

Are Portable Benefits One Step Closer To Reality?

Insights

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According to a great article by Tyrone Richardson in Bloomberg BNA, it appears that the concept of portable benefits for gig workers is a step closer to reality. Richardson reports that Congress is “seeking ways to fill the void of benefits offered to traditional employees,” especially given that sharing economy companies are often hesitant to offer any sort of benefits package to their workers for fear it will land them on the losing side of a misclassification battle. That has led Senator Mark Warner (D-Virginia) to craft a preliminary concept for a federal law that would assist local governments with funding and development of portable benefits for gig workers.

We have previously written about state efforts in this regard, most recently regarding the proposals floating in the state legislatures in Washington and New York. One of the proposals in New York, conceived by gig company Handy, would permit independent workers to be given the option from day one to acknowledge in writing that they are correctly classified as independent workers. In exchange, they would receive an additional 2.5% of the fee for each job that would be placed into an individual health savings account for the worker. The worker could then use that pre-tax money to buy health insurance or other benefits. But what Senator Warner suggests takes it a big step further.

Richardson reports that Warner’s concept could “mirror the DOL’s previous use of grants to spur innovation.” For example, he cites to the fact that the agency provided \$100,000 in grant money in 2016 for nonprofits to “experiment with portable retirement benefits for workers such as independent contractors.” His whole article is worth a read.

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