

Federal Employment Laws By The Numbers

by Christina M. Michelson on May 13, 2013

Many federal employment laws only apply to businesses with a certain number of employees. While many laws set the threshold at 50 workers, small businesses often make the mistake of assuming that this is true across the board.

Because failing to comply with federal employment laws can lead to costly liability, it is important to fully understand your obligations. Most federal employment statutes describe who is a “covered” employee.

Below are a few common examples:

- **Wages:** The Fair Labor Standards Act, which sets minimum wage and overtime requirements, applies to businesses that produce or handle goods in interstate commerce and generate at least \$500,000 in annual dollar volume of business. However, the statute applies to certain employers regardless of business dollar value, including hospitals, schools, and government agencies. The FLSA can also apply to employees of firms that do not meet the \$500,000 annual dollar volume test in any workweek when they are individually engaged in interstate commerce. Lastly, the law covers domestic service workers, such as housekeepers, if they receive at least \$1,700 in cash wages from one employer in a calendar year, or if they work a total of more than eight hours a week for one or more employers.
- **Employee leave:** The Family Medical Leave Act applies to any employer in the private sector who engages in commerce, or in any industry or activity affecting commerce, and who has 50 or more employees each working day during at least 20 calendar weeks in the current or preceding calendar year.
- **Discrimination:** For allegations involving race, color, religion, sex (including pregnancy), national origin, disability or genetic information, the business is covered if it has 15 or more employees who worked for the employer for at least twenty calendar weeks (in this year or last). However, for age discrimination, the threshold is 20 or more employees.

Finally, it is also important to periodically review your employee policies and procedures as your business grows. As you add staff members, you may also be adding new legal obligations. Of course, if you are not sure if coverage exists, you should always consult an experienced employment lawyer.

If you have any questions about these laws or would like to discuss your business's employment practices, please contact me or the Scarinci Hollenbeck attorney with whom you work.