

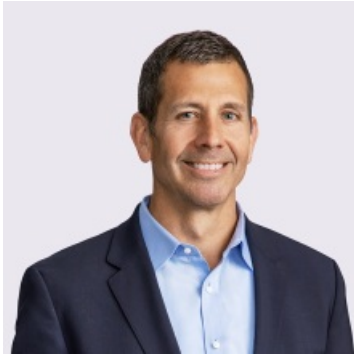
Legal Update Article

Seattle Independent Contractor Protections Ordinance

By Peter H. Nohle &

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In a growing trend of increasing workplace protections for independent contractors, the Seattle City Council has passed the “Independent Contractor Protections Ordinance,” aimed at increasing pay transparency for the ever-growing gig workforce. The Ordinance goes into effect September 1, 2022.

Businesses Covered

The Ordinance ([SMC 14.34](#)) broadly applies to “hiring entities,” which generally includes any person or entity that hires an independent contractor.

The city’s [FAQs](#) describe the law as applying to any hiring entities “regularly engaged in business or commercial activity,” including non-profits.

Workers Covered

“Independent contractor” is defined as “a person or entity composed of no more than one person, regardless of corporate form or method of organizing the person’s business that is hired by a hiring entity as a self-employed person or entity to provide services in exchange for compensation.”

However, the Ordinance excludes:

- Lawyers;
- Workers whose relationship with the hiring entity is limited to a property rental agreement (such as a hair stylist who rents a booth at a salon); and
- Any other class of independent contractors that the Director of the Office of Labor Standards excludes through forthcoming rules.

Business Obligations

The Ordinance requires covered “hiring entities” to provide independent contractors with certain pre-contract disclosures or “the proposed terms and conditions of work.” These include:

- Date;
- Names of parties and contact information of the business;
- Description and location of the work;
- Compensation structure (*e.g.*, pay rate, pay basis, tips/service charge distribution policy, reimbursements, deductions, fees, and charges); and
- Pay schedule.

At the time of payment, required disclosures include many of the above items, as well as gross payment, specific deductions, and net payment after deductions.

Additionally, hiring entities must provide timely payment as required by the terms of a contract, the terms of the pre-contract disclosure, or within 30 days of contract performance.

Jackson Lewis attorneys are closely monitoring updates and changes to legal requirements and guidance and are available to help employers weed through the complexities.

If you have questions or need assistance, please reach out to the Jackson Lewis attorney with whom you regularly work.

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