Yahoo data-breach settlement: You'll get $100, if you're lucky

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People who had Yahoo accounts between 2012 and 2016 can now apply for a cash payment of $100, but the final amount you receive could be more or less than $100 depending on how many people file claims.

It's also possible to file claims for up to $25,000 if you can document actual out-of-pocket losses and lost time due to the breach. However, actual payouts for all claims could be much lower if the total amount claimed exceeds what's available from the $117.5 million settlement. The settlement class potentially includes up to 194 million people, so these amounts would be paid in full only if the vast majority of eligible people don't ask for money.

The settlement website lets all class members choose from at least two years of free credit monitoring services or the $100 cash payment. While that amount isn't guaranteed, just like in the Equifax settlement, at least the Yahoo settlement website makes that clear up front.

To apply for cash in the Yahoo settlement, you have to check

boxes certifying that you already have credit monitoring and provide the name of the company you get the credit monitoring from.

“If you can verify that you already have credit monitoring or identity protection services that you will keep for at least 12 months, you may instead make a claim for a cash payment in an amount of $100, although that amount may be less or more up to $358.80, depending on how many claims are submitted,” the claim form says.

The credit-monitoring-or-cash option is available to US or Israeli residents who had a free Yahoo account at any time between January 1, 2012 and December 31, 2016. People who paid for premium Yahoo accounts can also receive up to 25% of the amount they paid Yahoo from 2012 to 2016. The 25% option is also available to small businesses that paid for Yahoo service.

If the amount required to fund all requests for money exceeds the amount available in the settlement fund, the cash payments will be distributed on a *pro rata* basis. The possibility of $100 payments ballooning to $358.80 would come into play if the amount requested is lower than what’s available.

Huge data breaches led to settlement

The Yahoo settlement stems from a class action lawsuit over data breaches in 2013, 2014, and 2016. The 2013 breach affected all 3 billion Yahoo accounts worldwide. Yahoo has been owned by Verizon since June 2017.

Yahoo agreed to pay for a settlement fund of $117.5 million, including attorneys fees of up to $30 million. The settlement class includes all US and Israeli residents and small businesses with Yahoo accounts, which is at most 896 million

accounts and 194 million people.

While it’s possible to ask for up to $25,000, this will require documentation of out-of-pocket losses and hours lost to the breach. The settlement website says:

> *You may additionally provide documentation or proof to receive reimbursement of up to $25,000.00 in out-of-pocket losses, including lost time, that you believe you suffered or are suffering because of the Data Breaches. As to documented lost time, you can receive payment for up to fifteen hours of time at an hourly rate of $25.00 per hour or unpaid time off work at your actual hourly rate, whichever is greater. If your lost time is not documented, you can receive payment for up to five hours at that same rate.*

Claims for credit monitoring or money must be made by July 20, 2020, while objections to and comments on the settlement must be filed by March 6, 2020. Opting out of the settlement must also be done by March 6, 2020.

The sides in the class action lawsuit originally agreed to a settlement of $50 million plus attorneys’ fees and other expenses, but it was rejected by US District Judge Lucy Koh in January. They came up with the $117.5 million settlement in April and obtained Koh’s preliminary approval.

The settlement is still pending final court approval. The court scheduled a final approval hearing for April 2, 2020.

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