

# 5 Types of Compliance That Require Real-Time Management

Guide

# Intro

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HR and Operations professionals must navigate an array of constantly evolving labor laws. For organizations with employees across multiple states, this means juggling varying compliance requirements for each individual employee, adding significant complexity to workforce management.

Scheduling with paper or spreadsheets—or conducting other workforce management processes in disparate systems—makes ensuring compliance impossible. Attempting to track employee information like straight time and overtime hours, skills and competencies, and leave balances is time-consuming and prone to error—and that’s before changes to the schedule occur. Getting any of this wrong can result in accidental compliance violations, such as overscheduling or assigning an unqualified employee to a job.

There are five major types of labor compliance that must be considered at the point of scheduling. Without automated, real-time solutions, managing compliance becomes a burdensome and detrimental endeavor. This not only jeopardizes regulatory adherence but also exposes organizations to potential legal penalties, employee grievances, and operational inefficiencies.

# #01 | FEDERAL REGULATIONS

Navigating federal regulations is a critical aspect of workforce management that demands precision and up-to-date knowledge. These regulations established by the Department of Labor (DOL) set the baseline for employee rights and employer responsibilities, ensuring fair treatment, safety, and proper compensation across all industries. Here are three key federal regulations that every organization must adhere to.



# FAIR LABOR STANDARDS ACT (FLSA)

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The Fair Labor Standards Act (FLSA) establishes minimum wage, overtime pay, recordkeeping, and youth employment standards. More specifically:

- **Minimum Wage:** Employers must pay non-exempt employees at least the federal minimum wage, currently set at \$7.25 per hour. Some states and localities have higher minimum wage rates, and employers are required to pay the higher rate where applicable.
- **Overtime Pay:** Non-exempt employees must receive overtime pay at a rate of one and a half times their regular pay for any hours worked over 40 in a workweek.
- **Recordkeeping:** Employers are required to maintain accurate records of employees' hours worked, wages paid, and other essential employment details. These records must be kept for a specified period, typically three years, and must be available for inspection by the DOL.
- **Youth Employment:** The FLSA includes specific provisions for the employment of minors. For non-agricultural work, the minimum age for employment is generally 14 years old, with restrictions on the hours and types of work that minors under 16 can perform. Minors aged 16 and 17 can work unlimited hours in non-hazardous jobs.

Failure to adhere to FLSA standards can result in significant penalties and back-pay liabilities, all of which get adjusted for inflation at the start of each year. Employers may face civil penalties of up to \$2,451 per violation for repeated or willful violations of the minimum wage or overtime provisions. Violating child labor laws can result in a \$15,629 penalty for each affected employee.

# FAMILY AND MEDICAL LEAVE ACT (FMLA)

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The Family and Medical Leave Act (FMLA) protects an employee's right to unpaid protected leave for certain family and medical reasons, such as childbirth, serious health conditions, or caring for a family member. Within a 12-month period, eligible employees are entitled to:

- **Leave:** Employers must provide up to 12 weeks of unpaid leave. Military caregiver leave extends up to 26 weeks.
- **Continued Coverage:** Employers are required to maintain the employee's group health insurance coverage under the same terms and conditions as if the employee had not taken leave.
- **Job Protection:** Employees are entitled to return to the same or an equivalent position with equivalent pay, benefits, and other terms and conditions of employment.

Wrongful denial of leave and improper termination can result in back pay, liquidated damages, legal costs, and, in certain cases, front pay to cover future lost earnings.

Employers must keep records of FMLA leave taken, notices given, and any disputes regarding the leave for at least three years. Records should include dates of leave, hours of leave if taken intermittently, copies of employee notices, and any documents describing employee benefits or policies. The right workforce management platform helps track leave and maintain accurate records in one place.

