

## **Department of Labor Issues Final Rule Requiring Government Contractors to Notify Employees of Their Rights under Federal Labor Laws**

May 20, 2010

On May 20, 2010, the Department of Labor's Office of Labor-Management Standards ("OLMS") issued a final rule requiring nearly all federal contractors and subcontractors to notify employees of their rights under the National Labor Relations Act ("NLRA"). The new rule implements President Obama's Executive Order 13496, which requires federal departments and agencies to include a new provision in nearly all government contracts about notifying contractors' employees of their rights under federal labor law. Under the new rule, federal contractors will be required to post a notice informing their employees of their rights to join or form a labor union, to bargain collectively with their employers, to strike and to picket under certain circumstances. The notice also lists examples of conduct by employers which would constitute illegal conduct under the NLRA, including questioning employees about their union activities, prohibiting employees from engaging in union solicitation during non-work time and prohibiting employees from wearing union hats and pins in the workplace. The required notice can be obtained from the OLMS.

Contractors must post the notice in prominent and conspicuous locations where it will be readily seen by employees. In addition, the notice must be posted where employees covered by the NLRA engage in work relating to the government contract. The notice must be posted in English and any other language spoken by a significant portion of the workforce. Contractors who customarily post employee information in an electronic format, such as on a company intranet, will be required to post the notice electronically, as well. This requirement can be satisfied by "prominently" displaying a link to the notice on the Department of Labor website, provided that the link is titled, "Important Notice about Employee Rights to Organize and Bargain Collectively with Their Employers."

The new rule takes effect on June 21, 2010. It does not apply to contractors covered by the Railway Labor Act or who are parties to a collective bargaining agreement subject to the Federal Service Labor Management Relations Statute. The rule also does not apply to contracts below the simplified acquisition threshold (currently set at \$100,000) or resulting from solicitations issued before the effective date. All other contractors will be expected to comply with the notice requirements. Failure to do so may result in sanctions including invalidation of the government contract.

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