

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 support
13 Vermont's entrepreneurial spirit, adapt to emerging business and employment
14 trends, strengthen and grow Vermont's economy, make the State more
15 competitive and affordable, support business growth and development, and
16 maintain protections for Vermont's workforce. In particular, this legislation is
17 intended to update Vermont's workers' compensation and unemployment
18 insurance laws to make them more simple, clear, and comprehensible in
19 order to:

1 (1) ensure that Vermont’s workers’ compensation and unemployment
2 insurance systems reflect and support the unique character and spirit of
3 innovation that is inherent in Vermont’s entrepreneurs, businesses, workers,
4 and economy;

5 (2) embrace, strengthen, and build upon the emerging entrepreneurial,
6 independent, and collaborative sectors of Vermont’s workforce and economy;

7 (3) assist businesses, employees, independent contractors, and insurers
8 in complying with the requirements for the proper classification of employees
9 and independent contractors;

10 (4) reduce the frequency of misclassification and the related harmful
11 effects of misclassification to individuals, businesses, and society;

12 (5) facilitate the proper classification of employees and independent
13 contractors by establishing a common definition for “independent contractor”
14 and clarifying the presumption that an individual who performs services for
15 compensation is an employee;

16 (6) provide for the efficient and fair enforcement of Vermont’s workers’
17 compensation and unemployment insurance laws by the Department of
18 Labor; and

19 (7) build on the more than 100-year evolution and improvement of the
20 grand bargain in Vermont’s workers’ compensation law that provides

1 employees with a prompt, no-fault remedy for workplace injuries while
2 limiting the potential liability of employers.

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5 Sec. X. EFFECTIVE DATE

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

DRAFT