



WORKERS FILE WAGE THEFT CLASS ACTION AGAINST CITY OF SEATTLE

The lawsuit is brought on behalf of nearly 14,000 City employees

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Three unionized workers have initiated a class action lawsuit against the City of Seattle for wage theft. Their claims arise out of the City's implementation of a new payroll system powered by Workday (NASDAQ: WDAY), which rolled out in September 2024 for all the City's nearly 14,000 employees. The workers allege that for the past five months, the City has routinely issued paychecks and pay statements that are inaccurate and have resulted in thousands of employees being underpaid or, at times, not paid at all. In addition, employees are not receiving leave time or benefits due to them in a timely manner. Repeat errors include:

- Failure to pay for all hours worked
- Failure to pay for overtime hours
- Incorrect pay rates
- Incorrect and excessive wage deductions
- Incorrect leave accruals and deductions
- Incorrect withholding of deferred compensation
- Failure to properly transmit deferred compensation

According to the workers, these ongoing payroll problems have caused significant disruption, financial challenges, and stress. City employees have been forced to spend hours identifying and attempting to correct the errors with their paychecks. They have also faced considerable financial strain due to not being paid on time or in full.

The workers maintain the City knew or should have known that the transition to Workday would likely cause widespread wage violations. Numerous state and local governments have encountered similar problems with Workday over the last several years, including the state of Maine, the state of Oregon, the city of Baltimore, and the city of Los Angeles.

The workers bring claims under Seattle's Wage Theft Ordinance, which requires the City to pay all compensation owed to employees on established pay days. They also bring claims under Seattle's Paid Sick and Safe Time Ordinance, which requires the City to maintain accurate records of the leave benefits that employees earn.

The workers seek to have the City fix or replace the Workday system. They also want an independent accounting of all wages and benefits earned and paid since the system was implemented. Finally, they want to recover all unpaid earned wages along with interest and liquidated damages for the City's wage theft and leave violations.

Plaintiff Nathaniel Hunter, one of the three workers who brought the lawsuit, is a member of Professional & Technical Employees Local 17 (PROTEC17). He works as a Senior Engineering Specialist Supervisor with the Drainage and Wastewater Department. Plaintiff Travis Stanley is a member of the International Association of Fire Fighters Local 27 (IAFF Local 27), and he works as a Firefighter with the Seattle Fire Department. Plaintiff Aaron Dalan is a member of the Seattle Police Officers Guild (SPOG), and he works as a Sergeant with the Seattle Police Department. The three workers seek to represent a class defined as "[a]ll persons who are or have been employed by the City of Seattle at any time From September 3, 2024, through the final disposition of this action."



“One of our core values as a union is to ensure wages are paid properly and on time,” said Karen Estevenin, Executive Director of PROTEC17. She continued: “We’ve been working with the City to correct these wage issues for months and too many employees are still left without answers and without correct pay. PROTEC17 supports the action that these City of Seattle employees and union members have taken to correct this injustice and to ensure that everyone - whether in a union or not - is paid correctly for the important work they do. We are hopeful that this will alleviate much of the stress and frustration that employees have been dealing with over the last few months and will bring resolution to all people working at the City of Seattle.”

According to IAFF Local 27 President Kenny Stuart: “Seattle Fire Fighters show up to work every day to save lives and property in our City. We have a dangerous, stressful job and shouldn't have to worry about paying our bills or supporting our families because of incorrect paychecks and missing benefits. These problems have gone on for too long and they need to be fixed immediately. The City depends on us and we should be able to depend on our paycheck.

SPOG President Mike Solan said, “All City of Seattle employees expect the city to properly compensate them for the work they do for our diverse Seattle community. It is mind numbing to witness that same employer fail to meet those reasonable expectations of compensation due to the city’s misguided migration to Workday. SPOG fully supports this class action lawsuit against the City of Seattle and hopefully, all city employees will find closure for their families.”

AFSCME Council 2 President/Executive Director Michael Rainey said: “The city’s ongoing payroll issues have profoundly affected hardworking public service workers who provide essential services to the citizens of Seattle every day. These employees depend on accurate and timely paychecks. These failures of the new payroll system have resulted in frustration and significant financial hardship, as workers are left to resolve paycheck errors themselves and deal with late or incomplete payments. The City of Seattle is responsible for ensuring their payroll systems function for their employees—not against them. Addressing this issue in a prompt and accurate manner is more than just correcting paychecks; it’s about safeguarding fundamental workplace rights.

“Teamsters Local 117 stands with our Labor allies and all workers on this issue,” said Paul Dascher, Secretary Treasurer of Teamsters Local 117. “Every worker should be able to rely on being compensated appropriately and timely by their employers as required by law. The City of Seattle needs to get their act together!”

“IBEW46 members deserve to be paid correctly and on time,” said Sean Bagsby, Business Manager/Financial Secretary of IBEW 46. “They have been affected by Workday issues for over 5 months, draining time and energy better spent on serving city residents.”

Dale W. Cannon, Secretary/Treasurer and Business Manager of Laborers, LiUNA Local 242 said: "Workday has been nothing short of a nightmare from the day it was initiated. Consistently our members have not been paid correctly for their work in keeping the City of Seattle operating. The City has failed to correct their systemic errors, resulting in non-payment of wages, sick leave, holiday pay, shift differential, retirement pensions, deferred comp and Union dues to each of the represented Unions. Laborers Local Union 242 stands in firm solidarity with all Unions and our City of Seattle members who have been economically impacted by Workday."

“Since the inception of Workday our members haven't been paid correctly,” said Steve Kovac, Business Representative for IBEW 77. “This system wasn't tested by city employees or departments. It was never run in parallel; every other new system does this to check for problems. Seattle IT has a whole group that does testing of new systems, and they were not used in this process. We have had members denied home refinancing because of incorrect and incomplete pay stubs. Members deferred comp and child support payments were not



made on time, leading to members being told they were in default and threatened with legal action. Pay stubs with so many entries and abbreviations that members have no idea what they have been paid for. All of the hard-working city employees need to be paid properly and on time. Members reached out to file wage theft complaints against the city only to be told that city employees are not covered by the wage theft laws the council enacted.”

A copy of the class action complaint that was filed in King County Superior Court is attached. Representing the workers are Toby Marshall and Elizabeth Adams of Terrell Marshall Law Group PLLC and Richard Myers of Bennett Hartman LLP.

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