# OCCUPATIONAL SAFETY & HEALTH ADMIN (OSHA)

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The Occupational Safety and Health Administration (OSHA) enforces standards to ensure safe and healthful working conditions for employees. Some notable OSHA standards include:

- **Hazard Communication Standard (HCS):** Employers must inform and train employees about hazardous chemicals they may be exposed to in the workplace. This includes maintaining Safety Data Sheets (SDS) and properly labeling all chemicals.
- **Personal Protective Equipment (PPE):** Employers are required to provide appropriate personal protective equipment to employees and ensure its proper use.
- **Fall Protection:** Employers must provide fall protection systems for employees working at heights to prevent falls from ladders, scaffolds, and roofs.
- **Emergency Action Plans (EAP):** Employers must develop and implement emergency action plans to ensure employee safety during emergencies such as fires, chemical spills, and natural disasters.
- **Recordkeeping and Reporting:** Employers are required to keep detailed records of workplace injuries and illnesses using OSHA Form 300, 300A, and 301. They need to report serious injuries within specific time frames—8 hours for worker fatalities, 24 hours for any amputation, eye loss, or hospitalizations.

Non-compliance can lead to substantial fines and an increased liability for workplace accidents. Employers are subject to a penalty of up to \$16,131 per violation, for both serious and other-than-serious violations. Willful or repeated breaches may result in \$161,323 per violation.

# #02

## STATE & LOCAL REGULATIONS

Navigating state and local regulations is critical for ensuring compliance across different jurisdictions. These regulations can vary significantly, making it essential for employers to stay informed and adjust their policies accordingly. Here are some key areas where state and local laws play a crucial role.



# ACCRUED LEAVE

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State and local laws regarding accrued leave, such as sick leave and safe time, can differ widely. Employers must understand and comply with the specific requirements in each jurisdiction where they operate.

- **Accrual Rates:** Different states mandate varying accrual rates for sick leave. For instance, one state might require one hour of sick leave for every 30 hours worked, while another might not require paid leave at all.
- **Usage Cap:** Some states place a cap on the total number of sick leave hours an employee can use in a year, while others do not.
- **Carryover Provisions:** The rules for carrying over unused sick leave from one year to the next can vary, with some states allowing full carryover and others imposing limits.
- **Eligibility and Coverage:** The definition of eligible employees and the scope of covered family members can differ. Some states have broader definitions, including domestic partners and extended family.

According to [Mercer](#), as of October 2023, 15 states (Arizona, California, Colorado, Connecticut, Maryland, Massachusetts, Michigan, Minnesota, New Jersey, New Mexico, New York, Oregon, Rhode Island, Vermont, Washington) and Washington, DC mandate paid sick leave. Illinois, Maine, and Nevada have laws requiring accrued paid time off that can be used for any reason.

Automated scheduling software tracks accrued leave balances according to the specific laws of each state and locality, ensuring compliance with varying accrual rates and carryover provisions. This reduces errors and ensures employees receive their entitled leave accurately.



IN FOCUS:

# MINNESOTA EARNED SICK AND SAFE TIME (ESST)

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The Minnesota Earned Sick and Safe Time law requires employers to provide one hour of sick and safe time for every 30 hours worked, up to a minimum of 48 hours per year. Employees can carry over unused sick and safe time to the next year, with a cap of 80 hours. This leave can be used for the employee's own health needs or to care for a family member, as well as for reasons related to domestic violence, sexual assault, or stalking.

Sick and safe time must be compensated at the same hourly rate as regular work hours. Minnesota employers are required to retain these records for three years. Recordkeeping violations are subject to a penalty of up to \$10,000 per failure.



# PREDICTIVE SCHEDULING

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Predictive scheduling laws are designed to provide employees with more stability and advance notice of their work schedules. These laws aim to reduce the uncertainty and last-minute changes that can disrupt employees' lives.

- **Advance Notice:** The required advance notice period for work schedules can vary, ranging from one week to two weeks or more.
- **Compensation for Changes:** Some states mandate additional compensation for last-minute schedule changes or on-call shifts, while others have different requirements.
- **Right to Rest:** Certain laws include provisions ensuring a minimum rest period between shifts, commonly referred to as “clopening” regulations.
- **Employee Input:** Some regulations require employers to consider employee scheduling preferences and provide options for shift swaps.

[HR Dive](#) has a running list of states and localities that have predictive scheduling requirements. California, Illinois, New York, Oregon, Pennsylvania, and Washington are the 6 states that have some form of predictive scheduling mandated—whether state-wide or certain localities.

The right workforce management software accounts for real-time labor demands at the point of scheduling. These analytics help you staff to match only what you need so employees aren't coming to the facility, only to be dismissed a few hours later. When all employee-related information is in one place, you can confidently create schedules in advance while tracking employee availability and hours worked to allow for adequate rest time between shifts.

