

New York City Law Protecting Freelance Workers Goes Into Effect on May 15, 2017

A new New York City law covering freelance workers goes into effect on May 15, 2017. The law, informally called the “Freelance Isn’t Free Act,” gives non-employee independent contractors the right to a written contract upon request. Penalties are imposed for failing to provide a contract on request, failing to pay freelancers timely and in full, and for retaliating against freelancers who exercise their rights under the law.

The purpose of the law is to provide protection to individuals who do not fit the legal definition of “employee,” and whose income is reported on a 1099 form instead of a W-2.

The law covers only those independent contractors that consist of one person, whether or not they are incorporated or use a trade name. The law covers only those freelancers whose contracts with the hirer in any 120-day period exceed \$800 in value. Sales representatives are excluded, but sales representatives are covered by an even stricter law, Section 191-a of the New York Labor Law. Lawyers and medical professionals are also excluded. The law applies to the private sector only.

Written contracts with freelancers must include an itemization of the services to be provided, and the amount, rate, timing, and method of compensation. Unless the contract states otherwise, the presumption will be that the freelancer is entitled to payment within thirty days of the completion of the work. The written contract required by this law need not be extensive. In many cases, a few short sentences should suffice.

There is no penalty for simply failing to provide a contract. Penalties are imposed only if the hirer refuses to provide a written contract after the freelancer requests one. It would be prudent, though, for hirers to provide written contracts to freelancers as a matter of routine.

The penalty for failing to provide a written contract upon request is \$250. The penalty for failing to pay a freelancer as promised is double damages. The penalty for retaliation is the value of the contract. In each type of case, the freelancer’s attorneys’ fees can also be awarded. Hirers who are found to have engaged in a “pattern or practice” of violating this new law can be fined up to \$25,000.

If you have any questions about this Information Memo, please contact any of the attorneys in our [Labor and Employment Law practice](#), or the attorney in the firm with whom you are regularly in contact.



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