

HOUSE No. 3159

The Commonwealth of Massachusetts

PRESENTED BY:

Joseph F. Wagner

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to the recognition and registration of professional employer organizations operating in the Commonwealth of Massachusetts.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Joseph F. Wagner</i>	<i>8th Hampden</i>	<i>1/20/2017</i>
<i>Jeffrey N. Roy</i>	<i>10th Norfolk</i>	<i>2/2/2017</i>
<i>Jay R. Kaufman</i>	<i>15th Middlesex</i>	<i>1/27/2017</i>
<i>Kenneth I. Gordon</i>	<i>21st Middlesex</i>	

HOUSE No. 3159

By Mr. Wagner of Chicopee, a petition (accompanied by bill, House, No. 3159) of Joseph F. Wagner and others relative to the registration of professional employer organizations. Labor and Workforce Development.

The Commonwealth of Massachusetts

In the One Hundred and Ninetieth General Court
(2017-2018)

An Act relative to the recognition and registration of professional employer organizations operating in the Commonwealth of Massachusetts.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 149 of the General Laws, as appearing in the 2014 Official Edition,
2 is hereby amended by inserting after section 191 the following 13 sections:-

3 Section 192. The following words, as used in this section and in sections 193 through
4 204, inclusive, shall have the following meanings unless the context otherwise requires:

5 “Client”, a person who enters into a professional employer agreement with a professional
6 employer organization.

7 “Covered Employee”, an individual employed in a PEO relationship where the
8 individual’s PEO relationship is under a professional employer agreement . Individuals who are
9 officers, directors, shareholders, partners, and managers of the client will be covered employees,
10 except to the extent the professional employer organization and the client have expressly agreed
11 in the professional employer agreement that such individuals would not be covered employees,

provided such individuals meet the criteria of this paragraph and act as operational managers or perform day-to-day operational services for the client.

“Department”, the department of labor standards.

“Director”, the director of the department of labor standards.

“Employment Agency”, shall have the same meaning as defined in section 46A of chapter 140.

“PEO Group”, 2 or more professional employer organizations that are majority owned or commonly controlled by the same entity, parent, or controlling person or persons.

“Person”, any individual, partnership, corporation, limited liability company, association, or any other form of legally recognized entity.

“Professional Employer Agreement”, a written contract by and between a client and a professional employer organization that: (a) provides for the PEO relationship of covered employees; (b) allocates employer rights and obligations between the client and the professional employer organization with respect to the covered employees; (c) allocates the responsibilities between the professional employer organization and the client ; and (d) shall not affect, modify or amend any employee rights under federal, state, local or municipal law and in no way abrogate obligations of the client or the PEO to covered employees under such laws.

“Professional Employer Organization” or “PEO”, any person engaged in the business of providing professional employer services who is subject to registration and regulation pursuant to sections 192 through 204, inclusive regardless of its use of the term or conducting business as a professional employer organization staff leasing company, registered staff leasing company,

employee leasing company, administrative employer or any other name provided that the following shall not be deemed to be professional employer organizations or to be providing of professional employment services: (a) arrangements wherein a person, whose principal business activity is not entering into professional employer arrangements and which does not hold itself out as a PEO, shares employees with a commonly owned company within the meaning of section 414(b) and section 414(c) of the Internal Revenue Code of 1986, as amended; (b) Independent contractor arrangements as defined by Section 148 of this chapter; or (c) Services provided by an Employment Agency or Staffing Agency

“PEO Relationship”, a co-employment relationship, where all the rights, duties, and obligations of an employer which arise out of an employment relationship have been allocated between the PEO and the client pursuant to a professional employer agreement, provided however, that a staffing agency and an employment agency are not a PEO. In a PEO relationship: (a) the professional employer organization is entitled to enforce only such employer rights and is subject to only those obligations allocated in the professional employment agreement or as specifically required pursuant to sections 192 through 204, inclusive; (b) the client is entitled to enforce those rights, and obligated to provide and perform those employer obligations allocated to the client by the written professional employer agreement ; and (c) the client is entitled to enforce any right and obligated to perform any obligation of an employer not specifically allocated to the PEO or sections 192 through 204, inclusive.

“Professional Employer Services”, the service of entering into PEO relationships in which all or a majority of the employees providing services to a client or to a division or work unit of the client are covered employees.

