Sponsored by:
Senator TROY SINGLETON
District 7 (Burlington)

SYNOPSIS
Establishes system for portable benefits for workers who provide services to consumers through contracting agents.

CURRENT VERSION OF TEXT
As reported by the Senate Labor Committee on February 13, 2020, with amendments.
AN ACT concerning portable benefits for certain workers and 
supplementing Title 34 of the Revised Statutes.

BE IT ENACTED by the Senate and General Assembly of the State 
of New Jersey:

1. As used in this act:
   “Contracting agent” means a business, organization, corporation, 
limited liability company, partnership, sole proprietor, or any other 
entity that facilitates the provision of services by workers to 
consumers seeking the services and makes payments to workers, 
where the provision of services is taxed as an independent 
contractor, using Form 1099.
   “Department” means the Department of Labor and Workforce 
Development.
   “Principal” means a person or company engaged in the business 
of manufacturing, who:
   a. manufactures, produces, imports, or distributes a product for 
wholesale;
   b. contracts with a sales representative to solicit orders for the 
product; and
   c. compensates the sales representative in whole or in part by 
commission.
   “Qualified benefit provider” means a nonprofit benefit provider 
that is eligible to provide benefits to workers of contracting agents 
pursuant to this act.
   “Worker” means a person who provides services to consumers 
through a contracting agent. “Worker” shall not mean:
   a. any person who contracts to solicit orders in New Jersey as 
the sales representative of a principal;
   b. any person subject to a collective bargaining agreement that 
specifies wages, terms and conditions of employment;
   c. any person engaged in the sale of financial products or 
services; or
   d. any person who is licensed by the New Jersey Real Estate 
Commission pursuant to R.S.45:15-1 et seq.

2. a. Contracting agents that have facilitated the provision of 
services by at least 50 individual workers in a consecutive 12-month 
period shall contribute funds to qualified benefit providers \(^{1}\)designated 
by the workers\(^{1}\) to provide benefits to the workers of the contracting 
agents. The requirement to contribute funds under this act only applies 
when the services are provided to consumers located in this State.
   b. (1) The contribution amount shall be the lesser of 25 percent

EXPLANATION – Matter enclosed in bold-faced brackets \([\text{thus}]\) in the above bill is 
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.
Matter enclosed in superscript numerals has been adopted as follows:
\(^{1}\)Senate SLA committee amendments adopted February 13, 2020.
of the total fee collected from the consumer for each transaction of
services provided or six dollars for every hour that the worker
provided services to the consumer. If determined per hour, then the
determination shall be prorated per minute.

(2) The contribution amount required under this section may be
added to the invoice or billing submitted to the consumer for the
services.

c. Contributions shall be made to the qualified benefit provider on
no less than a monthly basis and no later than 15 days after the end of
the month in which the services were provided.

d. Contributions shall indicate the assigned amount per worker
per transaction, according to the following:

(1) if a single worker provided services for a transaction, the entire
contribution is assigned to that worker; or

(2) if multiple workers provided services for a transaction, the
contribution is assigned proportionately to those workers.

3. a. Based on the contributions received under section 2 of this
act, qualified benefit providers shall ensure that benefits are provided
to workers as set forth in this section.

b. Qualified benefit providers shall provide to any worker
entitled to benefits based on contributions made under section 2 of this
act workers’ compensation insurance as required pursuant to
chapter 15 of Title 34 of the Revised Statutes [to those workers
entitled to benefits based on contributions made under section 2 of this
act], or, if the workers’ compensation insurance is not required for the
worker, occupational accident insurance which satisfies the minimum
standards for that insurance established by regulations promulgated by
the Commissioner of Banking and Insurance.

c. In addition to workers’ compensation insurance or
occupational accident insurance, qualified benefit providers shall
provide some or all of the benefits set forth in this subsection.
Qualified benefit providers shall solicit input from workers on their
benefits, and shall allow workers to choose from available benefits or
allocate the contributions among the following benefits:

(1) health insurance, including but not limited to subsidies to
purchase health insurance;

(2) paid time off;

(3) retirement benefits; and

(4) other benefits determined by the qualified benefit providers, on
behalf of the workers.

The worker may elect to not receive any of the benefits indicated
in paragraphs (1) through (4) of this subsection, in which case an
amount equal to one half of the contribution required pursuant to
subsection b. of section 2 of this act shall be provided as compensation
to the worker.
4. A worker entitled to benefits under this act shall select a qualified benefit provider and shall be given the option to change that selected qualified benefit provider once per year. Workers shall be provided information regarding available qualified benefit providers in a format that allows them to easily select their chosen qualified benefit provider.

5. The department shall adopt rules for organizations to become qualified benefit providers. At a minimum, the rules governing qualified benefit providers shall require that the following criteria are met:
   a. the organization shall be a nonprofit organization, operating under 26 U.S.C. s.501(c)(3) federal tax status;
   b. at least one-half of the organization’s board of directors shall be comprised of workers performing work for customers of contracting agents or representatives of bona fide independent organizations of those workers;
   c. the organization shall be independent from all business entities, organizations, corporations, or individuals that would pursue any financial interest in conflict with that of the workers;
   d. all action of the organization regarding providing benefits shall be for the sole purpose of maximizing benefits to the covered workers;
   e. the board of directors of the organization shall hold a fiduciary duty to the workers with respect to provision of the benefits; and
   f. the organization shall demonstrate adequate viability and financial sufficiency as determined by the department. At a minimum, the organization shall have:
      (1) cash reserves in a sufficient amount, as determined by the department;
      (2) liability coverage for an amount determined by the department;
      (3) access to bonding; and
      (4) other demonstrated competencies as determined by the department.

6. The department shall establish rules to implement and administer this act, including rules for:
   a. monitoring compliance of contracting agents;
   b. monitoring qualified benefit providers, including the ability to remove providers that are out of compliance with the criteria established under this act;
c. establishing a fee on contracting agents to fund the
department’s compliance efforts;
d. administering workers’ compensation coverage for workers
under this act; and
e. providing procedures for workers to select qualified benefit
providers, to change their selections annually, and to receive notices of
the right to select different qualified benefit providers.

The Commissioner of Banking and Insurance shall promulgate
regulations to implement and administer minimum standards for
occupational accident insurance under this act.

7. In addition to remedies provided by the department to a
worker for a contracting agent’s noncompliance, a worker may
bring a private cause of action against a contracting agent for the
contracting agent’s failure to comply with the contribution
requirements under section 2 of this act.

8. The requirements on contracting agents and the benefits
provided to workers under this act shall not be considered in
determinations of a worker’s employment status or a contracting

9. This act shall take effect on the sixth month next following
enactment, except the Commissioner of Labor and Workforce
Development may take any anticipatory administrative action in
advance as shall be necessary for the implementation of this act.