

Maximum OSHA Fines for Safety Violations Increase by 78%

August 11, 2016

Practices

Workplace Safety and Health

The first increases to Occupational Safety and Health Administration fines for violations of safety regulations since 1990 went into effect on August 1, 2016. The increases are substantial: the maximum penalties have increased by 78 percent. In addition, OSHA will adjust the amounts annually based on the Consumer Price Index.

The U.S. Congress adjusted the fines in a one-time catch-up adjustment for inflation for the first time since 1990 as part of the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015. OSHA previously was exempted from a law that required federal agencies to raise their fines to keep up with inflation. The fiscal year 2016 budget agreement eliminated that exemption.

The new amounts are as follows:

- For “willful” and “repeat” violations, the new maximum fine is \$124,709 per violation (up from \$70,000), and the new minimum is \$8,909 per violation (up from \$5,000).
- For “serious” violations, the new cap is \$12,471 per day (up from \$7,000).
- For “failure-to-abate” violations, the new cap is \$12,471 per day (up from \$7,000).

The changes mean that OSHA can attach the new amounts to any citation issued after August 2, 2016, even for alleged violations that occurred prior to this date. The agency said it will continue its practice of reducing the amounts based on the size of an employer and other factors to address the impact of these increases on smaller businesses.

State Plan states — those with OSHA-approved job safety and health programs — must enact the maximum penalty levels that have the same impact as the federal penalties. The federal agency provides up to 50 percent of the funding for these programs, which must be at least as effective as their federal counterpart.

Jackson Lewis can assist employers to avoid OSHA violations and to help reduce the monetary impact of proposed fines for any alleged violations.

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