



Protecting Your Business From the Rising Tide of Labor Law Changes in 2009

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Employment Law has changed dramatically over the past few months, with major ramifications for businesses of all sizes in the Midlands. At the end of January, major amendments to the Americans with Disabilities Act (ADA) and the Family and Medical Leave Act (FMLA) went into effect. The following month, the economic stimulus package, formally known as the American Recovery and Reinvestment Act of 2009 (ARRA) was signed into law. Among other things, ARRA substantially changed employers' Consolidated Omnibus Budget Reconciliation Act (COBRA) obligations, allowing eligible involuntarily terminated employees to pass on 65 percent of the cost of COBRA premium payments to their employers.

Other legislation has already been introduced in Congress this year that would continue to dramatically change employers' responsibilities under employment laws. Several, such as the Employee Free Choice Act (EFCA), still have a good chance of enactment in some form. Given the recent flood of changes and the strong possibility that more are ahead, employers should take immediate action to comply with applicable revisions to the ADA, FMLA and COBRA, and keep abreast of pending proposals.

The Lilly Ledbetter Fair Pay Act, named for a plaintiff whose sex discrimination claim was rejected by the U.S. Supreme Court in 2007, effectively eliminates the statute of limitations for pay discrimination lawsuits. The Act makes the current statute of limitations largely ineffective for pay discrimination claims by classifying each paycheck a separate discriminatory act.

Employers should also remember that the minimum wage increases again on July 24, 2009. This is the third in a series of phased minimum wage increases started in July 2007.

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