

**Six Year Strategic Plan Issued by U.S. Department of Labor
or
Will the DOL Get a GRPA on Your Business?**

By Gregory D. Stobbe, JD SPHR

The U.S. Department of Labor (DOL), pursuant to the Government Performance and Results Act of 1993 (GRPA), is required to update its strategic plan every three years. Secretary of Labor, Hilda Solis, recently released the DOL's first Strategic Plan (Plan) for the years 2011-2016, under her administration.

This Plan embodies the underlying vision of Secretary Solis, which simply stated is "Good Jobs for Everyone." To put this vision in focus, five strategic goals have been promulgated and are to be implemented, executed and enforced by the various DOL program agencies, including the Wage and Hour Division (WHD).

Strategic Goal 1 is "*Prepare workers for good jobs and ensure fair compensation.*" No argument, it sounds reasonable and straight forward. Taking a closer at Goal 1, we find Outcome Goal 1.5 – *Secure wages and overtime* (every Strategic Goal has a series of associated Outcome Goals). This Outcome Goal reads as follows - "Ensure that vulnerable workers are employed in compliance and secure sustained and verifiable employer compliance, particularly among the most persistent violators."

Examples of "vulnerable" workers could be disabled individuals and perhaps those new to the workforce. These workers may be less familiar with the standard pay and employment requirements for employers (e.g., minimum wage, overtime requirements, independent contractor status, etc.) These and similarly situated classes of workers, may be more likely to be taken advantage of by the intentional or unintentional pay practices of an employer.

Employers most likely have not yet become familiar with the various terms peppered through the new Strategic Goals. References such as "fissured" industries, the "We Can Help" initiative and the "Plan/Prevent/Protect" strategy are all designed for a specific purpose. One clue to this is that the U.S. Departments of Labor and Treasury are collaborating to "detect and detour the misclassification of employees as independent contractors." You may recall in an article I wrote earlier this year, I indicated that the Obama administration had earmarked \$25 MM specifically for this purpose. Based upon an IRS estimate, employers who misclassify employees as independent contractors, fail to pay \$3.4 billion *annually* in employee related taxes and required contributions.

The prudent employer may wish to have the legal appropriateness reviewed of any worker whom they have classified as an independent contractor (a/k/a "1099" employee). Just because you call it a duck, doesn't mean it will fly under the new Strategic Plan Goals.

Stay tuned...

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