

# HR Insights

Brought to you by the insurance professionals at  
**Better Business Planning, Inc.**

## FMLA Administration

### Outsourcing

The Family and Medical Leave Act (FMLA) is a federal law that allows eligible employees to take unpaid leave for a variety of personal circumstances. Due to the numerous regulations and complexities of the FMLA, administering FMLA leave can be a daunting task for many HR departments. In an effort to make FMLA administration more accurate and efficient, many employers have opted to outsource their leave programs to outside vendors.

#### Why Do Companies Outsource FMLA Administration?

Many small companies struggle to find the time and resources required to properly train staff on FMLA administration, and employers who deny eligible employees leave or violate FMLA requirements could face hefty fines and legal repercussions.

As a result, HR representatives will sometimes grant too much leave to employees out of fear that an eligible employee's leave request might accidentally be denied. While this practice might spare companies from finding themselves in serious legal trouble, it can also lead to staffing issues and decreased productivity.

#### How Does FMLA Outsourcing Work?

When leave programs are outsourced, the process of handling all of a company's FMLA-related workload is transferred to an outside FMLA administration vendor. FMLA administration vendors stay current on evolving regulations and changes to the federal law as well as individual state laws which may affect an employee's eligibility and leave rights. This greatly increases the likelihood that leave will be administered properly and in compliance with all

applicable rules and regulations. In addition, lifting the responsibility off of in-house HR departments can significantly reduce workloads, giving staff more time to devote to other necessary projects and tasks.

#### What Are the Disadvantages?

While FMLA outsourcing can make FMLA administration more accurate and efficient, there are a few drawbacks to consider. HR departments may need an initial adjustment period while they reshuffle their workload and delegate new tasks.

Employees might be displeased with needing to contact an outside resource rather than their company's HR department to make leave requests. In addition, decisions regarding leave requests may not happen as quickly as they do when employees are able to speak directly to an HR representative, even if the vendor is complying with FMLA deadlines. Any additional delay can cause frustration as employees attempt to plan for their personal circumstances.

#### Is FMLA Outsourcing Right for Your Company?

It is important to consider several factors in order to determine which FMLA administration option is best for your organization. Examine how efficiently your company's HR department currently handles FMLA administration.



BETTER BUSINESS PLANNING  
Better people | Better business

Are they able to keep track of FMLA regulations and stay up to date on changes to FMLA requirements? Are leave requests being over-granted due to a lack of understanding of FMLA regulations and employee eligibility requirements?

In addition, assess your HR department's current workload to determine whether FMLA administration is making it difficult to delegate or complete other tasks.

For more information on whether FMLA administration outsourcing is right for your company, contact your Better Business Planning, Inc. representative.