

EMPLOYEE TESTING AND BACKGROUND CHECKS

PRE-EMPLOYMENT TESTING

A Minnesota employer may require an applicant to take a pre-employment test (other than a physical exam or alcohol or drug test) so long as the test is not given for the purpose of discriminating against any member of any protected class. (Protected classes are discussed in the section of this on Human Rights.)

The test must measure only essential job-related abilities and must be required of all applicants for the same position, regardless of disability (except for tests authorized under the workers' compensation law). The test must accurately measure the applicant's aptitude, achievement level or other relevant factors and it may not reflect the applicant's impaired sensory, manual or speaking skills except when those skills are what are being legitimately tested.

Employers who employ at least 15 employees during each of 20 or more calendar weeks in the current or preceding calendar year also must comply with the federal Equal Employment Opportunity Commission (EEOC) guidelines for pre-employment tests. Under those guidelines, an employer may be required to prove that its test has no adverse impact on any member of any protected group. Employers who must comply with the EEOC guidelines are advised to seek the advice of counsel.

An employer conducting a pre-employment test should be able to demonstrate that the test truly measures essential job-related abilities. If a facially neutral test or other business practice has a statistically significant, disparate impact within a protected class, such as sex or race, an employer may need to show the practice is job related and, if so, that no comparable, effective practice exists which has a significantly lesser adverse impact. Unless the test is obviously job-related, such as a typing test for an applicant for a typing job, the employer may want to consult an expert to be sure the requirements of the law are met.

PRE-EMPLOYMENT PHYSICAL EXAMINATIONS

A Minnesota employer at their own cost, may require an applicant, as a condition of hire, to submit to a pre-employment physical examination, which may include a medical history, if the applicant has first received an offer of employment contingent only upon passing the physical exam; the exam tests only for essential job-related abilities; and the exam is required of all persons conditionally offered employment for the same position, regardless of disability (except for exams authorized under the workers' compensation law). The physical may include a drug and alcohol test if the requirements of the Minnesota drug testing statute are followed.

An employer may not refuse to employ an applicant due to physical inability to perform the job unless the applicant is unable to perform the essential requirements of the job. If it appears, pursuant to competent medical advice, that the applicant may not be able to perform the essential duties of the job, certain employers have an obligation to "reasonably accommodate" the applicant, unless the employer can demonstrate that the accommodation would impose undue hardship on the company. Reasonable accommodation means taking steps to accommodate the known physical or mental limitations of a qualified disabled person. The reasonable accommodation requirement applies to those employers with 15 or more employees. See the section of Small Business Assistance Office publication, *A Guide To Starting A Business In Minnesota* entitled "Issues for Employers – Human Rights."

EMPLOYEE DRUG TESTING

By statute, an employer may not require an employee or job applicant to undergo drug testing unless testing is done pursuant to a written drug testing policy that meets statutory criteria, and testing is conducted by an approved laboratory. The statute applies to both alcohol and drug testing.

An employer may not discipline, discharge, discriminate against or require rehabilitation of an employee on the basis of a positive test unless the test is verified by a confirmatory test. An employee or job applicant who is damaged by violation of the statute may bring a civil action against the employer or laboratory. An action for an injunction or equitable relief such as reinstatement with back pay also may be brought, and attorneys fees may be awarded.

Employers with at least one employee required to hold a commercial driver's license are urged to seek the advice of counsel regarding the potential applicability of federal regulations requiring drug testing.

POLYGRAPH TESTING

State and federal laws prohibit employers from using the results of a polygraph or lie detector test to take adverse employment action against an employee or prospective employee. The federal law requires employers to inform employees of their rights under the law by posting a notice available from the U.S. Department of Labor. The Minnesota law is enforced by the Department of Labor and Industry, and the federal law is enforced by the U.S. Department of Labor. In addition to enforcement actions brought by the government agencies, an employee who is injured by a violation of the law may bring a private civil action against the employer.

