

DOL Issues Proposed Regulatory Changes To Sex Discrimination Rules For Federal Contractors

Antonio Caldarone and David Moore

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The United States Department of Labor (USDOL) has begun what is expected to be a year filled with regulatory changes by issuing its **proposed new regulations** regarding sex discrimination by federal contractors, which have not been updated since 1970. Many of the proposed changes are meant to align the regulations with prior amendments to Title VII and established legal precedent. The proposed regulations would clarify that: adverse treatment of an employee because of gender-stereotyped assumptions about family caretaking responsibilities is discrimination; that childcare leave must be available to fathers on the same terms as it is to mothers; that contractors must provide equal fringe and retirement benefits to male and female employees; that pregnant workers are entitled to reasonable accommodations; and that discrimination against an individual because of her or his gender identity is sex discrimination; among many other proposed changes and updates. Additionally, in March 2014, President Obama ordered the USDOL to propose new regulations governing the white-collar exemptions under the Fair Labor Standards Act. The USDOL expects to make the proposed regulations public in February 2015. As a preview of things to come, a dozen economists with the Economic Policy Institute issued a **letter** urging the USDOL to increase the minimum salary requirement for the executive, administrative, and professional exemptions from its current \$23,660 per year (\$455 per week) to \$50,000 per year (\$961.54 per week). According to economists, the increase to \$50,000 will make up for inflation to match the salary levels in effect in 1975, which economists view as the right

Attorneys

Antonio Caldarone

David A. Moore

Practice Areas

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balance between the policy goals and flexibility. The USDOL last increased the salary requirement in 2004 from \$155 per week to its current level of \$455 per week. Employers should prepare for potentially significant changes to the white-collar exemptions that may reduce the number of overtime-exempt employees in their workforce. While they could be subject to legal challenge, the USDOL does not need congressional approval to modify these regulations.