IN FOCUS:

# CHICAGO FAIR WORKWEEK ORDINANCE

The Chicago Fair Workweek Ordinance requires employers to provide eligible employees with their work schedule at least 14 days (2 weeks) in advance. If changes are made with less than the required notice, employers must provide additional “predictability pay”—one hour of the employee’s regular rate—to compensate employees for the disruption.

The ordinance also mandates a minimum of 10 hours of rest between shifts unless the employee consents to work with less rest and receives additional compensation. Employees who work shifts that begin less than 10 hours after the end of the previous shift must be paid at a rate of 1.25 times their regular rate of pay.



# REST & MEAL BREAKS

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Rest and meal break regulations are essential for ensuring employees have adequate time to rest and recharge during their workday. These rules differ significantly across states.

- **Length and Frequency:** States have different requirements for the length and frequency of rest and meal breaks. For example, one state might require a 30-minute meal break for every five hours worked, while another might have different criteria.
- **Paid vs. Unpaid Breaks:** The designation of breaks as paid or unpaid varies. Some states require paid rest breaks, while meal breaks are typically unpaid.
- **Exemptions and Variations:** Certain states have exemptions for specific industries or types of work. Additionally, the rules can vary for minors compared to adult workers.

According to the [DOL](#), 7 states have both rest period and meal period requirements—California, Colorado, Kentucky, Minnesota, Nevada, Oregon, and Washington.

Automated scheduling tools can enforce state-specific rest and meal break requirements by automatically scheduling compliant breaks based on local laws. This ensures employees receive the necessary breaks, reducing the risk of violations and associated penalties.

IN FOCUS:

# CALIFORNIA MEAL BREAK & REST BREAK LAW

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the California meal break & rest break law mandates non-exempt employees must receive a 30-minute unpaid meal break for every five hours worked. If an employee works more than 10 hours in a day, a second meal break is required. Employees are also entitled to a 10-minute paid rest break for every four hours worked or a major fraction thereof. Rest breaks should be taken in the middle of each work period.

California has strict enforcement of these rules, and employers can face significant penalties for non-compliance, including one hour of pay at the employee's regular rate for each workday that a meal or rest period is not provided.



# #03

## INDUSTRY-SPECIFIC

Industry-specific regulations are critical for maintaining safety, quality, and compliance within specialized sectors. These regulations address the unique risks and operational requirements of different industries, ensuring that standards are met and employees are protected.



## FOOD PROCESSING

# FOOD SAFETY MODERNIZATION ACT (FSMA)

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The Food Safety Modernization Act (FSMA) outlined by the Food and Drug Administration (FDA) aims to ensure the U.S. food supply is safe by focusing on preventing contamination rather than responding to it. Food processing facilities must develop and implement written preventive controls, perform hazard analyses, and establish monitoring procedures. They must also verify that preventive controls are effective and maintain detailed records.

The FDA can impose significant fines for FSMA violations, including administrative detention of products, mandatory product recalls, and even suspension of facility registration. Fines can reach up to \$500,000 per violation for serious offenses, and non-compliant facilities can face shutdowns.

Compliance with FSMA requires regular training sessions for employees on food safety practices and procedures. Workforce management solutions help ensure that these training sessions are consistently scheduled and documented so that only qualified employees with the right skills, competencies, and certifications are assigned to each job.

## NUCLEAR ENERGY

# NRC FITNESS-FOR-DUTY PROGRAM

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The Nuclear Regulatory Commission's (NRC) Fitness-for-Duty program ensures that nuclear facility personnel are reliable and fit to perform their duties, being free from fatigue and the influence of drugs and alcohol. The program includes drug and alcohol testing, behavioral observation, and fatigue management measures. Employees must adhere to work hour limits to prevent fatigue-related performance issues. Workers cannot work over 16 hours in a 24-hour period, 26 hours in a 48-hour period, and 72 hours within 7 days.

The NRC can impose civil penalties of up to \$362,814 per violation per day, depending on the severity and duration of the violation.

