

Snyder-Lance pays \$1.6 mil to settle misclassification suit

A federal judge in the Middle District of Pennsylvania has signed off on a \$1.6 million agreement between snack maker Snyder-Lance and its route drivers.

The agreement resolves a class-action suit the drivers filed alleging the company misclassified them as independent contractors when in fact they were employees eligible for overtime pay under the Fair Labor Standards Act.

Under the settlement, Snyder-Lance will pay 210 employees \$870,330. Nine named plaintiffs will receive \$19,000 each. The drivers' lawyers pocket more than \$550,000.

The company did not admit any wrongdoing and had previously ratified an agreement with the drivers to recognize their status as employees.

Employee misclassification has caused a cash crunch lately for Pennsylvania's snack industry. The Snyder-Lance agreement mirrors one signed last year by chip maker Utz Quality Foods and its 1,900 employees in four states. That agreement, also settled in Pennsylvania's Middle District, amounted to \$2.5 million.