

MISSOURI DEPARTMENT OF LABOR & INDUSTRIAL RELATIONS

2011

ANNUAL REPORT



DEPARTMENT OF
LABOR
& INDUSTRIAL RELATIONS

LETTER FROM THE DIRECTOR



LAWRENCE G. REBMAN
DIRECTOR



The Missouri Department of Labor and Industrial Relations is responsible for the administration and enforcement of the federal and state laws related to employment. Under the direction of Governor Nixon, the Labor Department has worked diligently to be more efficient, effective, and responsive to the needs of Missouri employers and employees.

During the past year, the Labor Department has worked to communicate more effectively with its constituents, which includes many interactive website tools. Employers now have the ability to check to see if they have the lowest workers' compensation rates. The "Are You Covered?" tool allows employers to check if subcontractors are carrying workers' compensation insurance. We also have begun an ambitious modernization program to improve the business processes with an on-line claims and answers application for the Workers' Compensation system.

For employees, we have the new Worker Protection Center as well as the "Are You Off the Books?" pages. We have full and partial unemployment benefit calculators, as well as many instructional and educational podcasts regarding some of the services offered by the Labor Department. These videos have been viewed more than 125,000 times.

Our focus this year also has been on integrity, enforcement and education— we have improved detection of unemployment insurance fraud and increased referrals to local prosecutors and the Attorney General's Office – leading to higher conviction rates. In fiscal year 2011, we referred 316 cases, which led to 133 convictions. Nearly \$900,000 was collected in restitution from these prosecuted cases.

In 2011, Missouri experienced several natural disasters, including severe flooding and a deadly tornado in Joplin. The unemployment program is the fastest way to get money into the hands of those hit hard by a disaster. The Labor Department acted quickly to make Disaster Unemployment Assistance available to those affected - sometimes as soon as five days. Staff traveled to the affected areas to set up mobile filing sites at the response centers. They worked long hours and for many weeks answering questions, filing claims for Disaster Unemployment Assistance, and providing information about our other important services. Since then, we have created a Disaster Unemployment Assistance Response Team—ready to help those in need.

As a result of these natural disasters, hundreds of millions of dollars of federal, state, and local money is being spent in our communities and creating jobs across the state. The Division of Labor Standards (DLS) has been educating and working with public entities and contractors to ensure the proper prevailing wages are paid on all public works projects by developing guidebooks and coordinating compliance seminars along with other state and federal agencies. Despite efforts to educate, 14 contractors currently are being prosecuted in 12 counties. Since 2009, four contractors have been placed on the debarment list. Since 1992, there have only been 13 debarments for violations of the prevailing wage law. For the first time in the Labor Department's history, three companies are on the debarment list at the same time.

In addition, we continue to promote our free safety consultations/programs for Missouri employers. In 2010, Missouri's workplace deaths dropped 25 percent, which is evidence that our safety consultation services save lives and money for Missouri employers.

The Labor Department remains committed to improving its services in order to help to maximize the economic prospects for all employers and employees of our state. In the coming year, we will be reaching out to other state agencies to eliminate red tape and make it easier for employers to learn about and comply with Missouri's employment laws.

Sincerely,

A handwritten signature in black ink that reads "Lawrence G. Rebman". The signature is fluid and cursive.

Lawrence G. Rebman
Director



TABLE OF CONTENTS

INTRODUCTION

03	DEPARTMENT OVERVIEW
04	CONTACT INFORMATION
07	YEAR IN REVIEW

DEPARTMENT DETAILS

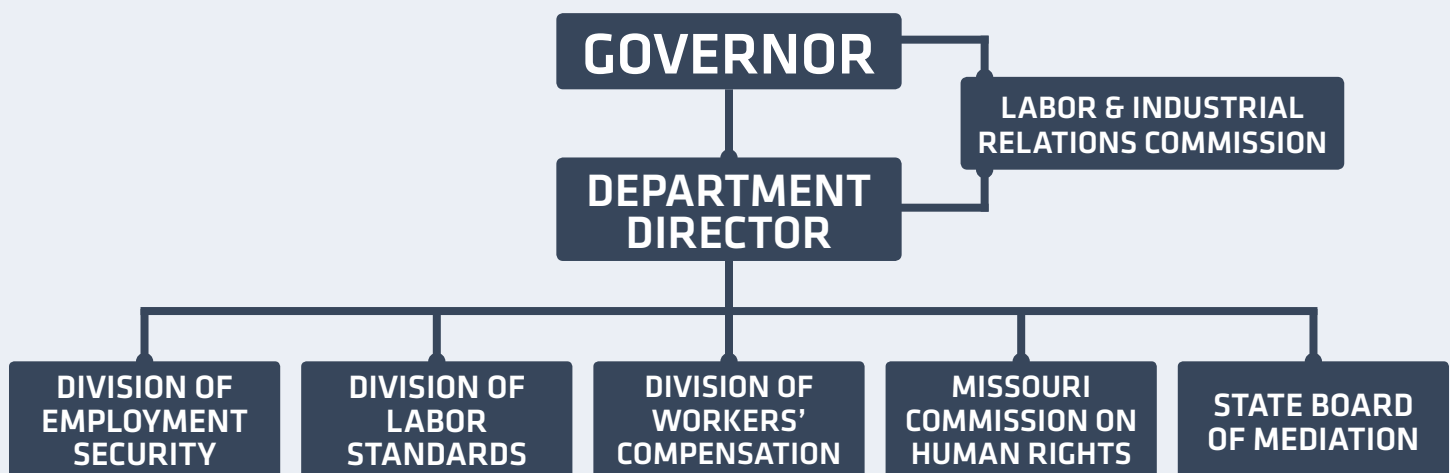
12	LABOR AND INDUSTRIAL RELATIONS COMMISSION
13	DIVISION OF EMPLOYMENT SECURITY
17	DIVISION OF LABOR STANDARDS
19	DIVISION OF WORKERS' COMPENSATION
21	MISSOURI COMMISSION ON HUMAN RIGHTS
23	STATE BOARD OF MEDIATION

