

PUBLICATION

How the Government Shutdown is Affecting Your Business

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With the closure of the largest employer in the country – the federal government – and no real guidance on the possible length of the current shutdown, private employers are questioning how the shutdown might affect their operations. Regardless of the duration, employers may be impacted in various ways over the course of this shutdown. For example, if your company currently does business with the government, the need for your products or services will likely cease during the shutdown, as only essential federal positions are in operation. It is imperative that you review the websites of the specific government agencies with which you work for their contingency plans and any pertinent information regarding your on-going business relationship.

But even employers that do not directly do business with the government will be impacted by the government shutdown. The following highlights five specific programs and agencies that will be closed and thereby affect employers over the course of the shutdown. While only such government activities necessary to prevent an imminent threat to the safety of human life or the protection of property may be undertaken in the absence of specific budget authority, it is important to remember during this period that employers are generally still obligated to meet statutory deadlines and compliance requirements related to these programs and agencies.

Equal Employment Opportunity Commission (EEOC)

During the shutdown the EEOC will continue to accept charges that must be filed in order to preserve the rights of a claimant, but these charges will not be investigated. Pursuant to the courts' willingness to grant the EEOC's requests for extensions of time, the EEOC will not litigate in the federal courts. Additionally, mediations will be cancelled, no Freedom of Information Act requests will be processed, and outreach and education events will be cancelled, among other things.

For more information visit www.eeoc.gov.

Department of Labor (DOL)

The vast majority of DOL employees are furloughed during the shutdown, resulting in most of the DOL's services and programs being impacted. Essentially, the shutdown temporarily ceases all non-emergency occupational safety and health inspections, wage and hour audits, hearings and appeals regularly conducted by the DOL. For more information visit www.dol.gov, and note that the website is not currently being updated.

National Labor Relations Board (NLRB)

The NLRB will discontinue certain services and programs, but the Office of Inspector General hotline will remain operational to ensure safety of life and protection of property or to protect federal legal actions already taken. The following NLRB services and programs, among others, are not available during the shutdown: investigations, hearing and elections, unfair labor practice charge docketing, settlements, litigation, administrative law judge and Board decisions, resolutions of workplace disputes, resolution of employee/employer disputes with a union, and Information Officer Services.

E-Verify

As discussed in our Alert distributed on October 1, 2013, employers must continue to use Form I-9 to verify new workers during the shutdown, but will not be able to use E-Verify. Please see the Alert for more detail.

Department of the Treasury

The Treasury Department will continue disbursement of Social Security benefits, automated revenue collections, daily cash management for the government, and payment of interest on the federal debt. The department's largest component, the Internal Revenue Service (IRS), however, will cease functions such as audits, examinations of returns, processing of paper returns, and call-center options for taxpayers. While IRS operations are limited, the underlying tax law remains in effect.

For more information visit www.irs.gov.

Other federal agencies will operate in various states ranging from fully operational to total closure during the course of the government shutdown, and may directly impact your operations depending on your particular industry. To learn more about the federal agencies with which you work directly, please visit the appropriate website and review the statement and/or contingency plan announcement for that agency.

We will continue to monitor the impact the federal government shutdown has on private employers and update you with alerts as necessary. In the meantime, if you have any questions please do not hesitate to contact us.

For questions about these or any employment-related issue, please reach out to any of our more than 70 Labor & Employment attorneys located in Birmingham, Alabama; Atlanta, Georgia; Baton Rouge, Mandeville and New Orleans, Louisiana; Jackson, Mississippi; and Chattanooga, Johnson City, Knoxville, Memphis and Nashville, Tennessee.