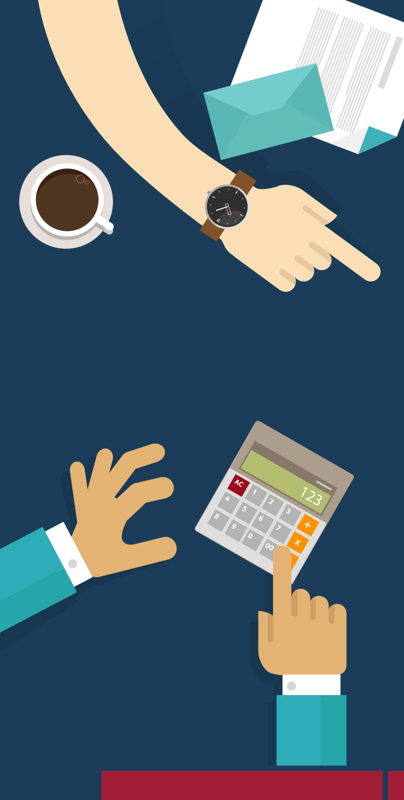
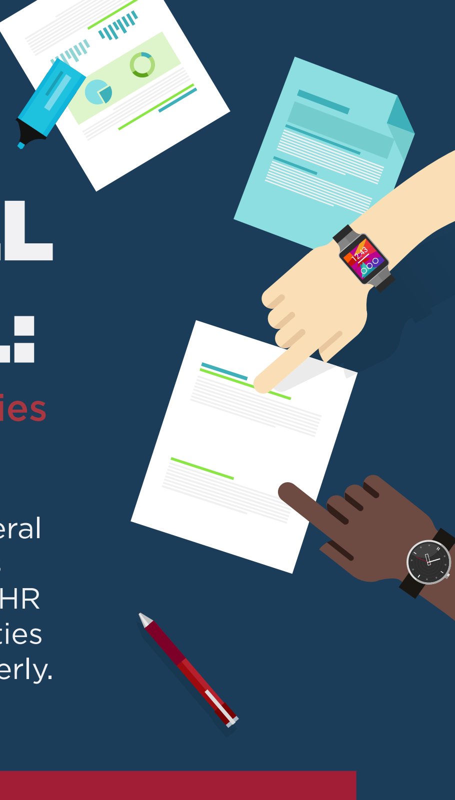


KEEP YOUR SMALL BUSINESS LEGAL:



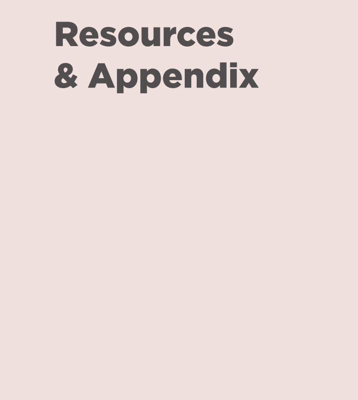
Summary of Department of Labor Penalties

The Department of Labor enforces thousands of federal regulations and over 180 laws. Keeping your business compliant is an essential function of today's modern HR department. Here, we've consolidated the civil penalties you may incur if your labor force isn't managed properly.

