HR BRIEF

NLRB Voluntarily Withdraws Joint-employer Rule Appeal

On July 19, 2024, the National Labor Relations Board (NLRB) voluntarily dismissed its appeal of the U.S. District Court for the Eastern District of Texas decision vacating the NLRB's 2023 joint-employer rule. Thus, the decision of the Eastern District of Texas will be final.

The rule, which had been set to take effect on March 11, 2024, would have expanded the types of control over job terms and conditions that trigger joint employment. The NLRB stated it would like to consider the issues identified in the Eastern District of Texas' decision and options for addressing outstanding joint-employer matters. As a result of the Eastern District of Texas' ruling and the NLRB's decision to withdraw its appeal, the former 2020 joint-employer rule remains in effect and calls into question the future status of the 2023 rule.

Background on the Joint-employer Standard

Joint-employment situations can happen when two or more employers share personnel hiring, supervision and management practices. When a joint-employment status exists, joint employers are equally responsible for compliance with applicable laws and regulations.

The 2023 joint-employer standard sought new criteria for determining joint-employer status as applied to labor issues under the National Labor Relations Act. It would have rescinded the existing 2020 joint-employer standard and replaced it with a more inclusive law, making it easier for employers to be classified as joint employers. The 2020 standard considers the "substantial direct and immediate control" employers have over essential terms and conditions of employment for individuals who are employed by another organization.

Impact on Employers

Employers should ensure they rely on the 2020 joint-employer standard to determine where joint employment exists. Employers should continue to monitor the NLRB's actions related to the joint-employer standard, as the board indicated it would consider its options for addressing outstanding joint-employer matters after voluntarily dismissing its appeal to the 5th U.S. Court of Appeals.

2024 Midyear Benefits Trends to Monitor

Understanding the latest benefits trends can help employers evaluate their offerings to best meet employee needs, respond effectively to their challenges and gain an advantage over competitors. The following are the latest benefit trends to watch in the second half of 2024.

The Ongoing Battle Against Rising Health Care Costs

Health care costs have risen sharply over the last few years and will likely continue to rise. Health benefits costs are climbing due to factors such as inflation, health system consolidation, costly gene and cell therapies, and the utilization of expensive glucagon-like peptide-1 drugs. To mitigate costs, employers are focusing on plan design and building health care literacy through employee education.

The Evolution of Leave

Over the last few years, many states have enacted laws providing paid leave. Undoubtedly, paid leave laws will soon impact more employers. As such, employers who will soon be subject to these laws should ensure their workplace policies comply with all applicable laws.

Boosting Flexible Benefits

Today's benefits extend beyond health insurance as workers seek packages with flexible offerings that help them afford everyday purchases and save for the future. More organizations are contemplating a personalized benefits model that provides valuable benefits to employees based on their individual situations. Examples of flexible benefits include health savings accounts, expanded paid time off and voluntary benefits, such as pet insurance.

Employer Takeaway

In addition to these topics, other prevalent benefits trends include increasing demands for mental health benefits, financial wellness resources and career support services. While the best strategies will vary by industry and workplace, awareness of current benefits trends can guide organizations as they strategize and take action. Reach out today for more resources.