

Human Resources Compliance



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What is Human Resources (HR) Compliance?

- HR compliance is a process of defining **policies** and **procedures** to ensure your employment and work practices demonstrate a thorough understanding of applicable laws and regulations, while also being aware of the company's larger human capital resources objectives.



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Question

How many of you would consider your HR practices to be compliant with federal, state, and local laws?



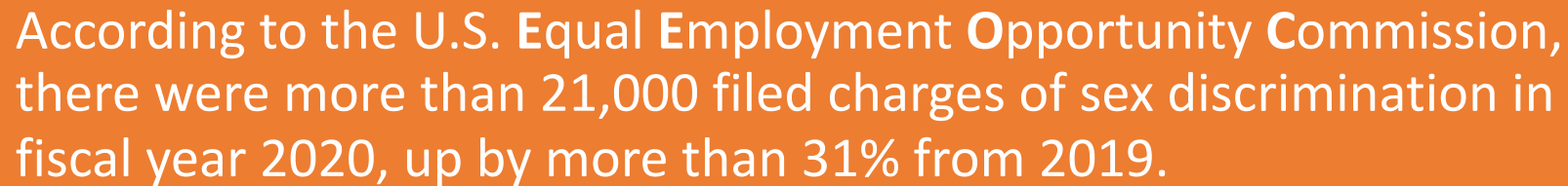
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- Companies of all sizes face increasing HR complexities as the number of employment laws and regulations are on the rise, and the risk of penalties for non-compliance has never been greater.

Important Facts

According to the U.S. Equal Employment Opportunity Commission, there were more than 21,000 filed charges of sex discrimination in fiscal year 2020, up by more than 31% from 2019.



Race discrimination lawsuits increased by almost 32% over the same period.



Several of those lawsuits, *regardless of outcome*, created negative publicity for companies and organizations and hurt their image and reputation.



Companies that have faced lawsuits or fines for non-compliance

Google – Multiple Lawsuits 2020-2021

- Discrimination in pay based on sex discrimination





Companies that have faced lawsuits or fines for HR non-compliance

- In October of 2021, a North Carolina-based company was fined \$10 million for firing an employee to increase DEI.
 - This was paid out to 1 employee. This company has 30,000 employees.
- In March of 2022, a Texas based-company was fined \$70 million for promotion denials, unequal pay, hostile work environment, and retaliation.
 - This payment went to 10 employees. Each received \$3 Million for emotional damages and \$4 Million for punitive damages. The total did not include legal fees.



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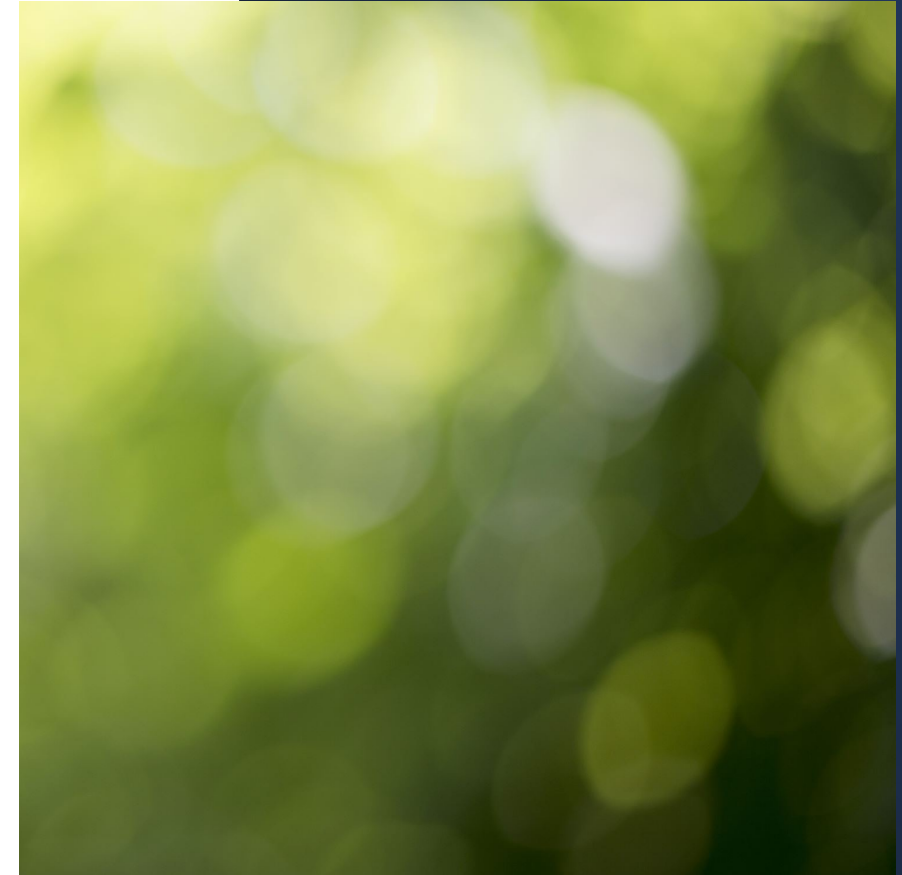
When developing HR policies and procedures, business owners should know, for example, that:

An employer must follow employment laws, including applicable federal, state, and local regulations.

A business may be subject to an audit from an enforcing agency that may levy fines and penalties for non-compliance.

Not knowing or understanding your compliance obligations is not an acceptable legal defense.

A lawsuit settlement can bankrupt a company.






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- Regardless of the size or scale of a business, timely and proactive compliance with **federal, state, and local** employment regulations is critical.

Examples of HR compliance issues:

Recruiting Strategies – If your goal is to increase diversity, what compliance factors come into play when recruiting candidates?



Benefits Administration – Understand your responsibility when it comes to offering health insurance, retirement plans, and other types of mandatory benefits.



Local Regulations – Did you check the mail for the local regulations?

Governing Agencies

EEOC

- Equal Employment Opportunity Commission

ADA

- Americans with Disability Act

ADEA

- Age Discrimination in Employment Act

GINA

- Genetic Information Nondiscrimination Act

**Title VII of the Civil Rights Act
of 1964**

- Prohibits discrimination in employment based on protected classes

Protected Classes



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Race

Color

Religion (includes
religious dress and
grooming practices)

Sex/gender (includes
pregnancy, childbirth,
breastfeeding and/or
related medical
conditions)

Gender identity, gender
expression

Sexual orientation

Marital status

Medical Condition
(genetic characteristics,
cancer or a record or
history of cancer)

Military or veteran
status

Protected Classes



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National origin

Ancestry

Disability (mental and physical)

Genetic information

Request for family care leave

Request for leave for an employee's own serious health condition

Request for Pregnancy Disability Leave

Retaliation for reporting patient abuse in tax-supported institutions

Age (over 40)

When it comes to compliance with these laws, employers should ask themselves:

Do I know which federal, state, and local employment laws prohibiting discrimination in recruitment and hiring apply to my business?

Have our managers been trained on these laws RECENTLY?

Does our organization have policies in place to communicate our efforts to comply with these laws?

Has the company analyzed all practices for making employment decisions including recruitment, hiring, promotion, and access to training?

Ways to avoid discrimination lawsuits



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Leaders must ensure their company has anti-discrimination policies, which comply with applicable federal, state, and local laws. Such policies are typically written by someone with experience in labor law. Policies should be reviewed annually and revise them, if necessary.

Organizations should regularly (at least annually) communicate policies and reporting methods to employees.

There should be mandatory annual training for every employee on how to recognize, prevent and report workplace discrimination.