



Employment Update

Keeping You Informed About Employment Matters

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OSHA Updates Penalty Guidelines to Support Small Businesses

By Hilary Porter

On July 14, 2025, the U.S. Department of Labor announced significant updates to the penalty and debt collection procedures in the Occupational Safety and Health Administration's ("OSHA") Field Operations Manual. The new guidelines seek to minimize burdens on small businesses while also encouraging prompt hazard abatement.

When an employer receives an OSHA citation, the proposed penalties can potentially be reduced based on several factors including size of the business, good faith efforts, history of violations, and prompt hazard abatement.

Key Changes to Penalty Reductions

The new policy includes three major changes that expand eligibility for penalty reductions.

The first change is specifically tailored to small businesses. Previously, businesses with 10 or fewer employees were eligible for a penalty reduction of up to 70%. Under the new guidance, this reduction now applies to employers with up to 25 employees.

Secondly, a new 15% penalty reduction is now available to employers who take immediate corrective action to address identified hazards.

Lastly, under the new framework, employers who have never been inspected by federal OSHA or an OSHA State Plan are now eligible for a 20% penalty reduction—provided they have no history of serious, willful, repeat, or failure-to-abate violations. Previously, this reduction only applied to employers who had undergone an OSHA inspection within the past five years and had no violations.

Policy Objectives and Effective Date

According to OSHA, these changes are intended to better support the small businesses and entrepreneurs that drive the U.S. economy. By reducing financial penalties, OSHA hopes to make it easier for small businesses to allocate resources toward compliance, worker safety, and timely hazard abatement.

This updated policy is effective immediately. However, it applies only to penalties issued on or after July 14, 2025. Any penalties issued prior to this date will remain subject to the previous guidelines.

Action Steps for Employers

Small business owners should review these changes to ensure their OSHA compliance strategy is up to date, as the changes may significantly impact how penalties are calculated during an OSHA inspection.

Radey Law Firm continues to monitor developments. If you have any questions, please call Radey Law Firm at 850-425-6654.

This article is meant to provide a brief overview and points of discussion regarding employment and labor law topics. Should a particular issue arise or should you desire additional consultation to protect your firm, the advice of a competent counsel should be sought.