



NEW YORK STATE SENATOR

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Freelance Payment Protection Act Op-Ed by Senator Marty Golden

MARTIN J. GOLDEN April 4, 2012

The American workplace is undergoing a radical transformation: independent workers now make up a full 30 percent of the labor pool-and experts estimate that the figure could rise to 50% by 2020. Even though times are tough, these Americans aren't waiting around for big corporations to create opportunity for them: self-employed workers are launching more startups than at any time in the last 14 years. That's exactly the kind of economic engine we need to feed and nurture. Unfortunately, the 42 million freelancers working in this country lack the basic wage protections that other workers can count on. It's time to change that.

This year, I introduced S4129C which authorizes the Department of Labor to investigate complaints; make claims for compensation; assess liquid damages, civil penalties, and criminal penalties; and authorizes the award of attorney fees and liquidated damages. This legislation would afford independent contractors the same compensation guarantees as traditional employees.

Freelancers are among the fastest-growing workforce in the country, yet they're also among the least protected. They're discovering that the new gig economy offers none of the guarantees of traditional employment-not even a paycheck when the work is complete. Indeed, we've seen wave after wave of evidence of independent workers getting stiffed on payments-even from wealthy corporations who could easily pay, and would never dream of

withholding wages from their salaried employees. Freelancers Union surveyed its 165,000 members and found shocking numbers: members reported being cheated out of an average of \$4,643 in wages and were paid late an average of \$10,000. In all, 77 percent of Freelancers Union members reported struggling to collect-44 percent in the last year alone. When contractors challenge these deadbeat companies, they often find that the company turns around and blames another client, pretends to be confused about the terms of the payment agreement, or just disappears entirely.

Freelancers Union recently launched two new free tools to help independent workers push back on deadbeat companies and collect the money they're owed. A new Client Scorecard serves as an online directory-similar to Yelp or Angie's List-where freelancers can rate and review companies they've worked for, and a Contract Creator that allows freelancers to create customized, legally-binding contracts, without the expense of hiring an attorney. (Both tools are available at www.freelancersunion.org) The response has been great-but every freelancer knows these steps just aren't enough on their own.

When traditional wage workers are mistreated by their employer, they can file a claim with the State Department of Labor. Right now, Freelancers cannot. In order to recoup their pay they must go through the costly and uncertain ordeal of filing in small claims court. That's where the legislation I introduced comes in. The legislation gives independent workers the right to file claims with the Department of Labor, which would in turn be empowered to go after deadbeat companies on behalf of the claimant.

As more and more Americans are striking out on their own to support their families and start businesses, now more than ever we need this legislation to become law.