FINANCIAL SUMMARY

24	STATE FISCAL YEAR 2011
----	------------------------

DEPARTMENT OVERVIEW

The Missouri Department of Labor and Industrial Relations (Labor Department) was created by Article IV Section 49 of the Missouri Constitution. The Labor Department is comprised of the Labor and Industrial Relations Commission (LIRC) and five Divisions: (1) The Division of Employment Security (DES) adjudicates claims for and provides payment of unemployment insurance (UI) benefits for employees who become unemployed through no fault of their own. To finance the payment of UI benefits to qualified claimants, the DES collects contributions (taxes) from Missouri employers. (2) The Division of Labor Standards (DLS) enforces Missouri's wage and hour laws and promotes safe working environments. (3) The Division of Workers' Compensation (DWC) ensures that workers injured on the job receive the benefits they deserve and investigates allegations of workers' compensation fraud and noncompliance. (4) The Missouri Commission on Human Rights (MCHR) investigates alleged violations of and enforces compliance with Missouri law prohibiting discrimination in housing, employment, and public accommodations. (5) The State Board of Mediation (SBM) determines appropriate bargaining units for public employees, conducts elections to determine bargaining representatives for those bargaining units, and, when called upon, assists in the resolution of labor disputes in the public utility industry.



Refer to pages 12-23 for a complete listing of all agencies and services offered by the Missouri Labor Department.

CONTACT INFORMATION

Department of Labor and Industrial Relations

Lawrence G. Rebman, Director

421 East Dunklin St., P.O. Box 504, Jefferson City, MO 65102-0504

Telephone: 573-751-4091

Fax: 573-751-4135

Home page: www.labor.mo.gov

E-mail: diroffice@labor.mo.gov

Labor and Industrial Relations Commission

William F. Ringer, Chair

Alice A. Bartlett, Commissioner

Curtis E. Chick Jr., Commissioner

3315 West Truman Blvd. Room 214, P.O. Box 599, Jefferson City, MO 65102-0599

Telephone: 573-751-2461

Fax: 573-751-7806

Home page: www.labor.mo.gov/LIRC

E-mail: lirc@labor.mo.gov

Division of Employment Security

Gracia Backer, Director

421 East Dunklin St., P.O. Box 59, Jefferson City, MO 65104-0059

Telephone: 573-751-3215

Fax: 573-751-4945

Home page: www.labor.mo.gov/DES

Claimants E-mail: esuiclaims@labor.mo.gov

Employers E-mail: esemptax@labor.mo.gov

Appeals E-mail: appealstribunal@labor.mo.gov

Important Telephone Numbers

Unemployment Insurance

(To file for benefits or to get claims information)

Toll Free: 800-320-2519

Or locally at:

Jefferson City: 573-751-9040

Kansas City: 816-889-3101

Springfield: 417-895-6851

St. Louis: 314-340-4950

Unemployment State Tax Automated

Reporting (USTAR): 573-751-1995

Unemployment Insurance Programs:

573-751-9832

Tax/Appeal Information: 573-751-3215

Quality Control: 573-751-3366

Employer Contributions: 573-751-3329

Shared Work: 573-751-WORK

Report Worker Misclassification: 573-751-1099

CONTACT INFORMATION

Division of Labor Standards

Carla Buschjost, Director

3315 West Truman Blvd. Room 205, P.O. Box 449, Jefferson City, MO 65102-0449

Telephone: 573-751-3403

Fax: 573-751-3721

Home page: www.labor.mo.gov/DLS

E-mail: laborstandards@labor.mo.gov

Important Telephone Numbers

On-Site Safety and Health Consultation:

Mine and Cave Safety and Health:

573-522-SAFE

573-52-MINE1

Wage and Hour: 573-751-3403

Workers' Safety Program: 573-522-SAFE

Division of Workers' Compensation

John Hickey, Director

3315 West Truman Blvd. Room 131, P.O. Box 58, Jefferson City, MO 65102-0058

Telephone: 573-751-4231

Fax: 573-751-2012

Home page: www.labor.mo.gov/DWC

E-mail: workerscomp@labor.mo.gov

Important Telephone Numbers

Employee Information Line: 800-775-2667

Second Injury Fund – Benefits: 573-526-3543

Employer Information Line:

Second Injury Fund – Collections:

888-837-6069

573-526-5756

Fraud and Noncompliance Unit: 800-592-6003

Dispute Management Unit: 573-526-4951

Medical Fee Disputes Unit: 573-526-5610

Physical Rehabilitation: 573-526-3876

Religious Exception: 573-522-2546

C.A.R.E. Unit: 573-526-4948

Insurance Unit: 573-526-3692

Missouri Commission on Human Rights

Dr. Alisa Warren, Executive Director

3315 West Truman Blvd. Room 212, P.O. Box 1129, Jefferson City, MO 65102-1129

Telephone: 573-751-3325

Fax: 573-526-5090

Toll Free: 877-781-4236

Home page: www.labor.mo.gov/mohumanrights

E-mail: mchr@labor.mo.gov



CONTACT INFORMATION

State Board of Mediation

Jim Avery, Chair

3315 West Truman Blvd. Room 211, P.O. Box 2071, Jefferson City, MO 65102-2071

Telephone: 573-751-3614

Fax: 573-751-0083

Home page: www.labor.mo.gov/SBM

E-mail: sbm@labor.mo.gov

Relay Missouri Service

If calling by home or cell phone, dial 711. All other callers should dial 800-735-2966.

