**Employment Law Compliance Plan Memo**

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HRM531: Human Capital Management

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September 14th, 2015

Employment Law Compliance Plan

Bradley Stonefield is opening a limousine service and plans to hire a staff of twenty employees. Before his new business starts the hiring process, they have asked Atwood and Allen Consulting to review what laws will be applicable to their situation.

For this small business scenario, there are several legal requirements that apply to each phase of the employment lifecycle; specifically: hiring, employing, and terminating. Each of these comes with potential consequences if found to be out of compliance.

# Hiring Phase

## Civil Rights Act of 1964

Even at the beginning steps of the employment lifecycle, employment laws are present to enforce fair treatment of job applicants. During the interview phase the candidates need to be judged on their qualifications and discriminated against due to their gender, race, or medical status. If the applicant feels that they are being discriminated against, then they can sue the business under Title VII of the Civil Rights Act of 1964. In addition to fines, the business could lose governmental funding.

## Americans with Disabilities Act of 1990

Employers are also prohibited from asking “a general question about disabilities on an application form or whether an applicant ever filed a workers’ compensation claim (Cascio, 2013, p. 241).” These rules exist to protect candidates from being discriminated against due to physical characteristics.

If the business is caught violating the candidates rights they can receive fines between $55 to 150,000 (ADA, 2014). Penalties can also be mandated for not performing due diligence to provide accommodations to disabled staff.

# Employing Phase

## Fair Labor Standards Act

After the candidate has been hired into the company, they need to be fairly compensated relative to their peers and national minimum standards. For example it is against the law to pay men a higher wage than women doing the same work. Also the employees cannot be paid less than the state or federal minimum, whichever is higher (United States Department of Labor, 2015).

A common method of violating this law is not properly compensating employees for overtime. If the company is found to be negligent, they will need to pay for any back pay to the staff. There could also be “criminal penalties, up to $1,100 per violation and six months imprisonment (Thompson, 2015).”

# Termination Phase

## Family Medical Leave Act

It is unlawful to fire a person for taking time off of work to handle family medical situations. For example to birth children, care for elderly parents, or because the employee has serious health conditions (Perez, 2015). The law protects the employees up to 12 weeks of unpaid leave per year. Failure to comply with this law can result in the employer being liable for any monetary losses due to the violation (Lawyers.com, 2015).

**Worker Adjustment and Retraining Notification Act**

After Stonefield’s business grows and the number of employees increases, he might run the risk of needing to provide 60 days written noise before any large layoffs. This would impact any right-sizing of more than 100 workers. If the business does not provide sufficient notice they could be fined up to $500/day of violation. The affected employees would also have grounds for a class action lawsuit against the employers (Pomerenk, Gorman, Pomerenk, & Schick, 2012).

# Conclusions

From the moment the potential candidate steps in the door, they are protected from unfair and discriminatory treatment. These protections continue during their tenure and in part continue as they are terminated from the company.

Because of this, staffing a business requires an understanding of employment laws and compliance requirements. It is not sufficient to say the business is small and therefore the rules do not apply to me. Nor is it enough to say I was not aware of the rules. In either scenario the fines will be just as swift and severe.

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