“Registrant”, a PEO registered pursuant to section 196 of this chapter.

“Staffing Agency”, as defined by section 159C of this chapter.

“Wages”, as defined by section 148 of this chapter.

Section 193. (a) Nothing contained in sections 192 through 204, inclusive or in any professional employer agreement shall affect, modify or amend any collective bargaining agreement, or the rights or obligations of any client, PEO, or covered employee under the federal National Labor Relations Act, the Federal Railway Labor Act, chapter 150A or 150E of the General Laws, or any other applicable federal or state law.

(b) Collective bargaining, should it commence after an agreement is entered into between a PEO and a client, shall be conducted as required by federal and state law.

(c) Nothing in sections 192 through 204, inclusive or in any professional employer agreement shall:

(1) Diminish, abolish or remove rights of covered employees to a client or obligations of such client to a covered employee existing prior to the effective date of the professional employer agreement under federal or state law;

(2) Affect, modify, or amend any contractual relationship or restrictive covenant between a covered employee and any client in effect at the time a professional employer agreement becomes effective. Nor shall it prohibit or amend any contractual relationship or restrictive covenant that is entered into subsequently between a client and a covered employee. A PEO shall have no responsibility or liability in connection with, or arising out of, any such existing or new

contractual relationship or restrictive covenant unless the PEO has specifically agreed otherwise in writing; or

(3) Affect, modify or amend any employee rights under federal, state, local or municipal law.

Section 194. (a) Nothing contained in sections 192 through 204, inclusive or any professional employer agreement shall affect, modify or amend any federal, state, or local licensing, registration, or certification requirement applicable to any client or covered employee.

(b) A covered employee who must be licensed, registered, or certified according to law or regulation is deemed solely an employee of the client for purposes of any such license, registration, or certification requirement.

(c) A PEO shall not be deemed to engage in any occupation, trade, profession, or other activity that is subject to licensing, registration, or certification requirements, or is otherwise regulated by a government agency solely by entering into and maintaining a PEO relationship with a covered employee who is subject to such requirements or regulation.

(d) A client shall have the sole right of direction and control of the professional or licensed activities of covered employees and of the client's business. Covered employees and clients shall remain subject to regulation by the regulatory or governmental entity responsible for licensing, registration, or certification of such covered employees or clients.

Section 195.(a) For purposes of the determination of tax credits and other economic incentives provided by the commonwealth or other government entity and based on employment, covered employees shall be deemed solely the client's employees. A client shall be entitled to the

benefit of any tax credit, economic incentive, or other benefit arising as the result of the employment of covered employees of such client. Notwithstanding that the PEO is the W-2 reporting employer; the client shall continue to qualify for the benefit, incentive or credit. If the grant or amount of any benefit, incentive, or credit is based on number of employees, then each client shall be treated as employing only those covered employees involved in a PEO relationship by such client. Covered employees working for other clients of the PEO shall not be counted. Each PEO will provide, upon request by a client or by agency employment information reasonably required for administration of any tax credit or economic incentive and necessary to support any request, claim, application, or other action by a client seeking any tax credit or economic incentive.

(b) With respect to a bid, contract, purchase order, or agreement entered into with the commonwealth or a political subdivision thereof, a client company's status or certification under federal or state law as a small, minority-owned, disadvantaged, woman-owned business, or other underutilized class of enterprise shall not be affected because the client company has entered into a PEO relationship.

Section 196.(a) Except as otherwise provided in sections 192 through 204, inclusive, no person shall provide, advertise, or otherwise hold itself out as providing Professional Employer Services in the commonwealth, unless such person is registered pursuant to this section.