Sending E-mail

You may contact employees of the Missouri Department of Labor and Industrial Relations using the following guide for e-mail addresses.

Firstname.Lastname@labor.mo.gov

Press Inquiries

Amy Susan, Director of Communications

Telephone: 573-751-7500

E-mail: Amy.Susan@labor.mo.gov

YEAR IN REVIEW

Labor Department Continues to Move Forward with E-Gov Initiative

As more and more services are being made available to customers online, the state of Missouri has recognized the trend and pushed agencies to make their most-utilized services available online 24/7. The Labor Department has made great strides in making more and more information and services available on the www.labor.mo.gov website.



The Labor Department launched a new webpage, the Worker Protection Center, in 2011. This page is a one-stop-shop for anyone needing assistance or information regarding situations in his or her workplace. A visitor can report a safety hazard, report a workplace injury, file a discrimination complaint, file a wage complaint, file an unemployment claim, and much more.

Another new page debuted this year. The 1099 Fraud/Worker Misclassification page – “Are You Off the Books?”. It outlines what worker misclassification is, the consequences, and how the Labor Department works to help those who have been misclassified. The main attraction of the page is a new assessment tool that both workers and employers can use to find out if an employee has been classified correctly. The page also offers the option of reporting 1099 fraud.



This year, Missouri has suffered from several natural disasters, including flooding, severe drought, and tornadoes. To help people affected by these natural disasters receive financial assistance and information, the Labor Department created a Natural Disaster page that puts all of its pertinent information in one place. For those who lost a job due to a natural disaster, the Division of Employment Security handles Disaster Unemployment Assistance. For contractors rebuilding communities, information on prevailing wage rates is provided, as well as workers’ compensation information should any workers be injured on the job. Natural disasters force some families to move, so a section on housing discrimination, how to prevent it, and how to react to it also is included.

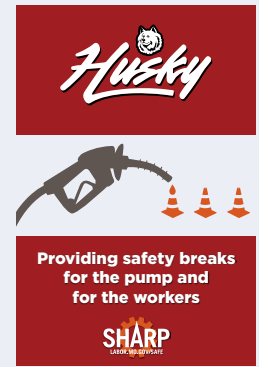
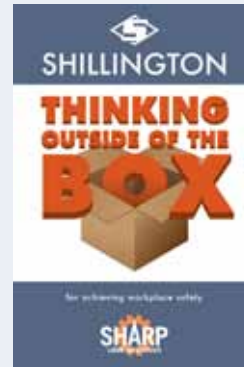
The Labor Department began taping and airing podcasts last year to assist Missourians in understanding the Department’s processes and to answer common questions. This year, with the addition of a videographer, the podcasts have been taken to a whole new level. As a result, the Department of Labor’s video channel has received more than 25,000 views and more than 125,000 individual views of the videos.



YEAR IN REVIEW

Elite Safety Program Increases Membership

The Missouri Safety and Health Achievement Recognition Program (SHARP) is an elite safety program that accepts only those businesses that have proved that the safety and health of their workers is their number one priority. It is available for small employers with 250 employees or less, who also participate in the Missouri On-Site Safety and Health Consultation Program (offered by the Division of Labor Standards free of charge).



Due to their proven track records for safety, SHARP employers can receive a one to three-year exemption from Occupational Safety and Health Administration (OSHA) general inspections. Participating also can lower workers' compensation premiums, reduce out-of-pocket expenses, and decrease workplace injuries. In the last few years, there has been a large increase in the number of companies participating in and receiving SHARP status. Since this administration came into office, SHARP membership has increased by 56 percent and requests for safety consultations have increased by 71.5 percent. The Labor Department attributes the 25 percent decrease in workplace deaths for 2010 to overall awareness and stepped up participation in its safety programs.

Workplace Discrimination Costs Employer \$85K

Laclede Cab Company (Laclede) of St. Louis found itself in hot water after refusing to hire a taxi driver because of his disability. The Complainant applied for a job with Laclede only to be refused after disclosing that he had previously had a stroke. Laclede told the applicant it didn't think its insurance company would cover him, despite the fact that he had driven cabs for several years after his stroke.

"A company violates the law when it assumes that a person with a disability cannot perform a job," said Dr. Alisa Warren, Executive Director of the Missouri Commission on Human Rights (MCHR). "Such stereotypes deny people with disabilities the chance to earn a living and it also deprives employers of capable and dedicated employees."

MCHR ordered the company to pay \$50,000 in actual damages and \$35,000 for violating the Complainant's civil rights. Laclede Cab Company also was ordered to cease and desist from practicing unlawful discrimination.

YEAR IN REVIEW

Kansas City Contractor Debarred from Working on Public Works Projects

The Labor Department's request that Rycoblake Corporation be added to the Public Works Construction Debarment list was granted by the Secretary of State's Office in September 2011. Rycoblake's placement on the Debarment List bars it from bidding or working on any publicly funded construction projects or any construction projects that benefit the public until December 1, 2012.



