

July 16, 2025

Senator Bill Cassidy, M.D.

Chair, U.S. Senate Committee on Health, Education, Labor and Pensions 428 Senate Dirksen Office Building Washington, D.C. 20510

RE: Support for the Unlocking Benefits for Independent Workers Act and the Modern Worker Empowerment Act

Dear Chair Cassidy,

HR Policy Association ("HRPA" or "Association") writes to applaud your leadership and express our support for the Unlocking Benefits for Independent Workers Act and the Modern Worker Empowerment Act. The Association has long advocated for greater access to muchneeded social security for independent contractors given their enormous importance to the American economy, as well as a clear, well-defined standard for determining worker classification. As detailed below, the Association believes that these two bills further these objectives and accordingly strongly advocates for its passage.

HR Policy Association is a public policy advocacy organization that represents the chief human resource officers of more than 350 of the largest corporations doing business in the United States and globally. Collectively, their companies employ more than 10 million employees in the United States, nearly nine percent of the private sector workforce. Since its founding, one of HRPA's principal missions has been to ensure that laws and policies affecting human resources are sound, practical, and responsive to labor and employment issues arising in the workplace.

The legal standard governing worker classification at the federal level has changed with every Presidential Administration since 2008, creating significant uncertainty for companies and workers alike. Differing state laws and overly strict regimes (such as California's AB5 law) further complicate the classification issue at best and unnecessarily restrict innovation and flexibility at worst.

The need for a new, straightforward standard that ends regulatory oscillation, provides legal clarity, and reflects modern work arrangements is therefore abundantly clear. The Modern Worker Empowerment Act is an important first step towards meeting each of these needs. The bill enshrines well-established common-law legal principles of worker classification for the purpose of determining classification at the federal level.

As the gig economy continues to grow and more workers rely primarily on app-based work for income, there is also a clear need for contractors to be able to access the social safety net generally reserved for full-time employees. Recently, certain states have enacted legislation or established pilot programs to meet this need.¹ Unfortunately, however, most current laws governing worker classification – including at the federal level – still prevent employers or other entities from providing these types of benefits to contractors without losing the desired flexibility that gig work provides or creating a full employer-employee relationship sought by neither party.

To ensure contractors have access to needed benefits while preserving desired flexibility, <u>HR</u> <u>Policy has long advocated for a federal legislative solution</u> that would establish a safe harbor for employers to provide contractors benefits such as health insurance, workers' compensation, skills training, and paid leave while retaining the contractor classification. The Unlocking Benefits for Independent Workers Act would empower employers to provide such benefits without impacting a worker's classification, and accordingly, the Association supports its passage.

The Modern Worker Empowerment Act and the Unlocking Benefits for Independent Workers Act bring much needed updates to worker classification law that promote legal clarity and continued workplace flexibility and innovation. HR Policy Association supports these bills through their scheduled hearings and stands ready to advocate for their passage throughout the legislative process.

Sincerely,

Gregory Hol

Gregory Hoff Assistant General Counsel Director, Labor and Employment Law and Policy HR Policy Association

CC: Members of the U.S. Senate Committee on Health, Education, Labor and Pensions

¹ Tennessee, Alabama, Utah, Pennsylvania, Georgia, and Maryland have all passed legislation or instituted pilot programs granting contractors access to certain portable benefits. *See, e.g.*, <u>https://www.hrpolicy.org/insight-and-research/resources/2025/hr_workforce/public/06/states-continue-to-expand-independent-contractor-r/</u>.