

Insights, News & Events

WORKPLACE LAW UPDATE: 10 ESSENTIAL ITEMS ON YOUR JULY TO-DO LIST

Insights
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It's hard to keep up with all the recent changes to labor and employment law, especially since the law always seems to evolve at a rapid pace. In order to ensure you stay on top of the latest changes and have an action plan for compliance, here is a quick review of some critical developments we tracked in June and a checklist of the essential items you should consider addressing in July and beyond.

— **Get ready for the post-*Chevron* reality limiting federal agency power.** The Supreme Court just upended the world by significantly reducing the power of federal regulators and placing more authority in the hands of Congress – a move that will have a major impact on workplace regulations for years to come. [Here's what you need about the momentous ruling and what it means for employers.](#)

— **Review your mid-year compliance checklist.** Although January 1 is the most common effective date for new workplace laws, many also take effect on July 1. With many laws kicking in this month, it can be hard to keep track of it all. [Here's a guide to some of the federal, state, and local laws you'll need to comply with starting in July.](#)

— **Ensure pay practices align with Phase I of the new overtime rule.** This major July 1 effective date means changes for many employers. The DOL's salary thresholds for the so-called "white-collar" exemptions from federal overtime requirements just rose to \$43,888 (and will jump to \$59k at the start of 2025). Make sure you determine if the change makes any of your salaried workers newly eligible for overtime.

Related People



Sheila M. Abron

Partner

[803.740.7676](#)



Risa B. Boerner, CIPP/US, CIPM

Partner

[610.230.2132](#)

overtime pay. [Here are 10 steps you can take as you your compliance strategy.](#)

Follow legal battles over the new salary threshold.

Phase I of the new overtime rule took effect on July 1, 2016. A federal district court in Texas issued a very limited order on June 28 blocking the rule as it applies only to the state of Texas as an employer. Texas private employers and employers across the country still must comply with the rule until a court says otherwise. Given the limited scope of the Texas order, we anticipate other lawsuits to be filed throughout the country seeking a broader injunction. A possible appeal to the 5th U.S. Circuit Court of Appeals is also possible. [You can read more about the legal challenge here.](#)

Stay tuned for updates on the FTC's non-compete rule.

As many employers know, the Federal Trade Commission recently finalized a rule that will soon ban most non-compete clauses nationwide. Business advocacy groups have already challenged the new rule and it may be blocked before it is scheduled to take effect on September 4, 2021. A court hearing the primary legal challenge has said it will grant a motion to stay the FTC rule by July 3. [Click here for a series of frequently asked questions about all aspects of the rule.](#)

Assess the impact of recent labor relations developments.

The Supreme Court sided with Starbucks on June 1, 2021, in a case where the National Labor Relations Board tried to force the company to temporarily reinstate workers who were fired for hostile media interviews after hours in a closed store. While the Supreme Court's ruling is a win for employers, it serves as a reminder to review your workplace policies and practices. [Click here to learn more about the ruling and the steps you can take to strengthen your employee relations program.](#)

Prepare for potential changes in California if PAGA becomes law.

Gavin Newsom just unveiled ground-breaking proposed legislation that would provide significant relief to California Private Attorneys' General Act – also known as PAGA – and offer much-needed relief to employers. [Click here about the 10 biggest changes included in this proposed PAGA reform.](#)



Kathleen McLeod Caminiti

Partner and Co-Chair, Wage and Hour Practice Group

[908.516.1062](#)



Caroline Cheek

Associate

[704.334.3137](#)



J. Randall Coffey

Partner

[816.842.8770](#)

—— **Rethink your tattoo and piercing policies.** While vis tattoos, facial piercings, and bright hair colors were largely viewed as taboo in the workplace, attitudes changed significantly in recent years — which mean may have difficulty attracting and retaining top talent adhere to rigid rules of the past. [Click here for your guide to appearance policies and dress codes in the era.](#)

—— **Review big settlement in gig economy lawsuit and impact on employers.** Uber and Lyft just reached a million settlement with Massachusetts state prosecutor permits their drivers to stay classified as independent contractors – not employees – but entitles the driver significant benefits. The settlement avoids a potential negative decision as to the classification of rideshare and preserves the flexibility of their independent contractor model. [Click here to find out what this ruling means employers.](#)

—— **Prepare for pay transparency in the Green Mountain State.** Vermont will soon join nine other states across the country that require employers to disclose compensation in job postings. Governor Phil Scott signed the bill into law 4 and it will take effect in July 2025 — which means employers should start preparing for new obligations. [What employers in Vermont and across New England know about the new law.](#)

We will continue to monitor developments related to all aspects of workplace law. Make sure you are subscribed to [Fisher Phillips' Insight System](#) to get the most up-to-date information. If you have questions, contact your Fisher Phillips attorney.



Benjamin M. Ebbink

Partner

[916.210.0400](#)



Michael P. Elkon

Partner

[404.240.5849](#)



Lauren Frisch

Partner

[404.240.4275](#)



Lonnie D. Giamela

Partner

213.330.4454



R. Bryan Holbrook

Partner

704.778.4173

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