

1.10: Regulating Employee Benefits



Image: [Regulation](#) by Mike Cohen via Flickr.com

Regulating Employee Benefits

The goal of regulation is to protect individuals/employees. Below are some of the laws/regulations you need to be aware of when working with employee benefits:

National Labor Relations Act of 1935 (NLRA)

The NLRA protects workplace democracy by providing employees at private-sector workplaces the fundamental right to seek better working conditions and designation of representation without fear of retaliation.

Importantly, this act protects the rights of employees to discuss:

- Wages
- Hours
- Working conditions

Internal Revenue Code (IRC)

Tax laws are important to HR professionals because they impact:

- Paying employees
- Benefits coverages
- Settling employment lawsuits
- Paying of pensions

Anything an employer provides to an employee or former employee is income to the employer, and therefore is obligated to withhold income and payroll taxes appropriately.

The Fair Labor Standards Act of 1938 (FLSA)

Establishes minimum wage, overtime pay, recordkeeping, and youth employment standards affecting employees in the private sector and in Federal, State, and local governments.

Covered nonexempt workers are entitled to a minimum wage of not less than \$7.25 per hour effective July 24, 2009.

Overtime pay at a rate not less than one and one-half times the regular rate of pay is required after 40 hours of work in a workweek.

Employee Retirement Income Security Act of 1974 (ERISA)

ERISA is a federal law that sets minimum standards for most voluntarily established retirement and health plans in private industry to provide protection for individuals in these plans.

Consolidated Omnibus Reconciliation Act of 1985 (COBRA)

COBRA gives workers and their families who lose their health benefits the right to choose to continue group health benefits provided by their group health plan for limited periods of time under certain circumstances such as:

- voluntary or involuntary job loss,

- reduction in the hours worked,
- transition between jobs,
- death, divorce, and other life events.

Qualified individuals may be required to pay the entire premium for coverage up to 102% of the cost to the plan.

Health Insurance Portability and Accountability Act of 1996 (HIPAA)

HIPAA is a federal law that required the creation of national standards to protect sensitive patient health information from being disclosed without the patient's consent or knowledge.

The US Department of Health and Human Services (HHS) issued the HIPAA **Privacy Rule** to implement the requirements of HIPAA.

The HIPAA **Security Rule** protects a subset of information covered by the Privacy Rule.

Pension Protection Act of 2006 (PPA)

The PPA was designed to improve pension plan funding requirements of employers, as well as 401(k), IRA, and other retirement plans.

Patient Protection and Affordable Care Act of 2010 (PPACA)

PPACA has three main goals:

1. Make affordable health insurance available to more people. The law provides consumers with subsidies ("premium tax credits") that lower costs for households with incomes between 100% and 400% of the federal poverty level (FPL).
2. Expand the Medicaid program to cover all adults with income below 138% of the FPL. Not all states have expanded their Medicaid programs.
3. Support innovative medical care delivery methods designed to lower the costs of health care generally.

Equal Pay Act of 1963 (EPA)

The Equal Pay Act of 1963 is a United States labor law amending the Fair Labor Standards Act, aimed at abolishing wage disparity based on sex.

Title VII of the Civil Rights Act of 1964

The Civil Rights Act protects employees and job applicants from employment discrimination based on:

- race
- color
- religion
- sex
- national origin.

Age Discrimination in Employment Act of 1967 (ADEA)

A United States labor law that forbids employment discrimination against anyone, 40 years of age or older.

Pregnancy Discrimination Act of 1978

Prohibits discrimination on the basis of pregnancy, childbirth, or related medical conditions.

Americans with Disabilities Act of 1990 (ADA)

The ADA is a civil rights law that prohibits discrimination against individuals with disabilities in all areas of public life, including jobs, schools, transportation, and all public and private places that are open to the general public.

Civil Rights Act of 1991

Amended the Civil Rights Act of 1964 to strengthen and improve Federal civil rights laws, to provide for damages in cases of **intentional** employment discrimination, to clarify provisions regarding disparate impact actions, and for other purposes.

[Genetic Information Nondiscrimination Act of 2008 \(GINA\)](#)

GINA was enacted to prohibit discrimination on the basis of genetic information with respect to health insurance and employment.

[Pregnant Workers Fairness Act \(PWFA\)](#)

[NEW in 2023!!](#)

PWFA is new law that requires covered employers to provide “reasonable accommodations” to a worker’s known limitations related to pregnancy, childbirth, or related medical conditions, unless the accommodation will cause the employer an “undue hardship.”

NOTE: A printable PDF is attached below.

[1.10: Regulating Employee Benefits](#) is shared under a [CC BY 4.0](#) license and was authored, remixed, and/or curated by Mabel Gehrett and Western Technical College.