

Swedish Health \$86M Wage Deal Secures Initial OK

By **Benjamin Morse**

Law360 (May 11, 2026, 6:23 PM EDT) -- Seattle-area hospital system Swedish Health Services will pay \$86 million to settle a proposed class action claiming its alleged meal break violations and rounding practices led to unpaid wages, according to a state judge's preliminary approval of the deal.



The workers' suit accused Swedish Health Services of failing to provide required second meal periods for employees working shifts longer than 10 hours, as well as underpaying workers through a policy of rounding time entries. (iStock)

In an **order** on Friday, King County Superior Court Judge Sandra Widlan tentatively approved the settlement to end the lawsuit led by named plaintiffs Yolanda Callister, Nancy Gladsjo and Kendall Wallace, who alleged violations of Washington state wage law.

"The court preliminarily finds that the parties' settlement agreement is within the range of reasonableness, is presumptively valid and warrants notice to the class," Judge Widlan wrote.

The proposed class action, filed in 2021 and later consolidated, accused Swedish Health of failing to provide required second meal periods for employees working shifts longer than 10 hours, as well as underpaying workers through a policy of rounding time entries.

The court certified classes in 2023 covering more than 14,000 workers and later granted summary judgment in a series of orders on liability, leaving only damages to be tried before the parties reached a settlement earlier this year, the filing said.

Under the **agreement**, which the parties reached in principle in late January, Swedish Health will create an \$86 million common fund to resolve the claims, covering class member payments as well as attorney fees, litigation costs, administrative expenses and service awards.

After those deductions, more than \$59 million is expected to be distributed to class members, an amount equal to roughly 93% of the wages that the plaintiffs' expert estimated were owed.

The settlement allocates approximately 90% of the net fund to workers who allegedly missed second meal breaks and 10% to those impacted by rounding practices, with payments distributed on a pro rata basis based on each worker's estimated damages.

Class counsel plan to seek up to 30% of the gross fund, about \$25.8 million, in attorney fees, along with reimbursement of litigation costs, while the three named plaintiffs may request service awards of up to \$25,000 each.

The court also approved the proposed notice plan, which will give class members 60 days to object to the settlement, fees or service awards. A final approval hearing is scheduled for Sept. 18.

Representatives for the parties did not immediately respond to requests for comment on Monday.

The workers are represented by Daniel F. Johnson and Cynthia J. Heidelberg of Breskin Johnson & Townsend PLLC, Donald W. Heyrich, Jason A. Rittreiser and Joseph W. Wright of HKM Employment Attorneys LLP, and Peter D. Stutheit of Stutheit Kalin LLC.

Swedish Health is represented by Paula Lehmann, Melissa Mordy, Kathryn S. Rosen and Lance Pelletier of Davis Wright Tremaine LLP.

The case is Callister et al. v. Swedish Health Services et al., case number 21-2-16148-7, in King County Superior Court.

--Editing by Philip Shea.