

## DOL Proposes New Joint Employment Rule Rule Would Apply Four-Factor Test

This month, the U.S. Department of Labor (<u>DOL</u>) <u>announced</u> a <u>proposed rule</u> to revise and clarify the responsibilities of employers and joint employers to employees in joint employer arrangements. The Fair Labor Standards Act (<u>FLSA</u>) generally requires employers to pay their employees at least the federal minimum wage for all hours worked and overtime for hours worked over 40 in a workweek. Under the FLSA, an employee may have, in addition to his or her employer, one or more joint employers. The FLSA also states that, if determined to be a joint employer, that joint employer is jointly and severally liable for an employee's wages.

The Department's proposed rule uses a clear, four-factor test, based on well-established precedent, that would consider whether the potential joint employer actually exercises the power to:

- hire or fire the employee;
- supervise and control the employee's work schedules or conditions of employment;
- determine the employee's rate and method of payment; and
- maintain the employee's employment records.

Once the proposed regulation is published in the <u>Federal Register</u>, the public will have 60 days to submit comments. Please <u>contact</u> our office with any questions about how this new rule may impact your agency and its business relationships.

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