



Joint Employment Final Rule

On March 16, 2020, a [final rule](#) updating joint employer status under the Fair Labor Standards Act ([FLSA](#)) will take effect.

The U.S. Department of Labor ([US DOL](#)) rule incorporates a four-factor balancing test, which considers whether a potential joint employer:

1. Hires or fires the employee;
2. Supervises and controls the employee's work schedule or conditions of employment to a substantial degree;
3. Determines the employee's rate and method of payment; and
4. Maintains the employee's employment records.

No single factor determines joint employment status under FLSA, however, the rule states that a potential joint employer must actually exercise one or more of those factors, whether directly or indirectly. Any true joint employer will be jointly and severally responsible for payment of an employee's wages.

US DOL also included examples in the rule of scenarios where joint employment may or may not exist.

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