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September 26, 2024

September Tip of the Month: New York's "Freelance Isn't Free" Act: New Compliance Mandates for Independent Contractor Agreements Effective August 2024



Effective August 28, 2024, companies that engage independent contractors in the state of New York must now comply with New York's "Freelance Isn't Free" Act (the Act), a statute that imposes a range of new requirements pertaining to independent contractor agreements.

First passed by the state legislature in 2022, the Act now mandates that independent contractor agreements must, as a matter of law, include a range of specific contractual terms, including (1) an itemization of all services to be performed, (2) the rate and method of compensation, and (3) the date by which a contractor must submit a list of services rendered in order to meet a company's internal processing deadlines for payment. The Act also imposes frequency of pay, recordkeeping, and anti-retaliation requirements and enables individuals to file a lawsuit in court and/or a complaint with New York State Department of Labor to recover monetary damages from companies that violate the Act. Companies that engage independent contractors to perform services must promptly review their independent contractor agreements to ensure that they are in compliance with the Act's new mandates.

Authors

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