

# 2016 OSHA Fine Increases



For the first time in over 25 years, the Occupational Safety and Health Administration is about to increase monetary penalties for standards violations. What does this mean for your business?

## Initial Increase

The initial fine increase in 2016 can account for the previous 25 years of non-adjustment, and many experts are saying that could mean an increase of over 80%. However, the Act does give OSHA the discretion to increase penalties less than the maximum amount if the increase would have a negative effect on the economy or if the full increase would result in social costs that outweigh the benefits of the increase. OSHA will be required to publish the plan for the first inflation adjustment by July 1, 2016, with the fee adjustment to become effective by August 1, 2016.

## Potential 2016 Maximum Penalties

Violation Type	Current Maximum Penalty	2016 Maximum Penalty*
Other than Serious Violations	\$7,000	\$12,600
Serious Violation	\$7,000	\$12,600
Willful Violation	\$70,000	\$126,000
Repeat Violation	\$70,000	\$126,000

*\*assumes 80% catch-up adjustment*

# 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 on the outcome of the penalties, one thing is clear: they are coming, and they can be scary. Now is a great time for businesses to review their safety programs, update worker training and implement procedure updates to ensure standard enforcement.

Here are some ideas for how to prepare yourself for these fine increases:

- [Top OSHA Citations](#) - Do your workers experience any of the hazards associated with these top violations? Addressing these top citation areas can be a good first step in re-evaluating your safety program.
- [Outreach Training](#) - Do all of your workers carry a [10-hour card](#) (and your supervisors and managers a [30-hour card](#))? OSHA-Authorized Outreach training can be a great baseline to ensure workers have basic safety training topics covered.
- [Certificate Courses](#) - Are there topics and hazards you know are especially risky for your workers? Make sure to train (and re-train annually!) on these topics. Our certificate training courses, which result in an official Certificate Completion from an OSHA Training Institute Education Center, can be a great option to complete annual or biennial training efficiently and on a budget.

# Higher OSHA Fines in 2016

Written on January 12, 2016 at 9:31 AM, by [Danielle Thomas](#)

## Are OSHA Fines Considered a Cost of Doing Business?



In November of 2015 a provision was added to the budget bill signed by President Obama which will allow OSHA to raise penalty fines by up to 78%. This provision is directly tied to the rate of inflation, as the last penalty scale was tied to the consumer price index of 1990. Although this amendment has been approved, it is not yet clear what the federal agency will raise their fines to when the bill goes into effect on August 1st, 2016.

In 2015 OSHA found close to 600 cases in the United States with penalties of at least \$40,000 when combined equaled over \$54 million, according to its online database. Right now penalties that are considered “not serious” range from a few thousand dollars, while “willful” violations can be fined up to \$70,000. It is estimated that if OSHA raises their fines to the maximum amount allowed, these willful violations will cost up to \$125,000.

***This increase causes specific vulnerability to small and midsize employers in what are considered more dangerous workplaces such as; construction, manufacturing, mining, and oil & gas extraction. Looking back to 2014, the construction industry was responsible for 20% of all workplace fatalities (Bureau of Labor Statistics).***

There are mixed emotions regarding the potential raise of OSHA’s fines. It has been praised by safety and health advocates who feel workplace safety needs to be better addressed, while other individuals feel that it will have minimal impact. Their suggestion is that more emphasis should be placed on education and preventative measures rather than trying to “catch” violators.

Jordan Barab the OSHA deputy assistant secretary said in a written statement that “the agencies current penalties are clearly not strong enough to provide adequate incentives, and some employers see them as simply the ‘cost of doing business’ By increasing these fines it is hoped that the agency can influence more employers to take protective measures of their employees to ensure workplace safety.