The debarment is a result of a wage investigation completed by the Jackson County Compliance Office. The investigation concluded that Rycoblake owed \$3,324.78 to three employees for work completed on the Kansas City Chiefs renovation project. Because it was a public works project, employers were required to pay the prevailing wage rates for the specific county and occupations employed.

The Compliance Office filed charges with the local prosecuting attorney's office for the prevailing wage violation. As part of a settlement agreement, Rycoblake Corporation agreed to pay restitution to the three workers and to accept a voluntary debarment from working on public works projects until December 1, 2012. Since this administration came into office, four contractors have been added to the debarment list.

Labor Department Introduces New Logos

Last year, the Labor Department's website underwent major updating. This year, smaller updates continued, including new logos for many of its programs, as well as a new and simplified Department logo. This new logo is easy to identify with the Labor Department and its various Divisions. A cog was chosen as a unifying theme because it is vital in making things work, just as the Department provides services to keep workplaces running smoothly.



YEAR IN REVIEW



The On-Site Safety and Health Consultation Service, which assists in making workplaces safer and preventing costly OSHA fines, received a new logo.



The SHARP, which rewards small businesses that emphasize their workers' health and safety, was another Labor Department program to receive a new logo.



Labor Talk Podcasts, the popular videos detailing what the Labor Department does and answering frequently asked questions, also received a new and improved animated logo to be used at the beginning of each film clip.

SHARED WORK

The Labor Department actively began promoting this job saving program, which resulted in a 181 percent increase in participation. To further brand this program, a new logo was developed.

YEAR IN REVIEW

Significant Legislative Changes in 2011

Two bills signed into law during 2011, House Bill (HB) 163 and HB 136, brought changes to Missouri's unemployment insurance (UI) program.

The Labor Department proposed language to enable Missouri to continue to take advantage of federal funding that was authorized to pay for state Extended Benefits through the end of 2011. In addition, the proposed language included changes to prevent a claimant who previously committed UI fraud from receiving unemployment benefits until he or she has repaid the fraud penalty. The legislature passed HB 163, which contained those proposals. HB 163 also reduced the maximum duration of regular UI benefits from 26 to 20 weeks—not part of the Labor Department's proposal. The reduction in the maximum duration of regular UI benefits also affects the number of weeks individuals can qualify for under the federally-funded unemployment extension programs. Under the new law, the maximum duration of federally-funded extension programs is reduced from 73 weeks to 57.6 weeks, bringing the total maximum duration of all unemployment programs to 77.6 weeks.

The Labor Department also proposed language to allow trailing military spouses to be eligible for unemployment benefits if they had to quit their job to follow their reassigned spouse. HB 136 contained that proposal, along with other language that benefits military families, and was enacted August 28, 2011.



LABOR & INDUSTRIAL RELATIONS COMMISSION



William F. Ringer

C H A I R
Public Member



Alice A. Bartlett

C O M M I S S I O N E R
Employer Member



Curtis E. Chick Jr.

C O M M I S S I O N E R
Employee Member

The Labor and Industrial Relations Commission (LIRC) is established by Section 49, Article IV, of the Missouri Constitution. The LIRC's primary constitutional duty is to oversee the Department of Labor and Industrial Relations (Labor Department). The LIRC is composed of three members appointed by the governor, with the advice and consent of the Senate. One member is classified as a representative of employers, one member is classified as a representative of employees, and one member is classified as a representative of the public. The public representative must be licensed to practice law in Missouri.

The LIRC nominates and the governor appoints, with the advice and consent of the Senate, a director who serves as the chief administrative officer of the Labor Department.

The LIRC has the authority to adopt rules for the management of the Labor Department and to approve the administrative rules promulgated by the Labor Department and its Divisions. In addition to its oversight duties, the LIRC serves as a higher authority appeal board, reviewing appeals from workers' compensation cases, unemployment insurance cases, crime victims' compensation cases, and tort victims' compensation cases. The Labor Commission also hears and determines objections to prevailing wage determinations and challenges to determinations by public bodies to enter into project labor agreements.

State Fiscal Year 2011

6,510	Unemployment Insurance Appeals Decisions Issued
564	Workers' Compensation/Crime Victim Appeals Decisions Issued
12	Prevailing Wage Objection Decisions Issued



GRACIA YANCEY BACKER

DIRECTOR

DIVISION OF EMPLOYMENT SECURITY

The Missouri Division of Employment Security (DES) collects tax contributions from employers and pays unemployment insurance (UI) benefits to individuals who are determined eligible under the law. State unemployment tax contributions paid by Missouri employers into the Missouri Unemployment Trust Fund (UTF) are set aside for the sole purpose of providing for the payment of weekly UI benefits to qualified claimants.

The UI benefits paid to insured workers help maintain the economy of the state during periods of economic downturn by helping preserve the level of consumer purchasing power. Payments of benefits under the regular UI program are made from a trust fund financed by the employer tax contributions noted above. No part of the contribution is deducted from worker wages.

Two bills signed into law during 2011 brought changes to Missouri's UI program. First, House Bill (HB) 163 reduced the maximum duration of regular UI benefits from 26 to 20 weeks. The reduction in the maximum duration of regular UI benefits also affects the number weeks individuals can qualify for under the federally-funded unemployment extension programs. Under the new law, the maximum duration of federally-funded extension programs is reduced from 73 weeks to 57.6 weeks, bringing the total maximum duration of all unemployment programs to 77.6 weeks. Additionally, HB 163 contains language that prevents a claimant who previously committed UI fraud from receiving unemployment benefits until he or she has repaid the fraud penalty. The second bill, HB 136, modified Missouri's UI program and allows individuals who quit work to relocate due to their spouses' military change of station to be eligible for unemployment benefits.

