



Gig Workers in New Jersey May Soon Have Benefits

Insights

3.03.20

A New Jersey lawmaker recently took a big step towards creating a system of benefits for gig economy workers. New Jersey State Senator Troy Singletary introduced [Senate Bill 943](#) which, if enacted, would “establish a system for portable benefits for workers who provide services to consumers through contracting agents” in the state.

S943 was [reported favorably out of the Senate Labor Committee](#) on February 13 and will next be considered by the Senate Budget and Appropriations Committee. The Senate Labor Committee [issued a statement](#) that summarizes the proposed law.

The bill would apply to a “contracting agent” which is defined “as a business entity that facilitates the provision of services by workers to consumers and makes payments to workers, with the workers providing the services being taxed as independent contractors.” S943 would require contracting agents that utilize at least 50 individual workers to provide services to consumers in New Jersey “over a 12-month period to contribute funds to qualified benefit providers to provide benefits to the workers.” The required contribution amount would be “the lesser of 25% of the total fee collected from the consumer for each transaction of services provided or six dollars for every hour in which the worker provided the services” which can be billed to the consumer. The required contributions “must be made to the qualified benefit provider on no less than a monthly basis and no later than 15 days after the end of the month in which the services were provided” and the qualified benefit providers must “use the contributions to provide benefits to workers as set forth in the bill.”

In addition to providing “workers’ compensation insurance to workers entitled to workers’ compensation benefits, and other approved occupational accident insurance to workers who are not entitled to workers’ compensation benefits” the providers “must provide some or all of the following benefits, as selected by the workers: health insurance, paid time off, retirement benefits, or other benefits determined by the providers.” However, any worker who “elects not to receive any of those benefits” would receive “an amount equal to one half of the contribution is to be provided as compensation to the worker.”

The bill also directs the Department of Labor to adopt rules for organizations who wish to become qualified benefit providers and sets certain minimum standards. [Under S943](#), workers would select their benefit provider and be provided with an open enrollment period each year.

S943 comes on the heels of [a similar measure from Washington State](#) introduced in January 2020, which contains a portable benefits provision for gig workers. We'll monitor the New Jersey bill – and any other portable bills proposals – and provide updates as appropriate.

Related People



Greg Grisham
Partner
901.333.2076
[Email](#)