New Department of Labor Rule Requires That Federal Contractors Provide Notice of Employees' Rights Under Federal Labor Laws

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Federal contractors with a contract over \$100,000 and covered subcontractors with a contract over \$10,000, if such contracts result from solicitations issued after June 21, 2010, must post a notice to all employees explaining their rights under the National Labor Relations Act (the "NLRA"). Additionally, all covered federal contractors now must include a provision in their covered subcontracts stating that the required notice must be posted. The rule implements portions of Executive Order 13496, signed by President Obama on January 30, 2009.

The required notice cites U.S. policy to encourage collective bargaining, and sets forth employees' rights under the NLRA, including the right to form, join, and support a union, and the right to choose not to do so. The notice also gives examples of unlawful employer and union conduct that interferes with these rights and provides contact information for the National Labor Relations Board.

The notice must be posted conspicuously in and around a contractor's or subcontractor's plants and offices in locations where other employee notices are posted. Contractors and subcontractors who post employee notices electronically also must post the notice. However, simply posting the actual text of the notice electronically does not suffice under the rule; rather, the contractor or subcontractor must post the notice via a link to the Office of Labor-Management Standards ("OLMS") website in the place where other electronic notices to employees are posted. The link must read: "Important Notice About Employee Rights to Organize and Bargain Collectively with Their Employers." Where a significant portion of the employees are not proficient in English, both the links and the posters must be in the language(s) the employees speak.

Employees may file complaints with the Department of Labor about contractors and subcontractors who do not comply with the posting requirements or who do not include the required contract provision in covered subcontracts. The Office of Federal Contract Compliance Programs ("OFCCP") also will conduct compliance evaluations. Contractors who violate the regulations could face sanctions, including: (1) suspension or cancellation of existing contracts; (2) debarment from future federal contracts or subcontracts; and (3) inclusion on a list published and distributed by the OLMS that names all contractors and subcontractors who have been declared ineligible for future contracts as a result of their noncompliance.

Posters with the text of the required notice may be obtained from: (1) the federal contracting departments and agencies; (2) OLMS at www.olms.dol.gov; or (3) OLMS or OFCCP field offices.

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