Press Release

Washington Legal Foundation
Advocate for Freedom and Justice®
2009 Massachusetts Avenue, NW
Washington, DC 20036
202.588.0302 wlf.org

FOR IMMEDIATE RELEASE April 7, 2021

Media Contact: Glenn Lammi | glammi@wlf.org | 202-588-0302

WLF Urges Department of Labor To Provide Much-Needed Guidance On Joint Employment

(*In re Rescission of Joint-Employer Rule*)

"The joint-employer rule will benefit workers, employers, and local governments."
—John Masslon, WLF Senior Litigation Counsel

WASHINGTON, DC—Washington Legal Foundation (WLF) today urged a federal labor regulator to stay the course and not rescind a recently promulgated rule that would give employers clarity about when they will be considered joint-employers. In formal comments filed with the Department of Labor's Wage and Hour Division, WLF explains that rescinding the rule would hurt employees, deplete State coffers, and damage vulnerable businesses in an already uncertain economic climate.

Last year, the Department of Labor revised the joint-employer rule for the first time in 60 years. The final rule provides invaluable guidance for employers who must decide if they are a joint employer for FLSA purposes. This certainty resulted in firms hiring more workers and boosting a fragile economy. But now the Department of Labor wants to rescind the rule and revert to non-binding sub-regulatory guidance.

WLF's comments explain the consequences of not giving employers clear guidance on joint employment. Franchisors are less likely to provide human-trafficking and sexual-harassment training to franchisees' employees; doing so could lead to FLSA liability. Providing this much-needed guidance will also help States' coffers. The Department of Labor's former chief economist has said that the rule would lead to increased economic growth and taxes, without any negative externalities. WLF therefore urges the Department of Labor to not rescind the joint-employer rule.

Celebrating its 44th year, WLF is America's premier public-interest law firm and policy center advocating for free-market principles, limited government, individual liberty, and the rule of law.

###