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I HAVE TO DO WHAT FOR MY EMPLOYEES? NAVIGATING THE COMPLEX WEB OF EMPLOYMENT LAWS

Every business owner thinks about how his or her company will grow from a small entrepreneurial idea, to a budding business, to something sustainable and long-lasting. Employees are almost certainly part of that process. But, for many small business owners, employment law is a complex web of seemingly endless laws and regulations which can easily trip up even the savviest and cautious business owner leading to unwanted and often costly consequences. So what's a small business owner to do? Well, a few things come to mind. First, do some research and become familiar with the potential issues that may face your business if and when you decide it's time to bring on other bodies. Second, find a knowledgeable business attorney well versed in the employment law issues specific to your industry and geographic area. Step two is up to you- but my hope is that this post will get you off on the right foot in your search for knowledge. Here is a rundown of some of the potential issues and laws you may be dealing with when you decide it is time to hire your first employee.

Wages & Hours

The [Fair Labor Standards Act \(FLSA\)](#) sets standards for employee wages and hour restrictions. This includes required minimum wage and overtime payments for hourly employees who are not otherwise exempt. It also restricts the hours that children under the age of 16 are permitted to work.

Workplace Safety & Health

The [Occupational Safety and Health \(OSH\) Act](#) is a federal law which sets standards related to workplace health, safety and sanitation. While states have their own laws, for the most part they closely mirror those standards set by OSHA, and at a minimum must meet the requirements of OSHA.

Unions & Their Members

The [Labor-Management Reporting and Disclosure Act \(LMRDA\)](#) sets standards for employer relations with unions and their members, among other things. While most business owners do not have to worry about dealing with unions, certain trades and manufacturing businesses may find it prudent to discuss the specifics of LMRDA and other federal and state union laws with an attorney specializing in union law.

The Family and Medical Leave Act

The [Family and Medical Leave Act \(FMLA\)](#) is applicable to practically any employer as it sets requirements for time off due to family or medical reasons. Unfortunately for employees, that time off is not legally required to be paid (unless state law states otherwise). The FMLA provides eligible employees of covered employers to take up to twelve weeks (26 weeks to care for a sick or injured service member) of unpaid, job-protected leave for specified family and medical reasons with

continuation of group health insurance coverage under the same terms and conditions as if the employee had not taken leave. There are less strict (or potentially no) requirements for businesses under 50 employees, so while you may be viewed as an awful boss for refusing to comply with FMLA, you may not be legally required to do so.

US Department of Labor Postings

As an employer, you may be required to inform your employees of their rights by way of postings in the workplace. The [elaws Poster Advisor](#) is a handy tool that can be used to determine which poster(s) employers are required to display at their place(s) of business.

Taxes

As an employer, you are going to be required to withhold and [pay certain taxes on behalf of your employees](#). For the business owner that is used to having someone else do their taxes and accounting, this can become a bit overwhelming. There are payroll companies out there that can take care of all of this for you for a reasonable monthly or annual fee.

Workers Compensation Insurance

Under the workers' compensation system, employers are required to purchase insurance that provides benefits to employees who suffer work-related injuries and illnesses. Workers compensation laws are state-specific, but as a general rule, if you, as the business owner, aren't the only person working for your business, you are going to need to obtain coverage. The news isn't all bad, of course. In the event you are sued for an injury that takes place on the job, your insurance is hopefully going to prevent your company from going under. Fines for failure to obtain coverage can be substantial- up to \$500 per day that the business doesn't carry insurance. This is one of those areas where the cost of a policy, while inconvenient, is worth it.

Of course, there are a host of other federal, state and even local laws and regulations that your business is going to have to comply with when you decide to take on employees, but don't let that scare you. With a little bit of research and help from your attorney and accountant, you can be sure that your business is going to stay out of trouble allowing you to focus on building your business into what you want it to be.

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