

Workplace Compliance: Avoiding Costly Mistakes

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When you get down to brass tax, the fundamentals of running a successful FedEx operation are having operational trucks and employees to run the routes. Like most other businesses, employees are the organization's lifeblood but can also be the most troublesome from a compliance perspective. This is especially true for FedEx contractors who, in managing their workforce, must work to remain in compliance with state, federal, and local laws and with FedEx requirements.

One of the main struggles with maintaining workplace compliance is that there is a federal baseline related to wage and hour, discrimination, and leave laws, but states and local governments are free to require employers to provide additional benefits beyond the federal system offers. This means that states and local governments all over the country have different laws that employers must follow regarding employees. Generally speaking, the east coast states, California, and major cities have the most favorable laws and protections for employees, and southern and mid-west states have minor employee regulations and benefits. Sometimes, whether a state or local law is applicable is based on the size of the employer, meaning that small businesses, like a small FedEx contractor, would be exempt from compliance, while other state and local laws apply no matter the size of the company.

Often, through speaking with other contractors and because they are on good terms with FedEx, contractors wrongly assume that they are following all relevant employment laws. However, given the patchwork of federal, state, and local laws, it is easy for contractors to overlook what they may see as nominal wage and hour violations or fail to provide employees with required federal, state, and local notices or protections. These oversights can be costly, both from a retention and an economic standpoint. For instance, many wage and hour laws, including the Fair Labor Standards Act, have expensive penalties for non-compliance, including double or treble damages and paying the employee's attorney's fees.

Ultimately, different states have different employment laws, and compliance with these laws is an integral part of running a FedEx business. Contractors should ensure their policies and procedures meet all state, federal, and local legal requirements and that their practices align with what is required of them under their FedEx contract.