



8.27.2015 The National Labor Relations Board rewrote the rules for business relationships and the definition of “joint employers.”

WHO DO THESE NEW RULES APPLY TO

Franchises, Temporary Staffing Companies and Outsourcing industries.

WHAT CHANGED

The NLRB ruled that companies are “joint employers” of workers if they share control over the workers’ terms and conditions of employment. It doesn’t matter now if a company actually exercises such control, since indirect control and potential control are sufficient to be a joint employer.

WHAT YOU SHOULD BE AWARE OF

Business groups contend this “economic realities” definition of joint employer will be used to make businesses and franchisors responsible for the employment practices of their subcontractors and franchisees, even if they don’t exercise direct control over them.

“The ruling jeopardizes small employers in numerous sectors and the future viability of the franchise model of doing business, which has been a hallmark of economic growth and small business ownership opportunities for thousands of aspiring entrepreneurs. The ruling also threatens millions of jobs that franchises create across the country,” IFA President & CEO Steve Caldeira.