(b) Each applicant for registration shall provide the department with the following information:

(1) The name or names under which the PEO conducts business or will conduct business;

(2) The address of the principal place of business of the PEO and the address of each office it maintains it maintains in the commonwealth;

(3) The PEO's taxpayer or employer identification number;

(4) A list by jurisdiction of each name under which the PEO has operated in the preceding 5 years, including any alternative names, names of predecessors and, if known, successor business entities;

(5) A statement of ownership, which shall include the name and evidence of the business experience of any person that, individually or acting in concert with one or more other persons, owns or controls or will own or control if known or reasonably known at the time of registration, directly or indirectly, twenty-five percent or more of the equity interests of the PEO;

(6) A statement of management, which shall include the name and evidence of the business experience of any person who serves or will serve, if known or reasonably known at the time of registration, as president, chief executive officer, or otherwise has the authority to act as senior executive officer of the PEO; and

(7) A financial statement setting forth the financial condition of the PEO or PEO Group. At the time of application for a new license, as part of the financial statement, the applicant shall submit an audit of the applicant, which shall be the most recent audit available and shall not be older than 13 months. Nothing in this paragraph shall be construed as to require the department to conduct the audit. Thereafter, a PEO or PEO Group shall file on an annual basis, at the time of renewal, a succeeding audit. An applicant may apply for an extension with the department but any such request must be accompanied by a letter from the auditors stating the reasons for the delay and the anticipated audit completion date. The financial statement shall be prepared in

139 accordance with generally accepted accounting principles, and the audit shall be conducted by an
140 independent certified public accountant licensed to practice in the jurisdiction in which such
141 accountant is located, and shall be without qualification as to the going concern status of the
142 PEO. A PEO Group or a PEO that is part of an organizational structure where it is majority
143 owned or commonly controlled by an entity, parent or controlling person may submit combined
144 or consolidated audited financial statements to meet the requirements of this section. A PEO that
145 has not had sufficient operating history to have audited financials based upon at least 12 months
146 of operating history must meet the financial capacity requirements below and in subsections (l)
147 and (m) and must present financial statements reviewed by a certified public accountant; and

148 (8) A list of clients including client name, physical address, telephone number and federal
149 identification number.

150 (c) a PEO shall complete its initial registration prior to initiating operations within the
151 commonwealth. In the event a PEO that is not registered in the commonwealth becomes aware
152 that an existing client not based in the commonwealth has employees and operations in the
153 commonwealth, the PEO must either decline to provide PEO services for those employees or
154 notify the department within five business days of its knowledge of the fact and file a full
155 business registration if there are more than 15 covered employees. The department may issue an
156 interim operating permit for the period the registration applications are pending if (i) the PEO is
157 currently registered or licensed by another state and (ii) the department determines it to be in the
158 best interests of the potential covered employees.

159 (d) Upon expiration of its registration, the registrant shall renew its registration by
160 notifying the department of any changes in the information provided in the registrant's most

recent registration or renewal. A registrant's existing registration shall remain in effect during the pendency of a renewal application.

(e) PEOs in a PEO Group may satisfy the reporting and financial requirements established pursuant to this section on a combined or consolidated basis provided that each member of the PEO Group guarantees the financial capacity obligations under paragraph (7) of this section for each member of the PEO Group. In the case of a PEO Group that submits a combined or consolidated audited financial statement, including entities that are not PEOs or that are not in the PEO Group, the controlling entity of the PEO Group under the consolidated or combined statement must guarantee the obligations of the PEOs in the PEO Group.

(f) A PEO that is part of an organizational structure where it is majority owned or commonly controlled by an entity, parent or controlling person may submit a combined or consolidated audited financial statement provided the controlling entity under the consolidated or combined statement guarantees the obligations of the PEO.

(g) The department shall maintain a list of PEOs registered pursuant to this section that is readily available to the public by electronic or other means.

(h) The department may prescribe forms necessary to promote the efficient administration of this section.

(i) applications, documents, reports and other filings shall be submitted in a manner determined by the director, which may also include the acceptance of electronic filings and other assurance by an independent and qualified assurance organization approved by the director that provides satisfactory assurance of compliance acceptable to the director consistent with or in lieu of the requirements of subsections (b) through(g), inclusive, and subsection (k), and other

requirements of sections 192 through 204, inclusive or the regulations promulgated pursuant to those sections. The director shall permit a PEO to authorize such an approved assurance organization to act on the PEO's behalf in complying with the registration requirements pursuant to section 196, including electronic filings of information and payment of registration fees. Use of such an approved assurance organization shall be optional and not mandatory for a registrant. Nothing in this subsection shall limit or change the department's authority to register or terminate registration of a professional employer organization or to investigate or enforce any provision of this chapter.

