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**Act No. 85 (S.108). Labor; workers' compensation; unemployment insurance; employee misclassification**

**An act relating to employee misclassification**

This act allows the Commissioner of Labor to refer complaints of willful, substantial, or systemic employee misclassification related to workers' compensation, unemployment insurance, and the wage and hour laws to the Attorney General, whom the act grants the same powers to investigate and enforce those complaints as the Attorney General has with respect to unfair acts in commerce. This bill also provides for coordination and information sharing between the Attorney General and the Departments of Financial Regulation, of Labor, and of Taxes. In addition, this act requires the Attorney General and the Department of Labor to enter into a memorandum of understanding relating to the referral and enforcement of complaints of employee misclassification with each other and to enter into memoranda of understanding with the Departments of Financial Regulation and of Taxes regarding the sharing of information related to employee misclassification. The act also codifies the Employee Misclassification Task Force, which is charged with coordinating State efforts to address employee misclassification.

In addition to the provisions related to employee misclassification, the act provides for the following:

- a report on State employee workers' compensation claims related to PTSD and stress-related mental conditions;
- allows individuals receiving workers' compensation benefits to elect to receive funds by direct deposit;
- requires notice of the unemployment insurance law posted in workplaces to include information about rights under the Domestic and Sexual Violence Survivor's Transitional Employment Program;
- suspends the Short-Time Compensation Program until the General Assembly or Joint Fiscal Committee determines that the program is the most effective means of helping employers avoid layoffs;
- reenacts the Self-Employment Assistance Program, which provides unemployment benefits for self-employment activities for certain individuals who are eligible for unemployment benefits; and

- requires the Department of Labor to prepare a report on potential approaches to mitigate the adverse impact of a single layoff on a small employer's unemployment insurance experience rating.

Multiple effective dates, beginning February 20, 2020