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Labor and Employment Compliance Bulletin



U.S. DOL increases labor and wage enforcement efforts

Despite overall budget cuts, The Department of Labor (DOL) is gearing up its labor and wage enforcement efforts.

The DOL's overall budget for fiscal 2012 is \$77 billion less than 2011. But the Wage and Hour Division plans on adding full time employees to step up enforcement efforts. The Wage and Hour Division's [official budget justification documentation](#) to Congress states that it plans to increase the number of full time investigators to 1,200 in 2012. **That would be 150 more investigators than the division employed during fiscal 2010.**

The Wage and Hour Division indicated an intention to focus additional efforts on worker misclassification, as it believes many employers may be treating full time employees as contractors to lower labor costs. In fact, the division plans to add 107 inspectors "to detect and prevent misclassification."

However, employers can expect a continued high number of enforcement efforts and lawsuits related to off-the-clock work and failure to pay overtime.

Scrutiny will be particularly close for federal contractors, including employers involved in work funded through federal grants, loans, loan guarantees, tax-favored bonds, or other financial aid.

DOL Regulators have reportedly made comments at some recent Prevailing Wage Conferences to suggest that the agency's enforcement activity will rise sharply this year.

DOL will also investigate tips it receives from your competitors accusing you of failing to comply with applicable laws.

Bottom line

Employers should review wage and hour and pay practices to ensure continued compliance. To learn more about how TALX paperless pay solutions can aid in overall compliance efforts, please send an email to mhanson@talx.com with "compliance and paperless pay" in the subject line.

New York posts fact sheet to aid compliance with Wage Theft law

The New York Department of Labor has released a [fact sheet](#) to help employers comply with the Wage Theft Prevention Act.

As reported in an earlier bulletin, the law took effect April 9. It imposes new notice requirements on employers and increases penalties for violations of wage-hour laws. The law increases civil and criminal penalties for violations of wage and hour laws, including criminal penalties of up to \$20,000 and one year in prison, and fines of up to \$5,000 for employers who fail to maintain accurate records.

Bottom line

In response to the law, employers need to be sure they are prepared to meet the new employee notice requirements and ensure that time keeping practices are fully compliant and accurate. For more information please contact Melinda Hanson at (314) 214-7143 or mhanson@talx.com.