REGULATION NAME	DESCRIPTION OF REGULATION	PENALTIES/FINES FOR NONCOMPLIANCE
Affordable Care Act (ACA)	Under the Affordable Care Act, for 2015 and after, employers employing 100 or more full-time (or full-time equivalent) employees as of January 1, 2015, must offer affordable health coverage that provides a minimum level of coverage to their full-time employees (and their dependents).	• $100 per day excise tax per applicable employee (which is $36,500 per year, per employee) under the federal tax code.
ACA "Pay or Play" (Employer Shared Responsibility)	For 2015 and after, employers employing 100 or more full-time (or full-time equivalent) employees as of January 1, 2015, must offer affordable health coverage that provides a minimum level of coverage to their full-time employees (and their dependents).	• **Penalty for Employers Not Offering Coverage:** A large employer that does not offer coverage or offers coverage to fewer than 95% (70% in 2015) of its full-time employees (and their dependents) during the calendar year owes a penalty equal to the number of full-time employees employed for the year (minus up to 30) multiplied by $2,000 (adjusted to $2,080 for 2015 and $2,160 for 2016), as long as at least one full-time employee receives a premium tax credit. • **Penalty for Employers Not Offering Coverage:** For an employer that offers coverage for some months but not others during the calendar year, the penalty is computed separately for each month for which coverage was not offered. The amount of the penalty for the month equals the number of full-time employees employed for the month (minus up to 30) multiplied by 1/12 of $2,000 (adjusted to $2,080 for 2015 and $2,160 for 2016). • **Penalty for Employers Offering Coverage That is Not Affordable or Does Not Provide Minimum Value:** For a large employer that offers coverage to at least 95% (70% in 2015) of its full-time employees(and their dependents), but has one or more full-time employees who receive a premium tax credit, the penalty is computed separately for each month. The amount of the penalty for the month equals the number of full-time employees who receive a premium tax credit for that month multiplied by 1/12 of $3,000 (adjusted to $3,120 for 2015 and $3,240 for 2016). • The amount of the penalty for any calendar month is capped at the number of the employer's full-time employees for the month (minus up to 30) multiplied by 1/12 of $2,000 (adjusted to $2,080 for 2015 and $2,160 for 2016).
Employee Polygraph Protection Act (EPPA)	This law bars most employers from using lie detectors on employees, but permits polygraph tests only in limited circumstances.	• Civil money penalties may be assessed up to $10,000 per violation.
Equal Pay Act (EPA)	The Equal Pay Act prohibits discrimination on account of sex in the payment of wages by employers engaged in commerce or in the production of goods for commerce.	• Mandatory Salary increase • Back pay (which includes unpaid minimum wages and unpaid overtime compensation) • Attorneys' fees and court costs. • Liquidated damages (equal to the amount of back pay) may also be awarded.
Fair Labor Standards Act (FLSA)	The FLSA establishes minimum wage, overtime pay, recordkeeping, and youth employment standards affecting employees in the private sector and in Federal, State, and Local governments.	• Back pay • Equal amount in liquidated damages for violations of the minimum wage and overtime pay requirements. • Civil money penalties of up to $10,000 per violation may also be imposed for willful or repeated violations. • For child labor violations, employers are subject to a civil money penalty of up to $11,000 per worker for each violation and $50,000 for each violation that causes the death or serious injury of a minor employee.
Immigration Reform & Control Act (IRCA)	Under IRCA, employers may hire only persons who may legally work in the U.S., i.e., citizens and nationals of the U.S. and aliens authorized to work in the U.S. The employer must verify the identity and employment eligibility of anyone to be hired, which includes completing the Employment Eligibility Verification Form (I-9).	• Failure to comply with Form I-9 requirements may result in civil fines of $110 to $1,100 for each form. • Hiring or continuing to employ a person knowing he or she is not authorized to work in the U.S. may result in civil fines from $375—$16,000 per for each unauthorized alien depending on the on number of offenses. • Up to 6 months in prison for the entire pattern or practice of hiring, recruiting or referring for a fee unauthorized aliens. • Committing or participating in document may result in civil fines from $375 - $6,500 for each worker depending on number of offenses. • Employers who unlawfully discriminate may also be ordered to pay civil money penalties of $375 to $3,200 per individual for a first offense.
Occupational Safety and Health Act (OSHA)	Under the OSH Act, employers are responsible for providing a safe and healthful workplace.	• A violation other than a serious violation, which has a direct relationship to job safety and health but probably would not cause death or serious physical harm, carries a discretionary penalty of up to $7,000 for each violation. • A penalty of up to $7,000 for each violation must be proposed in the case of a serious violation, where there is a substantial probability that death or serious physical harm could result and the employer knew, or should have known, of the hazard. • An employer who commits a willful violation may be assessed a civil penalty of not more than $70,000 but not less than $5,000 for each violation. • Repeat violations can bring fines of up to $70,000 for each such violation. • Failure to correct a prior violation may bring a civil penalty of up to $7,000 for each day the violation continues beyond the prescribed abatement date. • If an employer is convicted of a willful violation of a standard that has resulted in the death of an employee, the offense is punishable by a court imposed fine or by imprisonment for up to six months, or both. A fine of up to $250,000 for an individual, or $500,000 for an organization.
Uniformed Services Employment & Reemployment Rights Act (USERRA)	USERRA protects service members' reemployment rights when returning from a period of service in the uniformed services, including those called up from the reserves or National Guard, and prohibits employer discrimination based on military service or obligation.	• Employers may be liable for lost wages and benefits, as well as reasonable attorney and expert witness fees. • Liquidated damages may also be awarded for willful violations.

