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1	H.425
2	Introduced by Representative Leriche of Hardwick
3	Referred to Committee on
4	Date:
5	Subject: Labor; workers' compensation; independent contractor
6	Statement of purpose: This bill proposes to establish a common definition of
7	an "independent contractor" for the workers' compensation statutes.
8	An act relating to independent contractors
9	It is hereby enacted by the General Assembly of the State of Vermont:
10	Sec. 1. 21 V.S.A. § 601 is amended to read:
11	§ 601. DEFINITIONS
12	Unless the context otherwise requires, words and phrases used in this
13	chapter shall be construed as follows:
14	***

(14) "Worker" and "employee" means an individual who has entered

into the employment of, or works under contract of service or apprenticeship

with, an employer. Any reference to a worker who has died as the result of a

reference to a worker who is a minor or incompetent shall include a reference

work injury shall include a reference to the worker's dependents, and any

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1	to the minor's committee, guardian, or next friend. The term "worker" or
2	"employee" does not include:
3	* * *
4	(I) An independent contractor if it can be demonstrated that the
5	independent contractor meets all of the following conditions:
6	(i) Maintains a separate business with a separate office,
7	equipment, materials, or other facilities and has continuing recurring business
8	<u>liabilities or obligations.</u>
9	(ii) Holds or has applied for a federal employer identification
10	number with the Internal Revenue Service or has filed business or
11	self-employment income tax returns with the federal Internal Revenue Service
12	based on work or service performed in the previous year.
13	(iii) Operates under a written contract that specifies that the
14	independent contractor complies with all of the following:
15	(I) Will perform specific services or work for specific amounts
16	of money, and the independent contractor controls the means of performing the
17	services or work.
18	(II) Incurs the main expenses related to the service or work that
19	the independent contractor performs under contract.

1	(III) Is responsible for the satisfactory completion of work or
2	services that he or she contracts to perform and is liable for a failure to
3	complete the work or service.
4	(IV) Receives compensation for work or service performed
5	under a written contract on a commission or per-job competitive bid basis and
6	not on any other basis.
7	(V) May realize a profit or suffer a loss under contracts to
8	perform work or service.
9	(iv) Voluntarily elected the status of independent contractor.
10	(v) Coercing an individual to sign a statement of independent
11	contractor status or to obtain other documents of such status is false
12	representation and is subject to the penalties found in section 708 of this title.
13	* * *