

DOL Scales Back on Double Damages in Prelitigation Settlements

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The U.S. Department of Labor (DOL) has, effective July 1, stopped seeking double damages—referred to as liquidated damages—in many cases that it settles before suing. But it still will seek them in litigation.

“With this new announcement, the DOL is essentially providing a carrot to employers designed to resolve cases more quickly,” said Hugh F. Murray III, an attorney at McCarter & English in Hartford, Conn.