(j) All records, reports, and other information obtained from a PEO for the purposes of section 197 t, except to the extent necessary for the department's proper administration of this chapter, shall be confidential and shall not be published or open to public inspection other than to public employees in the performance of their public duties or otherwise in accordance with federal or state law.

(k) The department shall determine by rule any fee to be charged for initial registration, renewal or group registration.

(l) Except as provided by subsection (e) and (f), each PEO or collectively each PEO Group shall maintain:

(1) positive working capital, as defined by generally accepted accounting principles, proof of which will be submitted at registration as reflected in the financial statements submitted to the department with the initial registration and each annual renewal; and

(2) Each PEO shall maintain a surety bond in the amount of \$250,000, proof of which will be submitted at the time of registration. The surety bond required shall be in a form

acceptable to the director and maintained while the license remains in effect or any obligations or liabilities of the registrant remain outstanding.

(m) A PEO or PEO Group that does not have positive working capital may provide a bond, irrevocable letter of credit, or securities with a minimum market value equaling the deficiency plus \$250,000. Such bond is to be held by a depository designated by the department, securing payment by the PEO of all taxes, wages, benefits or other entitlement due to or with respect to covered employees, if the PEO does not make such payments when due.

Section 197.(a) Except as specifically provided in sections 192 through 204, inclusive and in the professional employer agreement pursuant to this section , or under any subsequent written agreement or amendment, in each PEO relationship:

(1) The client shall be entitled to exercise all rights, and shall be obligated to perform all duties and responsibilities, otherwise applicable to an employer in an employment relationship; and;

(2) The PEO shall be entitled to exercise only those rights, and obligated to perform only those duties and responsibilities, specifically required pursuant to sections 192 through 204, inclusive t, or those set forth in the professional employer agreement. The rights, duties and obligations of the PEO with respect to any covered employee shall be limited to those arising pursuant to the professional employer agreement and those required pursuant to this chapter during the term of the PEO relationship with such covered employee.

(3) Unless otherwise expressly agreed by the PEO and the client in a professional employer agreement, the client retains the exclusive right to direct and control the covered employees as is necessary to conduct the client's business, to discharge any of the client's

227 fiduciary responsibilities, or to comply with any licensure requirements applicable to the client or
228 to the covered employees.

229 (b) Except as specifically provided in sections 192 through 204, inclusive, the PEO
230 relationship between the client and the PEO and between the PEO and each covered employee,
231 and the client and each covered employee shall be governed by the professional employer
232 agreement.

233 Each professional employer agreement shall include the following:

234 (1) The allocation of rights, duties, and obligations as described in subsection (a).

235 (2) The extent that the PEO has assumed responsibility in the professional employer
236 agreement; (i) where the PEO shall have responsibility to pay such wages to covered
237 employees; (ii) to withhold, collect, report and remit payroll-related and unemployment taxes;
238 and (iii) to make payments for employee benefits for covered employees.

239 (3) That the PEO shall have a right to hire and terminate a covered employee as may be
240 necessary to fulfill the PEO's responsibilities pursuant to sections 192 through 204, inclusive, the
241 professional employer agreement, or as actually delegated by the client. The client shall have a
242 right to hire, discipline, and terminate a covered employee.

243 (c) Upon initiation of the PEO relationship, the PEO shall provide and the client is
244 required to post a notice in a conspicuous place at the client's worksite and depending on the
245 customary way that the client communicates with its employees; either provide a hard copy or an
246 electronic copy of this notice that shall contain the following information:

247 (1) Notice of the general nature of the co-employment relationship between and among
248 the professional employer organization, the client and such covered employees, including the
249 rights, responsibilities and duties that the PEO and the client have with respect to the covered
250 employees;

251 (2) The name and telephone number of the department;

252 (3) The name and telephone number for the PEO;

253 (4) Disclosure if the benefit plan is self-funded or is not fully insured;

254 (5) the name of the workers' compensation carrier and the policy number; whether the
255 PEO or the client maintains the workers' compensation policy and performs safety inspections at
256 the workplace; and a phone number or contact to report injuries and hazardous worksite
257 conditions; and

258 (6) include a multilingual tagline on the notice provided by the department in languages
259 required under clause (iii) of subsection (d) of section 62A of chapter 151A that includes the
260 name and telephone number of the department and states that the notice contains important
261 information that should be translated.