This year, an extension in benefits was renewed to persons who have exhausted all of their UI benefits and have been unable to find work. This extension to the state's UI program allows eligible unemployed Missourians to receive up to 77.6 weeks of UI benefits – an extension of 57.6 weeks beyond the typical 20 weeks provided for under the regular UI benefit program.

Trust fund insolvency and increased unemployment were challenges again faced by the DES in 2011. The UTF paid nearly \$711 million to Missouri's unemployed, forcing the state to borrow an additional amount of approximately \$180.7 million from the federal



Scene from new unemployment video

Looking for a job?

Use the Career Center **Look-Up** tool to get job finding services in your area!



government. The DES made a voluntary repayment of \$210 million in May 2011 that resulted in a loan balance of \$692,168,197.05 as of June 30.

Prior to July 1, 2011, the Federal Unemployment Tax Act (FUTA) tax rate was 6.2 percent. After June 30, 2011, the FUTA tax rate decreased to 6.0 percent (visit www.irs.gov). Generally, employers can take a credit against their FUTA tax for amounts paid into state unemployment funds. The credit may be as much as 5.4 percent of FUTA taxable wages. If an employer is entitled to the maximum 5.4 percent credit, the FUTA tax rate after credit is 0.8 percent (0.6 percent after June 30, 2011). An employer is entitled to the maximum credit if the United States Department of Labor certifies the state's unemployment compensation program as conforming and the employer pays the state unemployment tax in a timely manner.

When a state is in a long-term borrowing situation, federal law prescribes a reduction to the federal unemployment tax credit of 5.4 percent in order to pay for the loan. As of January 2011, Missouri has had an outstanding loan balance for two consecutive years. Because of this outstanding loan balance, Missouri is a credit reduction state. The reduction to the credit is progressive. The first credit reduction of 0.3 percent points occurs when a state carries a loan balance through January 1st for two consecutive years. The credit reduction for the third consecutive year is 0.6 percent points and is reduced an additional 0.3 percent points each year until the loan is repaid.

One of the main objectives of the DES is the prompt payment of UI benefits to eligible claimants. A person must have worked in employment covered under the Missouri Employment Security Law and earned enough qualifying wages in order to establish a claim for UI benefits.

The DES also ensures that employers are properly classifying their workers, reporting their workers' wages, and paying the correct contributions (tax) on wages. Employers that misclassify workers fail to pay taxes to the UTF, which gives them an unfair advantage over their competitors that are paying the taxes they owe. In fiscal year (FY) 2008, 191 misclassified workers were identified during audits. In FY2011, this number increased to 7,881 workers identified through audits and the investigation of complaints, and \$1,234,770 in owed taxes.

DIVISION OF EMPLOYMENT SECURITY

Other areas of fraud include workers who attempt to cheat the system by misreporting the facts which leads to UI benefits being improperly paid. The DES recovered \$1,330,194.18 in penalties from individuals who fraudulently received UI benefits through their deceit in FY2011. In efforts to reduce fraud, online forms are available for workers and other businesses to report the activities for the DES to then initiate an investigation.

The DES Shared Work Program is an alternative to layoffs for employers faced with a reduction in available work by allowing the employer to divide the work among a specified group of affected employees, instead of laying off a portion of its employees. This year, employer participation saved more than 26,790 Missouri jobs.

The DES offers filing of unemployment claims via the Internet at www.moclaim.mo.gov. Appeal Referees conduct hearings and issue written decisions regarding regular UI benefit appeals, appeals involving the tax liability of an employer, and other special UI programs.

Proposed Legislation

The Missouri Revised Statutes (RSMo) provide that the director of the Missouri Department of Labor and Industrial Relations (Labor Department) shall submit an Annual Report to the governor and the LIRC. The yearly report shall cover the administration and operation of the Missouri Employment Security Law (MESL) and list recommendations for amendments to the MESL as the Labor Department director deems appropriate. This report is required by Section 288.260 RSMo.

The DES recommends the following amendments to the MESL in an effort to assist with the administration of Missouri's UI program:

Modify Section 288.130 RSMo to allow the DES to require employers with 50 or more workers to file Missouri Quarterly Contribution and Wage Reports electronically by magnetic media or the Internet.

Modify Sections 288.160 and 288.170 RSMo to amend UI collection statutes to allow service on the debtor by certified and registered mail, as well as filing a certificate of assessment with the Recorder of Deeds in the county of the debtor.

Modify Section 288.250 RSMo to clarify that the DES may disclose UI information to state and federal officials as permitted by federal law.

DIVISION OF EMPLOYMENT SECURITY

Modify Section 288.380.9 RSMo to comply with the recently enacted federal Trade Adjustment Assistance Extension Act of 2011 relating to fraud penalties.

Modify Chapter 288 to comply with federal mandate and prohibition on certain issues of non-charging employers and modify Chapter 285 to incorporate federal changes to the New Hire Database. Improvements to the Database will make it easier to verify when claimants return to work and should no longer receive unemployment benefits. This change must be made by October 1, 2012.

The DES believes the provisions in these legislative proposals will help ensure Missouri's UI program operates effectively and efficiently, and assist the agency in meeting its performance goals.

