

MARCH 2016: FIVE BIGGEST LABOR AND EMPLOYMENT LAW STORIES

Insights
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The world of labor and employment law is always rapidly evolving. In order to make sure that you stay on top of the latest developments, here is a quick review of the five biggest stories from last month that all employers need to know about.

1. Federal Government Finalize Troublesome New Persuader Rule

On March 23, the federal government finalized a significant new regulation that seeks to interfere with businesses seeking legal counsel to help in opposing or dealing with unions. The U.S. Department of Labor's new "persuader" rule would force attorneys and their clients to report in public records their confidential attorney-client and financial relationships, providing an unfair boost to unions in their organizing efforts. Legal challenges are already underway seeking to block implementation of the rule (read more [here](#)).

2. Public Sector Unions Get Reprieve By Deadlocked Supreme Court

In a deadlocked 4-4 decision announced on March 29, the U.S. Supreme Court could not reach a majority consensus in determining whether it is unconstitutional for states to force public sector employees to pay agency shop fees to their unions. For approximately 10 million public sector employees in states mandating agency shop fees, this means they must continue to pay a fair share fee to their unions in order to remain employed. The decision in the *Friedrichs v. California Teachers Association* case preserves an important revenue stream for public sector unions, and deals a blow to those

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who had hoped to lessen labor's influence in public employment settings and beyond (read more [here](#)).

3. EEOC Files Title VII Sexual Orientation Discrimination Lawsuits

On March 1, the Equal Employment Opportunity Commission (EEOC) filed a historic series of lawsuits arguing that existing federal law covers claims of sexual orientation discrimination. Although Title VII (the main federal anti-discrimination statute covering most private employers with 15 or more workers) does not explicitly include sexual orientation as a protected category, the agency interprets the statute's prohibition on gender discrimination to also include sexual orientation. Because these cases were only very recently filed, it may be some time before the courts make rulings on the matter, but employers will want to take caution in the interim (read more [here](#)).

4. California Governor Announces Statewide \$15 Minimum Wage Plan

On March 28, California Governor Jerry Brown announced an agreement with state legislators to increase the statewide minimum wage from \$10.00 to \$15.00 per hour. The increases will be phased in gradually each year until reaching \$15.00 per hour by January 1, 2022, subject to an exception accommodating certain small (offering employers with 25 or fewer employees an additional year to comply). When the legislature approved the measure on March 31, California became the first state in the country to install a \$15 minimum wage (which was then signed into effect by the Governor on April 4) (read more [here](#) and [here](#)).

5. New Phishing Scam Arises Targeting HR And Payroll Professionals

The month of March saw an unfortunate number of employers falling victim to a phishing scam that tricks them into disclosing highly sensitive employee information to unknown third parties. On March 1, the IRS announced that many businesses have reported that their HR and Payroll personnel receive a spoofing email, purportedly from high-level company executives, requesting copies of W-2 tax forms. If the unsuspecting recipients comply with the request and deliver the W-2 forms, the scam artists receive a treasure trove of employee personal data including Social Security numbers and other personally identifiable information. The successful hackers often use the data obtained from this phishing scam to file fraudulent tax returns on behalf of company employees. Employers should

take preventive steps now to prevent such a data breach, and those impacted should familiarize themselves with associated legal obligations (read more [here](#)).

If you have any questions about these developments or how they may affect your business, please contact your Fisher Phillips attorney.

This Legal Alert provides an overview of specific legal developments. It is not intended to be, and should not be construed as, legal advice for any particular fact situation.