



Keeping Up With Compliance Quarterly

3rd Quarter 2024

Keeping up with compliance developments can be difficult and time-consuming. This quarterly update highlights recent legal developments to help your organization stay on top of new requirements and minimize compliance risks.

For more information on these topics, please contact LFG Benefits.

Recent Federal Developments

FTC Issues Final Rule Banning Most Noncompete Agreements

On May 7, 2024, the Federal Trade Commission (FTC) published a [final rule](#) prohibiting employers from entering into or enforcing noncompete clauses with most employees, effective Sept. 4, 2024. Employers that use noncompete or similar protective clauses should familiarize themselves with the rule's requirements and take steps to prepare for its effective date. However, lawsuits have been filed challenging the final rule, which may result in the noncompete ban being modified, delayed or even vacated. For example, on July 23, 2024, a federal District Court in Pennsylvania declined to block the FTC's noncompete ban. This holding conflicts with an earlier holding from a federal District Court in Texas that partially blocked the noncompete ban for the plaintiffs in that case. Employers should prepare for potential uncertainty in light of conflicting rulings.

IRS Releases Inflation-adjusted HSA Limits for 2025

On May 9, 2024, the IRS [released](#) the inflation-adjusted limits for health savings accounts (HSAs) and high deductible health plans (HDHPs) for 2025. These limits include the maximum HSA contribution limit, the minimum deductible amount for HDHPs and the maximum out-of-pocket expense limit for HDHPs. Employers sponsoring HDHPs should review their plan's cost-sharing limits when preparing for the plan year beginning in 2025. Also, employers allowing employees to make pre-tax HSA contributions should update their plan communications for the increased contribution limits.

HHS Strengthens Privacy Requirements for Reproductive Health Care

On April 26, 2024, the U.S. Department of Health and Human Services (HHS) published a [final rule](#) that strengthens the HIPAA Privacy Rule by prohibiting the disclosure of protected health information (PHI) related to lawful reproductive health care in certain situations, effective Dec. 23, 2024. Employers with self-insured health plans and employers with fully insured health plans that have access to PHI from their health insurance issuers (other than certain limited types) will need to take steps to comply with the new privacy protections. These steps should include updating their HIPAA policies and training affected members of their workforce on the new restrictions for PHI related to reproductive health care.

OSHA Proposes Heat Injury and Illness Prevention Standard

On July 2, 2024, the U.S. Department of Labor's (DOL) Occupational Safety and Health Administration (OSHA) [released](#) a proposed standard to protect workers from heat injury and illness. If finalized, the new standard would apply to all employers conducting indoor and outdoor work in all general industry, construction, maritime and agricultural sectors where OSHA has jurisdiction, subject to limited exceptions. It would require employers to create a plan to evaluate and control heat hazards in their workplaces. However, the proposed standard will likely face pushback, so employers should monitor for updates and potential legal challenges.

EEOC Provides Guidance on Preventing Harassment in the Workplace

On April 29, 2024, the U.S. Equal Employment Opportunity Commission (EEOC) published its [final guidance](#) on harassment in the workplace. The guidance explains how the EEOC may enforce equal employment opportunity (EEO) laws against an employer when workplace harassment is alleged or suspected. Employers subject to EEO laws should familiarize themselves with the final guidance. They may also consider reviewing and revising their policies and procedures to ensure compliance with the final guidance.

DOL Addresses AI-related Wage and Hour Risks

On April 29, 2024, the DOL's Wage and Hour Division published [Field Assistance Bulletin \(FAB\) No. 2024-1](#) on the use of artificial intelligence (AI) in the workplace. The FAB highlights certain compliance risks under the Fair Labor Standards Act for employers using AI tools. While FABs are not necessarily legally binding, they offer insight into how the DOL interprets laws it enforces and how agency officers analyze workplace conditions and circumstances to enforce compliance.

Recent State Law Developments

Minnesota Enacts Wide-ranging Changes to Employment Laws

On May 17, 2024, Minnesota enacted a [law](#) that made several important changes to the state's employment laws. For example, effective July 1, 2024, the law prohibits certain employers from entering into restrictive employment covenants. Effective Aug. 1, 2024, the law expands pregnancy and parental leave protections, changes certain child labor enforcement rules and allows employers to conduct oral fluid drug testing. Effective Jan. 1, 2025, the law requires employers to disclose pay ranges in job postings and eliminates the state's minimum wage tiers for large and small employers.

Minnesota Amends Sick Leave and Paid Leave Laws

On May 24, 2024, Minnesota passed a [law](#) that makes numerous changes to the state's earned sick and safe time (ESST) and paid leave laws. The Minnesota ESST mandate took effect in January 2024 and requires most employers to provide up to 48 hours of paid sick and safe leave to eligible employees. Effective immediately, the new law requires employers to provide written or electronic information at the end of each pay period, stating each employee's available and used amounts of ESST. The new law also contains many changes to the state's paid family and medical leave program, which is set to take effect Jan. 1, 2026.

Connecticut Expands Paid Sick Leave

On May 21, 2024, Connecticut enacted a [law](#) that expanded the state's paid sick leave (PSL) program to require paid sick leave for nearly all Connecticut workers by 2027. The amendments implement coverage in stages, applying the leave mandate to successively smaller employers year by year. The revisions also modify the PSL law in other ways,

including increasing employees' accrual rate and adding to the law's reasons for taking leave. These additional changes take effect Jan. 1, 2025.

Vermont Enacts Pay Transparency Law

On June 4, 2024, Vermont enacted a [law](#) mandating pay transparency in job advertisements. Beginning July 1, 2025, the new law requires employers with five or more employees to disclose the compensation or compensation range in any internal or external job advertisement for a position that is either physically located in Vermont or performed remotely for an office or work location that is physically located in Vermont.

Maryland Expands Pay Transparency Requirements

On April 25, 2024, Maryland enacted a [law](#) that expands pay transparency requirements for employers under the state's Equal Pay for Equal Work Act (EPEWA). Under the EPEWA, employers are required to disclose the wage range for a position upon an applicant's request. The new law expands employers' pay transparency obligations by requiring them to provide certain information in all public and internal job postings for any work that will be physically performed in Maryland, at least in part. The new law impacts all Maryland employers, regardless of size, and will take effect Oct. 1, 2024.