State Fiscal Year 2011

136,791 Employers Liable for Contributions

15,913 New Employer Accounts Established

\$600,817,724 Employer Contributions Collected

2,726 Employer Compliance Audits Completed

501,519 Initial Claims Filed

\$710,644,672 Unemployment Insurance Benefits Paid

\$11,583,185 Unemployment Insurance Overpayments Collected

42,386 Appeals Filed



Carla Buschjost

DIRECTOR

The DLS doubled the collection of back wages owed to workers, continuing their 90 percent success rate.

and Minimum Wage Law requires employers to provide payroll documentation to assure compliance with the law. Obtaining this information can be challenging at times, but the DLS continues to persevere to assure Missourians are paid the correct wages and to protect the health and safety of Missouri's children from dangers in the workplace.

From fiscal year (FY) 2010 to FY2011, the DLS saw a decrease in prevailing wage complaints filed; however, there was a substantial increase in violations on the complaints received. Of 308 complaints filed, the DLS found 160 in violation of the Missouri Prevailing Wage Law. The DLS also doubled the collection of back wages owed to workers, which increased to \$1,104,078.78 in FY2011 from \$546,930.00 in FY2010. The DLS has a 90 percent success rate in collecting owed wages.

DIVISION OF LABOR STANDARDS

The Missouri Division of Labor Standards (DLS) administers and enforces the state's Prevailing Wage Law, Minimum Wage Law, Child Labor Law, and the Construction Safety Training Law. The DLS also helps protect Missouri workers by inspecting the state's mine and cave sites, certifying and auditing safety consultants, engineers, and programs used by employers, and offering safety and health consultations to help employers identify and remedy workplace hazards.


The DLS consists of four sections: Wage and Hour, On-Site Safety and Health Consultation Service, Mine and Cave Safety and Health, and the Workers' Safety Program.


The Wage and Hour Section helps Missourians get correct information regarding wages, work hours, vacations, lunches, hiring, and more. The section also informs employers and employees of their workplace rights and responsibilities.

The DLS Wage and Hour Section also is responsible for compiling wage surveys to ascertain the wage rates that prevail in each construction occupation in every Missouri county; providing educational outreach; and conducting investigations to ensure employer compliance with Prevailing Wage and Minimum Wage Law, and with the Child Labor Law. The Prevailing Wage





The  ON-SITE Safety and Health Consultation and Mine and Cave Safety and Health programs strive to reduce work-related injuries, illnesses, and fatalities by educating and training employers and employees on workplace safety and health issues. The DLS performs consultations and inspections of work sites, during which its staff identifies job hazards and offers recommendations for their correction and elimination. The On-Site Safety and Health Consultation Program provides free on-site safety and health consultations, with no penalties or fines, for Missouri employers with up to 250 employees. In FY2011, the DLS conducted 613 workplace consultations. So far this year, the On-Site program has saved Missouri employers \$4,637,875 in potential Occupational Safety and Health Administration (OSHA) penalties, and DLS consultants have identified 6,765 hazards during 613 on-site visits.

The Missouri Safety and Health Achievement Recognition Program () is administered by the DLS. This program rewards small businesses that operate exceptional health and safety programs. Participation is offered to businesses that have worked with the DLS Safety and Health Consultants over a period of time and implemented safety programs that have significantly reduced their workplace injury and illness rate. During FY2011, seven additional Missouri businesses were admitted into the program.

The Missouri Workers' Safety Program evaluates and certifies the safety programs of workers' compensation insurance carriers in Missouri. Staff investigate complaints against insurance carriers of inadequate loss-control services and monitor the impact of safety services being provided by insurance carriers. The Workers' Safety Program also oversees the enforcement of the Construction Safety Training Program, which became effective August 28, 2009, and requires all employees on a public works project to have 10 hours of safety training within 60 days of beginning work on the project.

The Mine and Cave Safety and Health Program helps Missouri's mines and caves improve safety by offering training to miners and the mining community. Chapter 293 of the Missouri Revised Statutes (RSMo) requires that each mine be inspected on a regular basis for hazards and unsafe or unhealthy work practices. Underground mines are inspected on a quarterly basis, and surface mines are inspected at least twice a year. Missouri show caves that are open to the public also must be inspected at least once a year. In FY2011, the program trained 3,080 miners, inspected 442 mines/caves, and incurred no fatalities.

State Fiscal Year 2011	
26	Child Labor Complaints Received
191	Child Labor Violations Found
442	Mines/Caves Inspected
3,080	Miners Trained
613	On-Site Workplace Consultations Conducted
308	Prevailing Wage Complaints Received
160	Prevailing Wage Violations Found

State Fiscal Year 2011	
\$1,104,078	Prevailing Wage Restitution Collected
1,001	Affected Workers Receiving Restitution
606	Minimum Wage Complaints Received
109	Minimum Wage Violations Found
\$97,434.72	Minimum Wage Restitution Collected
360	Affected Workers Receiving Back Wages



John J. Hickey

DIRECTOR

DWC referred 80 companies to the Missouri Attorney General's Office for habitual late reporting.

Missouri employers are required to report workplace injuries within 30 days of knowledge of the injury. Knowingly failing to do so is deemed a fraudulent act resulting in punishment by fine or imprisonment, or both. Employees can file a formal claim for compensation to initiate a contested case proceeding in the Workers' Compensation program. The DWC received more than 112,000 First Reports of Injury (FROIs) and employee Claims for Compensation where no FROI was filed in fiscal year (FY) 2011.

At the end of FY2009, the DWC began monitoring late reporting by insurers and service companies. Because this monitoring gave the ability to track late filing, the DWC became proactive in informing the insurers and service companies of late filing, prompting a significant drop in the late filing of reports. In FY2011, 80 companies were referred to the Missouri Attorney General's Office for habitual late reporting. Two of these companies entered into deferred prosecution agreements with the Attorney General, and paid more than \$100,000 in fines.

