

1 Introduced by Committee on Commerce and Economic Development

2 Date:

3 Subject: Labor; workers' compensation; unemployment insurance;
4 independent contractors

5 Statement of purpose of bill as introduced: This bill proposes to amend the
6 definitions related to independent contractors in the workers' compensation
7 and unemployment insurance statutes.

8 An act relating to the classification of employees and independent
9 contractors

10 It is hereby enacted by the General Assembly of the State of Vermont:

11 Sec. 1. PURPOSE

12 By enacting this legislation, the General Assembly intends to improve
13 Vermont's economy, make the State more competitive, and maintain
14 protections for Vermont's workforce by updating the workers' compensation
15 and unemployment insurance laws to improve their clarity and coherence in
16 recognition of emerging business and employment trends. In particular, this
17 legislation is intended to:

18 (1) address decades of challenges in relation to the proper classification
19 of employees and independent contractors by establishing a consistent
20 definition for "independent contractor" that will provide clarity to Vermont

1 employers, employees, independent contractors, and the Department of Labor
2 in relation to the classification of employees and independent contractors;

3 (2) affirm that under Vermont’s workers’ compensation and
4 unemployment insurance laws, an individual who performs services for
5 compensation is presumed to be an employee unless the statute clearly
6 provides otherwise;

7 (3) reduce the frequency of misclassification of employees as
8 independent contractors, and the related harmful effects of misclassification to
9 individuals, businesses, and society;

10 (4) assist businesses in complying with the requirements for the proper
11 classification of employees and independent contractors;

12 (5) provide for the efficient and fair enforcement of Vermont’s workers’
13 compensation and unemployment insurance laws by the Department of Labor;

14 (6) honor and build on the more than 100-year evolution and
15 improvement of the grand bargain in Vermont’s workers’ compensation law
16 that provides employees with a prompt, no-fault remedy for workplace injuries
17 while limiting the potential liability of employers;

18 (7) ensure that Vermont’s workers’ compensation and unemployment
19 insurance systems reflect and support the unique character and spirit of
20 innovation that is inherent in Vermont’s workforce and economy; and

1 (8) embrace, strengthen, and build upon the emerging independent and
2 collaborative sectors of Vermont’s workforce and economy.

3 Sec. 2.

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5 Sec. X. EFFECTIVE DATE

6 This act shall take effect on July 1, 2017.

DRAFT