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OSHA Penalties to Increase in 2016

By Ron Flowers and Scott Williams

A little-noticed provision in the federal Bipartisan Budget Act of 2015 calls for OSHA to increase its penalties to adjust for inflation for the first time since 1990. The Federal Civil Penalties Inflation Adjustment Act requires OSHA to implement regulations by August 2016 increasing the maximum penalties for OSHA violations first by a one-time "catch-up adjustment" and through subsequent increases to adjust for inflation based on the CPI. The Act calls for the "catch-up adjustment" to take effect no later than August 1, 2016.

The inflation adjustments will be based on the Consumer Price Index ("CPI"), which increased by 78.24% between October 1990 and September 2015. Adjusting penalties by the CPI inflation rate would increase maximum penalties as follows:

Other Than Serious	- From \$7,000 to \$12,600
Serious	- From \$7,000 to \$12,600
Repeat	- From \$70,000 to \$126,000
Willful	- From \$70,000 to \$126,000

Prior to August 1, 2016, OSHA will issue an interim calling for the increases. The penalties could take effect as soon as the rule is implemented.

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