## THE GENERAL ASSEMBLY OF PENNSYLVANIA

## **HOUSE BILL**

No. 1781 Session of 2017

INTRODUCED BY F. KELLER, COX, GROVE, McGINNIS AND MILNE, SEPTEMBER 12, 2017

REFERRED TO COMMITTEE ON LABOR AND INDUSTRY, SEPTEMBER 12, 2017

## AN ACT

Amending the act of June 2, 1915 (P.L.736, No.338), entitled "An act defining the liability of an employer to pay damages for injuries received by an employe in the course of employment; 3 establishing an elective schedule of compensation; providing 4 procedure for the determination of liability and compensation 5 thereunder; and prescribing penalties," in liability and 6 compensation, providing for registration of status as independent contractor. 8 9 The General Assembly of the Commonwealth of Pennsylvania 10 hereby enacts as follows: 11 Section 1. The act of June 2, 1915 (P.L.736, No.338), known as the Workers' Compensation Act, is amended by adding a section 12 1.3 to read: 14 Section 304.3. (a) Notwithstanding any other provision of 15 law, a person may file a registration with the department regarding the status of an individual who is classified for 16 Federal income tax purposes as an independent contractor of the 17 18 person. 19 (b) A registration under this section shall include the 20 following: 21 (1) A written waiver by the individual of all benefits under

- 1 this act from the person.
- 2 (2) An affidavit by the individual specifying that the
- 3 <u>individual understands that the individual:</u>
- 4 (i) is not an employe of the person;
- 5 (ii) is not entitled to benefits under this act from the
- 6 person; and
- 7 (iii) may purchase workers' compensation insurance under
- 8 this act.
- 9 (c) The waiver and affidavit under subsection (b) shall be
- 10 made upon forms prescribed by the department.
- 11 (d) A person who registers an individual as an independent
- 12 <u>contractor under this section:</u>
- 13 (1) shall not be liable to the individual for benefits under
- 14 this act; and
- 15 (2) shall not be required to provide insurance coverage or
- 16 <u>self-insure under this act regarding the individual.</u>
- 17 (e) A registration regarding an individual as an independent
- 18 contractor shall be valid for each future year, except that the
- 19 <u>individual may request that the registration be revoked at any</u>
- 20 time. The following apply:
- 21 (1) The request for revocation shall be on a form prescribed
- 22 by the department.
- 23 (2) The individual shall file the request for revocation
- 24 with the department and provide notice by certified mail of the
- 25 filing of the request with the person who filed the
- 26 registration.
- 27 (3) The department shall confirm receipt of the request for
- 28 revocation with the individual and the person.
- 29 <u>(4) The revocation shall be effective ten days after the</u>
- 30 receipt of the request by the department.

- 1 (f) A person may not offer or provide an incentive,
- 2 pecuniary or otherwise, for an individual to:
- 3 (1) complete the waiver and affidavit under subsection (b);
- 4 or
- 5 (2) refrain from filing a request for revocation under
- 6 subsection (e).
- 7 (g) A person violating subsection (f) shall be subject to
- 8 the penalties under section 305.
- 9 (h) As used in this section:
- 10 (1) "Independent contractor" includes an individual who
- 11 performs services for a person for valuable consideration but
- 12 who is not classified as an employe of the person for Federal
- 13 <u>income tax purposes.</u>
- 14 (2) "Person" includes a corporation, partnership, limited
- 15 liability company, business trust, other association, government
- 16 entity other than the Commonwealth, estate, trust, foundation or
- 17 individual.
- 18 Section 2. This act shall take effect in 60 days.