

---

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Jerry J. Guillot.

---

SB 460 Original	DIGEST 2020 Regular Session	Reese
-----------------	--------------------------------	-------

Proposed law enacts the "Flexible Work for All Act of 2020" to promote work opportunities for individuals with disabilities, provide greater flexibility for work hours, utilize workers' unique skill sets, address labor shortages, create additional opportunities for workers in rural areas, and bring clarity, certainty, and uniformity under state law with regard to differentiating employees from independent contractors, and by establishing objective and uniform standards for making that distinction.

Defines, "employment status" as the status of an individual as an employee or independent contractor for employment purposes, including without limitation wages, taxation, and workers' compensation issues.

Requires that for purposes of proposed law, an employer or agency charged with determining the employment status of an individual use the 20 factor test enumerated by the Internal Revenue Service in Rev. Rul. 87-41, 1987-1 C.B. 296, in making its determination and consider all of the following whether:

- (1) A person for whom a service is performed has the right to require compliance with instructions, including without limitation when, where, and how a worker is to work.
- (2) A worker is required to receive training, including without limitation through one of more of the following:
  - (a) Working with an experienced employee.
  - (b) Corresponding with the person for whom a service is performed.
  - (c) Attending meetings.
  - (d) Other training methods.
- (3) A worker's services are integrated into the business operation of the person for whom a service is performed and are provided in a way that shows the worker's services are subject to the direction and control of the person for whom a service is performed.
- (4) A worker's services are required to be performed personally, indicating an interest in the methods used and the results.
- (5) A person for whom a service is performed hires, supervises, or pays assistants.

- (6) A continuing relationship exists between a worker performing services and a person for whom a service is performed.
- (7) A worker performing a service has hours set by the person for whom a service is performed.
- (8) A worker is required to devote substantially full time to the business of the person for whom a service is performed, indicating the person for whom a service is performed has control over the amount of time the worker spends working and by implication restricts the worker from obtaining other gainful work.
- (9)
  - (a) The work is performed on the premises of the person for whom a service is performed, or the person for whom a service is performed has control over where the work takes place.
  - (b) A person for whom a service is performed has control over where the work takes place if the person has the right to either:
    - (i) Compel the worker to travel a designated route.
    - (ii) Compel the worker to canvass a territory within a certain time.
    - (iii) Require that the work be done at a specific place, especially if the work could be performed elsewhere.
- (10) A worker is required to perform services in the order or sequence set by the person for whom a service is performed or the person for whom a service is performed retains the right to set the order or sequence.
- (11) A worker is required to submit regular oral or written reports to the person for whom a service is performed.
- (12) A worker is paid by the hour, week, or month except when he or she is paid by the hour, week, or month only as a convenient way of paying a lump sum agreed upon as the cost of a job.
- (13) A person for whom a service is performed pays the worker's business or traveling expenses.
- (14) A person for whom a service is performed provides significant tools and materials to the worker performing services.
- (15) A worker invests in the facilities used in performing the services.
- (16) A worker realizes a profit or suffers a loss as a result of the services performed that is in addition to the profit or loss ordinarily realized by an employee.
- (17) A worker performs more than de minimis services for more than one person or firm at the

same time, unless the persons or firms are part of the same service arrangement.

- (18) A worker makes his or her services available to the general public on a regular and consistent basis.
- (19) A person for whom a service is performed retains the right to discharge the worker.
- (20) A worker has the right to terminate the relationship with the person for whom a service is performed at any time he or she wishes without incurring liability.

Provides that proposed law shall not apply to an individual who provides services as a leased-operator or an owner-operator of a motor vehicle or vehicles under contract to a common carrier doing an interstate business while engaged in interstate commerce regardless of whether the common law relationship of master and servant exists.

Present law, relative to unemployment compensation, defines "employment", in part, as services performed by an individual for wages or under any contract of hire, written or oral, express or implied, shall be deemed to be employment subject to present law unless and until it is shown to the satisfaction of the administrator all of the following:

- (1) The individual has been and will continue to be free from any control or direction over the performance of such services both under his contract and in fact.
- (2) The service is either outside the usual course of the business for which such service is performed, or that such service is performed outside of all the places of business of the enterprise for which such service is performed.
- (3) The individual is customarily engaged in an independently established trade, occupation, profession or business.

Proposed law repeals present law.

Effective August 1, 2020.

(Adds R.S. 23:971-975; repeals R.S. 23:1472.(E))