During FY2011, the DWC recognized and addressed a delay in claims processing. This delay was due to a procedure that required outer offices to mail claims and answers to the Jefferson City main office for processing. This procedure resulted in a 5-7 day delay in the processing of these documents. Today, the documents are scanned and electronically sent to the DWC main office and are subsequently processed within 24 hours of receipt.

The DWC is continuing to move forward with several programs to improve its electronic services for customers. This includes developing an online claims and answer system that soon will allow users to file claims for compensation and provide answers with the DWC electronically. When completed, this program will result in a cost savings for the DWC as well as other parties who previously mailed all these documents.

DIVISION OF WORKERS' COMPENSATION

The Missouri Division of Workers' Compensation (DWC) administers the programs that provide assistance to Missouri workers who are injured on the job or develop occupational diseases. The DWC focuses on making sure that those who can return to work do so as soon as possible, following receipt of necessary medical treatment and benefits. For those who cannot return to work because of their injury or injuries, the DWC ensures that these workers receive the permanent benefits allowed by Missouri law.

The funding for the Division to administer the Workers' Compensation statutes comes from a tax and surcharge on Workers' Compensation premiums or the premium equivalents for employers that choose to self-insure their workers' compensation obligations. The Workers' Compensation Administrative Tax/Surcharge is capped at two percent per Missouri Statute. For calendar years 2010 through 2012, the rate has been set at one percent.

Missouri employers are required to report workplace injuries within 30 days of knowledge of the injury. Knowingly failing to do so is deemed a fraudulent act resulting in punishment by fine or imprisonment, or both. Employees can file a formal claim for compensation to initiate a contested case proceeding in the Workers' Compensation program. The DWC received more than 112,000 First Reports of Injury (FROIs) and employee Claims for Compensation where no FROI was filed in fiscal year (FY) 2011.

At the end of FY2009, the DWC began monitoring late reporting by insurers and service companies. Because this monitoring gave the ability to track late filing, the DWC became proactive in informing the insurers and service companies of late filing, prompting a significant drop in the late filing of reports. In FY2011, 80 companies were referred to the Missouri Attorney General's Office for habitual late reporting. Two of these companies entered into deferred prosecution agreements with the Attorney General, and paid more than \$100,000 in fines.



Before you Build Your Home

make sure the contractor you hired covers its employees with work comp so you don't get stuck with the bill!



Administrative Law Judges

Nelson Allen
Karla Boresi
Kenneth Cain
Suzette Carlisle
Joseph Denigan
Robert Dierkes
Hannelore Fischer
Karen Fischer
Emily Fowler
Grant Gorman
Kathleen Hart
Margaret Holden
Robert House
Lawrence Kasten
Edwin Kohner
Margaret Landolt
Cornelius Lane
Vicky Mahon
Paula McKeon
Lisa Meiners
Robert Miner
John Ottenad
Gary Robbins
Vicky Ruth
Lee Schaefer
Mark Siedlik
Carl Strange
Maureen Tilley
Linda Wenman
Tim Wilson
David Zerrer

It also will drastically reduce the time spent processing claims at the DWC since the information will be received electronically and not necessitate additional data entry. In the future, changes will be underway to improve the first report of injury data collection by moving from EDI Release 1 to EDI Release 3. This upgrade will provide more opportunities for insurers and service companies to report data electronically, thus reducing paper filings and postage costs, while allowing the DWC to improve data quality and response time.

Missouri employers are required to either obtain workers' compensation insurance or obtain approval from the DWC to self-insure their workers' compensation liability. In 2010, 29 percent of Missouri workers were employed by self-insured employers.

Benefits paid to injured workers are made available through the Workers' Compensation program. Injured workers also can qualify for benefits from the Second Injury Fund (the Fund), which was created to ease the workers' compensation burden on employers by compensating for employees' preexisting injuries. The Fund, which receives money from a surcharge on workers' compensation premiums, began facing financial difficulty in 2005 when the surcharge on premiums was capped at three percent by the General Assembly.

Most workers' compensation cases are resolved without lengthy proceedings. For those cases that are not resolved by compromise settlement, the DWC's Administrative Law Judges conduct hearings and make determinations on what, if any, benefits are owed to the injured worker. In FY2011, more than 1,300 hearings were held.

The DWC's Fraud and Noncompliance Unit investigates all allegations of fraud and noncompliance. Employers that do not properly insure their workers' compensation liability commit noncompliance, an offense that can lead to fines, penalties, and prison time.

Fraud is defined generally in § 287.128.3(6) of the Missouri Revised Statutes (RSMo) as "Knowingly mak[ing] or caus[ing] to be made any false or fraudulent material statement or material representation for the purpose of obtaining or denying a benefit."

State Fiscal Year 2011

112,952 Workplace Injuries (FROIs plus Claims for Compensation filed where no FROI was filed)

21,636 Total Workers' Compensation Awards and Settlements

1,747 Fraud and Noncompliance Cases Investigated

309 Fraud and Noncompliance Cases Referred for Prosecution



ALISA WARREN

EXECUTIVE
DIRECTOR

The MCHR received another grant from the U.S. Department of Housing and Urban Development to continue its Show-Me Fair Housing Awareness project in southeast Missouri.

disability, age (40-70; employment only), and familial status (housing only).

