

LEGAL UPDATES

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# Seventh Circuit Clarifies Standards for Proving Hours Worked in FLSA Overtime Claims

The Seventh Circuit recently issued a significant decision in *Osborn v. JAB Management Services, Inc.*, 126 F.4th 1250 (2025), affirming summary judgment in favor of the employer in an overtime compensation dispute under the Fair Labor Standards Act (FLSA). The decision underscores the evidentiary burden plaintiffs must meet to establish a violation of the FLSA and prove damages in overtime cases, particularly when employer timekeeping records are inaccurate or incomplete.

## Case overview

The plaintiff alleged that her employer failed to compensate her for overtime hours worked as required under the FLSA. Although the employer classified the plaintiff as exempt during her employment, it agreed to treat her as a nonexempt employee for purposes of the motion. Importantly, because the plaintiff was considered exempt during her employment, the employer did not maintain any time records for her hours of work. That left the employer without a good method of proving or disputing the number of hours worked and vulnerable to the plaintiff's account of how many overtime hours were worked each week. Nevertheless, the Seventh Circuit upheld the district court's grant of summary judgment, finding that the plaintiff failed to meet her initial burden of proving she worked uncompensated overtime.

The court emphasized two key points:

1. **Liability burden:** To survive summary judgment, the employee must provide specific, non-conclusory evidence demonstrating that they worked overtime hours for which they were not compensated. Generalized estimates or vague descriptions of work schedules are insufficient.

- Damages burden:** Even under the relaxed “just and reasonable inference” standard applicable when employer records are incomplete or inaccurate, the employee must provide enough detail about their work to allow a jury to reasonably approximate the extent of unpaid overtime. The plaintiff’s evidence here, which included vague testimony and inconsistent descriptions of her work hours, failed to meet this low threshold.

## Key takeaways for employers

This decision reinforces the importance of maintaining accurate and complete timekeeping records to defend against FLSA claims. While the FLSA places the burden on employees to prove violations, employers should remain vigilant in their compliance efforts to prevent litigation risks.

## Practical implications for businesses

The *Osborn* decision reminds employers to audit their current timekeeping policies, training, and oversight to ensure compliance with applicable law and to provide guidance when defending wage and hour litigation. Companies should focus on the following three points:

**Timekeeping policies:** Employers should ensure their timekeeping systems accurately capture all hours worked by employees, including overtime. This is especially critical for remote or flexible work arrangements, where hours may be less structured.

**Training and oversight:** Supervisors and employees should be trained on proper timekeeping practices and reminded of the importance of accurately reporting all hours worked.

**Litigation defense:** For businesses facing wage and hour litigation, this decision highlights the importance of challenging vague or speculative claims by plaintiffs. Employers should also leverage any evidence of inconsistencies in the plaintiff’s testimony to strengthen their defense.

## What this means to you

The *Osborn* decision reiterates that plaintiffs seeking to survive summary judgment in FLSA overtime cases must provide evidence that provides specificity and reliability regarding the number of overtime hours worked. Employers involved in wage and hour disputes should evaluate whether the plaintiff’s claims meet the evidentiary requirements outlined in this ruling. Additionally, businesses may wish to revisit their recordkeeping practices to ensure compliance with FLSA standards and mitigate future risks.

## Contact us

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If you have questions about how this decision may impact your business or ongoing litigation, please contact Joe Glynias, Courtney Steelman, or your Husch Blackwell attorney. We are here to provide guidance tailored to your specific needs.