended by causes not mentioned in the statute itself (*Braun v. Sauerwein*, 10 Wall. 218, 223; see also *Richards v. Maryland Ins. Co.*, 8 Cranch 84, 92; *Bauserman v. Blunt*, 147 U.S. 647), they have also held that when the statute has once commenced to run, its operation is not suspended by a subsequent disability to sue, and that the bar of the statute cannot be postponed by the failure of the creditor (employee) to avail himself of any means within his power to prosecute or to preserve his claim. *Bauserman v. Blunt*, 147 U.S. 647, 657; *Smith v. Continental Oil Co.*, 59 F. Supp. 91, 94.

¹³⁶Act of October 17, 1940, ch. 888, 54 Stat. 1178, as amended by the act of October 6, 1942, ch. 581, 56 Stat. 769 (50 U.S.C.A. App. sec. 525).