



United Brotherhood of Carpenters and Joiners of America (UBC)

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Carpenters Union Supports U.S. Department of Labor's Rescission of Trump Administration's Joint Employer Rule

Washington, DC—The United Brotherhood of Carpenters and Joiners of America (“UBC”) supports the decision of the U.S. Department of Labor to rescind the Trump Administration’s Joint Employer Rule. This rule, which ignored decades of case law and was unsupported by the Fair Labor Standards Act (FLSA), was struck down in federal court last year for similar reasons.

“This is a welcome decision,” said Douglas J. McCarron, General President of the UBC. “The 2020 Joint Employer Rule made it easier for employers to evade minimum wage, overtime, and record-keeping requirements.”

A growing number of contractors in the construction industry are hiring subcontractors and labor brokers who either intentionally misclassify workers as independent subcontractors or pay them “off-the-books” by failing to report wage payments to state and federal taxing authorities or workers’ compensation carriers. Additionally, those workers are not paid the required time-and-a-half premium pay when they work over forty hours in a week. Oftentimes, the contractors who hire the scofflaws supervise the workers, making them employers under the FLSA. Many of the abused construction workers are immigrants with some being victims of labor trafficking.

A recent study of illegal employment practices in the construction industry found that up to 20.5 percent of construction workers are employed under illegal conditions, losing close to \$1 billion a year in overtime and premium pay. To add insult to injury, employers foist onto their workers’ backs \$3.48 billion of employment-tax obligations that they, the employers, should pay. Additionally, using mid-range numbers, \$8.4 billion a year of federal and state tax revenues are lost, and workers’ compensation insurers lose \$2 billion a year in premiums. By failing to pay required taxes, insurance premiums and overtime pay, crooked contractors can underbid law-abiding employers.

“All of those unpaid taxes and insurance premiums impact taxpayers and good businesses,” said McCarron. “The bottom line is that we shouldn’t put up with the contractors that drive

the abuse and fraud in the industry by pretending that they have nothing to do with it. If you work, you should get paid, and a business should not be put out of business for following the law."

The United Brotherhood of Carpenters and Joiners represents 500,000 skilled workers throughout North America. For more on fraud in the construction industry and the UBC's fight against the abuse go to StopTaxFraud.net. For more information on the United Brotherhood of Carpenters, please visit: www.carpenters.org

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