

How Vulnerable Is Your Business to Lawsuits?



Each year, settling employee lawsuits cost businesses hundreds of thousands of dollars. In front of a jury, those costs can skyrocket into the millions. The following 30-point checklist goes over just some of the preventative measures you should be taking to avoid or minimize the damage from lawsuits.

1. FEDERAL COMPLIANCE:

The Department of Labor enforces over 180 federal laws. Non-compliance can mean fines or even lawsuits. If applicable, is your team familiar and fully compliant with:

- FLSA
- OSHA
- FMLA
- ACA
- ADA
- ADEA
- EEO-1 Reporting
- COBRA
- WARN
- ERISA reporting/disclosure

2. STATE COMPLIANCE:

States have their own compliance measures which must be followed.

- Do you know where to look to find the latest updates to state regulations?
- Do you monitor state regulations for updates?

3. POSTERS:

- Do you have all the federal and state required posters displayed in a conspicuous place?

4. PAYROLL:

- Are your employees classified correctly as exempt or non-exempt?
- Is the 20+ point test for independent contractors used for classification?
- Have any employees complained about payroll errors in the past 12 months?

5. EMPLOYMENT POLICIES:

Choosing who to hire without a written policy in place opens you up to claims of discrimination and investigations by the EEOC.

- Are selection processes used with reference to the Uniform Guidelines?
- Are your job descriptions ADA compliant?
- Is your application form ADA compliant?
- Is your hiring staff using illegal questions?
- Is proper OSHA and workers compensation information distributed to new hires?
- Do you know how to respond to EEOC charges?

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6. EMPLOYEE LITIGATION:

Even the best employers risk litigation from employees who feel mistreated. The following checks to see if you are prepared for this eventuality.

- Do you have Employment Practices Liability Insurance?
- Does your HR team have a documented employee litigation response?
- Does your HR team provide supervisor training in sexual harassment, violence in the workplace, discrimination, and substance abuse?
- Does your team have a documented process for wage and hour claims response?

7. EMPLOYEE SAFETY:

- Does your HR team provide employee safety training?
- Was your safety manual updated within the past year?
- Does your team do an annual Workers Compensation wage and premium audit?
- If applicable, does your HR team engage in OSHA 300 log maintenance?

Disclaimer: This Checklist is a sample and meant merely as a guideline, for informational purposes only, and should not be considered professional advice.