

**Employee Exemptions in Vermont's
Workers' Compensation and Unemployment Laws**

Exemptions from Definition of Employee in Vermont's Workers' Compensation Law

1. Casual employment
2. Amateur sports
3. Agriculture or farm employment for an employer whose aggregate payroll is less than \$10,000.00 in a calendar year
4. Family member of employer who lives in the employer's house
5. Any type of service in or about a private dwelling
6. Sole proprietor or partner owners of an unincorporated business¹
7. Real estate broker or salesperson²
8. Officers, members, or managers of a corporation or LLC³

¹ Individual must satisfy all of the following: (1) perform work that is distinct and separate from the person they contract with; (2) control means and manner of work performed; (3) hold themselves out as in business for themselves; (4) be available to perform work for general public and not work for just one person; (5) not be treated as an employee for purposes of income/employment taxation; and (6) perform services pursuant to a written contract meeting certain requirements.

² Individual must be licensed to broker/sell real estate; must be compensated on a commission basis and not by time/hourly wage; must perform services pursuant to a written contract; and must not be treated as employee for purposes of income/employment taxation.

³ Corporation or LLC may elect to exclude up to four officers, members, or managers from workers' compensation coverage with the approval of the Commissioner.

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Exemptions from Definition of Employment for Vermont's Unemployment Law

1. Agricultural employment if the employer paid less than \$20,000.00 to individuals performing agricultural labor and **did not** employ 10 or more individuals for a portion of a day in each of 20 different calendar weeks.
2. Domestic service in a private home for a person who paid less than \$1,000 to individuals employed in domestic service during each calendar quarter in the current and preceding calendar year.
3. Service that is not in the course of the employer's trade/business, unless the employer paid \$50.00 or more for the service and the individual is regularly employed to perform the service.
4. Service performed in the employ of a son, daughter, or spouse, or by a minor for their parent.
5. U.S. Government employment.
6. Service performed for the State or a municipality as:
 - a. An elected official;
 - b. A member of a legislative body;
 - c. A member of the judiciary;
 - d. A member of the National Guard;
 - e. A temporary employee in case of fire, storm, snow, earthquake, flood, or similar emergency; or
 - f. A policymaking or advisory position that does not require more than eight hours of work per week.
7. Service performed:
 - a. In the employ of a religious organization;
 - b. By an ordained minister or member of a religious order in the exercise of their religious duties;
 - c. As part of a work relief or work training program; or
 - d. By an inmate in a custodial or penal institution.
8. Service for which federal unemployment compensation is provided.
9. Service for which unemployment compensation is provided under the federal Railroad Unemployment Insurance Act.
10. Service as an officer or crewmember on an American vessel that operates out of another state.
11. Service performed on a foreign vessel, provided the individual performs the services both in and outside the United States.
12. Service performed on a fishing vessel, except if the service is related to commercial fishing for salmon or halibut and performed on a vessel of more than 10 net tons.

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13. Service performed for a nonprofit organization if the remuneration for the service is less than \$50.00.
14. Service performed by a student in the employment of their school, college, or university, and in some cases by the student's spouse if their employment is provided as a form of student financial assistance.
15. Service performed by a student under 22 years of age as a work-experience component of their academic program.
16. Service performed for a hospital by a patient of the hospital.
17. Service as an insurance agent or solicitor that is paid on a commission basis.
18. Service as a salesperson, agent, or solicitor if the individual is required to be registered or licensed, performs the work as an independent contractor, and is paid on commission.
19. Service performed by an individual harvesting timber, transporting timber, or working as a stone artisan if the individual:
 - a. Is free from direction or control over the performance of the services;
 - b. Is customarily engaged in an independent trade, occupation, profession, or business; and
 - c. Furnishes substantially all of the equipment, tools, and supplies necessary to meet their contractual obligations.
20. Service performed for less than 13 weeks by a full-time student for a camp if:
 - a. Camp did not operate for more than seven months in the calendar year; or
 - b. Had average gross receipts for six months of preceding calendar year that were not more than 1/3 of gross receipts for other six months.
21. Services performed by a direct seller if:
 - a. Individual is engaged in direct sale of products outside of a permanent retail establishment;
 - b. Substantially all of the individual's remuneration is directly related to sales or other output, rather than hours worked; and
 - c. Services are performed pursuant to a written contract that provides that individual will not be treated as an employee for tax purposes.