Managing a nuclear workforce's fatigue isn't just about tracking work hours. It requires knowing each person's schedule, their risk of fatigue, and the demands of their job. This becomes even harder because you need accurate and timely data, which is nearly impossible to keep with paper-based systems. Putting pre-set work hour limits and rest period rules into your automated scheduling solution helps facilities keep compliant with fatigue management.



## TRANSPORTATION

# FMCSA HOURS OF SERVICE (HOS) REGULATIONS

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The Federal Motor Carrier Safety Administration (FMCSA) HOS regulations are designed to prevent accidents caused by driver fatigue by limiting the number of hours drivers can operate commercial motor vehicles. Drivers are limited to 11 hours of driving time following 10 consecutive hours off duty and must not drive beyond the 14th consecutive hour after coming on duty. They are also required to take 30-minute breaks after 8 cumulative hours of driving.

Noncompliance with HOS regulations can result in fines of up to \$11,000 per violation for drivers. This is even higher for employers; depending on the nature and severity of the violation, companies can face fines of up to \$16,000 per violation.

Automated workforce management systems help manage drivers' schedules to ensure compliance with HOS regulations, reducing the risk of violations and associated penalties. By having an accurate, up-to-date view of how many hours each employee has worked at the point of scheduling, managers and schedulers can make informed decisions to prevent exceeding HOS limits. Real-time alerts and automated constraints ensure that all scheduling decisions meet the necessary compliance standards—even during unexpected changes, like shift swaps and last-minute callouts.

## OIL & GAS

# API RP 755

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The American Petroleum Institute's Recommended Practice 755, more commonly known as API RP 755, addresses fatigue risk management in the refining and petrochemical industries. The guidelines include limits on working hours and mandatory rest periods to manage worker fatigue. The guidelines recommend that employees should not work more than 14 hours in any 24-hour period. Work-sets (a sequence of workdays followed by a rest period) should not exceed 92 hours, and employers should give an employee at least 34 hours off before scheduling the next work-set.

This emphasizes the importance of monitoring and managing employee work hours and providing adequate rest. While API RP 755 itself does not impose fines, noncompliance can result in an increased risk of accidents, leading to potential OSHA fines. As previously stated, OSHA penalties can reach up to \$16,131 per violation, with willful or repeated violations costing up to \$161,323 per violation.

Automated scheduling ensures that work hours and rest periods comply with API RP 755 guidelines, helping to prevent fatigue and enhance safety.

## AGRICULTURE

# MIGRANT & SEASONAL AG PROTECTION ACT (MSPA)

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The Migrant and Seasonal Agricultural Workers Protection Act (MSPA) outlined by the DOL provides crucial protections for migrant and seasonal agricultural workers to ensure fair treatment, safe working conditions, and proper compensation. Employers must disclose working terms and conditions (the place of employment, wage rates, crops and kinds of activities, period of employment, transportation, housing, and benefits) in a language the worker understands. They must also ensure they comply with federal and state labor laws related to wages and working hours.

Violations of the MSPA can result in civil money penalties of up to \$3,047 per violation. Additionally, employers may be liable for back wages and other damages owed to workers.

To be compliant, employers must maintain detailed records of all payroll information, including hours worked, wages paid, and other employment conditions. These records must be kept for three years and be available for inspection by the DOL. A centralized workforce management system helps maintain all worker-related documentation for inspections and audits in one place. Automated tracking of work hours and rest periods makes it easy to comply with the applicable federal and state rules.

# #04

# UNION CONTRACTS

Union contracts, also known as collective bargaining agreements (CBAs), establish the terms and conditions of employment for unionized workers. These agreements often include specific provisions regarding scheduling, overtime distribution, and handling grievances. Here's a deeper look into these aspects.



# SENIORITY-BASED SCHEDULING

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Seniority-based scheduling gives preference to employees with longer tenure in the organization when assigning shifts, vacation days, and other work-related benefits. This can mean that more senior employees get first choice of preferred shifts, days off, or holiday schedules.

Automated scheduling systems can help manage seniority-based scheduling by keeping accurate records of employee tenure and ensuring that scheduling preferences align with seniority rules. This reduces the risk of disputes and ensures fair treatment of all employees.



