



Labor Department Initiative Could Permit Gig Workers To Obtain Healthcare Benefits

Insights

1.08.18

Among my list of “must-read” workplace law summaries is the weekly “Punching In” column put out by Chris Opfer and Ben Penn over at [Bloomberg Law’s Labor and Employment Blog](#) every Monday morning. [This week’s edition](#) contains two pieces of interesting news for gig businesses. The first is a recap of the little-known provision in the tax reform bill that could provide as much as a 20 percent reduction off the taxable earnings of gig workers, which could funnel even more people into the pool of gig workers (and incentivize those already in the pool to stay there). We discussed this a few weeks ago; you can read about it in more detail here in [this December 29 post](#).

The second points in the same direction. There is another federal move afoot that could make it more hospitable for your average American to throw their hat into the gig economy ring. Last Thursday, the [Department of Labor announced](#) that it would make some changes that would clear the path for small businesses and solo entrepreneurs to link together for the purpose of creating association health plans (AHPs). Our firm’s Employee Benefits Practice Group wrote about this development in a newsletter a few months back; you can [read about AHPs in more depth here](#) if you are so inclined. As a gig business, you really only need to know one thing: as Chris and Ben explain it: “the move is primarily meant to make it easier for smaller employers to offer health benefits to their workers while also steering clear of Obamacare requirements. But It also appears **to give gig workers the ability to join together to create their own health plans.**”

As you can imagine, this would be huge news for the gig economy. One of the issues that has caused a lot of otherwise-willing workers to only dip their toe in the gig world is the fact that they need a stable source of healthcare insurance, and they often find these in a traditional W-2 job. If a mechanism could be put into place that would allow individuals to join together and create their own system that would provide them healthcare, you could see an even greater explosion of talent in the gig world, with workers feeling more comfortable abandoning their 9-to-5 jobs in favor of a series of gigs.

We’ll keep an eye on this development and report back as more information becomes available.

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