

Reminder – Executive Order 13496

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An Executive Order issued by President Obama and related Labor Department regulations take effect on Monday. The order requires all federal government contractors to post a notice in the workplace about employee rights to unionize under the National Labor Relations Act. There are potential penalties, including debarment, for failure to comply.

Executive Order 13496 requires that government contracts must include a clause requiring contractors to post the notice. The notice is available for downloading from the Labor Department's web site, either as an 11"x 17" poster, or as two 8.5"x 11" pages to be posted together. Here's a link to the web site:

<http://www.dol.gov/olms/regs/compliance/EO13496.htm>

The Details On Posting

The Labor Department's final rule says the contract clause and posting requirements do not apply to "government contracts resulting from solicitations issued before the effective date of this rule" (June 21, 2010). For all covered contracts, the posting must be in place during the entire course of performance under the contract.

The final rule says that the posting must be made: "In conspicuous places in and about the contractor's plants and offices so that the notice is prominent and readily seen by employees. Such conspicuous placement includes, but is not limited to, areas in which the contractor posts notices to employees about the employees' terms and conditions of employment."

The regulation, therefore, requires at least one posting in every workplace, or more than one if the employer posts employee notices in more than one location.

The final rule also says an employer that customarily posts notices to employees electronically must also post this notice electronically. Required language is included in the link provided above.

There was some doubt as to whether banks are covered by the order, but the Labor Department has taken the official position that banks are covered because of FDIC insurance and federal depository status.

Questions

The Labor Department has published a PowerPoint summary of the new rules. You may view it here:
http://www.dol.gov/ofccp/regs/compliance/Contractor_Compliance_presentation.ppt

If you have questions, please contact your Labor and Employment attorney at Warner Norcross & Judd.