# OVERTIME DISTRIBUTION

Union contracts often require that overtime opportunities be distributed fairly and equitably among employees to prevent favoritism and ensure all workers have an equal chance to earn extra pay. This can involve rotating overtime assignments, offering overtime first to employees who have worked the least amount of overtime, or using a volunteer system. Accurate tracking of overtime is crucial for compliance with both union agreements and labor laws. Organizations must record all overtime hours and ensure they are correctly compensated.

Automated scheduling systems can track the amount of overtime worked by each employee and ensure that new overtime assignments are distributed according to the agreed-upon rules. This helps prevent grievances related to unfair overtime distribution and ensures compliance with the CBA. They also enable real-time tracking and reporting of overtime, ensuring accurate payroll processing and compliance with both union rules and legal requirements.



# GRIEVANCES

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Union contracts typically include a formal process for employees to file grievances regarding violations of the CBA or other workplace issues. Grievance procedures usually involve multiple steps, including initial complaint filing, investigation, mediation, and potential arbitration. Keeping detailed records of grievances and their resolutions is essential for maintaining transparency and trust. Employers must document all steps taken in the grievance process, from initial filing to final resolution.

Automation can streamline the grievance process by providing a platform for filing, tracking, and managing grievances. This ensures that all complaints are handled promptly and in accordance with the CBA. The right technology will maintain comprehensive records of all grievances, including communications, meetings, and resolutions. This documentation is crucial for audits and ensures that the process is fair and transparent.



# #05

# WORK RULES

Industry-specific regulations are critical for maintaining safety, quality, and compliance within specialized sectors. These regulations address the unique risks and operational requirements of different industries, ensuring that standards are met and employees are protected.





# TIME OFF ALLOWANCES

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This refers to the policies and limits set by an organization regarding the amount of leave employees can take. This includes vacation days, sick leave, personal days, and other forms of paid or unpaid leave.

Schedulers must track accrued leave for each employee, ensure compliance with both internal policies and external regulations (such as FMLA or state-specific leave laws), and manage requests to prevent understaffing.

Automated systems track the accrual and usage of time off in real-time, ensuring employees receive their entitled leave and preventing discrepancies. Employees can submit leave requests through the system, which can then be reviewed and approved based on pre-set rules and operational requirements. Automation ensures compliance with legal requirements, such as providing mandatory sick leave, and internal policies regarding maximum carryover and usage limits.



# BLACKOUT DATES

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Blackout dates are specific periods during which employees are restricted from taking time off. These are typically set during peak business times, critical project deadlines, or other periods of high operational demand.

Organizations designate blackout dates in advance and communicate these restrictions to employees. Scheduling systems need to enforce these rules while still considering exceptions where necessary.

Workforce management systems can enforce blackout date policies by blocking leave requests during these periods unless special approval is granted. Clearly communicating blackout dates through the system ensures that all employees are aware of these restrictions well in advance. While enforcing rules, the system can also accommodate exceptions with proper managerial approval, ensuring operational flexibility.



# SEASONAL DEMAND FORECASTING

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Seasonal demand forecasting involves predicting workforce needs based on seasonal business trends, historical data, and other relevant factors. This helps ensure that sufficient staffing levels are maintained during peak and off-peak times.

It's crucial to look at historical data, market analysis, and predictive analytics to forecast demand. These forecasts inform staffing decisions, including hiring temporary workers, adjusting shift patterns, and managing overtime.

Labor demand planning solutions that have the ability to integrate with supply chain demand platforms help forecast seasonal demand accurately, enabling managers to make informed staffing decisions. The system can adjust schedules dynamically based on demand forecasts, ensuring optimal staffing levels are maintained. Forecasting helps in planning resource allocation, including hiring additional staff or redistributing existing employees to meet anticipated demand.



# Conclusion

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**#01** — Ensure adherence to nationwide **federal regulations** such as FLSA, FMLA, and OSHA standards to maintain fair labor practices and workplace safety

**#02** — Comply with varied **state & local regulations**, including accrued leave, predictive scheduling, and rest and meal break requirements, which differ by jurisdiction

**#03** — Follow specialized **industry-specific regulations** to ensure unique standards are met and employees are protected

**#04** — Manage **union contracts** that outline seniority-based scheduling, fair overtime distribution, and formal grievance procedures to ensure fair treatment of all employees

**#05** — Implement internal **work rules** like time off allowances, blackout dates, and seasonal demand forecasting to align operational needs with employee rights

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