



FP Snapshot on Manufacturing Industry: New Joint Employer Rule Could Spell Trouble for Manufacturers

Insights

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Welcome to FP Snapshot on Manufacturing Industry, where we take a quick snapshot look at the most significant workplace law developments over the past month with an emphasis on how they impact manufacturers. This edition is devoted to ensuring manufacturers are aware that the National Labor Relations Board just proposed a controversial new rule that could soon make it easier for workers to be considered employees of more than one entity for labor relations purposes.

Bad News on the Horizon

Our full Insight, [which you can read here](#), highlights the NLRB's proposed rule released last week – yet another Biden administration proposal that could negatively affect the ability of all manufacturers to operate a flexible workforce. Under the proposal, it is much more likely that staffing company and independent contractor employees will be considered employees of the manufacturer to which they are assigned.

Supplementing permanent employee ranks via temporary workers is particularly important to manufacturers. The industry frequently experiences seasonal workforce adjustments and other order and production fluctuations, which makes flexible staffing arrangements a readymade solution. The current state of the law allows manufacturers to achieve maximum overtime and benefit flexibility through temporary workforce allotments.

However, the result of the proposal, if promulgated, will be decreased flexibility for manufacturers of all types across the country. You can also expect to see increased costs and legal exposure – not to mention union activity.

The notice-and-comment period for the proposal will run through early November, and you can expect to see the new restrictive rule put into place by early 2023.

Want More?

We will continue to monitor workplace law developments as they apply to manufacturers, so make sure you are subscribed to [Fisher Phillips' Insight system](#) to get the most up-to-date information

directly to your inbox. If you have questions, contact your Fisher Phillips attorney, the author of this Insight, or any attorney on our [Manufacturing Industry Team](#).

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