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Below is an excerpt from an informative article from "Business Insurance", one of our most trusted resources, regarding the use of temp workers.

USE OF TEMP WORKERS INVITES EXPOSURES

Even though a staffing agency may cut a temporary worker's check, experts say employers remain obligated to comply with state and federal employment laws, including discrimination statutes. There are also situations where in which an employer could be required to provide benefits, experts say. Observers say the recent temp-hiring upswing could reflect an improving economy. Attorneys say temporary workers hired through staffing agencies generally are considered to be employed by both the agency and company, even though the agency pays the salary.

"There are elaborate agreements that dictate the individual remains the legal employee of the temporary agency, and the temporary agency is legally bound to pay their wages and their workers' compensation insurance and all of that," Mr. Schorr said. But when it comes to employment, discrimination and sexual harassment claims, "a myriad of laws" protect workers even though "they're not technically employed by that employer," he said.

If an employer hires temp workers directly, it should be clear "that these are temporary assignments and to define in contracts or employment policies what benefits apply to temp employees vs. the full-time employees," including clearly stating that they are not entitled to health care, 401(k) plans and vacations, said Mr. Der Boghossian. Employers should seek indemnity agreements in the contracts they sign with temporary staffing agencies, "so that the temp agency retains liability for any employment related claims and agrees to indemnify the employer for any losses they might suffer," if any claims are brought against it by a temp employee, Mr. Der Boghossian said.

Employers still should adequately train temporary workers, because a staffing agency's increased workers' comp costs ultimately will be passed on to the employer, said Bruce Hockerman.

For more information regarding the above article please click on the link below:

<http://www.businessinsurance.com/article/20100124/ISSUE01/301249970>

