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## INDEPENDENT CONTRACTOR LAW AND REGULATIONS

The new law (R.I.G.L. 28-29-17.1) requiring independent contractors to file a Notice of Designation as an Independent Contractor (DWC-11-IC) with the Department of Labor and Training, Division of Workers' Compensation, became effective 1/1/01. As required by the new law, the Department has issued regulations that spell out the procedures the Department will follow upon receipt of a DWC-11-IC, as well as the method to terminate a DWC-11-IC. A copy of the Regulations is included with this Informational Letter.

The new law is aimed at tightening the "independent contractor loophole." The law requires all independent contractors to file a DWC-11-IC with the Department, thereby clarifying the employment relationship for all parties involved -- the worker, the hiring entity and the workers' compensation insurer. An individual filing a DWC-11-IC is provided information describing some of the differences between an employee and an independent contractor, including the fact that an independent contractor is not entitled to workers' compensation benefits. The form also states that an employer cannot force an individual to sign the DWC-11-IC. This provision is designed to protect an employee whose employer may be attempting to misrepresent the employment relationship.

It is important to note that the DWC-11-IC is for purposes of workers' compensation only. Completion of the form does not mean that an individual is an independent contractor under the statutes and rules and regulations of the Internal Revenue Service or the RI Division of Taxation.

The department will make available, both on line at [www.dlt.state.ri.us/wc](http://www.dlt.state.ri.us/wc) and by telephone at (401) 462-8100, information on whether an individual has filed a DWC-11-IC with the Department. Insurers should use this information during audits to determine a worker's status as an employee or independent contractor.

Copies of the DWC-11-IC and an pamphlet describing the new law, procedures and commonly asked questions may be obtained by calling the Department at (401) 462-8100.

Dr. Lee H. Arnold, Director