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As the U.S. Senate and U.S. House of Representatives return to session, a new survey from [The Workforce Institute](#) at [Kronos Incorporated](#) and Future Workplace reveals it can cost organizations as much as \$100,000 each time a federal, state, or even local labor-related regulation is created or changed.

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- o More than half of HR and payroll professionals (54 percent) surveyed say that, on average, it costs their organization \$40,000 to \$100,000 to prepare for each labor-related regulatory change.

§ This cost covers a wide range of activities that varies by organization, including, but not limited to, consulting with legal counsel to create new internal policies; training for HR and payroll employees; educating leaders and managers on the change; wide-ranging employee communications to ensure everyone understands the change, etc.

- o The cost of compliance keeps going up, too. More than two-thirds (68 percent) of those surveyed say compliance has become more expensive in just the last year, while three-quarters (74 percent) say it's more expensive than 2007, just a decade ago.

- o While larger organizations are more sophisticated at tracking expenses related to maintaining compliance, one out of every five organizations with fewer than 500 employees (20 percent) surveyed aren't sure how much the activity of remaining compliant costs annually.

- **Death, taxes, and regulatory change: Half of businesses say they aren't given enough time to get ready for new workplace rules.**

- o Regulatory changes can become law in as little as 60 to 90 days, but half (53 percent) of survey respondents say more time is needed to create and communicate new internal policy to employees.

- o More than a third of HR and payroll pros (40 percent) say 120 to 150 days is the preferred amount of prep time to get ready for recently passed legislation.

- o Smaller organizations may need even longer. Nearly a quarter (24 percent) of

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occasionally cut compliance-related corners.

- o A possible reason for this trend? In addition to an unsustainable pace of change, one out of every two respondents (56 percent) said their HR/payroll systems are outdated, making compliance a challenge despite their best efforts.
- o There's little relief on the horizon, either. Two out of every three respondents (64 percent) say they expect compliance to become even more complex under the current presidential administration.
- **Waiting for a lifeline: HR and payroll pros need more support to identify and implement critical compliance changes.**
- o There's no one-stop resource to keep up with regulatory changes. Well over half of respondents (59 percent) say they rely on their HR/payroll software vendor/provider to learn about changes, while many also depend on updates from national industry associations (39 percent), their internal legal counsel (37 percent), regional industry associations (35 percent), and legal publications (34 percent).
- o Virtually everyone surveyed (85 percent) says compliance is a guiding principal in their organization's HR and payroll operations, but just a quarter (27 percent) say it is discussed daily. Just under half (46 percent) of respondents say it's a weekly conversation, while one-fifth (20 percent) say it's only addressed monthly.
- o Organizations do recognize the value in training employees to better handle compliance. Nearly two-thirds (61 percent) of the respondents say their boss makes it simpler to obtain training, educational opportunities, and industry certifications to simplify compliance administration.

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