

Lawsuit Alleges Twitter Faces \$500 Million Severance Debt to Former Employees



Twitter Inc is facing a lawsuit alleging that it failed to fulfill its promise of paying at least \$500 million in severance to thousands of employees who were laid off following Elon Musk's acquisition of the company. The proposed class action was filed by Courtney McMillian, the former "head of total rewards" at Twitter, in San Francisco federal court.

According to McMillian, Twitter introduced a severance plan in 2019, which guaranteed two months of base pay plus an additional week of pay for each full year of service for most laid-off employees. Senior employees like McMillian were entitled to six months of base pay as part of the plan. However, the lawsuit claims that Twitter only provided a maximum of one month of severance pay to laid-off workers, with many not receiving any compensation at all.

The layoffs at Twitter were implemented as a cost-cutting measure following the acquisition by Elon Musk in October. The company let go of over half of its workforce during this restructuring.

See also: [Twitter challenges Wachtell's 'gargantuan' success fee for work before Elon Musk takeover](#)

In response to the lawsuit, Twitter, which no longer has a media relations department, replied to a request for comment with a poop emoji, indicating a dismissive attitude towards the allegations.

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The legal complaint asserts that Twitter and Elon Musk violated federal employee benefit plan regulations. It is worth noting that previous lawsuits against Twitter regarding severance issues have primarily focused on breach of contract claims rather than violations of benefits laws. Despite these legal challenges, Twitter maintains that it has fully compensated former employees as per its obligations.

Another lawsuit filed recently alleges that Twitter has also [neglected to pay millions of dollars in bonuses](#) owed to current employees. Twitter, however, has stated that it believes these claims lack merit.

Additionally, Twitter is currently embroiled in various other lawsuits stemming from the layoffs initiated in the past year. Some of these legal actions claim that the company specifically targeted women and workers with disabilities during the downsizing process. In its responses, Twitter has denied any wrongdoing in the cases brought against it.

As the lawsuit progresses, the outcome will have significant implications for both Twitter and its reputation in the industry. The allegations of failing to fulfill severance obligations and withholding bonuses could have far-reaching consequences, including potential financial liabilities and damage to the company's brand image.

It remains to be seen how the court will interpret the severance plan created by Twitter in 2019 and whether the company will be held accountable for the alleged violations of employee benefit regulations. With the emergence of multiple lawsuits against Twitter, it is clear that the fallout from the layoffs continues to pose legal challenges for the social media giant.

The court's decisions on these matters will undoubtedly shape the future landscape of employee rights and corporate responsibilities, particularly in relation to severance packages and the treatment of employees during company transitions.

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