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LEGISLATIVE ACTION ALERT

Employee misclassification is a widespread problem in Pennsylvania

House of Representatives Session of 2019 - 2020 Regular Session MEMORANDUM

Posted: February 6, 2019 09:45 AM **From:** Representative John T. Galloway

To: All House members

Subject: Contract Specifications for Independent Construction Contractors

Employee misclassification is a widespread problem in Pennsylvania. This practice is particularly prevalent in the construction industry, where contractors and subcontractors may seek to cut the costs associated with having "employees" by classifying those employees as "independent contractors." This allows bad actors to get business that would have otherwise gone to law-abiding employers. Additionally, misclassified workers receive less protection under the law and miss out on the pay and benefits that they have earned.

This bill addresses misclassification in the construction industry by further specifying that a worker would only be considered an independent contractor if the written contract is project-specific and time-specific. This change will make it harder for unethical employers to skirt the law.

Misclassification hurts all workers and ethical businesses in Pennsylvania. It's time to fix this problem. Let's pass these reforms and create a level playing field for workers and businesses in Pennsylvania.

This legislation is part of a package of bills that addresses employee misclassification in Pennsylvania.

(Prior **HB-2441**)
<u>View Attachment</u>

Introduced as HB715

House of Representatives Session of 2019 - 2020 Regular Session MEMORANDUM **Posted:** February 6, 2019 09:43 AM **From:** Representative John T. Galloway

To: All House members

Subject: Joint Task Force on Employee Misclassification

Unethical employers often misclassify employees as independent contractors in order to save money. This practice robs workers of the pay and benefits that they have earned. It also creates an uneven playing field for law-abiding businesses. Misclassification is currently illegal, but we cannot effectively curb the practice based on existing laws.

This bill will address the issue by creating a joint agency task force on employee misclassification. The task force will investigate the practice and develop and implement a comprehensive plan to reduce misclassification in Pennsylvania. With this task force in place, we will be able to properly identify the scope of the problem and create a plan to solve it.

Employee misclassification is nothing less than theft from our families, friends, neighbors, and coworkers. It's time to end this practice and hold the bad actors responsible for their actions. Let's pass these reforms and create a level playing field for workers and businesses in Pennsylvania.

This legislation is part of a package of bills that addresses employee misclassification in Pennsylvania.

(Prior: **HB-2440**)
View Attachment

Introduced as HB716

House of Representatives Session of 2019 - 2020 Regular Session MEMORANDUM

Posted: February 5, 2019 10:19 AM **From:** Representative Gerald J. Mullery

To: All House members

Subject: Increasing Penalties for Misclassifying Workers

Imagine getting injured on the job, filing for workers' compensation benefits, and then finding out that you can't collect because your employer wrongfully classified you as an independent contractor. Unfortunately, many of our hardworking friends, family members, and coworkers in Pennsylvania have faced this reality. Far too often, employers misclassify employees as independent contractors to save a few bucks at the expense of their workers.

Misclassification is a serious problem that robs employees of their rights and gives dishonest employers an advantage over employers that play by the rules. My bill addresses this issue by increasing the penalties for misclassifying employees to a level that will effectively deter employers from doing so.

Misclassification is an injustice against workers and law-abiding employers alike. Several surrounding states have made it a priority to address misclassification and it is time we do the same in Pennsylvania. Please stand up for workers and ethical businesses by supporting this legislation.

This legislation is part of a package of bills that addresses employee misclassification in Pennsylvania.

Introduced as HB717

House of Representatives Session of 2019 - 2020 Regular Session MEMORANDUM

Posted: February 4, 2019 10:39 AM From: Representative Pam Snyder

To: All House members

Subject: Responding to Misclassification Complaints

All employees receive specific protections under the law. However, when employees are intentionally misclassified as independent contractors, they are robbed of their hard-won rights. The employer may save a few bucks, but this practice hurts law-abiding businesses and workers that are simply trying to earn an honest day's pay, support their families, and better their communities.

This bill addresses misclassification by requiring the Department of Labor and Industry to confirm the receipt of misclassification complaints within 15 days. Responsiveness and open communication are hallmarks of good government, and these changes will encourage people to come forward and ensure that the Department is properly enforcing the law.

In the legislature, we are always looking at ways to help Pennsylvanians secure stable, well-paying, family-sustaining jobs. Addressing worker misclassification is vital to achieving that mission. Help me support Pennsylvania's workers and law-abiding employers by supporting this bill.

This legislation is part of a package of bills that addresses employee misclassification in Pennsylvania.

Introduced as HB718

