



ACCESSING SAFETY KNOWLEDGE (ASK) SHEET: *OSHA'S FINE INCREASE*

OSHA's maximum penalties, which were last adjusted in 1990, have increased by 78%. Going forward, the agency will continue to adjust its penalties for inflation each year based on the Consumer Price Index.

The new penalties took effect after August 1, 2016.

<i>Type of Violation</i>	<i>Previous Max. Penalty</i>	<i>New Max. Penalty</i>
Serious Other-Than-Serious Posting Requirements	\$7,000 per violation	\$12,471 per violation
Failure to Abate	\$7,000 per day beyond the abatement date	\$12,471 per day beyond the abatement date
Willful or Repeated	\$70,000 per violation	\$124,709 per violation

Future Increases

In addition to the catch-up adjustment this year, the bill allows OSHA to continue raising fines annually to keep pace with inflation. While most statute violation penalties have been inflated every four years, OSHA and a few other federal agencies were previously exempted from raising their fines under the Federal Civil Penalties Inflation Adjustment Act. Moving forward, businesses can expect to see these annual increases by no later than January 15 of each year. The goal of this new change is to keep the fines up-to-date as a relevant penalty.

What This Means for Businesses

For many businesses, the small OSHA fines of the past were simply a cost of doing business; compared to other costs and risks, companies simply did not see the penalties as financial deterrents. 2016's increased fees could have a significant impact on smaller businesses or businesses who have previously found it unimportant to implement a safety program. Safety experts hope that businesses will make worker safety and OSHA enforcement a priority. Others believe that the penalties are already high enough and that increases will not add any extra deterrence to safety violations.

Whatever your thoughts are on the outcome of the penalties, one thing is clear: they are almost 80% higher than before. If you haven't already, now is a great time for businesses to review their safety programs, update worker training and implement procedure updates to ensure standard enforcement with the help of the ASA-HC Safety Committee.

Provided by the ASA - Houston Chapter Safety Committee - February 2017

P.O. Box 924943 • Houston, Texas 77292 • ☎ 281.679.1877 • F 281.403.6302 • asahouston.org • asa@asahouston.org

American Subcontractors Association-Houston Chapter is a collective voice for a diverse membership committed to quality, safety, and ethics in construction. ASA-HC advocates for legislative reform and provides educational opportunities for the subcontracting community.