

SENATE BILL REPORT

SB 6276

As of February 2, 2020

Title: An act relating to the payment of wages to freelance workers.

Brief Description: Concerning the payment of wages to freelance workers.

Sponsors: Senators Keiser, Hasegawa and Nguyen.

Brief History:

Committee Activity: Labor & Commerce: 2/04/20.

Brief Summary of Bill

- Adds freelancers to the minimum wage provisions of the Minimum Wage Act.
- Allows freelancers to file wage complaints with the Department of Labor and Industries.
- Requires an employer to furnish an itemized statement of pay to a freelancer it employs.

SENATE COMMITTEE ON LABOR & COMMERCE

Staff: Jarrett Sacks (786-7448)

Background: Minimum Wage and Wage Payment Acts. The Minimum Wage Act establishes state minimum wage, overtime, and paid sick leave requirements. Employers covered under the Minimum Wage Act must pay employees age 18 or older at least the state minimum hourly wage. The Minimum Wage Act also requires employers to keep payroll and other records with respect to every employee they employ.

The Wage Payment Act, and other laws establish standards for the payment of wages. Generally, it is unlawful for an employer to withhold an employee's wages or to willfully pay an employee less than the employer is required to pay. If the employer fails to pay an employee wages owed, the employee may file a wage complaint with the Department of Labor and Industries (L&I) or bring a civil action in court.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Employer-Employee Relationship. Generally, employment standards and benefits apply only if an employer-employee relationship exists, rather than an independent contractor relationship. Various multipart tests are used to determine whether an individual is an independent contractor. For the purposes of the Minimum Wage Act, a common law economic realities test applies, which examines whether the worker is dependent on the hiring party or is in business for themselves.

Summary of Bill: Freelancers are added to the minimum wage provisions of the Minimum Wage Act. An employer must pay a freelancer it employs the state minimum wage. An employer is also required to keep the same payroll records for a freelancer that it is required to keep for an employee.

Every employer that hires a freelancer must furnish to the freelancer an itemized statement showing the pay basis in hours or days worked, the rate of pay, and all deductions made from the pay. Employers that hire freelance performers pursuant to a collective bargaining agreement that establishes a pay scale are exempt from the itemized statement of pay requirement and the payroll recordkeeping requirement. Freelancers are also added to the Wage Payment Act and are authorized to file a wage complaint with L&I.

A freelancer is any natural person, or organization composed of no more than one natural person, that is hired by an employer as an independent contractor to provide services in exchange for compensation. The definition of freelancer does not include any person currently excluded from the definition of employee under the Minimum Wage Act.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.