262 (d) Upon termination, and in accordance with applicable federal law and General Laws,
263 the PEO shall provide covered employees with written notice of the termination of the PEO
264 relationship. The notice can be provided electronically.

265 (e) Except to the extent otherwise expressly provided by the applicable professional
266 employer agreement:

(1) A client shall be solely responsible for the quality, adequacy, or safety of the goods or service produced or sold in the client's business.

(2) A client shall be solely responsible for directing, supervising, training, and controlling the work of the covered employees with respect to the business activities of the client and solely responsible for the acts, errors, or omissions of the covered employees with regard to such activities

(3) A client shall be solely responsible for the payment of any wages to covered employees and to make payments for employee benefits for covered employees.

(4) A client shall be solely responsible for safety, risk and hazard control at the worksite and compliance with related state and federal laws.

(5) Upon termination of the PEO relationship, the client shall be solely responsible for providing employees with information regarding the handling of claims and benefits.

(6) A client shall not be liable for the acts, errors, or omissions of a PEO, or of any covered employee of the client and a PEO, when such covered employee is acting under the express direction and control of the PEO.

(7) A PEO shall not be liable for the acts, errors, or omissions of a client or of any covered employee of the client when such covered employee is acting under the express direction and control of the client.

(8) Nothing in this subsection shall serve to limit any contractual liability or obligation specifically provided in the written professional employer agreement.

(9) A covered employee is not, solely as the result of being a covered employee of a PEO, an employee of the PEO for purposes of general liability insurance, fidelity bonds, surety bonds, employer's liability which is not covered by workers' compensation, or liquor liability insurance carried by the PEO unless the covered employees are included by specific reference in the professional employer agreement and applicable prearranged employment contract, insurance contract or bond.

(10) Nothing in this section shall in any way limit the liabilities and obligations of any PEO or client to covered employees as required by this chapter.

(11) The client shall be solely responsible for notifying the PEO of all covered employees. Where the client has failed to notify the PEO, the client will be deemed to be the sole employer of the employee.

(12) The client shall retain all records in compliance with state and federal law, including, but not limited to section 52C of this chapter and section 15 of chapter 151.

Section 198.

(a) Any tax assessed or assessment or mandated expenditure on a per capita or per employee basis shall be assessed against the client for covered employees and against the PEO for its employees who are not covered employees involved in a PEO relationship with a client. Benefits or monetary consideration that meet the requirements of mandates imposed on a client and that are received by covered employees through the PEO either through payroll or through benefit plans sponsored by the PEO shall be credited against the client's obligation to fulfill such mandates

(b) In the case of a tax or an assessment imposed or calculated upon the basis of total payroll, the PEO shall be eligible to apply any small business allowance or exemption available to the client for the covered employees for purpose of computing the tax.

Section 199. (a) a client or a registered PEO shall each be deemed an employer under the laws of this state for purposes of sponsoring welfare benefit plans for its covered employees.

(b) A fully-insured welfare benefit plan as defined in 29 U.S. Code § 1002 offered to the covered employees of a single PEO shall be treated for purposes of state law as a single employer welfare benefit plan.

(c) For purposes of chapter 176J of the General Laws a PEO shall be considered the employer of all of its covered employees and all covered employees of one or more clients participating in a health benefit plan sponsored by a single PEO shall be considered employees of that PEO.

(d) If a PEO offers to its covered employees any health benefit plan which is not fully-insured by an authorized insurer, the plan shall:

(1) Utilize a third-party administrator licensed to do business in this commonwealth;

(2) Hold all plan assets, including participant contributions, in a trust account consistent with the requirements of section 403 of the Employee Retirement Income Security Act of 1974 or ERISA;

(3) Provide sound reserves for such plan as determined using generally accepted actuarial standards of practice and consistent with the prudence and loyalty standards of care for ERISA fiduciaries; and

(e) A PEO is not engaged in the sale of insurance or in acting as a third party administrator by offering, marketing, selling, administering or providing professional employer services which include services and employee benefit plans for covered employees.

Section 200. (a) Workers' compensation coverage shall be provided pursuant to section 14A of chapter 152 of the General Laws and regulations promulgated pursuant to said chapter 152.