GENETIC TESTING

State law prohibits an employer or employment agency from, as a condition of employment, directly or indirectly administering a genetic test or requesting or requiring protected genetic information; that law also prohibits an employer or employment agency from affecting the terms or conditions of employment, or terminating the employment of any person, based on protected genetic information. Likewise, the state law provides that no person shall provide or interpret for any employer or employment agency protected genetic information on a current or prospective employee. Any person aggrieved by a violation of this law may bring a civil action and the court may award up to three times the actual damage suffered due to the violation, plus punitive damages, reasonable costs, attorneys' fees and injunctive or other equitable relief.

Similarly, the new federal Genetic Information Nondiscrimination Act provides protection against the misuse of genetic information by employers. Employers may not use genetic information when making employment decisions such as hiring, firing and promotion or any other terms of employment.

USE OF CONSUMER REPORTS FOR EMPLOYMENT PURPOSES

Employers who wish to obtain a consumer report for employment purposes should be aware of notice and consent requirements on employers who seek to obtain credit reports for use in

connection with the hiring or promotion process. (A consumer report is a report prepared by a consumer reporting agency bearing on a person's credit worthiness, credit standing, credit capacity, character, general reputation, personal character or mode of living that is used in connection with employment, or eligibility for credit or insurance). Prior to obtaining a report, an employer must fulfill notice and consent requirements. First, the employer must provide notices to the applicant, in "clear and conspicuous" language contained in a separate written disclosure form that discusses only the notice, that a report may be obtained for employment purposes. Second, the employer must obtain the applicant's written authorization to obtain the report. Third, the employer must certify to the reporting service that it has properly notified the applicant; that a copy of the report and summary of consumer rights will be provided to the applicant if any adverse action is taken based on the report; and that information from the report will not be used in violation of any applicable Federal or State equal employment opportunity law or regulation. Finally, before taking any adverse action based on information in the report, the employer must provide the applicant with a copy of the report and a summary of consumer rights.

Employers who obtain credit reports for job applicants, whether potential or current employees, should develop disclosure and consent documents. The Federal Trade Commission, which implements and enforces the Federal Fair Credit and Reporting Act for most industries, has issued sample notices which are available at <http://www.ftc.gov>.

Federal Trade Commission rules require all businesses that use consumer reports to properly dispose of sensitive information that they receive from the consumer reports. The affected businesses include lenders, insurers, employers, landlords, automobile dealers, and debt collectors. Proper disposal includes burning or shredding paper documents and destroying or erasing electronic media. The destruction can be outsourced if appropriate due diligence is conducted. For further information about the FTC's Disposal Rule, see <http://www.ftc.gov>.

TESTING RECORD KEEPING

The federal Age Discrimination in Employment Act requires retention for one year from date of personnel action of the results of employment and physical testing or examinations. Federal regulations on testing for the use of alcohol or controlled substances impose various record keeping requirements of from one to five years. Each year a comprehensive update of federal record retention requirements is published in the *Federal Register*. A business or government reference librarian can direct employers to the latest compilation.

BACKGROUND CHECKS

When hiring persons to perform certain jobs, employers are required by statute to perform a background check. For example, employers hiring security guards are required to check their backgrounds with the Minnesota Board of Criminal Apprehension; employers hiring certain counselors are required to check their references for evidence of sexual contact with patients or former patients. Also, other Minnesota laws require rental property owners to request background information from the Minnesota Bureau of Criminal Apprehension before hiring property managers. Likewise, employees, contractors and volunteers of a home health care provider or hospice are subject to background checks.

Employers in other instances may be interested in performing background checks of potential employees. Those employers are strongly urged to seek the advice of counsel before performing those background checks. That is for many reasons, including but not limited to avoid any claims of discriminatory use of background checks and to ensure compliance with the Americans with Disabilities Act, the Minnesota Human Rights Act, the Fair Credit Reporting Act and the Minnesota Access to Consumer Reports law.

Employers may not require an employee or prospective employee to pay for expenses incurred in criminal or background checks, credit checks or orientation, or to pay for the expense of training or testing that is required by federal or state law or is required by the employer for the employee to maintain the employee's current position, unless the training or testing is required to obtain or maintain a license, registration, or certification for the employee or prospective employee.