

Independent Contractor Protections Ordinance Fact Sheet

Translated version of this document is available upon request at: (206) 256-5297.

Seattle's Independent Contractor Protections Ordinance requires covered Hiring Entities to provide Independent Contractors with disclosures prior to entering a contract <u>and</u> at the time of payment. Independent Contractors must be paid on or before the date compensation is due under the terms of a contract, the terms of the pre-contract disclosure, or within 30 days. This law will go into effect on **September 1, 2022**.



Coverage

Which workers are covered by this law?

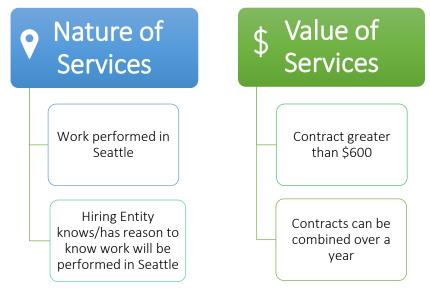
An Independent Contractor is a self-employed person that is hired by a Hiring Entity to provide services in exchange for compensation. This law applies to all Independent Contractors with a few exceptions¹ listed below.

Which companies are covered by this law?

This law applies to Hiring Entities regularly engaged in business or commercial activity, including not-for-profit businesses.

Which contracts are covered by this law?

This law covers contracts based on their nature of services and value of services.



¹ Independent Contractors not covered by this law are lawyers, situations where an Independent Contractor's relationship with a Hiring Entity is limited to a property rental agreement (e.g., hair stylist renting booth at a salon), and other Independent Contractors as defined by the Office of Labor Standards Director's rule. The rule-making process is anticipated to happen in early/mid-2022. Sign up for <u>OLS Newsletter</u> or check OLS website for updates at: <u>www.seattle.gov/laborstandards</u>.

Seattle Office of Labor Standards

This document provides an explanation of the law. <u>Note</u>: Information provided by the Office of Labor Standards does not serve as legal advice, create an agency decision, or establish attorney-client privilege with the reader. This should not be used as a substitute for laws and regulations.



Requirements

Timely Payment Requirements

Hiring Entities must provide "timely payment" to the Independent Contractor under:

- 1) the terms of the contract;
- 2) the terms of the pre-contract disclosure; or
- 3) within 30 days.

Disclosure Requirements

Hiring Entities must provide the following Pre-contract and Time of Payment disclosures to all covered Independent Contractors *except* Transportation Network Company drivers (e.g. Uber and Lyft drivers). In the coming months, OLS will release templates that Hiring Entities can use to provide this information—check our <u>website here</u> for updates.

Pay basis

1. Pre-contract Disclosure Requirements

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Tips and/or service charge

Expenses of job and which are

reimbursed by Hiring Entity

Deductions, fees, or charges

distribution policy

Payment schedule

- Date
 Independent Contractor name
- Hiring Entity name + contact information
- Description of work
- Location of work
- Rate or rates of pay

2. Time of Payment Disclosure Requirements

- Independent Contractor name
- Hiring Entity name
- Description of services covered by payment
- Location of services covered by payment
- Rate or rates of pay

- Tips, compensation and/or service charge distributions
 Pay basis
- Expenses reimbursed by Hiring Entity
- Gross payment
- Deductions
- Net payment after deductions

SEATTLE OFFICE OF LABOR STANDARDS

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Our Services

Investigation of complaints Outreach to workers Technical assistance for business Resources and referrals

Language interpretation and translation available. Accommodations for persons with disabilities are provided. Services are free.

More Information

Call: (206) 256-5297 Email: <u>laborstandards@seattle.gov</u> Visit: <u>seattle.gov/laborstandards</u>

Resources

Date

For ongoing updates, visit our website or sign up for our newsletter at: www.seattle.gov/laborstandards.

Read more about the Independent Contractor Protections Ordinance, here: http://www.seattle.gov/laborstandards/ordinances/independent-contractor-protections-

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