



EMPLOYER LAW BLOG

# NLRB Backs Off its Joint Employer Rule

AUTHOR: JOHN L. GILBERT

In response to a legal challenge to its 2023 proposed joint employer rule, the NLRB has decided to retreat from the rule, for now. A federal judge in Texas vacated the rule and the Board announced that it will not appeal the ruling. Rather, it wants to “consider the policy” in light of the judge’s decision.

The Board’s rule would have expanded the definition of joint employer under the NLRA and has been controversial since its issuance. The US Chamber of Commerce led the challenge to the proposed rule.

As a result of the Board’s announcement, the current test for joint employer remains. That standard requires direct and immediate control over employees for an employer to be treated as a joint employer. The fear under the proposed rule was that it would have swept in more employers, such as franchisors and staffing firms.

The Labor and Employment Law Team at Sandberg Phoenix stand ready to assist employers with advice and counsel for any type of labor and employment law issues.