Commissioners are nominated by the Department of Labor and Industrial Relations Director, and appointed by the governor with the advice and consent of the Senate. The governor appoints at least one member from each of Missouri's nine congressional districts, one member-at-large and one member as chairperson. The Commissioners serve for six years without compensation. The MCHR meets quarterly and its meetings are open to the public.

MISSOURI COMMISSION ON HUMAN RIGHTS

The Missouri Commission on Human Rights (MCHR) administers programs to prevent and eliminate discrimination and provide equitable and timely resolutions of discrimination complaints. The MCHR is also charged with educating the public about their rights under the Missouri Human Rights Act.

In fiscal year (FY) 2011, complaints were again filed with the MCHR at near record levels. The MCHR staff handled 1,831 cases and set 10 cases for hearing. Nearly 3,000 people attended MCHR's education, training, and outreach events. The MCHR also received another grant from the U.S. Department of Housing and Urban Development (HUD) to continue its Show-Me Fair Housing Awareness project in southeast Missouri. The MCHR will use this grant to focus on educating residents in the bootheel, as well as in Joplin, about their housing rights.

The Missouri Human Rights Act authorizes the MCHR to receive, investigate, settle, conciliate, or pursue complaints of alleged discrimination and conduct public hearings. The statute also enables the MCHR to certify local commissions, establish relationships with federal and local civil and human rights agencies, implement educational or research programs, and develop ways to prevent discrimination. The MCHR responds to complaints of alleged discrimination in employment, housing, and public accommodations based on race, color, religion, national origin, ancestry, sex, physical/mental



Car magnet used in bootheel

Take the Complaint Assessment

Before filing a complaint, determine if its discrimination.



Online web application

Commission

Alvin Carter
Chairperson
Term expires 4-1-2011

Vacant
Commissioner 5th District

James Buford
Commissioner 1st District
Term expires 4-1-2013

Vacant
Commissioner 6th District

Herman Elmore
Commissioner 2nd District
Term expires 4-1-2011

Jenifer M. Placzek
Commissioner 7th District
Term expires 4-1-2016

Michael Dierkes
Commissioner 3rd District
Term expires 4-1-2015

Vacant
Commissioner 8th District

Dr. Susan Lee Pentlin
Commissioner 4th District
Term expires 4-1-2006

Dr. Roger Worthington
Commissioner 9th District
Term expires 4-1-2014

Vacant
Commissioner At Large

State Fiscal Year 2011

1,831 Cases received | **1,744** Decisions rendered

% Filed by Category		% Filed by Type*	
78%	Employment	34.15%	Retaliation
10%	Housing	30.32%	Sex
12%	Public Accommodations	24.61%	Race
		27.81%	Disability
		18.68%	Age

*These percentages will not total 100 percent due to multiple basis and allegations.



JAMES AVERY

CHAIRMAN

STATE BOARD OF MEDIATION

The State Board of Mediation (SBM) is a quasi-judicial board created by the General Assembly in 1947. This five-member board is appointed by the governor. Two members are employers or selected from an association representing employers; two members hold membership in a bona fide trade or labor union; and the fifth member is a neutral party who serves as full-time chairman and administrator of the agency.

Article I Section 29 of the Missouri Constitution states “That employees shall have the right to organize and to bargain collectively through representatives of their own choosing.” In 2007, the Missouri Supreme Court overruled prior cases and held that the phrase “all employees” applies to public employees, as well as private-sector employees.

In 1965, the General Assembly enacted the Public Sector Labor Law §§ 105.500 to 105.530 of the Missouri Revised Statutes (RSMo). This law covers all public employees in Missouri except police, deputy sheriffs, Missouri Highway Patrol officers, Missouri National Guard members, and all teachers at Missouri schools, colleges, and universities.

The Public Sector Labor Law authorizes the SBM to determine appropriate bargaining units of public employees based on their community of interests. The SBM also conducts elections to determine whether a majority of the employees in a bargaining unit want to be represented by a petitioning labor organization.

In fiscal year (FY) 2011, there were 28 petitions filed with the SBM, and 13 representation elections conducted, affecting more than 804 employees. The SBM works to ensure that the election process it oversees is fair and equitable.

The SBM also is charged with assisting in the resolution of labor disputes in the public utility industry.

In fiscal year 2011, there were 28 petitions filed with the SBM, and 13 representation elections conducted, affecting more than 804 employees.

State Fiscal Year 2011

28 Petitions filed

35 Requests for Public Sector Labor Law assistance/information

Board Members

Emily Martin

Lewis Moye

Robert Miller

Leonard Toenjes

School Employees Vote for Representation



Podcast Released 5/20/11



STATE FISCAL YEAR 2011

Divisions	Appropriation
Director and Staff	\$5,775,503
Labor and Industrial Relations Commission	\$987,679
Division of Employment Security	\$37,078,120 *
Division of Labor Standards	\$2,827,246
Division of Workers' Compensation	\$9,031,363 **
Missouri Commission on Human Rights	\$1,550,042
State Board of Mediation	\$115,193
Total	\$57,365,146

* This amount excludes tax interceptions, claim payments, and federal interest payments.

** This amount excludes second injury and tort victims' claims payments and second injury refunds.



DEPARTMENT OF
LABOR
& INDUSTRIAL RELATIONS

Missouri Department of Labor and Industrial Relations
421 East Dunklin Street
P.O. Box 504
Jefferson City, MO 65102-0504

Telephone: 573-751-4091

Fax: 573-751-4135

Relay Missouri:

If calling from home or cell phone, dial 711.
All other callers should dial 800-735-2966.

www.labor.mo.gov