## Independent Women®

March 10, 2025

The Honorable Kevin Kiley U.S. House of Representatives Washington, D.C. 20515

Dear Congressman Kiley,

Independent Women is the leading women's organization dedicated to advancing policies that expand people's freedom, opportunity, and well-being.

We are pleased to strongly support the **Modern Worker Empowerment Act** and the **Modern Worker Security Act**, two federal bills that provide important protections for independent workers and expand access to critical benefits.

## **Protecting Independent Contracting**

Independent Women has fought for worker freedom, particularly protecting independent contractors against mass reclassification efforts at the federal and state levels. We are alarmed by the rising threats to new models of work that free American workers from traditional nine-to-five jobs.

Worker freedom is a women's issue. Half of the <u>over 70 million</u> freelancers nationwide are women. Many women work independently to balance earning incomes with raising children, caregiving for aging parents, and managing their health issues. <u>Nine out of ten</u> female workers who shifted from full-time employment to independent contract work said they did so to prioritize flexibility over stability.

The Biden administration, following the **example of California**, sought to destroy flexible work and force the reclassification of millions of men and women as employees, hoping to create a new pool of unionizable workers. Imposing a new rule changing the standard to determine independent contractor status to a test that weighs in favor of reclassifying workers as employees injected confusion, complexity, and uncertainty into the business environment.

Through our "Chasing Work" **storytelling campaign**, we profile many women and men who depend on independent contracting, from female truckers to journalists. They fear that their livelihoods are at risk.

We believe the Modern Worker Empowerment Act would provide a clear and predictable test to determine worker classification under federal labor law.

## **Portable Benefits**

Similarly, the Modern Worker Security Act is critical to secure portable benefits for independent workers without affecting their classification under federal law.

Voluntary portable benefits are a welcomed step to providing the nation's independent workforce with access to critical benefits, such as health insurance, unemployment insurance, disability insurance, life insurance, and retirement benefits—without losing their flexibility.

The Fair Labor Standards Act (FLSA) legally prevents companies from offering workplace benefits to independent contractors because they are non-employees. Millions of workers currently lack access to employer-provided employment benefits.

While some independent contractors can access workplace benefits through their other W-2 jobs or through the employment of their spouses and family members, **our research** finds that upwards of **40%** of independent workers lack access to any options.

Independent workers express a desire to gain access to work-related benefits. Some <u>80%</u> of self-employed U.S. workers support the idea of creating a portable benefits fund to help self-employed workers obtain health insurance and retirement savings.

The Modern Worker Security Act would clear the federal hurdles and permit portable benefits plans nationwide.

Thank you for your leadership in protecting worker rights. Independent Women strongly supports these bills and stands ready to support your efforts to advance these bills through Congress and to President Trump for signature.

Sincerely,

Patrice Onwuka Director, Center for Economic Opportunity Independent Women