Americans with Disabilities Act (ADA), Genetic Information Nondiscrim-ination Act (GINA), Pregnancy Discrimination Act (PDA), & Title VII of the Civil Rights Act (Title VII)	The ADA prohibits discrimination on the basis of disability in employment, State and local government, public accommodations, commercial facilities, transportation, and telecommunications.	• Front pay or back pay
		• Hiring, promotion, or reinstatement
		• Reasonable accommodation
		• Other actions that will make an individual "whole" (in the condition he or she would have been but for the discrimination).
		• Penalties may also may include payment of attorneys' fees, expert witness fees, and court costs.
		• Compensatory and punitive damages may be awarded in cases involving intentional discrimination based on a person's race, color, national origin, sex (including pregnancy), religion, disability, or genetic information. Compensatory and punitive damages limits vary depending on the size of the employer:
		  ◦ For employers with 15-100 employees, the limit is $50,000.
		  ◦ For employers with 101-200 employees, the limit is $100,000.
		  ◦ For employers with 201-500 employees, the limit is $200,000.
		  ◦ For employers with more than 500 employees, the limit is $300,000.

Age Discrimination in Employment Act (ADEA)	The Age Discrimination in Employment Act (ADEA) only forbids age discrimination against people who are age 40 or older.	• Front pay or back pay • Hiring, promotion, or reinstatement • Other actions that will make an individual "whole" (in the condition he or she would have been but for the discrimination). • Attorneys' and expert witness fees and court costs. • Liquidated damages equal to the amount of back pay awarded the victim may be awarded for willful violations.
Consolidated Omnibus Budget Reconciliation Act (COBRA)	The Consolidated Omnibus Budget Reconciliation Act (COBRA) gives workers and their families who lose their health benefits the right to choose to continue group health benefits provided by their group health plan for limited periods of time under certain circumstances such as voluntary or involuntary job loss, reduction in the hours worked, transition between jobs, death, divorce, and other life events.	• Employers may be liable for a tax penalty of $100 per qualified beneficiary (up to $200 per family) for each day of noncompliance with COBRA. • For unintentional violations the maximum tax penalty is the lesser of 10% of the amount paid or incurred by the employer during the preceding tax year for group health plans or $500,000. • Under ERISA, civil money penalties up to $110 per day may be assessed for failure to comply with the COBRA notice requirements. • Affected persons may also file a lawsuit.
Family and Medical Leave Act (FMLA)	The FMLA entitles eligible employees of covered employers to take unpaid, job-protected leave for specified family and medical reasons with continuation of group health insurance coverage under the same terms and conditions as if the employee had not taken leave.	• Lost wages, salary, benefits or other compensation • Actual monetary losses sustained by the employee as a direct result of the violation (such as the cost of providing care), up to a sum equal to 12 weeks of wages or salary for the employee (26 weeks in the case of military caregiver leave) • Interest on the above amounts calculated at the prevailing rate • Liquidated damages • Appropriate equitable relief, including employment, reinstatement, or promotion • Attorneys' fees, expert witness fees, and court costs
Worker Adjustment & Retraining Notification Act (WARN)	The Worker Adjustment and Retraining Notification Act (WARN) protects workers, their families, and communities by requiring most employers with 100 or more employees to provide notification 60 calendar days in advance of plant closings and mass layoffs.	• Affected employees may bring individual or class action lawsuits against an employer believed to be in violation of the law (reasonable attorney's' fees may be awarded to the prevailing party). • Equal to back pay and benefits for the period of the violation, up to 60 days. • An employer who fails to provide the required notice to the unit of local government is subject to a civil penalty not to exceed $500 for each day of violation



Resources & Appendix

- **Affordable Care Act:** Starting on January 1, 2015, employers with 100 or more full-time employees that do not offer health insurance to their full-time employees (and dependents), or that offer coverage that is not affordable or that does not provide minimum value, may be required to pay an assessment if at least one of their full-time employees receives a premium tax credit to purchase coverage in the new individual Marketplace. Employers with at least 50 but fewer than 100 full-time employees will generally have an additional year, until 2016, before these rules apply.
- An employer that meets the 50 full-time employee threshold is referred to as an applicable large employer.

United States Department of Labor | U.S. Department of Health and Human Services

ACA Outlook: What Will 2015 Hold for Employers?