(b) PEOs and clients shall comply with employer posting notices pursuant to sections 21, 22 and 30 of said chapter 152

(c) To the extent the PEO has assumed responsibility in the professional employer agreement; the PEO shall maintain responsibility for the management of workers' compensation claims.

(d) The PEO agreement shall specify the allocation of responsibilities between the PEO and the client for workplace safety, risk and hazard control including the responsibility for performing workplace safety inspections of all premises where covered employees are employed.

(e) Where the PEO has workers compensation coverage and has executed an alternate employer endorsement naming the client as an additional insured, both the client and the PEO shall be considered the employer for purpose of coverage under said chapter 152

(f) Where the client has workers compensation coverage and has executed an alternate employer endorsement naming the PEO as an additional insured, both the client and the PEO shall be considered the employer for the purpose of coverage under said chapter 152.

Section 201.(a) For purposes of chapter 151A of the General Laws, covered employees of a registered PEO are considered the employees of the client, and the PEO shall be responsible for the payment of contributions, penalties, and interest on wages paid by the PEO to its covered employees during the term of the applicable professional employer agreement.

(b) The PEO shall report and pay all required contributions to the unemployment compensation fund using the state employer account number and the experience rate of the client company pursuant to chapter 151A and the regulations promulgated pursuant to said chapter.

Section 202. Except as otherwise provided in this chapter, for the purposes of federal, state, or local laws relating to employee count, such as paid and unpaid leave, health and transportation benefits, and protection under fair employment laws, the employee count shall include all of the client company's employees, including the client's employees who are covered employees under the PEO relationship between the client and the PEO.

Section 203. (a) A person may not knowingly and intentionally:

(1) Offer or provide professional employer services or use the names PEO, professional employer organization, staff leasing, employee leasing, administrative employer, or other title representing professional employer services without registering with the department pursuant to section 197;

(2) Provide false or fraudulent information to the department in conjunction with any registration, renewal, or in any report required pursuant to sections 192 through 204, inclusive;

(3) Enter into a PEO relationship and split a client workforce for the sole purpose of avoiding compliance with federal, state or municipal laws; or

(4) Make a material misrepresentation to the department, to other governmental agencies or to covered employees.

(b) Disciplinary action may be taken by the department for violation of the provisions of this chapter including for:

(1) The conviction of a PEO or a controlling person of a PEO of a crime that relates to the operation of a PEO or the ability of the licensee or a controlling person of a licensee to operate a PEO;

(2) Knowingly making a material misrepresentation to the department, or other governmental agency; or

(3) A willful violation of this chapter or any order or regulation.

(c) Any individual may file a complaint with the department against a PEO, PEO group or client. The complaint shall be filed in writing, with the department, in a form prescribed by the director.

(1) Upon receipt of a complaint, the department will proceed to review and investigate the complaint to determine if further action is warranted.

(2) If the director, after investigation, has cause to believe that there have been violations of this chapter, the director may refer the complaint to the Office of the Attorney General. (d) Upon finding, after notice and opportunity for hearing, that a PEO, or a controlling person of a PEO, or a person offering PEO services has violated one or more provisions of this chapter including the failure to furnish records and requested information to the department and its

inspectors, or if a PEO, PEO group or client hinders or interferes with any authorized inspector while in the performance of their duties.

(e) Subject to any appeal, the director may:

(1) Deny an application for a license;

(2) Revoke, suspend, restrict, or refuse to renew a license;

(3) Impose an administrative penalty in an amount not to exceed \$1,000 for each material violation;

(4) Place the licensee on probation for the period and subject to conditions that the department specifies; or

(5) Issue a cease and desist order.

Section 204. Wages shall be paid in accordance with section 148 of this chapter and any minimum wage and overtime requirements as provided for in chapter 151 of the General Laws.

A PEO, who fails to pay wages, to the extent the PEO has assumed responsibility in the professional employer agreement or subsequent written agreement and as required under this chapter, shall be subject to penalties under this chapter.

SECTION 2. Each Professional Employment Organization as defined by section 192 of chapter 149 of the General Laws operating within the commonwealth as of the effective date of this act shall complete its initial registration not later than 180 days after the effective date of this act. Initial registration shall be valid for 1 year after the date of issuance.

409 SECTION 3. The Department of Labor Standards shall promulgate regulations to
410 effectuate the purposes of this act.