

Business Law

Text & Exercises *6th Ed.*

Roger LeRoy Miller
William Eric Hollowell



Chapter 27: Employment Law

Learning Outcomes

- LO1** • Identify the limitations on an employer's monitoring of employees.
- LO2** • State exceptions to the employment-at-will doctrine.

Learning Outcomes

- LO3** • Discuss the protection available to employees injured on the job.
- LO4** • Note other important employment laws.
- LO5** • Describe the minimum wage and overtime provisions of the Fair Labor Standards Act.

Privacy Issues

- **Lie Detector (polygraph) tests.**
- **Drug testing.**
- **Electronic monitoring. →**
- **Genetic testing.**

- **Electronic Communications Privacy Act (ECPA) of 1986.**
- **Business extension exception.**
- **Employees are not considered to have a reasonable expectation of privacy in data on company equipment.**

Employment At-Will

- **A doctrine under which employer-employee contracts are considered to be “at will”—that is, either party may terminate an employment contract at any time and for any reason, unless the contract specifies otherwise.**



Exceptions To At-Will Doctrine

- **Statutory: Whistleblower.** Employee who tells the government or the press that his or her employer is engaged in some unsafe or illegal activity.
- **Implied contract.**
- **Public-Policy Exceptions.**

Injury, Compensation, and Safety

- **State workers' compensation laws.**
- **Occupational Safety and Health Act of 1970.**
- **OSHA.**

Retirement and Security Income

- **The Social Security Act of 1935.**
 - Also referred to as the Old-Age, Survivors, and Disability Insurance Act.
- **Federal Insurance Contributions Act (FICA).**
 - Based on income.
 - Benefits are fixed by statute but increase automatically with increases in the cost of living.

Retirement and Security Income

- **Medicare.**
 - Administered by the Social Security Administration (SSA).
- **Private retirement plans.**
- **Unemployment compensation.**
 - Federal Unemployment Tax Act of 1935.

- **Consolidated Omnibus Reconciliation Act (COBRA).**
- **Health Insurance Portability and Accountability Act (HIPAA).**
- **Family and Medical Leave Act (FMLA).**
- **Fair Labor Standards Act (FLSA) of 1938.**



Other Employment Laws

- **Minimum wage and overtime.**
- **Worker Adjustment and Retraining Notification Act (WARN) Act.**
- **Immigration Reform and Control Act (IRCA).**
- **Immigration Act of 1990.**

Minimum Wage

- **A federal minimum wage of a specified amount must be paid to employees in covered industries.**
- **Wages:**
 - Includes the reasonable cost of the employer in furnishing employees with board, lodging, and other facilities if they are customarily furnished by that employer.



Overtime

- **Overtime:**
 - An employee who works more than forty hours per week must be paid no less than 1.5 times his or her regular pay rate for all hours over forty.