

Gig Workers And Employment Laws – Here's An Update



Source: [Unsplash](#)

Alt-Tag: Man carrying a delivery on a bicycle

Gig workers operate out of the non-traditional work arrangements. They have temporary contracts with companies that hire them; as a result, their income varies on the number of gigs they get at any given time.

These freelancers make up a considerable portion of the US workforce. Research shows that they'll be in the majority by 2027, when [50.9% of the workers](#) are freelancers.

Workers are entitled to certain rights, whether they are full-time employees or freelancers. However, the sad reality is that gig workers are not seen in the same light as full-time workers and are not offered the same benefits.

Even though gig workers are an essential part of our economy, their lack of rights was [highlighted after the onset of the Pandemic](#) when safety concerns, unemployment benefits, etc., were not extended towards them.

Read ahead to see the difference between full-time employees' and gig workers' rights and how the Pandemic has sparked a debate about the situation.

Ease Of Work

Gig workers have more control over their work and life. However, they must fulfill certain I.R.S. classifications to continue to be classified as such. These include:

- Maintain control of when, how, and what work they do
- Maintain control about how clients pay them after negotiations
- Maintain contracts stating work parameters as well as the end date

Simply put, gig workers have the flexibility to work from home or a location of their choice where they can manage their schedules and hours. This makes the job very interesting for a lot of workers.

On the other hand, full-time employees get protection under several laws, but the same is not valid for gig workers.

Labor And Employment Laws

Federal anti-discrimination laws safeguard full-time or part-time employees. But where discrimination based on race, religion, gender, disability, military status, marital status, sexual orientation, etc., is concerned, independent contractors don't have the same protection.

Gig workers only have state laws in some cases that can protect them. For instance, [Massachusetts was one of the first states](#) to provide unemployment benefits in 2020 to self-employed, gig workers, and others who do not benefit from the unemployment compensation laws.

Wage And Hour Laws

Several organizations like the I.R.S., state agencies, and the U.S. Department of Labor collectively make laws for full-time employees. These include provisions for fixed overtime pay, minimum wage, sick time, military leave, family leave, necessary breaks, etc.

Since government agencies enforce these laws, there is a strict check on businesses to comply. They are accountable for the fulfillment of these requirements or lack thereof.

However, once again, these laws are generally applicable to only full-time employees. On the other hand, gig workers rely on the soundness of their clients' contracts. In case of breach of agreements, independent workers have to resort to lawsuits to get their rights.

Correct Classification

Since independent contractors do not get all the rights that full-time employees do, businesses find it cheaper to hire them. These businesses will not have to cover benefits, pay taxes, or apply similar insurance policies.

Unfortunately, some companies incorrectly classify many employees as gig workers despite their job descriptions matching the I.R.S.'s employee classification.

However, in this case, workers can report that company to I.R.S. to investigate, penalize and levy taxes from a business that has misclassified its employees.

The Impact Of Covid-19 On Gig Workers' Rights

In the wake of the Pandemic, we have witnessed the importance of gig workers who provide us services yet still face a lack of protection. Since then, private companies and lawmakers have been making efforts to change the situation.



Source: [Pixabay](#)

The CARES Act

Citizens across the U.S. were relieved with the Coronavirus Care, Relief, and Economic Security (CARES) Act that the federal government passed last year. In addition to providing pandemic relief to everyone, it offered unemployment benefits for independent contractors, gig workers, and freelancers, enabling them to file for unemployment.

The CARES Act has taken a massive step towards including the previously neglected segment of the U.S. workforce.

Paid Sick Leave

Gig workers continue to work during the Pandemic. This puts them at a greater risk of exposure. To further exacerbate the situation, they don't have any paid sick leaves that could help them continue to pay their expenses even if they fall ill.

People, particularly [philanthropists and corporations, come up with funds](#) to fulfill this immediate need for paid leaves and healthcare. Countless gig workers across the nation are dependent on their kindness when they should have protection and health provision under the law.

However, as fair practice, companies shouldn't be solely responsible for this, and the government should step in. Seattle has become the trailblazer as the first city to pass a [local emergency ordinance](#) in June 2020, which is effective till 2023. The law requires companies to pay gig workers even when they are sick.

Safety And Protection Equipment

A major differentiating factor between employees and independent contractors is the safety and protection equipment provided to the former. While full-time workers are given such equipment, freelancers are responsible for arranging their own.

As a result, the [Helping Gig Economy Workers Act of 2020](#) was passed last year to provide safety equipment to gig workers so they can work safely during the Pandemic.

Uber and Instacart are some of the companies that have responded to this demand. But many gig workers across the country still face the same issues.

Conclusion

Gig workers are not considered the same as other employees because they are not hired full-time. Governments and organizations tend to overlook their work, even if it's similar to other employees.

Covid-19 has been an eye-opener for everyone who didn't quickly understand the importance of these workers. With this realization, many have moved to proclaim the rights of these independent contractors.

However, a lot more ground needs to be covered. We might see more debates and significant shifts in 2021 with lawmakers at the forefront to ensure gig workers' protection.