

Seattle's New Independent Contractor Protections

Seattle's new [Independent Contractor Protections Ordinance](#) (the Ordinance) took effect on September 1, 2022. The law requires certain employers to provide independent contractors with disclosures both before entering a contract and at the time of payment.

Who Is Covered?

The law broadly defines "hiring entity" and "independent contractor" and exempts only a few kinds of relationships from its coverage.

A "hiring entity" is [defined as](#) any company that regularly engages in business or commercial activity, including nonprofit organizations. An "independent contractor" is [defined as](#) any self-employed person hired to provide services in exchange for compensation. More specifically, the law applies to self-employed independent contractors who (1) have no employees, (2) perform any part of their work in Seattle for a commercial hiring entity, and (3) will receive or may reasonably expect to receive at least \$600 in total compensation from the hiring entity between January 1 and December 31 in a given year.[\[1\]](#)

What Is Required?

First, hiring entities must provide independent contractors with the following before they begin work:

- A notice of rights under the Ordinance.
- A pre-work written notice that outlines the proposed terms and conditions of work and payment. The Ordinance does not require any specific terms or conditions for this pre-work notice; it only requires that such a notice be provided.

Second, whenever a payment is made pursuant to the contract, hiring entities must provide a written notice that includes specific, itemized payment information. Hiring entities must also issue timely payment in accordance with the terms and conditions of the pre-work written notice or contract. If there is no specified timeframe for payment, hiring entities should pay contractors within 30 days after completion of work.

Resources and Timeline for Compliance

Hiring entities with an independent contractor working for them as of September 1, 2022, must provide the required notice of rights and pre-work written notice to the contractor by September 30, 2022, or by the date of compensation, whichever is sooner. Moving forward, hiring entities must provide all independent contractors with the required notice of rights and pre-work written notice before the contractor begins work.

All the forms hiring entities are required to provide—[the notice of rights](#) and [pre-work written notice](#), as well as a [sample written notice of itemized payment information](#)—are available on the [Seattle Office of Labor Standards website](#).

Takeaways for Employers

The Ordinance imposes new requirements on employers who work with independent contractors. To ensure compliance, employers should review practices related to hiring and paying contractors and update as needed. If employers hire contractors after September 1, 2022, employers should make sure contractors promptly receive the required notices and begin providing the required disclosures with all future payments.

Endnote

[1] There [are a couple of exceptions](#) to the "independent contractor" definition. The Ordinance does not apply to (1) lawyers or (2) contractors whose relationship with a "hiring entity" is limited to renting property (e.g., a hairstylist renting a chair at a salon).

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