

e-Alert

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Seattle Creates New Requirements for Hiring Independent Contractors

Background

Effective September 1, 2022, Seattle, Washington, will enact guidelines for hiring independent contractors.

Summary

An independent contractor is defined as one who is engaged to perform services for an agreed-upon compensation.

Covered Independent Contractors

- An applicable independent contractor is one who will be earning at least \$600 within the calendar year.

Pre-Contract Disclosures

Under this ordinance, the independent contractor and business must agree on the following in writing:

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- Current date,
- Name of the independent contractor and hiring entity,
- Contact information for the hiring entity,
- Description of the work, including location of the work and regular place of business of the independent contractor or hiring entity,
- Rate, basis of pay, and related information,
- Typical expenses incurred during work and which expenses will be paid or reimbursed by the business, if applicable,
- Deductions, fees, or other charges that the business may subtract from payment and accompanying policies for each type of charge, if applicable; and
- Payment schedule.

Notice of Rights to Independent Contractors

The business must provide the independent contractor with a full list of their rights in English or in the contractor's primary language. The independent contractor's rights are as follows:

- Right to pre-contract disclosures, timely payment, and payment disclosures,
- Right to be protected from retaliation for a good-faith exercise of protected rights, and
- Right to file a complaint with the Office of Labor Standards or a civil action for alleged violations.

Timely Payment and Payment Disclosures

- An independent contractor must be paid on time.
- Final payment is due in full 30 days after the final service has been provided.

Recordkeeping

- The hiring entity must keep records for all independent contractors and their contracts for three years.

Retaliation and Enforcement

- Violation of the ordinance will result in civil penalties that can include, but are not limited to, a penalty of up to \$5,565.10 as well as attorney fees, costs, unpaid compensation (including interest), and liquidated damages up to two times the unpaid compensation.
- Violations must be reported to the [Seattle Office of Labor Standards](#)

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Employer Next Steps

- Employers should review HRK's [Compliance Overview: Independent Contractors](#) if they plan to work with independent contractors.
- If you are a Full-Service or Virtual HR client and would like our assistance with updating your policy please [email us](#).
- If you have further questions regarding this e-Alert, please [email us](#).

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