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Extension of Effective Date of Joint Employer Rule

The U.S. Department of Labor (the “DOL”) announced that the effective date of the rescission of the “Joint Employer Status Under the Fair Labor Standards Act” final rule, the Joint Employer Rule was delayed until October 5, 2021.

In July, the DOL announced a final rule rescinding the Joint Employer Rule. Because the rescinded rule included a description of joint employment contrary to statutory language and Congressional intent and failed to consider the department’s prior joint employment guidance, a Southern District of New York court vacated most of the rule last year.

Under the FLSA, an employee can have more than one employer for the work they perform. For the purposes of minimum wage and overtime requirements, joint employment applies when the DOL considers two separate companies to be a worker’s employer for the same work. The joint employer standard is critical because certain FLSA responsibilities and worker protections requirements only apply to businesses that meet the definition of employer.

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